THE FUTURE IS PUBLIC

TOWARDS DEMOCRATIC OWNERSHIP OF PUBLIC SERVICES

EDITED BY
Satoko Kishimoto,
Lavinia Steinfort and
Olivier Petitjean

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The Future is Public: Towards Democratic Ownership of Public Services

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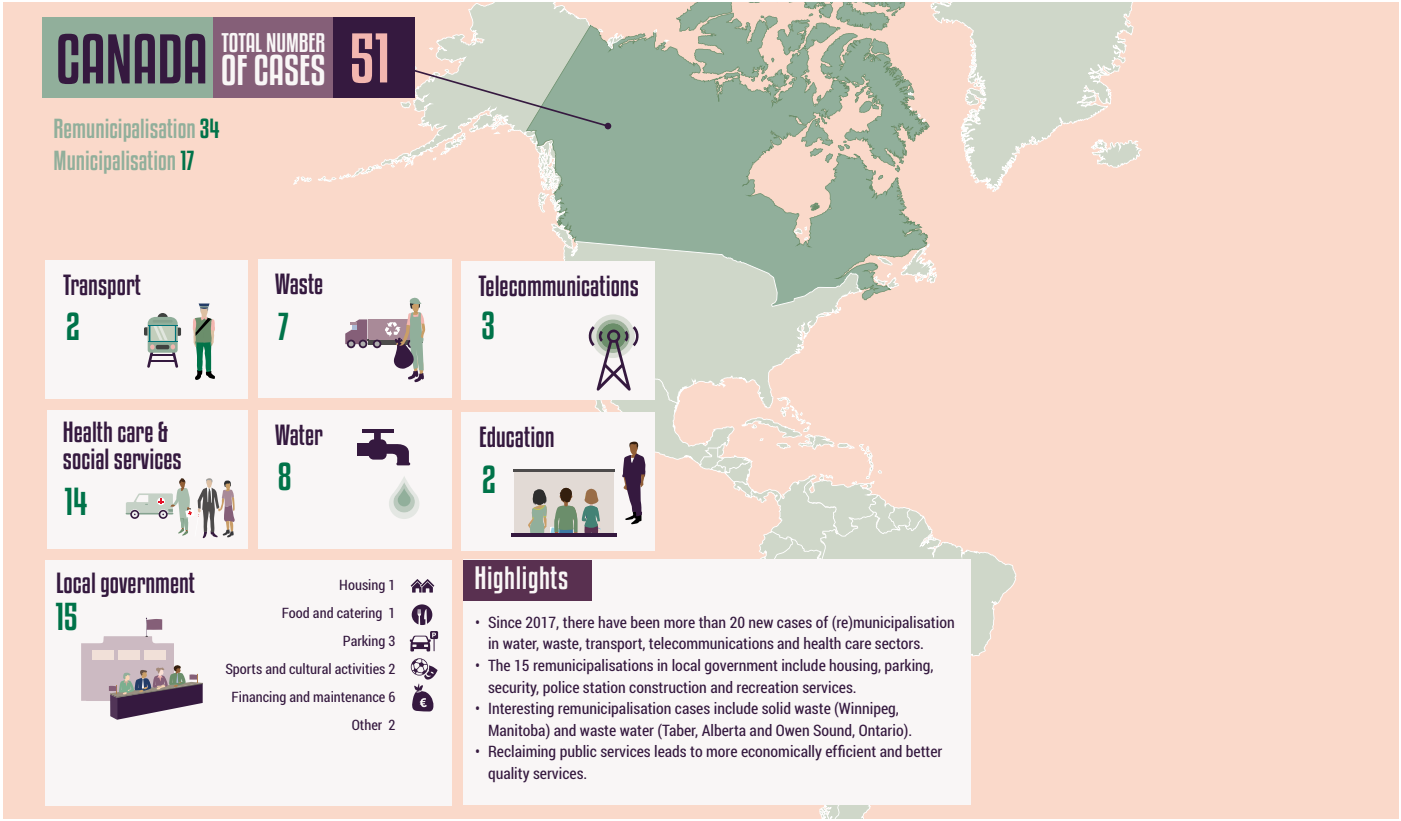
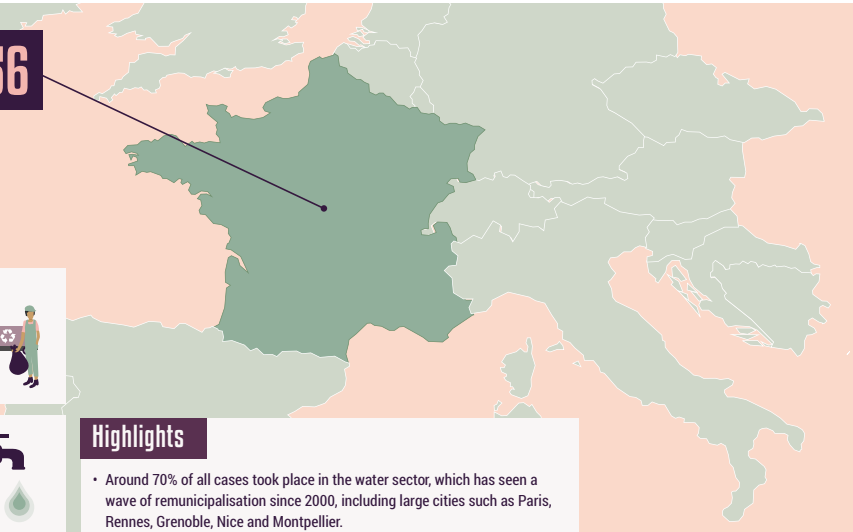
(Re)municipalisation 11 country profiles



FRANCE

TOTAL NUMBER OF CASES **156**

Remunicipalisation **155**
Municipalisation **1**



Transport 21

Waste 3

Energy 2

Water 109

Local government 21

Food and catering 4
Sports 1
Parking 3

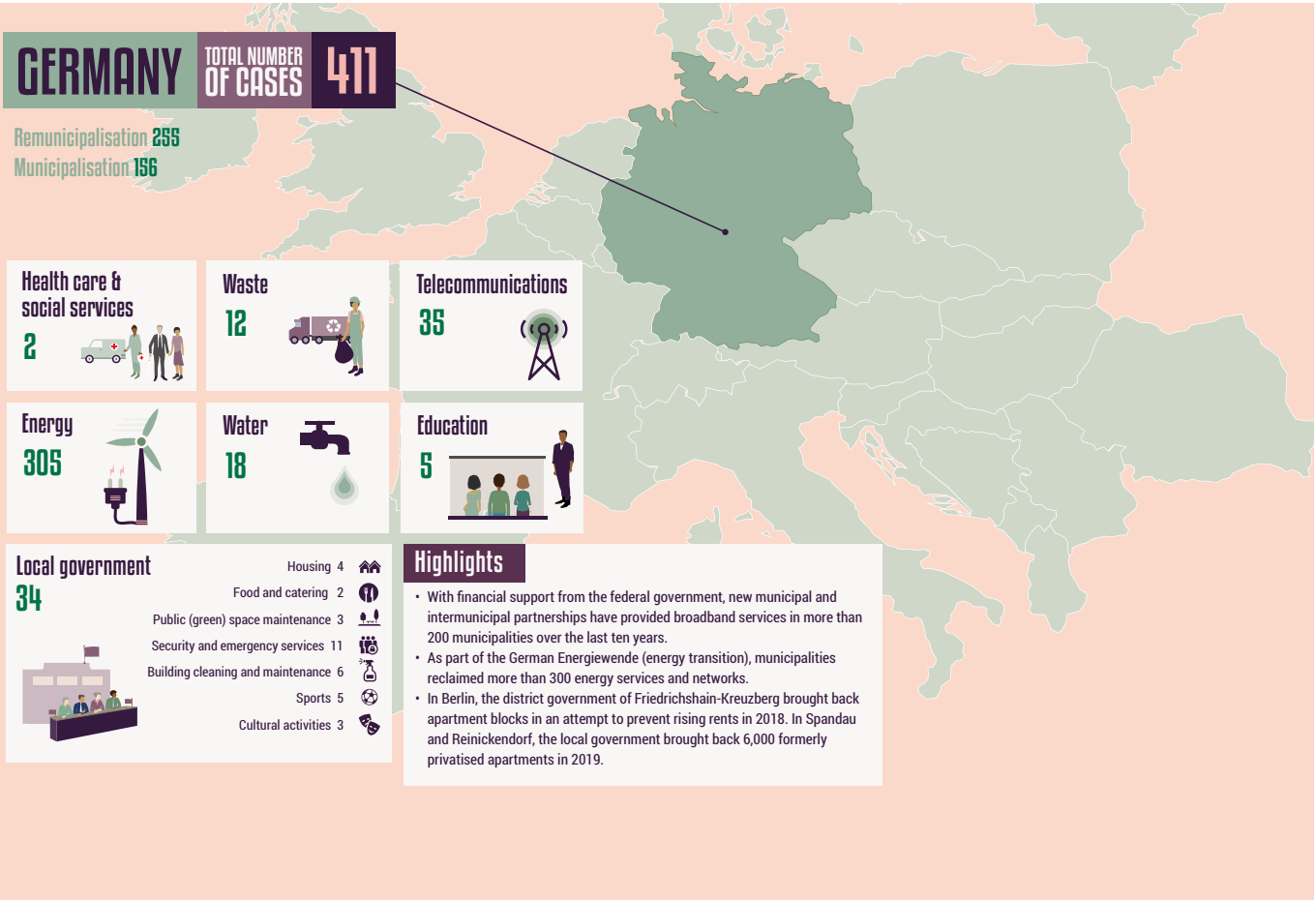
Highlights

- Around 70% of all cases took place in the water sector, which has seen a wave of remunicipalisation since 2000, including large cities such as Paris, Rennes, Grenoble, Nice and Montpellier.
- Paris is a significant model for remunicipalisation, with the introduction of groundbreaking democratic accountability mechanisms, an emphasis on access to water for all, including homeless people and migrants, and adaptation to climate change - while keeping prices lower than they were before remunicipalisation.
- Access to organic, local food in school restaurants and childcare is another sector where progressive cities and local authorities are reinventing public services, with the creation of municipal farms and innovative procurement policies.
- Several cities like Paris and Rennes have introduced innovative partnerships with the farming sector to protect water catchments, encourage a shift to organic production and create new markets for them through procurement and public labels.

GERMANY

TOTAL NUMBER OF CASES 411

Remunicipalisation 255
Municipalisation 156



Health care & social services
2

Waste
12

Telecommunications
35

Energy
305

Water
18

Education
5

Local government
34

- Housing 4
- Food and catering 2
- Public (green) space maintenance 3
- Security and emergency services 11
- Building cleaning and maintenance 6
- Sports 5
- Cultural activities 3

Highlights

- With financial support from the federal government, new municipal and intermunicipal partnerships have provided broadband services in more than 200 municipalities over the last ten years.
- As part of the German Energiewende (energy transition), municipalities reclaimed more than 300 energy services and networks.
- In Berlin, the district government of Friedrichshain-Kreuzberg brought back apartment blocks in an attempt to prevent rising rents in 2018. In Spandau and Reinickendorf, the local government brought back 6,000 formerly privatised apartments in 2019.

NORWAY

TOTAL NUMBER OF CASES 42

Remunicipalisation 39
Municipalisation 3

Health care & social services

18

Waste

19

Local government

5

Building cleaning and maintenance 4

Security and emergency services 1

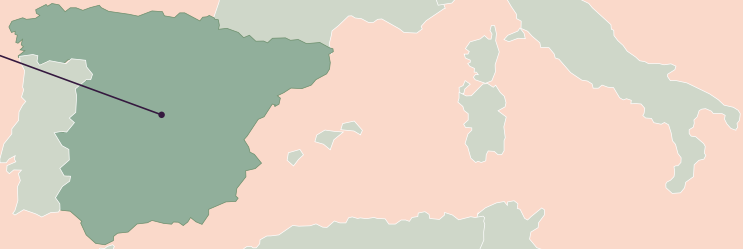
Highlights

- In 2017, more than 100 municipalities took public control over their waste collection after RenoNorden's bankruptcy.
- Merging small towns into one municipality provided an opportunity for inter-municipal remunicipalisation or creation of an integrated municipal company with public sector solidarity and capacity building.
- Remunicipalisation of care services (nursing homes, elderly care) and local government services (staffing agency) are significant.
- Strong and strategic role of workers' unions in the process of remunicipalisation.

SPAIN

TOTAL NUMBER OF CASES **119**

Remunicipalisation **105**
Municipalisation **14**



Health care & social services
14

Waste
6

Energy
18

Water
38

Education
2

Local government
41

- Housing 2
- Food and catering 1
- Public (green) space maintenance 12
- Parking 6
- Building cleaning and maintenance 10
- Sports 2
- Cultural activities 2
- Construction 1
- Funeral services 2
- Other 3

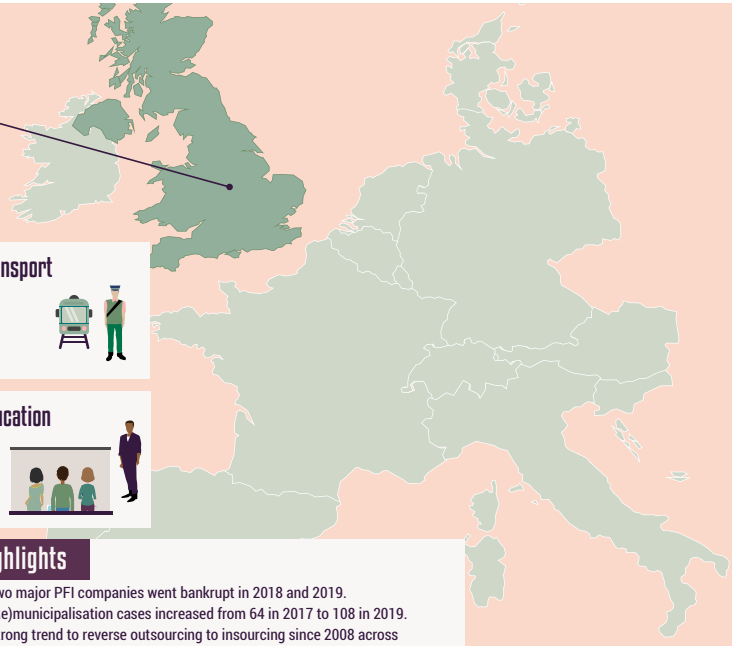
Highlights

- The number of (re)municipalisations has more than doubled since 2017.
- A very strong social and municipalist movement has pushed for the 38 water remunicipalisations.
- Water remunicipalisation in Terrassa is leading to new forms of democratic decision-making. With the support of civil society, the city created a Water Observatory so users can participate in public management.
- Valladolid has saved €13.3 million since water remunicipalisation in 2017, almost 4% of the municipal budget for 2018.
- In total, 41 local government services were remunicipalised, such as school canteens, green spaces, parking, cleaning and funeral services.

UK

TOTAL NUMBER OF CASES **110**

Remunicipalisation **96**
Municipalisation **14**



Health care & social services
9

Waste
15

Transport
12

Energy
13

Water
2

Education
4

Local government
55

- Housing 18
- Food and catering 3
- Public (green) space maintenance 4
- Security and emergency services 1
- Parking 1
- Building cleaning and maintenance 9
- Sports 2
- Cultural activities 1
- IT 7
- Construction 3
- Prison 1
- Human resources 2
- Other 3

Highlights

- Two major PFI companies went bankrupt in 2018 and 2019. (Re)municipalisation cases increased from 64 in 2017 to 108 in 2019.
- Strong trend to reverse outsourcing to insourcing since 2008 across all sectors and foremost in local government (IT, housing, cleaning and maintenance), as well as waste and transport.
- Public ownership of water, energy, rail, mail and NHS enjoys public support. For example, 83% support public water.
- Remunicipalisation, insourcing and new public service experiences fuel the growing national demand for democratic public ownership.

CHILE

TOTAL NUMBER OF CASES **44**

Remunicipalisation **2**

Municipalisation **42**

Health care & social services

40

Education

1

Local government

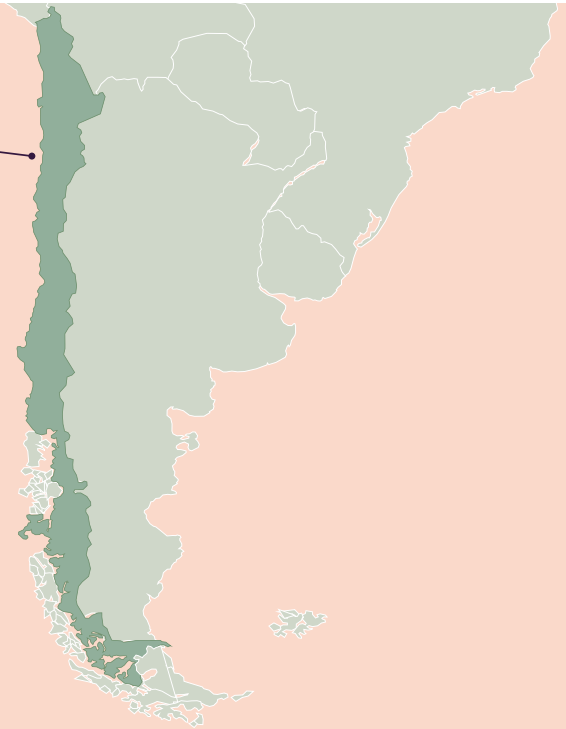
3

Building cleaning and maintenance 2

Housing 1

Highlights

- Between 2015 and 2018, 40 new public pharmacies have been created and the "Chilean Association of Popular Pharmacies" brings these municipalities (80 in total) together.
- They follow the public pharmacy model of the local government of Recoleta, where some residents are now spending 70% less on medication per month.
- In 2018, the local government created the Open University of Recoleta.
- Today it provides 150 courses in the areas of arts, science, humanities, social science and technology. In total, 3,300 students have taken one or more courses at the Open University.



DENMARK

TOTAL NUMBER OF CASES **35**

Remunicipalisation **29**
Municipalisation **6**

Health care & social services
8

Waste
13

Energy
2

Local government
12

- Building cleaning and maintenance 7
- Construction 1
- Human resources 3
- Other 1

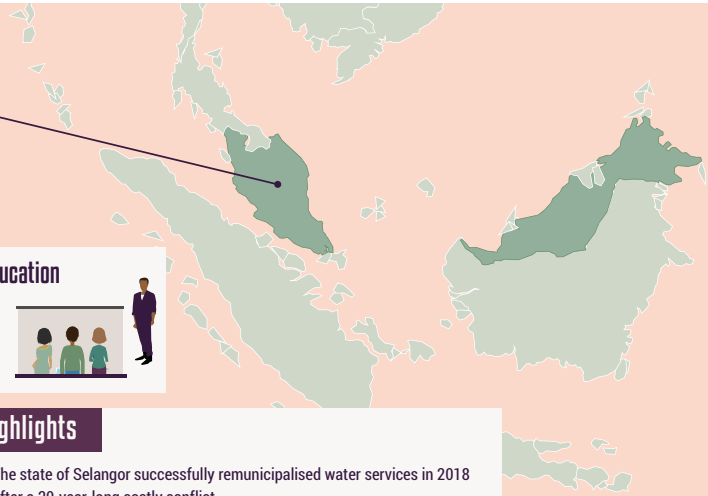
Highlights

- Privatisation in the elderly care sector, imposed by flawed "free choice" policies, has proved uneconomical, with 54 cases of bankruptcy of private providers since 2013.
- The municipality of Frederiksberg (part of Copenhagen) saved even more money than it expected when it decided to collect and manage its waste through its own, employee-led company in 2011.
- Several examples of remunicipalisation and insourcing of cleaning services by local goverments and hospitals because of quality problems and labour standards.

MALAYSIA

TOTAL NUMBER OF CASES **16**

Remunicipalisation **1**
Municipalisation **15**



Health care & social services

4

Telecommunications

1

Education

6

Transport

1

Water

2

Local government

2

Housing 1

Food and catering 1

Highlights

- The state of Selangor successfully remunicipalised water services in 2018 after a 20-year-long costly conflict.
- The state of Selangor's People's Care Initiative (IPR) started in 2008, as an integrated social protection program which covers education, health care, housing and food. They focus on low income families being able to access all these services.
- Free water (20 cubic meters/a month/a family), free bus transportation and 300 free internet Wifi spots are also part of the program.

PHILIPPINES

TOTAL NUMBER OF CASES 21

Municipalisation 21

Health care & social services

4

Energy

1

Education

3

Local government

6

- Public (green) space maintenance 1
- Food and catering 4
- Security and emergency services 1

Water

7

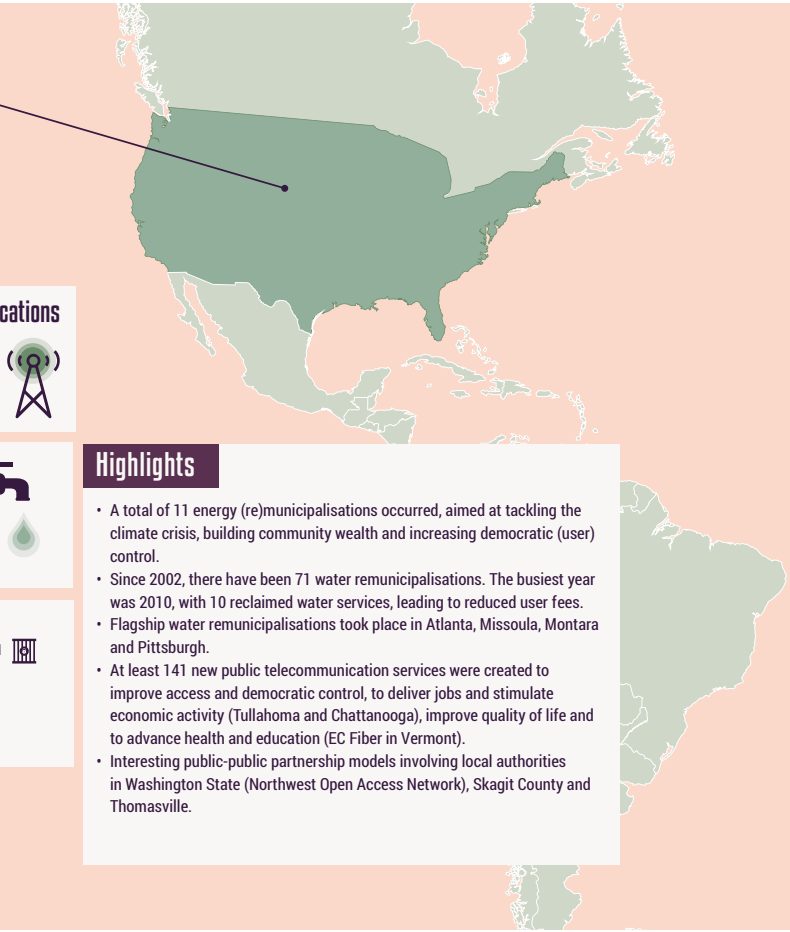
Highlights

- Philippine municipalities are creating new public services to increase welfare-based social protection.
- Binalonan started delivering effective health care services to residents, including care centres and financial support for health services. The municipality reduced chronic child malnutrition by 17% and increased use of contraceptives by 51%.
- The municipality of Cainta Rizal launched its "One Cainta" program in 2016, providing free education through the establishment of a college, enrolling 800 students per year, and additional health care facilities, improving access to medical services for economically disadvantaged groups.
- Philippine municipalities are taking on an important role in increasing the country's climate resilience, by establishing integrative approaches to farming and fishing, ecosystem protection, and energy generation (Del Carmen and Lanuza).

USA

TOTAL NUMBER OF CASES **230**

Remunicipalisation **81**
Municipalisation **149**



Energy **11**

Telecommunications **145**

Health care & social services **2**

Water **71**

Local government **1**

Prison 1

Highlights

- A total of 11 energy (re)municipalisations occurred, aimed at tackling the climate crisis, building community wealth and increasing democratic (user) control.
- Since 2002, there have been 71 water remunicipalisations. The busiest year was 2010, with 10 reclaimed water services, leading to reduced user fees.
- Flagship water remunicipalisations took place in Atlanta, Missoula, Montara and Pittsburgh.
- At least 141 new public telecommunication services were created to improve access and democratic control, to deliver jobs and stimulate economic activity (Tullahoma and Chattanooga), improve quality of life and to advance health and education (EC Fiber in Vermont).
- Interesting public-public partnership models involving local authorities in Washington State (Northwest Open Access Network), Skagit County and Thomasville.

Introduction

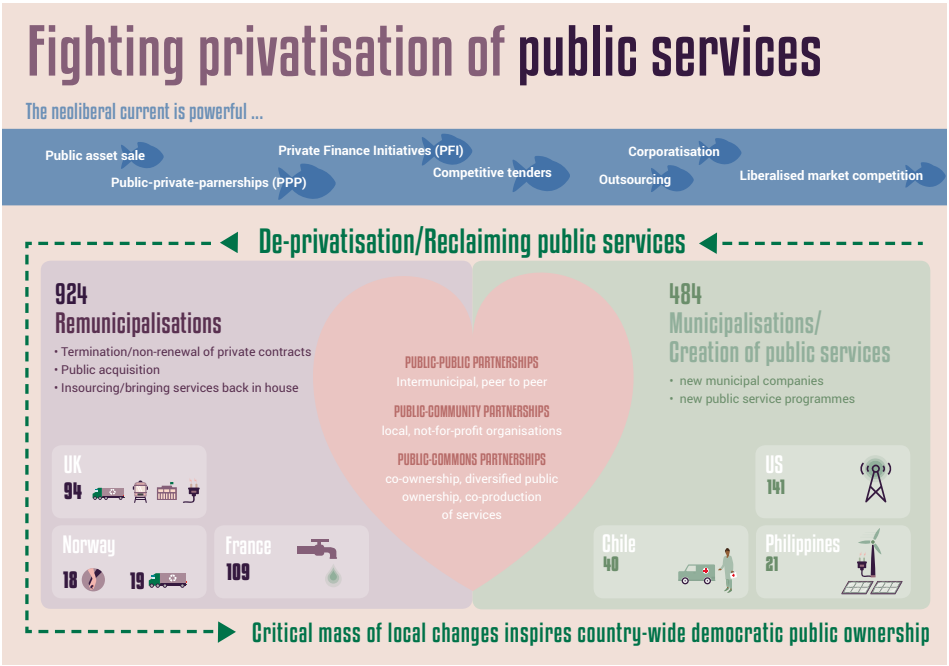
All over the world, cities and local communities have been claiming back public services or reinventing them to serve the needs and realise the rights of people, and to tackle social and environmental issues collectively. This wave of (re)municipalisation is taking place at a critical moment. In spite of mounting challenges and social revolts, neoliberal ideas still hold sway over many national governments and international organisations, pushing an agenda of privatisation and austerity and a trade regime favourable to transnational corporations. Far-right political movements seek to capitalise on people's insecurity and anger, and are using racism and xenophobia to divide us. Progressive forces can counteract by offering a vision for alternatives rooted in solidarity and cooperation, but also by delivering concrete solutions such as decent jobs, access to public services for all and resilient local economies.

The Covid-19 crisis clearly demonstrates the disastrous effects of years of austerity, social security cuts and public service privatisation. The most glaring effect is on health systems. In developed countries, these have undergone 'optimisation' and new public management reforms, as well as public staff hiring and investment freezes often pushed through post-2008 crisis fiscal consolidation measures. As consequences, both public and privatised healthcare services are now primarily run to minimise cost and generate profits. In developing countries, donor conditionalities have imposed sharp reductions in public spending, going as far as targeting public health workers' wages. The net result unveiled by the Covid-19 pandemic is the inability of healthcare systems run this way to deal with a health crisis, where the severe shortages of medical equipment and staff have visibly translated into many more dead, especially among the most vulnerable and among health personnel.

The same holds for the rest of public services, which have been weakened by decades of cuts, chronic underinvestment and privatisation. The global pandemic exposes that market dynamics should not apply to social priorities and public services. Water and sanitation workers are essential to sanitise, providing the first line of defence to break the contamination chain. Energy staff ensures that hospitals can operate life-saving devices, while people can cook, heat homes, work remotely and keep in touch with their loved ones during lockdown. Waste services safely collect and dispose of contaminated medical and household refuse, while disinfecting public space even as employees risk their own health and safety. And the list goes on. These vital public services should be run with the primary objective of delivering universal access and keeping everyone alive and safe.

As the world prepares for a post-Covid-19 order, there is more than ever an opportunity to reclaim a central role for substantial investment and rebuilding in quality public services for all worldwide, and remunicipalisation is a fully legitimate, key option governments have in their policy toolkit to make that happen. Progressive forces and civil society actors must confidently promote this approach as market actors and neoliberal forces will oppose significant resistance as they seek to return to business as usual.

Privatisation of public services now stands more discredited than ever before. Nevertheless, it remains high on the agenda of private corporations and financial markets, as well as that of many national governments and international institutions. Privatisation takes many forms and disguise names, including public-private partnerships (PPPs), private finance initiatives, outsourcing, corporatisation, 'right to choice', forced competition and market liberalisation. While privatisation has been pushed on the basis of its alleged 'efficiency' for more than three decades, study after study researchers have revealed how little evidence there is to support this policy option over public ownership. What they



have found, instead, are increasing costs and declining quality for service users, worsening conditions for workers and virtually non-existent accountability, transparency and democratic control. The chapters in this book bring more evidence of all these failings while also offering insight into public alternatives under development on the ground. Given the powerful forces lined up against public management of services, it is all the more remarkable that so many services and facilities are being de-privatised, that is, returned to public ownership and control. This global trend shows that people embrace the value of public services, and highlights the determination of communities, workers and elected officials to defend the commons.

(Re)municipalisation understood as the creation of a new public service – municipalisation – or reversals from a period of private management – remunicipalisation – is a sound response to the experience of failed

privatisations from a political and financial standpoint, but also from an environmental and human rights perspective. Worse than not delivering on promises of economic efficiency for local authorities and citizens, this neoliberal policy has utterly failed to deliver on its promises of universal access to basic services and of environmental sustainability.

These failures of privatisation contrast with the achievements of (re) municipalisation – or de-privatisation. Around the world, citizens and their elected representatives are building better performing, more democratic and inclusive public services at the local level. The stories behind these efforts and the results are diverse, but they illustrate a common purpose. In a context of climate emergency, mounting inequalities and growing democratic unrest, (re)municipalised services are showing how they can help preserve the social fabric of democracy. The Covid-19 pandemic provides yet one more example of how public services and the people who operate them are truly at the heart of a healthy and resilient society and that these services need public control and sufficient funding to be most effective. Universal public services have proven to be one of the foundations of democratic societies, past and present. They remain one of our few alternatives to a dystopian future (already a reality in many countries) in which good quality services, heavy on technology, would be reserved for the wealthy few, and in which access would not be considered a universal human right anymore. Fortunately, as this book shows, another world is possible; what is more, it is actually taking shape in front of our eyes.

Collaboration on a colossal undertaking

This book is the result of the collaboration of civil society organisations, trade unions, academics, local authorities and public enterprise officials from across the globe. It is the latest stage in a common journey. In 2014, under the title *Here to Stay: Water remunicipalisation as a global trend*, we published a first landmark survey of more than 180 cases of

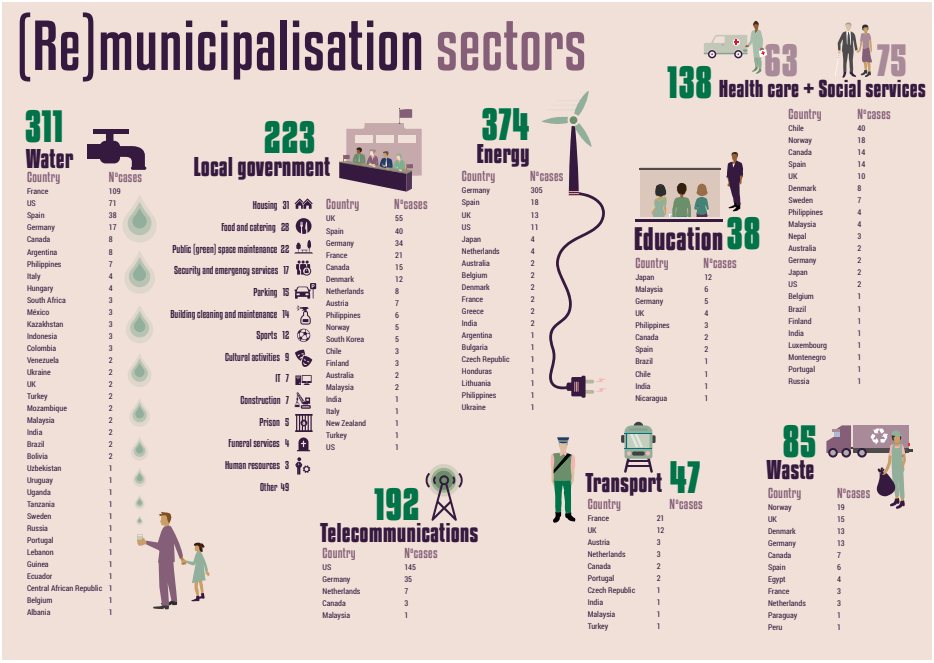
remunicipalisation in the water sector worldwide. A few months later, with the publication *Our Public Water Future: The global experience with remunicipalisation*, this updated list totalled 235 cases and delved into the concrete challenges of making water remunicipalisation work. At the same time, more and more reports kept coming in of remunicipalisation and similar developments happening in other sectors, starting with the impressive creation of local, renewables-based public energy operators in Germany. Undeterred by the immensity of the task, we decided to extend our scope to (re)municipalisation in multiple sectors with our 2017 publication *Reclaiming Public Services: How cities and citizens are turning back privatisation.* We were rewarded with 835 cases from virtually all sectors of public service and from every continent. Still it was obviously only the tip of the iceberg.

By the end of 2019, we identified a global list of 1,408 cases when considering both remunicipalisation (924 cases of services returning to public hands) and municipalisation (484 cases of newly public services), involving more than 2,400 municipalities in 58 countries. We are still very far from uncovering every single case of cities or local authorities reclaiming public services, but this book continues to deepen our understanding of (re)municipalisation efforts in all their diversity, taking us to new countries and opening up new sectors. Research shows that (re)municipalisation is still going strong in sectors such as energy (374 cases) and water (311 cases). Building on findings from previous publications, we were able to gather more information about many cases, especially in terms of concrete, favourable outcomes for communities and the environment.

We also found vibrant (re)municipalisation trends in sectors that we had not anticipated, such as health care and telecommunications. The latter fell completely outside the scope of our previous publications, yet we found regional and municipal governments stepping in to bridge the digital divide by offering affordable high-speed Internet service, ensuring accessibility and revitalising local economies in small towns and rural areas where private telecom companies are reluctant to invest because it is not profitable. This serves to show that even an economic sector usually seen as the exclusive domain of corporate giants can be municipalised for the purpose of delivering a universal public service.

New evidence of the positive impacts of (re)municipalisation

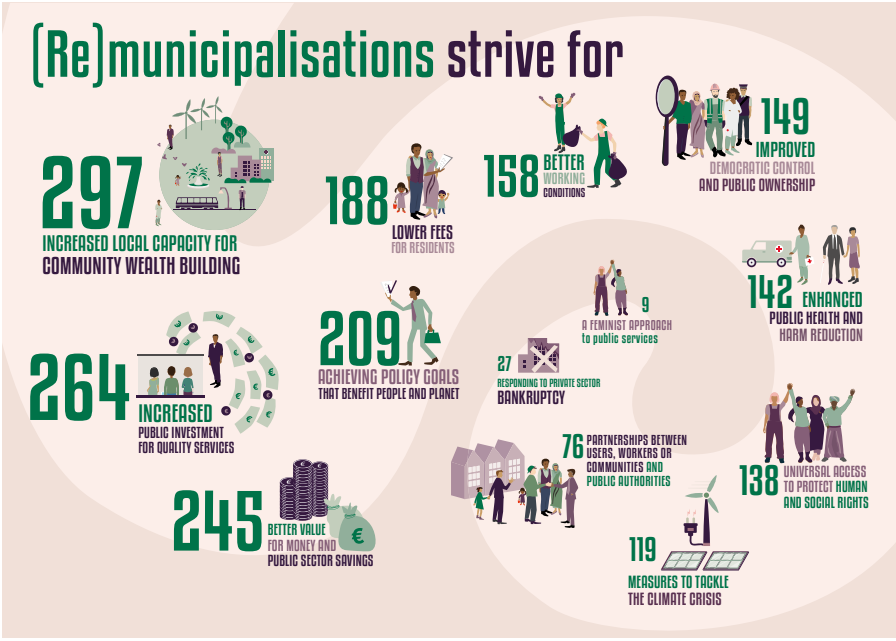
The global survey of (re)municipalisation[1] conducted for this book counted 1,408 cases by the end of October 2019. While capacity and language limitations did not allow for analysing the impacts for 47 per cent of these cases, researchers could identify 12 categories of positive impacts for the other 53 per cent. This means that we can confidently



say that at least 744 (re)municipalisations are expected to or did result in one or more positive impacts. Yet due to this research gap, the numbers introduced below are rather conservative. Indicators on costs and working conditions are mainly compared with performance under previous private management, but not exclusively. More details on methodology are presented in Appendix 1.

The most direct and obvious impacts of public service (re)municipalisation are related to operating costs and infrastructure financing. In 245 cases identified, local authorities intended or had already managed to save costs by bringing a service back in house. At times, the aim or result was lower user fees (188 cases). In at least 264 cases, public investment by either new public companies or local authorities was expected to increase or had already risen after de-privatisation to improve services and protect the environment. In other words, public management of services yields

better value for money. Pioneering cities and public companies have demonstrated the strength of the public sector in this area; they are able to make long-term investments to protect the environment.



Workers providing public services are key as their conditions inevitably reflect onto their ability to deliver quality services. Overall, employment conditions were maintained after (re)municipalisation and even markedly improved in 158 cases. Workers achieved more protection and better conditions than in the private sector – especially the most vulnerable. The involvement of trade unions was critical on that front. A significant number of de-privatisations have had a positive impact on the local economy, from creating decent employment to attracting new business and research centres in local communities.

Ecological sustainability and social empowerment were enhanced or were expected to be enhanced in 297 cases, both of which play a key role in building community wealth. It is our duty to develop integrated climate and energy policies focused on de-carbonisation – for the sake of future generations – and municipal moves away from privatisation or new municipal services did or were foreseen to contribute to the ecological transition in at least 119 cases. When it comes to protecting the environment, integrated public policy coordination across different departments within local government is key, and (re)municipalisation in the areas of energy, waste, housing, water, food and transport have had or are very likely to have a clear positive impact (209 cases).

Public services should be accessible to everyone, regardless of households' purchasing power. Because water, energy, education, medical and social care are essential for all, universal access and affordability should be the starting point of public services design. Public services have proven to be fundamental social determinants of public health and well-being (142 cases). They also advance equality, as illustrated by (re)municipalisations that have (re-)established public commitments to protect social and human rights in many communities (138 cases).

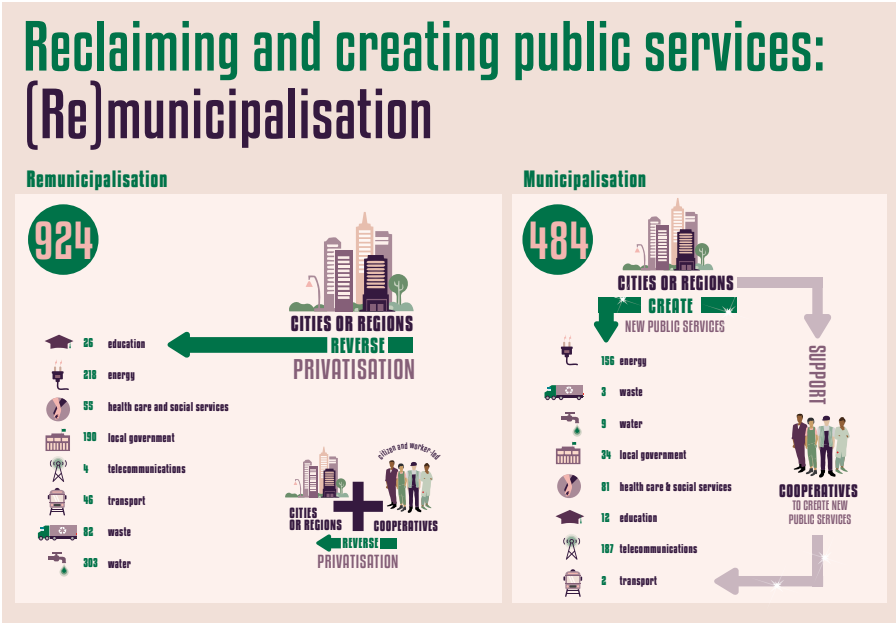
To varying degrees, the global list of 1,408 cases collected for this book demonstrates how public actors can (re)establish public values and the role of governments to serve the interests of the people and the planet by reclaiming or creating public services. All of the elements referred to above are key ingredients for progressive public ownership in the twenty-first century. The promise of (re)municipalisation lies beyond the traditional concept of 'public' to embrace stronger, and in some cases novel, forms of democratic governance and control. We found clear evidence of the introduction or improvement of democratic mechanisms in at least 149 cases, ranging from increased accountability, transparency and information disclosure to establishing participatory governance in public corporations.

What does (re)municipalisation mean?

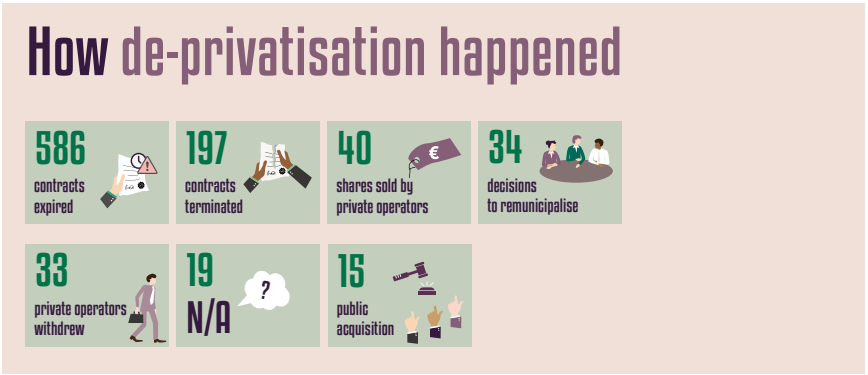
From a research standpoint, one of the criticisms of remunicipalisation is that the term lacks conceptual clarity, confusing municipal with other administrative levels, new service delivery with reversals from private management, and encompassing varied governance forms, from mixed ownership systems to full public management. In this book, the authors have deliberately and explicitly only included actions by subnational levels of governments (municipal, inter-municipal, regional and state/province). This explains why 'renationalisations' are excluded, putting local actions front stage.

'Remunicipalisation' refers to the process of bringing previously private or privatised services under public ownership and control at the local level. 'Municipalisation' refers to the creation of brand new public services. (Re)municipalisation refers to both the creation of new public services and reversals from private management.

While in principle the focus is on the cases of services returning to full public ownership or those built as such, the list presented here also includes a small number of cases of predominantly public-owned (typically more than 50 per cent) services when this mixed model is based on clear public values, public interest objectives and when it includes a form of democratic accountability. Similarly, the development of new co-ownership models, in which local authorities collaborate with grassroots not-for-profit organisations and share ownership, are also considered.



Although these cases are few, they bear a huge democratic potential when it comes to co-managing local resources – and are thus directly connected to the overall purpose of (re)municipalisation. More details on the research methodology used for this book can be found in Appendix 1.



While this book showcases numerous examples of (re)municipalisation of public services, new cases of privatisation continue to emerge in parallel. But this book is about more than just comparing numbers. It is about a growing movement. In many ways, privatisation is the easy option for government authorities: it is pushed by powerful players, comes with plenty of international funding, and is enabled by favourable legal conditions. This state of affairs enables politicians who are wary of the electoral cycle to hide the real cost of privatisation by keeping it out of the current public balance sheet and deferring expenditure to a future government.

Overview of the book

Remunicipalisation is fuelled by the aspiration of communities and local governments to reclaim democratic control over public services and local resources, in order to pursue social and environmental goals and to foster local democracy and participation. It is not solely a change of ownership or a technical matter. It is a political and collective endeavour, which comes to life in diverse socio-economic and political contexts, involving many different actors. From water to health care, from energy to transport, each sector has its specificities. The 15 chapters assembled in this book help understand these dynamics. They were written by researchers, activists, trade union leaders and professionals who have long worked on de-privatisation of public services in their respective countries and sectors.

Part 1 offers in-depth and contemporary stories from (re)municipalisation hot spots around the planet, illustrating the breadth of the movement. It tells of more than 20 new cases of remunicipalisation in the water, waste, transport, telecommunication and health care sectors in Canada since 2017; of how, in Denmark, 54 privately run elder care centres went bankrupt since 2013 and many local governments reassessed the market-driven, competitive tender policies on ‘free choice’; or of how, in 2017,

more than 100 municipalities took public control over refuse collection after RenoNorden's bankruptcy in Norway.[2]

This first section of the book also recounts the successes of the flagship Paris water remunicipalisation, 10 years on. At the same time, it veers into new territories, such as the waste sector in Africa, where private management has a record of neglecting poor neighbourhoods and rural areas and disregarding the basic rights of informal waste-pickers. Experiences from Egypt to Zanzibar demonstrate the potential of public service to address these issues while achieving 'zero waste' objectives. Another chapter looks at (re)municipalisation in the UK, offering an overview of recent de-privatisations in many sectors, from the local to the national level, in a country that has long been a pioneer of privatisation and PPPs. The author explains how this has fed into the policy commitment of the UK Labour Party since 2016 to bring energy, water, mail and rail back into public control. Despite the defeat of the Labour Party in the general election of December 2019, and in the wake of the Covid-19 outbreak, one Conservative Party minister admitted that their government will end up implementing most of their rival's programme to prevent an economic crash from happening.[3]

What remunicipalisation and municipalisation have in common is their contribution to a renewal of public values and commitments, and their putting users, workers, communities and sustainability front and centre. In that regard, some of the chapters offer precious insights into the adventure of establishing new public services. For example, the commune of Recoleta in Chile created a municipal university providing free high education and the country's first popular pharmacy to offer affordable medicines, with a subsidised price representing savings of up to 70 per cent. In a similar show of deeply held public ethos, regional and municipal governments in Malaysia and the Philippines initiated integrated social protection programmes to ensure low-income families have access to education (from day care to university) and basic health

care. In a high-income country context, there is the story of at least 141 new public telecommunication services that were created recently in the US to improve access to and democratic control of broadband Internet, delivering jobs, improving the quality of life and stimulating economic activity.

Part 2 entitled 'From (re)municipalisation to democratic public ownership' looks at key remunicipalisation actors, cross-cutting issues and partnership strategies, all with a focus on enhancing democratic control. It tells of how corporations have responded to remunicipalisation in the French water sector, by trying to dismiss it, undermine it, and finally undercut it by offering steep price cuts that will impact the quality of public services in many cities. This price dumping tactic is undermining the public sector elsewhere and local authorities should avoid this trap; instead, service quality for all and long-term sustainability should be prioritised. Another chapter examines the challenges of ownership transition for workers globally, shedding light on the growing union experience in this field, drawing lessons learned and identifying critical factors for success. This section also emphasises the importance and potential of collaboration between public enterprises for knowledge creation and sharing as public-public partnerships. Finally, a few chapters explore what democratic public ownership looks like. There are experiences such as that of Terrassa, in Spain, where co-management and co-ownership of water is being put in place; or initiatives at both the local and national level to achieve a transition to de-carbonised energy systems; or efforts at integrating workers' and citizens' knowledge for democratic public management.

All of these topics were at the centre of discussions at the international conference 'The Future is Public: Democratic Ownership of the Economy' held in December 2019 in Amsterdam. The conference was co-organised by the sponsors of this book (17 organisations that have been working together on remunicipalisation research and advocacy) in collaboration

with a new think tank, 99 van Amsterdam, created and supported by that city government. The conference was attended by 400 people including dozens of politicians, unionists, academics and activists from around the world. It was also an opportunity to present the preliminary results and findings of this research. It demonstrated how (re)municipalisation is one of the beating pulses and rallying points of a wider movement that includes public services unionism, efforts to democratise the state and public ownership, the growing municipalist movement, or cities seeking to initiate a radical climate transition.

The conference ended with a note of caution: Endeavours to build economic democracy must bear in mind the need to inculcate democratic forms of ownership at all levels, not only cities. At the same time, experiments at the local level such as (re)municipalisation prefigure and contribute to broader scale changes. Transformations at the municipal level can be a starting point – not necessarily an end in itself. In contexts where the political opportunities for radical change at the municipal level are more open than at the national level, taking advantage of this political space can translate into much-needed gains and engage local populations at the grassroots, while simultaneously building capacity and experience in ways that can be transferred in national and international politics when chances arise.

This book seeks to expand dialogue and collaborations among communities to achieve the critical mass that is needed to make that quantum leap.

Endnotes

1 The global list of (re)municipalisation consisted of 1,408 cases by the end of October 2019. The database is available at: *https://futureispublic.org/remunicipalisation-global-database/*. An interactive database is under construction in collaboration with the University of Glasgow. It will be accessible through the above link in the near future. Additional cases and information will be added to this new database as they are collected.

2 19 cases of remunicipalisation were reported since several municipalities acted together as an inter-municipal arrangement and took over the bankrupt private company.

3 Peston, R. (2020) 'Boris must borrow from Corbyn's playbook to prevent a coronavirus crash', The Spectator, 17 March. *https://www.spectator.co.uk/article/boris-must-borrow-from-corbyn-s-playbook-to-prevent-a-coronavirus-crash*

Part 1.
Reclaiming public services around the world

Chapter 1

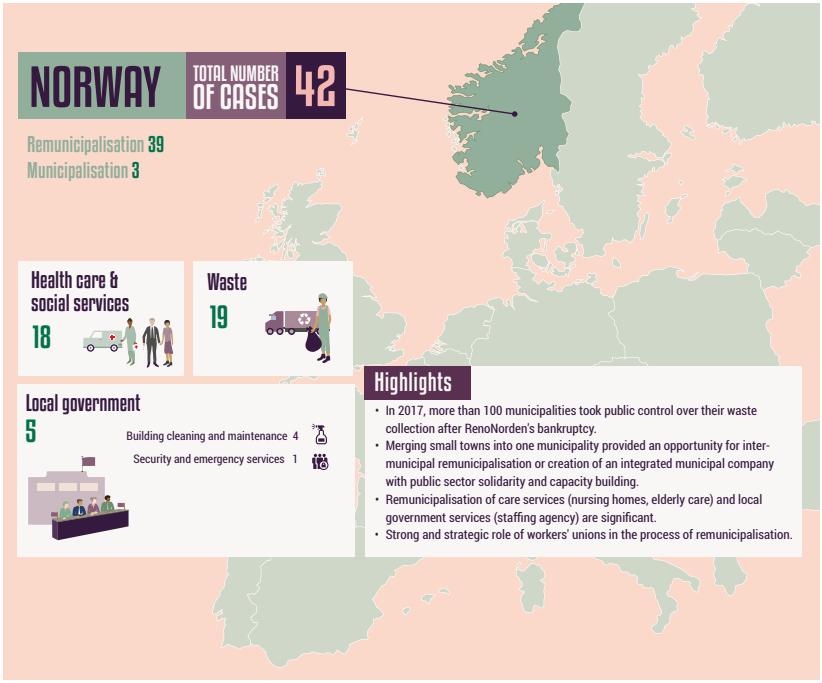
Norway: Bankruptcy sparks more than 100 cases of remunicipalisation

By Nina Monsen and Bjørn Pettersen

When one of Norway's largest waste collection companies went out of business, Fagforbundet used it as a stepping-stone for taking waste collection back into public hands. The waste collection company, RenoNorden,[1] declared bankruptcy on 19 September 2017. Since then more than 100 municipalities, alone or in cooperation, have taken public control of their waste collection. The strategic thinking and hard work of Fagforbundet and its local unions and shop stewards played crucial roles in this achievement. Before RenoNorden's bankruptcy some municipalities were aware that the company faced difficulties in the Norwegian market, especially after RenoNorden announced it would terminate nine less profitable municipal contracts signed in 2015 and 2016. Workers in commercial waste companies faced some of the worst conditions in the country, according to county-level representative Anders Kollmar-Dæhlin who was part of the project team working on getting waste collection back in house. "Many of the employees in RenoNorden had 90-hours work weeks. These over-worked drivers are driving on the same roads that our kids use to get to school," Kollmar-Dæhlin says.

In Norway, waste collection is financed with tax revenue. But private companies contracted to deliver the services usually pay their employees lower wages and pensions than municipalities that manage those services in house. "The commercial companies make profit at the expense of the common resources of the municipality's welfare services," Kollmar-Dæhlin adds. Kragerø municipality in southern Norway was quick to act

and negotiated with RenoNorden to terminate its contract. It became the first municipality to take back waste collection. The result was better pay for employees and lower fees for residents (See Box II).



Box I

Fagforbundet

Fagforbundet, the Norwegian Union of Municipal and General Employees, is the largest trade union in Norway. The union has 370,000 members. Our members work mainly in the public sector, in local and county government and in hospitals, as well as in the private sector. Fagforbundet also represents 17,000 shopkeepers across the country.

A chance for success

Fagforbundet saw the demise of RenoNorden as an opportunity to bring waste collection back into public hands in all 137 municipalities affected by the company's collapse. The day it declared bankruptcy, Fagforbundet's Secretary General Mette Nord sent a clear and direct message to local unions in the affected municipalities: "To avoid a breakdown of waste collection, the municipalities that had contracts with RenoNorden will most likely have to take over the waste collection in the short term. Our aim is to make this takeover a permanent solution." Nord underlined that Fagforbundet's competence centres, which are regional support centres on labour law and collective agreements, and county-level unions that back and support the local unions would be prepared to give support and follow-up to the remunicipalisation efforts. The union also provided assistance for financial analysis and cost calculations.

Although there had been some reporting on a possible bankruptcy, it came as a surprise to most municipalities. Some had started to consider alternatives, but the local shop stewards and union representatives were not sufficiently involved in these discussions. According to procurement regulations, municipalities can enter short-term contracts with other suppliers without tenders when a provider goes bankrupt. Some municipalities outsourced to a new private company, but most remunicipalised or even municipalised the waste collection, as they had never provided the service in house before. To aid the process, a project team of professionals from Fagforbundet's head office and a union representative from the county level went on the road to support affected unions. By February 2019, 110 municipalities had voted to remunicipalise or municipalise waste services either through inter-municipal companies or on their own.

Keeping knowledge in house

There are many advantages to keeping waste collection in municipal hands. Municipalities have better democratic control and can predict costs. Municipal delivery keeps the knowledge in house, and provides decent working conditions, better pensions and training opportunities for employees. It also means equipment is put to better use and the municipality has control over recycling and how waste is used. When services are in municipal hands, it also lays a foundation for employee-driven innovation, which in turn leads to better services.

Case I: Kragerø

A good-news waste collection story

Kragerø was the first municipality to take its waste collection back into public hands in connection to RenoNorden's bankruptcy. Employees and their shop stewards were on the lookout and alerted the municipal administration that RenoNorden was not fulfilling its duties as a waste collection company. In an agreement with RenoNorden, Kragerø terminated the contract before it went out of business. After a thorough analysis, the municipality decided to take waste collection back in house.

Kragerø is ruled by a political constellation of the Labour party and its allies on the left of Norwegian politics. According to the vice-mayor of Kragerø, Charlotte Therkelsen Sætersdal, the analysis showed it was more effective and cost-efficient to remunicipalise waste collection and bring it under the control of the elected local government. The fee for residents was reduced by 14 per cent after remunicipalisation, even as wages and pensions for the employees increased. The municipality saved money by avoiding expensive tendering processes and benefited from having its own full-time employees in waste collection who could also carry out duties in other areas of responsibility for the municipality.

In addition to better pay, employees who went from RenoNorden to the municipality as their employer are reporting improvements in their work situation. Workers without formal training are being offered support to obtain vocational education diplomas for their skills. The number of part-time workers has gone down, and workers are getting permanent contracts with more hours or full-time positions.

"Removal of refuse and handling of waste are important tasks in society. The service should be run by an organisation with a broader mandate than making a profit," says Vice-Mayor Sætersdal.[2]

Morgan Martini and Kjell Arne Isnes are two of the workers who were employed directly by the municipality when Kragerø took over waste collection. "Now we don't have to worry whether we will have a paid job in the future," they said to Fagforbundet's magazine Fagbladet. Byline/Photo: Morgan Andersen.

A brief overview of the Norwegian model

Norway is a system of relatively free-market capitalism combined with a comprehensive welfare state that aims to provide universal social services. This model delivers positive outcomes – Norway has high scores on a variety of social indicators. Some might think Norway's high oil income feeds the economy, but Norway channels less than three per cent of its return on oil investments into the annual state budget.

There is a high level of trust in Norwegian society, founded in social dialogue and tripartite cooperation at the national and municipal levels. Collective agreements and collective bargaining at the national level, with some local adjustments, ensure a relatively small wage gap, especially in the public sector. Small wage differences, a low unemployment rate and a high employment rate ensures strong purchasing power. Most residents pay taxes because a large part of the population works or is on a pension scheme. The combination of high private demand, fair taxation and a minimal informal economy is good for the overall economy.[3]

Approximately half of all employees in Norway are union members. Eighty per cent of public employees are union members, whereas less than two out of five are union members in the private sector. However, the trend in Norway, as in many European countries, is that of a decline in the number of people organised in trade unions.

Box ll

Tripartite dialogue

The Nordic model of tripartite dialogue and cooperation has a long tradition and has proven successful. Municipal tripartite cooperation refers to constructive cooperation between politicians, administrative leaders and trade unions. The aim is to work together to create a culture of cooperation that promotes finding

the best local solutions to the specific challenges facing the municipality. By creating a forum to share ideas, suggestions from employees and other more marginal voices are brought forward and handled systematically by the management of the municipality. Local tripartite cooperation is not a formal part of political decision-making; it is merely a part of the development process. The rationale is that different views and perspectives lead to better solutions.

Empowered shop stewards

Fagforbundet's strength is founded on the principles of the Norwegian model, and comes from our many members, who make us the country's biggest union and ensure we have a broad representation. Our strength is what let us be proactive when RenoNord was going bankrupt, turning the situation into an opportunity for remunicipalisation. We have empowered employees, represented by trusted shop stewards and good political and administrative systems to solve workplace challenges. According to our basic agreement4 and labour regulations, shop stewards have an obligation to react when they suspect breaches of our labour regulations. In addition, Fagforbundet has shop stewards and trade union representatives at all levels of the country's administration: national, county and municipal. Fagforbundet is made up of more than 550 local branches. Each local branch is a fully functional trade union where members elect their local representative. Fagforbundet has nearly 17,000 experienced shop stewards across the country, and 18 county-level organisations. Fagforbundet also gains strength from being under the umbrella of the Norwegian Confederation of Trade Unions.

Sirkula: an inter-municipal company takes back control

Four municipalities northeast of capital city Oslo have taken waste collection back as a joint endeavour. The four municipalities co-own an inter-municipal company, Sirkula, which is responsible for handling and collecting waste from 41,000 households in the region.[5]

Sirkula had contracted out waste collection to RenoNorden with operations starting on 1 January 2017. By 18 January 2017, a local newspaper revealed that 800 complaints had already been received about the company's lack of services. Before RenoNorden's collapse, Sirkula already faced many challenges with the private company.

Complaints grew and RenoNorden's poor service received more local media coverage. In response to the complaints, RenoNorden simply imposed more loads and longer working hours on their employees. Eventually the Labour Inspection Authority launched an investigation and documented massive use of overtime and violations of several labour regulations. RenoNorden was denounced for violations of the Working Environment Act.

When RenoNorden went bankrupt later that year, in September 2017, the four municipal owners of Sirkula entered into a short-term contract with another private company. But Fagforbundet's aim was to end tendering and have Sirkula take over waste collection. The union worked through its local and regional branches to get the four municipalities to bring waste collection back in house.

Fagforbundet's project team of professionals from head office, along with a union representative from the county level, supported the local union and other branches of Fagforbundet. The project team held meetings with trade unions and union representatives in the four municipalities and

ensured regular communication. The main objective was to influence the municipalities to vote against new tender processes for waste collection.

Political influence on Sirkula owners

Local politicians in the Sirkula-owner municipalities guide the management of the company. Sirkula's structure allows the local government in each of the owner municipalities to elect a political representative to a committee, which elects the company's board of directors.

Widely sharing political, economic and professional rationales behind remunicipalisation is an important part of the strategy for taking back services in inter-municipal companies. Thus, the local trade unions, with the support of the project team, met with all the political parties. The union's county level coordinated this work and the project team ensured that local unions and union representatives were equipped with those political, economic and professional arguments. Local union representatives took advantage of the media attention on RenoNorden's breaches of labour regulations and bankruptcy, providing interviews and comments.

In April 2018, the supervisory board of Sirkula voted in favour of taking over the waste collection. Although inter-municipal companies can seem out of the control of city councils and residents, the Sirkula case shows how to ensure better democratic oversight of an inter-municipal company. It also highlights that an inter-municipal company can efficiently take over a service that the municipality has not previously delivered on its own.

New municipalities commit themselves to remunicipalisation

A new threat, in the form of structural reforms and municipal mergers, may pave the way for privatisation by creating bigger and more attractive markets for private companies in rural regions. This may have been one of the reasons behind Norway's government – a coalition of neoliberals and conservatives – introducing an extensive structural reform in 2015.

Fagforbundet, in cooperation with allied political parties, managed to turn this neoliberal strategy to our advantage, using it to boost public sector solidarity, capacity-building and efficiency.

Initially, Fagforbundet opposed the structural reform, arguing that the policy of merging municipalities should be based on facts and referendums and should not be forced. But when parliament approved the structural reform, Fagforbundet shifted gears to focus on making municipal mergers an opportunity for remunicipalisation.

Municipalities established after the merger of smaller ones will be operating as of January 2020. Several of these new municipalities have already committed to remunicipalisation of public services. In the government's own words, one of the goals of the reform was to create "robust municipalities that can be assigned additional tasks and responsibilities."[6]

Opponents of the government's policies saw the reform as preparation for large-scale privatisation. But local union representatives turned the argument upside down, saying that large, robust municipalities are strong enough to provide all services on their own, without tendering to private contractors. The new municipality of Asker is an example of a municipal merger that will lead to several cases of remunicipalisation. (See Case II)

Case ll: New municipality of Asker takes services back into public hands

The merger of three municipalities into the new Asker municipality will result in six inter-municipal companies closing down and widespread remunicipalisation.

The new municipality will have 90,000 inhabitants and 6,000 workers. Anders Fosen, shop steward for Fagforbundet in the current Asker municipality, is pleased that politicians have voted to shut down inter-municipal companies and take the services back into the new bigger municipality. Fosen told *FriFagbevegelse*, the Norwegian labour movement's online magazine, that the process has increased the level of trust among the workers:

"We have established a well-functioning tripartite cooperation and dialogue. The unions have come together across the three merging municipalities and we will have renewed strength in the new municipality with 6,000 workers behind us."

Six inter-municipal companies will close down. The services that will be taken over by the new municipality include water and drainage services, property management and transport. Fosen does not fear new tenders to private contractors in the new municipality:

"After the ribbon-cutting for the new municipality, I do not expect any politician to bring up controversial cases such as outsourcing and tendering of public services. If they do, it will be very damaging for the working environment and the quality of the services."[7]

Lessons learned

The lessons learned from this situation are not restricted to cases of bankruptcy and waste collection. Fagforbundet has used the same strategy successfully in many other cases, as the example of the ongoing structural reforms in Norway shows.

Looking back, we would give ourselves and other unions the following advice:

- Make use of the skills and competence of the entire organisation at all levels
- Support the local shop steward, the local trade union and union representatives taking part in the local political processes
- Contact the employees and shop steward in the private company, regardless of their union membership, with the aim to get access to strategic and financial documents in the company
- Find out if you have any potential allies among the board of directors of the company
- Get in touch with the person responsible for the outsourced service in the administration of the municipality
- Confront local politicians with the union's viewpoints
- Use existing networks within the labour party and other political allies to influence future decisions
- Try to influence representatives from parties outside the political ally as well
- Adjust arguments to different target groups. Some key supporting arguments for remunicipalisation are more relevant to the municipality's administration, some to local politicians and some to the local union. These arguments include:
    - More flexibility when service needs change
    - Better democratic control
    - Predictable costs
    - Decent working conditions

  - Better pay and pension
  - The ability to train and keep skilled employees
  - Better use of equipment
  - Improved environment for employee-driven innovation
  - The ability to benefit from recycling and to increase recycling rates
- Use local/regional media positively. Develop a media strategy and follow it
- Social media must be part of any media strategy
- The union's regional and/or national level must support the local union and local union representatives with relevant information and knowledge
- The union's regional and/or national level should ensure the local level has the resources it needs

ABOUT THE AUTHORS

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Bjørn Pettersen is Head of the Restructuring Unit, Fagforbundet. He has a broad experience in the management of public development programmes.

Endnotes

1 After the bankruptcy in Norway, the business people behind RenoNorden established a new company, NordRen, to compete for the tenders to collect waste in Norwegian municipalities. RenoNorden ASA is still one of the largest waste collectors in the Nordic countries, with branches in Sweden, Finland and Denmark. See the article in Fagforbundet's magazine for shop stewards, 6 December 2018, by Ola Tømmerås (in Norwegian), *https://fagbladet.no/nyheter/nytt-storselskap-kinesere-eier-det-spanske-selskapet-som-na-skal-kjore-soppel-i-51-norske-kommuner-6.91.599935.fa1f968e0b*. See also RenoNorden's company website (in Norwegian), *http://www.renonorden.no/category/uncategorised/*

2 Interview in Fagforbundet's magazine for shop stewards, 20 September 2018, by Nina Monsen (in Norwegian), *https://www.fagforbundet.no/for-tillitsvalgte/omstilling/a/8904/renovasjon-i-egenregi-ndash-gront-og-lonnsomt/*

3 SAMAK, the Nordic Labour Movement's Organization, brochure on the Nordic model (2016) (in English), *http://samak.info/wp-content/uploads/2016/09/THE_NORDIC_MODEL_FOR_DUMMIES.pdf*

4 In the Norwegian context collective agreements usually consist of two parts: a basic agreement which governs the relationship between organisations and sets predominant rules (stating both parties' rights and duties, such as the employees' right to access to information, and the shop steward's "obligation to react" to suspected breaches of labour law); and a national agreement regulating wages and working conditions for a certain industry or sector.

5 Sirkula's company website (in Norwegian), *https://www.sirkula.no/*

6 Press release on the local government reform, 14 May 2014, on the Norwegian Government's website (in English), *https://www.regjeringen.no/en/aktuelt/Local-government-reform-to-secure-future-welfare/id759493/*

7 Interview in the labour movement's online magazine, 9 February 2018, by Bjørn A. Grimstad (in Norwegian), *https://frifagbevegelse.no/nyheter/nye-asker-kommune-legger-ned-selskaper-og-tar-de-ansatte-og-tjenestene-tilbake-6.158.528533.b8b22df506*

Chapter 2

Paris celebrates a decade of public water success

By Célia Blauel

A decade ago, the municipality of Paris decided to take water management back into public hands. This decision in a global city like the capital of France had a worldwide impact. It ended a long period of fragmented and opaque organisation by a joint venture in charge of water production and by two private corporations in charge of water distribution since the mid-1980s. That structure had diluted accountability and meant continuously rising water tariffs. Remunicipalisation of water has resulted in a diverse, democratically elected board, tariffs dropping by eight per cent, 1,200 drinking water fountains installed across the city, and support for people who are struggling to pay their water, energy and housing bills.

A bold political statement

Eau de Paris provides its three million users with high quality water, 24/7, all year round. Since its inception in 2009, the public company's vision has extended far beyond industrial matters of water production, distribution, treatment and infrastructure. Water is not another commodity but rather a vital common good of humanity and should be managed as such, guided solely by the public interest.

Freed from shareholder pressure and from the constant drive for short-term returns on investment and dividend payments, public management of water guarantees that all revenues are reinvested in the service and that decisions are based on a long-term approach, with the best interest of present and future generations in mind.

In this respect, Eau de Paris bears strong values that are not marketing labels but inspire every single daily action. Among these values, the city wanted Eau de Paris to be a flagship of transparency. This was achieved by providing open access to all key information on the water service, including the financial statements, as well as through genuine democratic control.

The board of Eau de Paris is made up of elected municipal officials and staff representatives, as well as representatives of non-governmental organisations (NGOs) advocating for water users and the environment. This open governance enables political and citizen oversight of the company's activities and decisions.

In 2017, Eau de Paris was awarded the prestigious United Nations Public Service Award in recognition of its daily work in the areas of accountability, transparency and integrity. In the years to come, Eau de Paris plans to renew its commitment to public participation and to allow citizens to take part in the public company's decision-making through a participatory budget.

A sound, practical decision

Eau de Paris was born out of the will of the municipal council to directly control the drinking water service through a single publicly owned and controlled operator that would comply with the highest standards of efficiency. By integrating every step of the water supply chain, from water catchment to service delivery to end users, Eau de Paris is able to manage the system as a whole. This allows for economies of scale, a more resilient system as well as full control and accountability.

A decade after remunicipalisation, Eau de Paris's top-of-its-class industrial and economic performance blatantly contradicts the naysayers who predicted failure when the city decided not to renew its contracts

with Veolia and Suez in 2008, and instead created a new public operator. A few figures illustrate the public operator's capacity to run the water service efficiently in this major metropolis: the network yield is above 90 per cent (10 points over the national average for unaccounted-for water), and water quality is excellent, with a 100 per cent rate of compliance for two consecutive years in 2017 and 2018. This unprecedented performance was made possible by the expertise of the Eau de Paris team and the constant supervision and adaption of processes and treatments to meet evolving public health standards.

As a public service provider dedicated to upholding our commitment to a controlled and affordable water price, Eau de Paris bases its investment strategy on a rigorous analysis of investment needs. This helps maintain the lowest cost for users and supports sustainability by reducing the service's environmental footprint. Following the same logic, innovation must be both a creator of value and a source of long-term savings. Our investment strategy has three successive stages: research, experimentation and scale-up. Over €75 million is invested each year, almost entirely self-financed. This is a high but sound level. Eau de Paris refuses investments that are oversized in relation to real needs. Preferring evolution rather than revolution, we build upon our exceptional hydraulic heritage. Innovation is also about inventing ways to maintain and adapt century-old infrastructure to our current needs.

Solidarity and responsibility

Universal, affordable access to drinking water for all is part of our DNA at Eau de Paris. As such, one of the board's first decisions when Eau de Paris was founded was to lower water prices by 8 per cent. It was presented as a way to give back to the people part of the profits that private operators were making on the water service but also as a sign that public management really means affordability for everyone. Since then, there has been strict oversight of water rates. In 2020, rates remain lower

than before remunicipalisation and are still the lowest in the greater Paris area at €1.07 per cubic meter.

The public company also contributes €500,000 annually to the Fonds de solidarité pour le logement de Paris, a fund that helps households struggling to meet their housing expenses, including recurring costs such as energy and water.

Raising awareness within all sectors of society about responsible water use is part of the same commitment to universal, affordable drinking water. We place a strong focus on children and youth, as well as on social care professionals who can do broad public outreach, especially with people who are economically disadvantaged. Through our trademark 'Water ambassadors' programme we reach out to poorer households and help them conserve water and tackle leaks while promoting the use of tap water as a safe and cheap choice. This strategy allows us to address the fact that people living on low incomes also have the lowest level of trust in the water service and spend the most on bottled water. Eau de Paris also works specifically with refugees and homeless people through partnerships with NGOs and participation in social welfare schemes developed at the local level. We have installed temporary drinking fountains near refugee camps and NGOs have distributed maps of the fountains and reusable water bottles. Eau de Paris's contribution to providing migrants with emergency access to water during recent heatwaves has been praised by public authorities and NGOs caring for the needs of this population living in extreme conditions.

For the last 10 years, Eau de Paris has maintained and even stepped up its actions to promote access to water in public spaces. The company manages more than 1,200 drinking fountains today. This probably makes Paris the world's best-equipped city in terms of free access to water in public spaces and helps to reduce plastic water bottle consumption. In 2016, the public company also helped implement the city's participatory

budget[1] by installing 41 new fountains, including 11 that distribute sparkling water. During winter, about 80 drinking fountains remain in operation.

The drinking water fountain in front of the Eau de Paris office. Photo by Satoko Kishimoto

Adaptation to climate change, catchment protection, biodiversity and green transition

Being responsible means thinking globally. As such, Eau de Paris is committed to reducing the social and ecological footprint of its water production and distribution activities. Water is a common resource of vital importance and, as a public company committed to source-to-tap water management and to fulfilling economic as much as social mandates, Eau de Paris gathers and fosters in-house expertise and innovation. This allows us to adapt continuously to the new needs and challenges of the smart sustainable city as well as to the effects of climate change. Climate

disruption forces us to anticipate its potential impacts on water resources in terms of quantity and quality but also on water demand and needs in dense urban areas. These impacts include possible hydric stress increase (when water levels drop in rivers and water basins), frequent periods of drought, average temperature hikes, as well as urban heat islands in dense urban areas where stone buildings tend to absorb and accumulate heat. By acting beyond its core industrial business to help make Paris and the greater Parisian area resilient and sustainable, Eau de Paris is committed to contributing to public urban and environmental policies.

Notably, Eau de Paris is a pioneer in water catchment protection policies. Protecting underground and river water resources improves the quality of water resources and preserves the landscape and our common natural heritage. Farming has an impact on the aquatic environment when it comes to quality and quantity, as well as biodiversity. As part of its resource protection policy, Eau de Paris partners with local stakeholders and the Basin Agency (a public entity that manages water with all the stakeholders at the watershed level), to foster more responsible water management by helping redirect farming methods towards a more sustainable and environmentally friendly model. For example, Eau de Paris buys farmland and makes it available to farmers through cheap rural environmental leases. In exchange, the farmers agree to use organic and sustainable farming methods. This medium and long-term approach allows Eau de Paris to improve source water quality, which will reduce the cost and environmental impact of its treatment.

As part of its biodiversity policy, Eau de Paris adapts its maintenance practices to the environmental realities of each site, with the help of partner naturalist associations. The areas surrounding water catchments, aqueducts and reservoir roofs are home to a rich and varied fauna and flora. Eau de Paris also works with the City of Paris on projects that support urban agriculture, the greening of buildings, and the development of biodiversity and nature in urban areas.

Not least, as a major player in the energy transition in the Île-de-France region, Eau de Paris has set high goals for itself with a plan that calls for reductions in the climate and energy impact of its activities. By the end of the year 2020, the company aims to reduce its greenhouse gas emissions by 15 per cent and its energy consumption by 12 per cent and increase its use of renewable energy to 95 per cent of overall energy consumed. The company is also helping reduce CO_2 emissions by producing renewable energy using 11,000 m^2 of photovoltaic panels that generated 17,500 MWh of power in 2018, as well as geothermal generation that produced 15,100 MWh.[2]

An exceptional heritage

Eau de Paris integrates enhancement of existing systems into its approach to innovation, using it as an opportunity to define new possibilities based on the resources and infrastructure available. The non-potable water network, a feature specific to Paris, is a mid-nineteenth century legacy of Baron Haussmann's major public works. This second network means that in Paris, the water quality level can be adapted to different uses: drinking water for human consumption and non-potable water for municipal (e.g. watering green spaces, cleaning streets, flushing sewers) or other collective uses (e.g. cleaning the common areas of buildings).

Eau de Paris promotes non-potable water use when appropriate to limit the impact on water resources. This is ecologically wise: non-potable water needs not undergo purification treatment so it does not require chemicals at production, which also requires less energy and is cheaper.

This network is also being used to experiment with heating and cooling of buildings. Non-potable water is circulated through a plate heat exchanger to capture either its heating or cooling properties and is then returned to the non-potable water network. This technique provides air conditioning for three Parisian buildings, including City Hall.

Conclusion

As the leading public drinking water company in France, Eau de Paris distinguishes itself with its unique supply scheme, its presence as a Paris-based utility that owns and operates installations across a wide geographic area, and its exceptional hydraulic and industrial heritage. Since its creation, the company has mobilised its internal and inter-sectoral expertise and its strong industrial performance to provide sustainable and shared solutions, always ensuring that technology and innovation are at the service of the well-being of Parisians.

ABOUT THE AUTHOR

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Chapter 3

Canada: Local insourcing in the face of a national privatisation push

By Robert Ramsay

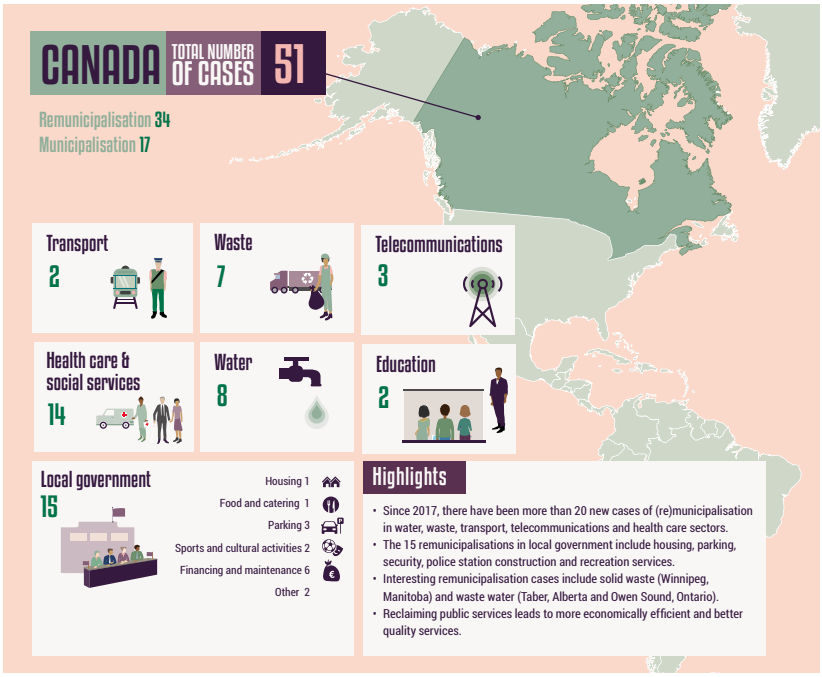
The vast majority of public services and infrastructure in Canada are publicly owned and operated. This is a situation that advocates of the public sector, including the Canadian Union of Public Employees (CUPE), are committed to defend. Municipal and provincial governments, driven by an austerity ideology and the false narrative of risk transfer, continue to propose privatisation in various forms and across a variety of sectors, primarily by tying infrastructure funding to private investment.

For example, on 10 September 2019 the province of Ontario's Conservative government announced 32 infrastructure projects worth $65 billion CAD that it will implement through public-private partnerships (PPPs).[1] In this, Ontario is following the lead of the federal Liberal government, whose Canada Infrastructure Bank, created in 2017, proposes to deliver infrastructure projects by leveraging public tax dollars for expensive private financing.[2]

In addition, we face new forms of privatisation, such as social impact bonds as detailed below. These models may appear attractive, because they seem to link private sector financing to socially desirable outcomes. However, this type of privatisation actually diminishes the effectiveness of social programmes by diverting any savings or surplus into profit for the private investor, rather than into programme improvements.[3] These models also raise the moral problem of seeking profit from the services that help the most vulnerable people in our society.

Increasingly, rigorous studies of PPPs in Canada demonstrate that they are inferior to projects run by the public sector.[4] In 2014, the Ontario Auditor General reviewed 74 PPP projects and concluded that they cost taxpayers $8 billion CAD more than if the province had used public procurement.[5] The same report also called into question the premise of risk transfer, finding that estimates of its value were highly inflated.

Similarly in 2014, the British Columbia Auditor General reviewed 16 PPP projects and determined that the province paid approximately twice as much for private sector financing as it would have had it borrowed the money itself.[6] An update to the Auditor General's report conducted by the Columbia Institute in Vancouver found that between 2003 and 2017 British Columbia paid $3.7 billion CAD more for 17 PPP projects than it would have if they had used more traditional public procurement.[7] Similar studies in other provinces and at the federal level further support the conclusion that privatisation does not work for Canadians.



We are happy to report more than 20 new cases of remunicipalisation in Canada, in addition to the 15 cases from the previous edition of this book. These cases span sectors, including water, transit, waste, broadband and health care. While the examples are diverse, the reasons for bringing these services back in house remain consistent: the public sector delivers public services with greater economic efficiency and at a higher quality than the private sector.

Case l: Winnipeg, Manitoba

Winnipeg solid waste: a political victory for public services

In 2006, the city of Winnipeg privatised its solid waste collection. Prior to this, it was a municipal utility organised by CUPE. The privatisation of the service resulted in sub-standard performance at virtually every level, and over time the municipal labour union was able to advance a strong political campaign for in-house waste collection.

After privatisation, the primary solid waste contractors engaged in a system of subcontracting, sometimes at the level of individual trucks. This scheme is a way for employers to push employment and social security costs and risks onto the workers and keep them in a precarious state, so that they can easily be let go by the company.

Not surprisingly, poor working conditions were the norm. The workers were often precarious labourers hired day-to-day who were paid in cash and not protected by any occupational health and safety oversight. In addition, poor service performance was often reported, including damage to bins and property, garbage pileups and missed collections.

CUPE Local 500 (representing Winnipeg municipal workers) had

been politically active on this file since 2005. The union's goal had been to bring the full service back in house, and they had sustained consistent outreach to ideologically friendly councillors.

In 2016, the local union invited the chair of Winnipeg City Council's Water and Wastewater Management Committee to Ottawa to meet with staff and the municipal union of that city, which had successfully contracted in solid waste a few years before with the support of the city's staff and council. The city staff in Ottawa had demonstrated that in-house service could perform competitively or better than an outsourced service, both in terms of quality and cost, and the Winnipeg local wanted to apply this lesson to the problem in Winnipeg.

At the same time, Local 500 took advantage of widespread negative news coverage of the contractors, such as a 2016 documentary that exposed how Indigenous youth working as day labourers for the contractor Emterra were being exploited and underpaid.[8] The local union also commissioned a study from the Canadian Centre for Policy Alternatives, titled "Trashed," that documented the poor working conditions and sub-standard service provided by the private contractors.[9]

The media coverage proved an embarrassment for the city. As a result, and the union's diligent outreach efforts, Winnipeg City Council decided to bring a part of the city's municipal waste services back in house as a pilot project beginning in 2020. While this initial project only involves hiring a small number of city employees, if the model proves successful there is potential to bring 200 or more waste collection jobs back in house.

This is a significant political victory for CUPE and for Local 500, having worked tirelessly on this issue for many years, changing

public opinion and bringing city politicians onside.

The Winnipeg case also raises an important issue – the public sector is the right choice to deliver public services not only because it is financially competitive, but also because it provides better and safer jobs.

Case ll: Owen Sound, Ontario

Owen Sound municipal wastewater: the municipality does it better
Veolia Water Canada operated Owen Sound's wastewater treatment plant through a series of short-term operating contracts starting in 2004. Prior to 2004, the system had been operated by the provincial crown agency Ontario Clean Water Agency. In 2012, when the Veolia contract was coming to an end, the city faced operational and organisational changes that spurred the municipal council to re-examine the city's relationship with Veolia.

A report to city council outlined a plan for the city to take greater responsibility for the operations of the wastewater treatment plant, and remodel wastewater operations in general, with a view towards reducing current operational costs, increasing control over future operational costs, and improving service coverage and monitoring.[10]

In light of this report, in 2012 Owen Sound City Council voted to assume direct operation of the city's wastewater treatment plant, hiring two treatment plant operators previously employed by Veolia Water Canada, and hiring a third wastewater treatment and collection operator. Under a new five-year, reduced-scope contract, Veolia Water Canada was responsible for disposing of biosolids, and would monitor and report on sewer system bypasses in compliance with Ministry of Environment requirements, as well

as inspecting and rating the condition of the city's sanitary sewer infrastructure.

As expected, bringing the bulk of the service back in house has resulted in greater control. Contract costs dropped from $900,000 CAD per year to $300,000 because of Veolia's reduced role. A report to city council estimated net savings of $40,000 CAD in 2013, after the city assumed control of the plant. The report also noted that wastewater service was expected to improve, with the additional operator helping perform needed duties in wastewater collection.

Due to the success of the initial partial remunicipalisation, council voted on 30 March 2016 not to renew the limited five-year Veolia contract at expiry in 2017. The city's 2017 budget included a line item looking at "alternatives to Veolia system" for sewage bypass monitoring.[11]

Case lll: Taber, Alberta

Taber water: privatisation does not pay

In 2007, the Town of Taber signed a 20-year contract with for-profit corporation EPCOR to finance and execute upgrades to the town's wastewater and storm water infrastructure, as well as operate and maintain the town's water and wastewater systems. At the time, CUPE was a vocal opponent of the privatisation and campaigned against it. CUPE Local 2038 represents workers in the municipality and it went on to represent the EPCOR workers, negotiating a separate collective agreement for them.

In November 2015, EPCOR tabled a proposal to change the terms of its contract, increasing its fees by 68 per cent. Subsequent discussions between the town and EPCOR led to an ultimatum, reported in the media as follows: "[EPCOR] presented the town

with two options, using the dispute resolution process set out in the agreement to arbitrate the fee increase issue, or negotiate an end to the agreement.[12] "

EPCOR's position prompted the town to initiate a study of the water and wastewater operations, which, according to media reports,[13] confirmed that the town could provide the same or better level of service as EPCOR, at approximately the same cost.

On 15 August 2016, the town council voted to accept a proposal from EPCOR to negotiate a termination of the contract.[14] Later that year, the town voted to refinance a $5.5 million CAD loan held by EPCOR. The funds were part of the original contract and were used to pay for upgrades to the town's wastewater treatment plant and storm water system. As background for a bylaw authorising the borrowing, town staff reported that refinancing the loan would reduce the interest rate from 6.5 per cent to 2.275 per cent, saving approximately $1.4 million CAD in interest over the 10-year loan period and completing the upgrades at a lower cost.

Ten EPCOR staff transferred over to become Town of Taber staff, representing a 10 per cent increase in the town's workforce. The workers are now back under the main CUPE 2038 certificate and collective agreement. The town and CUPE reached a new collective agreement in October 2018.

By taking this important public service back in house, the town has avoided the extra costs that would have been passed on to residents through rate hikes. According to media reports, there were no payouts or penalties associated with cancelling the contract.[15] Furthermore, the town's 2018-20 budget maintained current fee rates.

New fights

Canada Infrastructure Bank

Recent estimates of Canada's national infrastructure deficit range from $50 billion CAD at the low end to over $500 billion at the high end.[16] This underfunding reflects decades of austerity from multiple levels of government, and the resulting deterioration of Canada's infrastructure stock has refocused the attention of governments on this increasingly urgent problem.

In 2015, the new Liberal government put infrastructure funding at the centre of its agenda, by making significant commitments of federal dollars and by changing funding ratios and requirements. At the same time, the Liberals promised to create a public infrastructure bank that would provide financing to provinces, territories and municipalities at low borrowing rates. Canadians from across the political spectrum applauded this historic commitment.

Rather than follow through on the commitment to low-cost financing, however, the Liberal government's Canada Infrastructure Bank (CIB), once created, made privatisation and private sector financing a central principle of its operations. The CIB's stated mandate was to finance large, revenue-generating infrastructure projects by attracting up to four dollars of private investment for every dollar invested by the government. CIB projects would be, therefore, PPPs facilitated by the federal government and backed by federal money.

Early analyses of this structure suggested that private financing would double the cost of projects, compared to public financing.[17] Still, large financial firms and pension plans on the hunt for productive domestic investment opportunities were quick to praise this model.

Critical studies of PPPs, including by the federal and numerous provincial auditors general, suggest that they are regularly plagued by increased project costs, high user fees and a lack of transparency. The CIB makes this bad model worse by allowing the private sector to submit unsolicited proposals to the Bank, thereby allowing important decisions about infrastructure investment to be guided by the profit imperative of the private sector, rather than by a real assessment of need and the public good.

The CIB's first announced project was the *Réseau express métropolitain* light rail network currently under construction in Montréal, Québec. This PPP rail line is owned by a subsidiary of the *Caisse de dépôt et placement du Québec*, the second largest pension fund in Canada. This project is a prime example of the lack of transparency surrounding CIB investments, and it has been rightly criticised by civil society groups for its anticipated impact on the environment, fares, current ridership levels, and future costs for operation and maintenance. Despite this criticism, the CIB has recently touted other PPP transportation infrastructure, such as the for-profit toll highway 407 north of Toronto, as good models for future investment.

As of September 2019, the CIB had announced only a handful of other projects, mostly in the transit, water and electricity sectors.[18] However, there is significant potential for the CIB to fundamentally alter the way that critical infrastructure is financed and operated in Canada.

Social impact bonds

Social impact bonds are a new form of privatisation gaining ground in Canada. They primarily affect areas such as social services, education and health care. This model allows investors to profit from public services. Investors provide up-front financing for public programmes like health promotion and disease prevention, childcare or ending homelessness. If certain outcomes are achieved, the government pays back investors for the initial programme cost, plus a profit.

Social impact bonds use private lending to provide a social and public good, while also generating a profit for investors. The problem with this type of financing is that it runs the risk of prioritising investor returns over service delivery.

Social impact bonds are gaining traction in Canada. The governments of Manitoba, Saskatchewan and Ontario, as well as the federal government, are exploring this new model. The federal government's 2018 Fall economic update announced $755 million CAD over 10 years in seed funding for "social financing" to charities, non-profit groups and other organisations serving a social purpose.[19] An additional $50 million over two years will be used to increase access to and knowledge of social finance by social purpose organisations.

CUPE is concerned that the federal government's plans to encourage private lending to social and community groups will open the door to privatisation of vital services. It is important that workers, service users and service providers work together to stop this new form of profiteering, and push for well-funded, strong public services.[20]

Conclusion

Public sector unions are on the front line of the fight against privatisation. CUPE and our counterparts have worked hard for many years to highlight the harm that privatisation does to the public sector, to public services and to the people who depend on those services. At its 2017 national convention, the Canadian Labour Congress passed a resolution calling for an investigation and report on new forms of privatisation, an example of the continued importance that this issue holds for the labour movement in Canada. We will continue to work to reverse the privatisation of public services, in all its forms.

At the same time, CUPE and our counterparts in the labour movement want to articulate a pro-public vision for the future, and not merely criticise the disproven narratives of past privatisation and austerity agendas. Therefore, it is important for us to advance principles that will ensure fully funded and robust public services such as fair taxation and the expansion of public revenues, direct government funding of infrastructure, municipal financing authorities, public-public partnerships,[21] and the closure of state-sponsored PPP agencies. Democratic, public control of the public purse is essential to this vision. Our public services do not exist for the enrichment of the private sector, but for the enrichment of our lives.

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Photo: Denny Alexander

Robert Ramsay is Senior Research Officer at CUPE, the Canadian Union of Public Employees. Robert holds a degree in Human Geography from the University of Toronto, and a degree in Communications, Culture, and Technology from Georgetown University. Before being appointed Senior Research Officer, Robert worked as a Professional Officer at the Canadian Association of University Teachers. He has held various roles in the labour movement for over 15 years.

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Chapter 4

Problems without benefits? The Danish experience with outsourcing and remunicipalisation

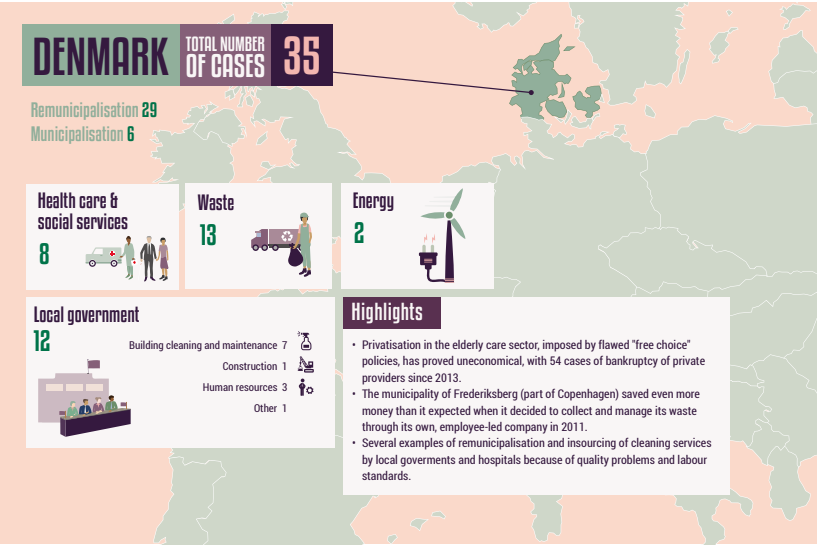
By Thomas Enghausen

In this chapter, we look closely at exposure to competitiveness in the public sector in Denmark. We review experiences in key parts of public welfare service, focusing on concrete examples of remunicipalisation. In conclusion, we present the Danish Union of Public Employees' (FOA) strategy for better regulation.[1]

Following bankruptcies in elder care, poor quality and high profits in social services, and many unsuccessful outsourcings in the area of cleaning services, there is increased recognition of the need to find alternatives to liberalisation policies. For example, there have been cases of remunicipalisation to redress failed experiments in outsourcing ambulance services and refuse collection. In fact, we are seeing concrete initiatives to curb profits on a variety of social services from the government. Only time will tell whether this is a lasting trend.

Contracting out in Denmark

The public sector in Denmark is relatively large and characterised by a high degree of contracting out in various forms, with significant differences across sectors. Public consumption[2] amounted to 25 per cent of gross domestic product in 2017, equivalent to €70 billion, while in 2018 the degree of contracting out in municipalities was estimated at 27 per cent of the services that can formally be handled by private companies.



In addition, the country has a long tradition of semi-public institutions, which are organised as legally independent and not-for-profit initiatives – so-called 'institutions with self-ownership'.

Traditionally, there has been outsourcing of cleaning, technical services as road maintenance and bus transportation, along with ambulance services. Other areas of the welfare state such as elder care, social services and health have traditionally been run by public institutions. Today, however, the private sector has an increasing share of the services pie, partly as a result of rules on free choice between public and private care for the citizens.[3]

For example, Danish law confers on municipalities the responsibility to ensure that elderly citizens have the possibility to choose between at least two alternative service providers. The municipality can choose either to use a private provider and a public one, or to replace the public service with a minimum of two private providers. In the case of primary schools, while they are in majority public, there is a long tradition of private but

non-profit institutions (it is against the law to establish a primary school as a for-profit company).

Consequences of multiple bankruptcies in elder care

In recent years, Denmark has experienced an increasing number of bankruptcies in elder care services, with 54 since 2013. These bankruptcies have affected over 13,000 citizens and well over 2,000 employees.[4]

Since 2003, municipalities are required by law to offer alternative municipal homecare service options for the elderly (known as 'free choice'). The degree of outsourcing varies from municipality to municipality because it depends on the number of citizens opting for private suppliers.

The relatively large number of bankruptcies must be seen in the context of a change in legal requirements in 2013, which were meant to make it easier for municipalities to give elderly people free choice between private and public home care through tenders. But as a side effect the legislation has multiplied bankruptcies, presumably because of increased price competition. Since the wave of bankruptcies began, many municipalities have reverted to the 'old' model where the municipality is the main provider of elder care, and where there is competition in terms of quality, not price.

Prevent bankruptcies and secure freedom of speech

In 2017, Parliament reached a political agreement to limit the number of bankruptcies and to mitigate its effects if they nevertheless occur.[5] Municipalities are now required to place greater emphasis on the financial robustness of the private companies, including requirements for a bank guarantee. At the same time, the municipalities must have a greater focus on the quality of the services.

The parties behind the agreement also gave employees in private care firms better opportunities to exercise their freedom of speech and openly report conditions in the private company to the municipality. FOA particularly supports this last part of the agreement, which addresses a major concern. FOA believes that the municipalities lose access to significant information on the service offered by private companies if employees do not have this direct communication channel with the municipality when they need to report problems.

However, FOA still has doubts on whether the agreement can prevent and mitigate bankruptcies. FOA has therefore formulated its own recommendations as a supplement to the political agreement. FOA recommends, among other things, that the municipalities demand guarantees from the suppliers that they can afford to follow the collective agreements on wage and working conditions. The recommendations also include a central certification (approval) model in which financial status of the suppliers can be taken into account (as is the practice in other areas of the public sector).

Case l: Care for the elderly in Aarhus, Denmark

The municipality of Aarhus (Denmark's second largest municipality) abandoned competition for home care through calls for tenders in 2018. Instead, the municipality has chosen a more limited model with the approval of a single private supplier in addition to the municipality's own services to residents.

The shift from a high degree of competition to very limited competition took place after two providers of home care to elderly people went bankrupt. The bankruptcies were initially followed by a new tender, but then the last supplier pulled out of the market. The main reason was that it was not possible to make good money in this sector.

After this, Aarhus reintroduced the so-called 'approval model'. Under this model, private companies can be approved to provide home care, but only at a price based on the municipality's average costs rather than through tender.

In 2018, the number of customers with private home help had dropped twofold compared to 2014.[6]

Better regulation of private companies in social services

Over the past few years there has been a wide debate about private for-profit companies as providers of social services (e.g. providing housing for children and adults with physical or mental challenges). FOA has presented several examples of private companies delivering poor quality services while the owners reap large cash rewards. One example highlights a very large profit from the 2017 sale of the private institution Søbækskolerne for the sum of €18 million in total (including a special bonus) to multinational corporation Olivia A/S. The institution delivers services to young people with special needs, both educational training and housing. However, the sale did not transfer the physical assets, only the obligations to provide the service. This allows the previous owner to continue to earn a large income by renting out buildings to the new supplier.[7]

FOA has proposed much stricter market regulation for social services. The Danish legislation for private schools is a good example to follow: It only allows 'non-profit' companies, while at the same time ensuring that there are no personal interests (profit) at stake. Similar legislation for social services would ensure that money be invested in the core services.

At the same time, there is a need for increased supervision and control of private companies, including financial supervision. Unfortunately, national-level negotiations for new and reinforced state supervision broke down in the fall of 2018.

With a new government now in place, however, we expect to see work initiated to strengthen both regulation and control in this area. As the government itself put it this work will centre on 'how to ensure that no profit is taken out at private day care centres and social services, for example, according to the same model that applies today for private schools'.[8]

Public alternative for ambulance services

In Southern Denmark, one of the country's five regions, ambulance operations were remunicipalised in 2016. This happened after new private supplier BIOS Ambulance Services went bankrupt.

Back in 2015, the ambulance company BIOS took over a large part of the ambulance services in the region. The company then won the tender in competition with Falck A/S. Until then, in most of the country Falck A/S had monopoly-like status as the only private supplier while the public sector only played a role as a provider in parts of the Capital Region.

In 2016, operations were taken over by the region, which has kept spending at a similar level while securing savings of about 15 per cent compared to the old contract with Falck A/S. At the time, the region did not want to issue a new call for tenders with only one company remaining on the market.

In late 2019, all regions were to discuss a new strategy for the area based on a joint report called *Strengthened competition in the ambulance market*.[9] The report points very specifically to the need for a public alternative to

private companies in the area as the only way to ensure fair competition and to end *de facto* monopoly. FOA has closely followed developments in this area and, as a trade union, we have played a very active role in the remunicipalisation given FOA has the collective agreement with the regions for the public ambulance services.

Refuse collection goes back to municipalities

Since 2011, the municipality of Frederiksberg (part of the Capital of Copenhagen, but administratively independent from the city) has been responsible for collecting household waste. It has been very cost-effective for the municipality and thus for residents – resulting in savings of 13 per cent. The municipality's own employees work in the municipally owned company Frederiksberg Renovation, collecting garbage from roughly 50,000 households.

An interim report prepared for the municipality after the first year of municipal management (2011) estimated that Frederiksberg had been able to operate this municipal service for DKK 45-46 million (€6-6.1 million). When former supplier R98 was responsible for the collection, it cost approximately DKK 53 million a year (€7 million). The municipality of Frederiksberg had a budget of DKK 48 million (€6.4 million) for the first year of operations: 'We had expected savings of just under 10 per cent, but "Frederiksberg Renovation" has managed to do the work for 13 per cent less'.[10]

By way of background for this remunicipalisation, the task of refuse collection was put out to tender in 2010 when the long-standing monopoly of non-profit company R98 in the capital was put to an end by The Danish Competition Authority. The competition authority felt the private agreement should be subject to competition.

Whereas municipal authorities in Frederiksberg then decided, after a

tender, to take over the management instead of handing over the task to private companies, the City of Copenhagen chose to outsource refuse collection without submitting its own bid for the work.

In the City of Copenhagen, outsourcing initially caused some problems, and a labour conflict arose following severe cuts after takeover by the private company. This happened in spite of specific procurement requirements from the city aiming to protect the employees. Thus, between 2014 to 2016 the private provider participated in a research project on the working environment, which concluded that the wage rates in the private collective agreement contributed to a poor and burdensome working environment, despite the will and the initiatives to improve it.[11]

R98, the company that had previously held the contract, was a 111-year-old non-profit, fund-owned company with a long-term contract for solid waste collection. The company was characterised by high social commitment, good working conditions and a focus on work environment improvements, as well as a relatively low absenteeism rate. The company was not included in the call for tenders. Instead, the company was dissolved in connection with the tender process, mainly for political reasons.

Following the failed outsourcing experiment, Copenhagen has recently decided to take back large parts of the contract. The process of remunicipalisation in the capital city has since been followed by several cases in other municipalities. In 2019, 21 out of 98 municipalities in Denmark have chosen to take services back in house, in whole or in part.[12]

Debate on cleaning services

Denmark has a long tradition of outsourcing and competition, particularly of cleaning services. At the same time, there has been debate for many years about poor performance in terms of quality for the users as well as

low pay and working conditions for the employees.[13]

In 2014, a government commission formed to map productivity in Denmark pointed specifically to outsourcing of cleaning services as a path to higher productivity in the public sector. The commission used a 2012 review of only 10 municipalities' experiences with outsourcing cleaning tasks as the basis for encouraging competition for social services such as health, as well as elder and child care. According to the commission, outsourcing resulted in 'savings of between 13 and 54 per cent either with the same quality as before or better'.[14]

In this context, the commission highlighted the 'successful' outsourcing of cleaning at schools in Aarhus. FOA questioned the commission's recommendations, and highlighted the poor results of outsourced cleaning in general, and specifically in Aarhus.

A few years after outsourcing, private suppliers in Aarhus had only managed to win and keep contracts to clean 25 out of 40 schools. This happened mainly because of unacceptable quality after the outsourcing. One private company even terminated some contracts on its own will because the company acknowledged it could not live up to promises of cheap, high quality cleaning.

Meanwhile FOA, in collaboration with one of the other large trade unions (3F), has accumulated experience with the remunicipalisation of cleaning in municipalities and hospitals, including in university hospitals in Aarhus and Copenhagen (see Case II). Remunicipalisation has happened through cancellation of contracts as well as non-renewal at contract expiry, with some municipalities having submitted their own in-house bid for the contract.[15]

Case ll: In-house cleaning at the Copenhagen university hospital

On 1 August 2015, *Rigshospitalet* (the university hospital in Copenhagen, RH) took back cleaning services from the ISS service company. This happened after the contract was terminated prematurely by the hospital due to complaints about quality.

ISS had one of two major cleaning contracts. There is no full accounting of how much RH has paid in total to ISS, but it is estimated to be at least DKK 46 million (€6.1 million) per year. Since coming back in house, the service centre at RH has taken charge of the cleaning for DKK 2 million (€267,000) less per year. The hospital department has also promised to improve service quality.

When RH took over the work, all workers including managers became public employees, and wages increased to the level set in the public agreement.

FOA's assessment is that all service components are now interconnected, which leads to better quality, proper working conditions that meet the requirements of working environment rules and the collective agreement, while also providing savings for the hospital. How is it possible? Presumably, ISS extracted a huge profit out of the contract. In order to do that, they lowered quality and working conditions beyond what even the private collective agreement had allowed.[16]

FOA's strategy: welfare without profit

Over the past 30 years, Denmark's welfare state has been exposed to competition. And outsourcing has often led to deteriorating employment

conditions. In 2016, the FOA Congress committed to: 'Counteract the many outsourcings and privatisations that lead to cuts. We will work to bring services that have been put into private hands back to the public'.

Since then, FOA work on outsourcing and privatisation has followed a two-pronged approach:

- By improving our position on and arguments against outsourcing, unnecessary profit and tax evasion;
- By ensuring that outsourcing and other forms of marketisation do not harm employees' wages, working conditions, working environment and job security.

Bankruptcies in elder care, poor quality and high profits in social services such as ambulance services and refuse collection, and many unsuccessful outsourcings in the area of cleaning have led to increased recognition and support for FOA's criticism. At the end of 2019, FOA is seeing concrete initiatives towards limiting profits in social services. Time will show whether this trend towards more welfare and less profit will continue.

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Endnotes

1 FOA is Denmark's third largest trade union with nearly 200,000 members and 38 local branches. FOA's members are primarily employed in the welfare service, which is largely financed by the public sector, but increasingly includes private providers.

2 The amount of resources allocated by the government for the functioning of public services, such as the purchases in consumer goods, salaries, social transfers and so forth.

3 See Table 3 in the following report: *https://www.sum.dk/Aktuelt/Nyheder/Aeldre/2018/September/~/media/Filer%20-%20dokumenter/2018/Servietjek%20frit%20valg/Servicetjek-af-det-frie-valg-paa-aeldre.pdf*

4 *www.foa.dk* and *www.Konkursindex.dk*

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6 About home care in Aarhus Municipality for example: *https://hsfo.dk/oestjylland/Mislykket-udbud-koster-Aarhus-den-sidste-leverandoer-af-privat-hjemmehjaelp/artikel/152810*

7 About 'Profit on welfare' (FOA): *https://www.fagbladetfoa.dk/Articles/2018/05/28/Profit-paa-velfaerd*

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9 Danish Regions (2019) 'Strengthening competition in the ambulances market. Recommendations from the regional working group on increased competition in the ambulance area'. *https://www.dr.dk/nyheder/penge/minister-vil-stramme-loven-i-koelvandet-paa-falck-skandale*

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13 Evaluation of the effects of the transfer of cleaning services: RUC (2017) *https://rucforsk.ruc.dk/ws/portalfiles/portal/60148155/Medarbejderkonsekvenser_Endelig_rapport_.pdf*; Other reports from same project: *https://typo3.ruc.dk/effektdoku/*

14 *http://produktivitetskommissionen.dk/media/165599/slutrapporto2042014.pdf*

15 About the Productivity Commission and Aarhus Municipality for example: *http://produktivitetskommissionen.dk/media/165599/slutrapporto2042014.pdf*

16 Remunicipalisation at Rigshospitalet: *https://www.denoffentlige.dk/rigshospitalet-dropper-rengoeringsfirmaet-iss*

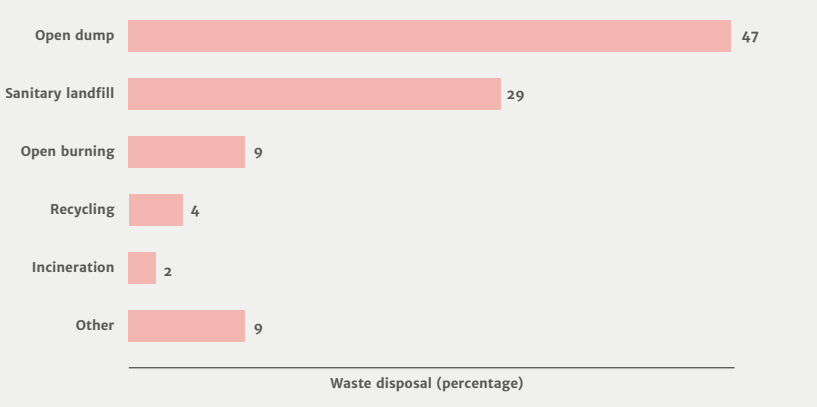
Chapter 5

Africa: Private waste service failure and alternative vision

By Vera Weghmann

Effective waste management is essential for public health and for maintaining a sustainable environment. If not properly managed, waste can pose serious health problems and pollute our waters, soils and air. Figures from 2012 reveal that the waste collected in Africa was only 55 per cent of the total waste generated.[1] Consequently, residents are forced to deal with the waste themselves, often through illegal dumping and open burning. Open burning is a major contributor to high levels of air pollution in Africa. In 2013 an estimated 712,000 people in Africa died as a consequence of dirty air, which was a 36 per cent increase from 1990.[2] Illegally dumped waste clogs rivers and drains, which causes floods. Stagnant water is also a breeding ground for mosquitos and other insects that can spread malaria, the Zika virus or the dengue fever. A lot of waste ends up in the sea via rivers, which carry trash over long distances. According to Greenpeace, 12 million tonnes of plastic are entering the world's oceans every year. Ten of the most polluting rivers in the world are responsible for 90 per cent of plastic in the oceans, and two of these rivers are located in Africa, namely the Nile and the Niger.[3]

Even if the waste is collected, many African countries struggle to effectively deal with it. Many cities have only one official landfill site for the whole city, which often overflows and poses serious health and safety concerns. For instance, Nairobi, Kenya has only one legal dumpsite, Dandora, which was declared full in 1996. More than 30 years later it is still operating. Dandora is an open landfill, surrounded by residential areas. The dumpsite puts the health of nearby residents at risk. The Nairobi River, running right across the dumpsite, carries polluted water



Source: Hoornweg, D.; Bhada-Tata, P. (2012) What a Waste : A Global Review of Solid Waste Management. World Bank. In: UNEP (2018) Africa Waster Management Outlook.P.37

downstream where it is used for irrigation of food products and as drinking water. But most of the waste in Nairobi does not even end up in the official landfill.[4] Instead, private waste collectors dump the collected waste at one of the over 70 illegal dumpsites scattered throughout the city.[5]

Overwhelmed by the size of the waste problem, many African countries have turned to the private sector. However, as this essay will outline in detail, privatisation is not the solution for effective waste management. The essay will thus illustrate how workers and communities successfully resisted the privatisation of waste management in Egypt, leading to remunicipalisation of waste management in its three biggest cities, namely Cairo, Alexandra and Giza. Subsequently, we point to Africa's zero-waste potential. The next section reflects on the valuable contribution of the informal sector to waste management, and on the potential and challenges of formalising the informal sector. Finally, the advantage of publicly run waste management services is outlined. We conclude by drawing out the main lessons learned from Africa's experiences with waste management privatisation and its alternatives.

The failure of privatisation

Right from the beginning, the experiences with privatised waste management in Africa demonstrated its failure. Cameroon was among the first countries in Africa to privatise part of its waste management services. Already in 1969, Douala outsourced the management of its municipal waste and Yaoundé followed 10 years later. In its evaluation of the waste management privatisation, the United Nations Environment Programme classified it as a 'failed PPP'.[6] The performance of waste company *Hygiène et Salubrité du Cameroun* (HYSACAM) had been poor and eventually the company withdrew entirely in 1991 when economic crises and structural adjustment destabilised the country.[7] The waste catastrophe perpetuated and in 1994 the World Bank intervened with an emergency programme to clean up the two cities and especially the open dumps. However, despite these problems, HYSACAM was contracted again in 1998 and public-private partnership (PPP) was expanded to 17 more cities across the country. Yet again, HYSACAM's performance remained wanting. Five years into the contract the company still could not access 60 per cent of the neighbourhoods, as the pathways were too narrow for their equipment and informal workers continued to serve these areas.[8] After nearly 50 years of privatised waste services, an efficient and effective waste management system has yet to be introduced in Cameroon.[9]

A major problem with privatised waste services is that the privatisation is only taking place in areas deemed profitable. Poorer urban areas as well as rural areas see waste piling up. For example, Tunisia has a long history of privatised waste services, strongly promoted by the World Bank and other development institution. In 2010, UN-Habitat praised Tunisia for its 'successful experience with [waste management] privatization'.[10] However, if the service functioned well in the city of Sousse only 10 per cent of rural areas' waste was being collected. This is very significant given that in 2018 over 30 per cent of Tunisia's population lived in rural areas.[11] Similarly, in Dar es Salaam, Tanzania the privatisation of waste

services has improved coverage in the capital, but poorer neighbourhoods are left out. Consequently, 70 per cent of the waste in Dar es Salaam is either disposed informally, illegally dumped into waterways and fields, or burned.[12]

Another common side effect of privatised waste management is the side-lining of informal waste workers. Informal waste workers are contributing significantly to waste management in Africa by doing most of the recycling. For example, in Dar es Salaam, Tanzania's informal waste workers are estimated to recycle 80 per cent of plastic bottles, which are then sold to national factories for processing and sale to national and international markets.[13] In South Africa, approximately 80 to 90 per cent of the paper and packaging waste are recovered by the informal sector, thereby saving municipalities millions of dollars every year in freed landfill space. Despite the fact that the informal waste workers deliver such a vital environmental service, when the private company Averda took over the Genesis landfill near Johannesburg in September 2016 it attempted to exclude them. Many of the informal workers had been working at the landfill for 17 years. The company used intimidation to prevent the informal workers from accessing the grounds. In June 2018 Averda hired a private security company, called the Red Ants, which raided the homes of the informal workers outside of the landfill and violently attacked them, resulting in 19 people hospitalised, four with serious injuries.[14]

The struggle against privatised waste management in Cairo

In Egypt, in the 1940s the Zabaleen Christian community on the outskirts of Cairo set up a very sophisticated waste management system. Consisting of approximately 70,000 people, this community is believed to sort 15,000 tons of waste daily, which represents two-thirds of Cairo's overall waste. Over time, this waste management system has achieved recycling

rates of 85 per cent.[15] By means of comparison, the average recycling rate of municipal waste in the EU-27 and Norway in 2014 was 43 per cent, with Germany achieving the highest rate with 64 per cent.[16] Pigs are an essential component of the Zabaleen recycling and sorting system, as they feed on the food waste. The Zabaleen community consumes some of the pigs themselves, and others are sold to hotels and other touristic locations in Egypt. This serves as a source of extra income and a form of savings.[17] The Zabaleen waste management system demonstrates that it is possible to create a circular economy even in megacities such as Cairo.

Despite the effectiveness of the Zabaleen waste management system, the government decided to privatise waste management in Cairo in the early 2000s following privatisations in Alexandria and Giza (see Table 1). The privatisation efforts came as part of a wider gentrification process as the government pursued a hidden agenda in terms of securing access to land for urban development projects and land speculation activities. The Zabaleen settlement, which became known as 'Garbage City', was seen as a lucrative urban investment opportunity due to its geographical proximity with Cairo's historical – and hence touristic – quarters. As such, the privatisation reflects the government's ambition to relocate the Zabaleen out of the city centre and into new suburban settlements.[18]

The private companies were only able to recycle some 20 per cent of the waste,[19] compared to the Zabaleen's earlier 85 per cent.[20] Unlike the Zabaleen, the private companies did not collect the waste from the narrow streets or tall buildings. Instead, they set up central collection points and expected residents to deposit their waste into large bins at these points. Residents were charged for the waste collection service through their electricity bills, effectively giving the private companies 'ownership' over the collected waste. Most of the companies promised to give the Zabaleen some 50 per cent of the garbage in return for their help in sorting. However, this represented only a fraction of the income the Zabaleen had earned before. In other words, through the privatisation

the Zabaleen lost their livelihood. Some Zabaleen saw as much as a 75 per cent drop in earnings as a result.[21]

Residents and the Zabaleen resisted the privatisation. In Giza, hundreds of Zabaleen demonstrated in February 2003 to campaign against the influx of foreign companies. In Cairo, just six months after starting operations, the private companies Urbaser and FCC incurred municipal fines of US$2 million due to citizen complaints of irregular collection and inadequate street sweeping. Moreover, hundreds of citizens in Cairo and Giza filed lawsuits against the government for adding the collection fees onto their electricity bills. Consumers won the case and the ruling ended the billing system in Giza, Cairo and Alexandria. Eventually, the Egyptian government was forced to accept that their privatisation experiment had failed.[22] When the 15-year contracts with the private companies came to an end in 2017 and 2018 the government chose not to renew them. Instead, a 'new' system drawing on Zabaleen door-to-door collection was gradually implemented.[23] In all three cities, the waste collection services were remunicipalised. Alexandria was the first city to remunicipalise the waste service as the private company Veolia terminated the contract in 2011, four years earlier than planned (see Table 1). Public company Nahdet Misr, a subsidiary of the state enterprise Arab Constructors, started to operate the waste management services in Alexandria in December 2011. Nahdet Misr partnered with the informal sector, officially subcontracting them for the waste collection services.[24]

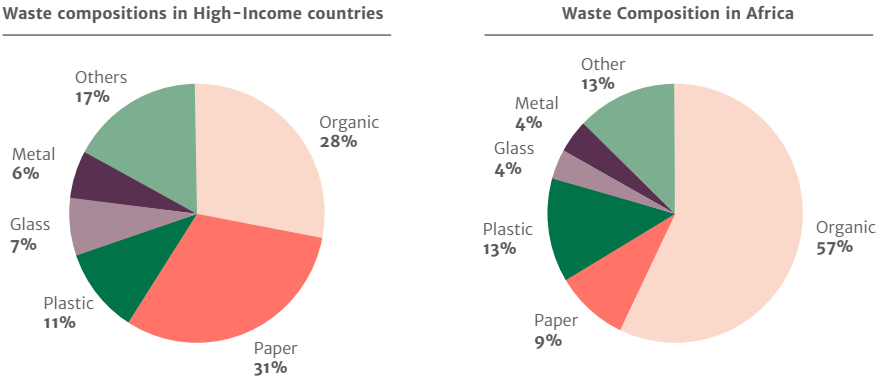
City	Year of privatisation	Value of contract	Length of contract	Company	Remunicipalisation
Alexandria	2000	$446 million	15 years	CGEA Onyx, a division of Vivendi, which later became Veolia Environment	In 2011 Veolia terminated the contract (4 years early). The public sector company Nahdet Misr which is a subsidiary of the state owned enterprise Arab Contractors is now in charge of the waste management
Giza (Dokki, Agouza and Imbaba districts	2002	$7.6 million	15 years	FCC and Urbaser	
Cairo (eastern and western zones)	2003	$25 million a year	15 years	FCC and Urbaser	Contract terminated and was not renewed
Cairo (North)	2002	$11.5 million a year	15 years	AMA Arab Environment Company (AAEC)	Contract terminated and was not renewed

Table 1. Waste remunicipalisation in Egypt

Source: Van Niekerk, S. and Weghmann, V. (2019) Municipal Solid Waste Management in Africa and Arab Countries. Ferney-Voltaire, France: PSI.

Africa's zero-waste potential

The Zabaleen demonstrate that there is a huge potential for zero-waste programmes in Africa, as the waste composition is characterised by a high percentage of organic waste due to the preparation of fresh food, and the limited use of packaging in sold goods. The World Bank estimates that in Africa 57 per cent of waste is organic, 13 per cent is plastic, 9 per cent is paper or cardboard, 4 per cent is glass, 4 per cent is metal, and the remaining 13 per cent is other materials.[25] This is very different from the waste composition in high-income countries, where only 28 per cent of the waste is organic (see Graphs 1 and 2). Organic waste has been reused for centuries. Like the Zabaleen in Egypt, the method of feeding organic waste to animals has been applied in other cities, for example in Sousse in Tunisia, Moshi in Tanzania and, to a lesser extent, in Nairobi, Kenya. Also, in the Ugandan capital Kampala, the Kasubi-Kawala neighbourhood set up a waste management system for 75 per cent of organic waste, which involves feeding animals, composting and making biofuel out of



Source: Hoornweg, D.; Bhada-Tata, P. (2012) What a Waste : A Global Review of Solid Waste Management. World Bank. Page 20 and 21

municipal organic waste. Most strikingly, Bamako, Mali has managed to achieve an estimated 85 per cent municipal waste valorisation rate by feeding waste to animals and by reusing it through a traditional method called '*terreautage*', whereby unprocessed waste is sold to crop farmers and partially composted waste is sold to vegetable farmers.[26]

The island of Zanzibar in Tanzania is also currently piloting an integrated municipal waste management system with the aim of becoming a zero-waste island. In Zanzibar more than 80 per cent of the waste is of the wet organic type, so composting is key. The pilot programme started in September 2017 in a low-income area of Zanzibar called Shauri Moyo, where 200 households are participating. Selected households received bins and plastic bags to sort the waste into wet, dry and hazardous waste. Eight workers – mostly women – from the local Shauri Moyo Waste Management Society were given the responsibility of educating the households on waste segregation, collection and processing. This local partner is an informal worker-led organisation, but salaries are paid by the Zanzibar Urban Municipal Council.[27] The workers receive a monthly salary and they can make extra income from selling the compost as well

as dry waste such as metal, plastics, glass and carton paper. The project was launched by the Zanzibar Environmental Management Authority and the public interest research and advocacy organisation Centre for Science and Environment in India, together with the local municipal councils of Zanzibar.[28]

Formalisation of waste services

The work that informal waste workers do is unhygienic, it bears severe health and safety risks and is severely precarious; yet they make a significant – but rarely recognised – contribution to waste management systems in Africa. There is no reliable data on the number of informal waste workers on the continent and there are great variations between countries. In South Africa, there would be at least 90,000 informal waste workers.[29] In Nigeria, roughly 10,000 informal waste workers would be working in Lagos alone.[30] In comparison, Morocco's figure would be much lower with only 7,000 informal waste workers in the whole country.[31]

The example of Egypt shows that the failure of privatised waste management services led to the inclusion of informal waste workers into the formal economy. This formalisation of an already established and highly sophisticated waste management system represents an opportunity to enhance working conditions and pay for the informal workers while also increasing the satisfaction of residents with the service. Likewise, Zanzibar's attempt to become a zero-waste island through an integrated waste management system builds on the integration – and thus formalisation – of the informal economy.

However, formalisation becomes a problem when informal workers are incorporated into the formal system at lower wages and with poorer working conditions than municipal waste workers. This happened, for instance, in Dakar, Senegal. By the late 1990s waste services had begun to collapse and rubbish began to accumulate in the streets and public spaces

of Dakar. In reaction to this, a youth movement called *Set/Setal* ('Be Clean/ Make Clean') emerged. This movement involved youth cleaning and beautifying their own neighbourhoods in Dakar. By 1990, the Set/Setal youth had been recruited into a city-wide participatory system. These youth were incorporated into the city waste management system but at a lower rate of pay and without benefits. The youth became responsible for collecting and loading garbage onto the dump trucks bound for the city's outskirts. Although paid a daily rate, they were not given other protections and benefits, despite becoming the backbone of the waste management system for the city at that time.[32]

Another problem with the formalisation of informal workers arises when only a fraction of the informal waste workers gains formal employment. This poses the question of what happens to the other informal waste workers, whose livelihoods are at risk if they lose access to the waste. As such, formalisation can deepen inequalities between a formally employed workforce and informal waste workers.

Public alternatives

Algeria is demonstrating what can be achieved through a publicly run waste management system. There is very little private sector involvement in the waste management system in Algeria, with only parts of a few cities having chosen to privatise their waste collection. Since 2002, Algeria has adopted an integrated waste management programme that is part of its wider commitment to sustainable development. Algeria is a country where climate change has been high on the agenda for decades because of increasing desertification due to climate change. Algeria's waste infrastructure is financed by the central government and the management of waste collection and disposal is funded by the 'junk removal tax', whereby each household pays a fee to the municipality.[33] The waste collection rate is among the highest in Africa. In urban areas, roughly 90 per cent of the waste is collected while this rate is at 65-70 per cent

in rural areas, which is extraordinarily high for Africa (e.g. as compared with 10 per cent rural waste collection in neighbouring Tunisia). Despite the success of its publicly run waste management programme, Algeria is planning to open to the way for more private sector involvement, as strongly suggested by the international donor community.[34]

Rwanda is routinely praised for its cleanness. At the 2018 World Economic Forum, UN Environment Programme Head Eric Solheim called the capital Kigali the 'cleanest city on the planet' in terms of lack of rubbish on the streets and green initiatives.[35] Umuganda – the one–day-a-month tradition of compulsorily community work – is the secret behind Kigali's cleanness. The communal labour of Umuganda has a long tradition in the region that is nowadays Rwanda. Umuganda has been practiced since pre-colonial kingdoms and it was an integral part of the patron–client relationship.[36] Literally translated, it means 'coming together in common purpose to achieve an outcome'. Residents pick up rubbish, clear land for community gardens or help to build new roads, classrooms or residential toilets for families that lack them. It is a day of cleaning up but also an opportunity to catch up with the community. Umuganda is compulsory: At least one person over 18 years of age per household must attend. Residents are divided into neighbourhood work teams, with 20 to 150 families in each group. Non-attendance at Umuganda, without an approved excuse from the local council, can lead to fines of RWF 5,000 (US$6), which is a significant amount of money for most people in Rwanda but an insignificant sum for the rich.[37] Following Kigali's example, Dar es Salaam has also held a once a month cleaning day campaign in 2016.[38] The initiative requires all Tanzanian citizens to participate in regular cleaning activities of public spaces. While some observers see Umuganda as a creative contribution to a functioning public waste management system based on traditional methods, others see it as a form of forced labour.

Conclusion: lessons learned

The privatisation of waste management only perpetuates the difficulties in delivering effective waste services: i) it leaves most residents excluded from the service (as the private companies usually only cover the wealthier areas in cities where people can afford to pay for the service); ii) it puts profit before the environment; and iii) it is a very expensive way to run the service.

Africa has a great zero-waste potential by way of establishing a circular economy, because a large proportion of the waste is organic. In fact, traditional methods such as feeding waste to animals or using it to fertilise the soil have been used for centuries. This type of local knowledge should be encouraged. Unfortunately, as the experience of waste privatisation in Egypt demonstrates, privatisation discourages local and integrated waste management mechanisms.

Informal waste workers make a significant but rarely recognised contribution to waste management systems in Africa. Privatisation of waste management often leads to informal waste workers losing access to the waste – in other words, they lose access to their livelihoods. A publicly owned and managed waste management system bears the opportunity to enhance circular-economy waste management by formalising the informal waste workers and by building upon their knowledge and expertise. The Zabaleen's circular economy system that achieved a recycling rate of 85 per cent in Egypt or Zanzibar's efforts to become a zero-waste island are cases in point.

An integrated and publicly owned and managed waste management system can achieve great results. Algeria has achieved one of the highest collection rates in Africa in the virtual absence of private sector involvement. It established an integrated waste management system that serves the entire population, and in particular the rural population. This

stands in stark contrast to private waste management systems known to cream off profitable city areas while neglecting the rest of the population.

Note: This chapter is based on a recent 2019 report published by Public Services International entitled 'Municipal Solid Waste Management Services in Africa and Arab Countries' written by Sandra Van Niekerk and Vera Weghmann.

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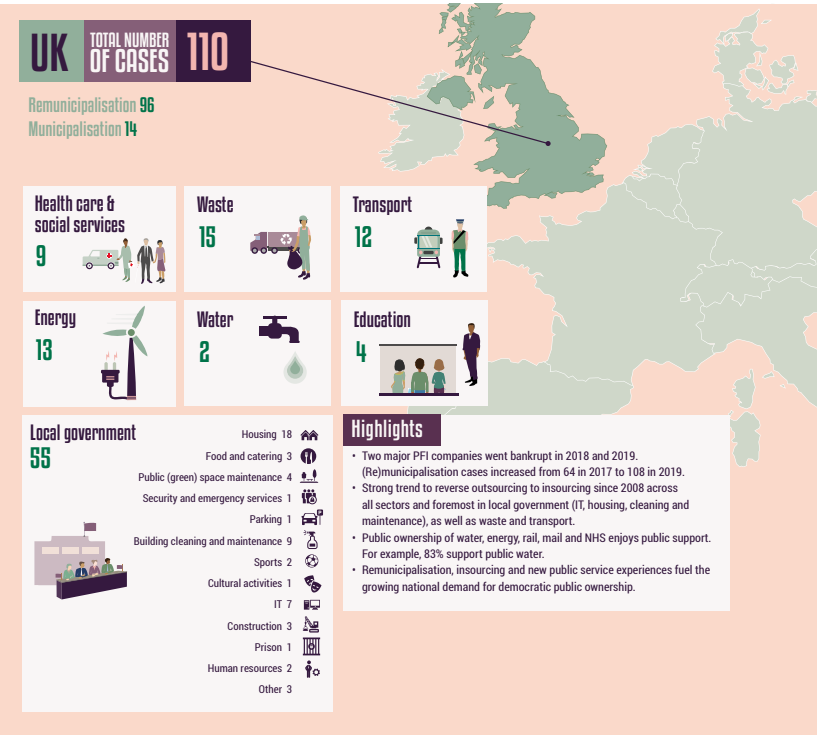
Chapter 6

National, regional and local moves towards public ownership in the UK

By David Hall

The movement for public ownership in the United Kingdom has generated a new political debate about constructing a new public sector that is effective, transparent and driven by local initiatives and accountability. It has also spurred debate about sector-specific plans. The Labour Party and the public campaign organisation We Own It are playing leading roles in this debate, culminating in the former's 2019 election manifesto[1] and the latter's proposals for democratic governance of the public sector.[2] The December 2019 general election in the UK was decisively won by the Conservatives because they prioritised Brexit,[3] which was the overwhelming issue, but public support for public ownership of utilities and public services is now very strong population-wide. Even the re-elected Conservative government re-nationalised a major rail franchise in January 2020 and threatened to do the same with others.[4]

Central government controls the structure of most public services in the UK. From 1980 onwards extensive privatisations were introduced both through the sale of utilities and through the outsourcing of service provision. Some privatised utilities, such as energy distribution and water and sewerage, are organised regionally, but there are no elected regional bodies in England. Responsibility for some services, however, is devolved to the governments in Scotland, Wales and Northern Ireland, which has led to significant variations across the UK.



Since the privatisation of the 1980s, outsourcing and austerity policies have undermined the professional and financial capacity of central and local governments. Local democratic control of education and health has also been eroded by reducing the power of local councils to manage schools, replacing public healthcare authorities with corporate trusts and contractual relationships, and encouraging further privatisation and outsourcing in both sectors. While they remain responsible for services such as public transport and housing, the financial and legal regime has made it very difficult for municipalities to provide such services themselves.

Local services

Although outsourcing of services is becoming less and less popular at all levels of government, it is perhaps most visible locally. A series of studies and reports have confirmed major problems with outsourcing in practice.[5] An illustrative case is the collapse of Carillion, a major British construction and facilities management services company. With 420 contracts with municipalities across the UK, the company's liquidation sent shockwaves through government.[6]

Outsourcing has conventionally been promoted as a way of reducing local government spending. In practice, however, many local councils have started to insource service contracts in recent years partly because insourcing is less expensive. Between 2016 and 2018, over 220 contracts were brought back in house, involving 33 per cent of Conservative-controlled councils, and 42 per cent of Labour-controlled councils. By 2019, 77 per cent of all local councils in the UK expected to bring some services in house, stating that they believe insourcing saves money, provides greater flexibility and simplifies management – and also improves workers' pay and conditions. As shown in Box I, these services include building maintenance, waste collection, parks and leisure services, and cleaning, as well as a number of large office operations.[7]

Photo: We Own It

Box I

Recent insourcing examples

•Stoke City Council insourced its housing maintenance work in 2018, increasing workers' pay by £1,000 per year, and improving productivity and quality of service. The council has created an arms-length trading company to bid for other work, which last year produced a surplus of over £4 million for the council. Their proactive procurement policy means that over 80 per cent of materials are purchased locally.

•Islington Council has brought back roughly £380 million in cleaning, building and grounds maintenance, and waste management services since 2011, helping improve the pay and conditions of 1,200 frontline staff and generating net savings of approximately £14 million.

•Birmingham City Council, the largest in the UK, has terminated a 12-year-old contract with Capita costing £45 million per year, and is creating a new in-house team to redesign and simplify IT systems, including better ways of using data to provide services and enable citizens to access information and services online. It is expecting to save a total of £45 million as a result.[8]

•In 2019, a new nation-wide mutual insurance scheme, Local Government Mutual,[9] was created by a group of municipalities expecting to make significant savings for local councils, who are currently paying over £600 million in insurance premia.[10]

Public-private partnerships (PPPs) in the UK were set up under the Private Finance Initiative. Despite the fact that this policy has now been abandoned by all parties, over 700 such schemes still remain. These bring

costly financial commitments up to 2051 and ongoing problems. Some Private Finance Initiative projects have been terminated and brought back in house. Notable examples here include a series of major projects set up by Transport for London and a waste management one in Manchester. Many more PPPs collapsed and were replaced with direct services as a result of the 2018 bankruptcy of Carillion, which was involved in 420 Private Finance Initiative projects and other outsourced contracts. Of Carillion's 18,000 employees, 14,000 were transferred to new employers – most of them as public sector employees to continue providing services.[11]

In addition to Labour's proposals for national action, which will be detailed below, many local initiatives are also directly linked to dealing with climate change as a central challenge. Municipal companies supply and generate renewable electricity in Nottingham, Bristol and elsewhere, and Norwich is constructing new municipal homes with high energy efficiency. In public transport, Transport for London has already introduced over 200 electric buses and has now ordered 20 hydrogen-fuelled buses.[12] The improvement and extension of bus services in Greater Manchester and elsewhere have similar effects of reducing carbon emissions.

Continuing pressure for restoring public sector delivery of local services can also be seen in three major sectors: buses, housing and health.

Buses

Ever since Margaret Thatcher's government deregulated bus services in Britain in the mid-1980s, very few municipalities have run their own services – only Reading and Nottingham in England, and Lothian in Scotland. While London regulates all bus services, government rules have prevented other cities, such as Newcastle, from attempts to do this. Now a vigorous campaign has persuaded the Mayor of Greater Manchester, Andy Burnham, to propose re-regulating buses, using new powers under a 2017 Act of Parliament. The campaign mobilised to win cross-party

political support from Liberal Democrat councillors, a Green Member of the European Parliament, and a Conservative Member of Parliament, as well as Labour MPs and councillors in the city. It also succeeded in getting supportive motions from five of the 10 district councils in Manchester – and even, improbably, support from Prime Minister Boris Johnson for the principle of a council-regulated bus network.[13]

Housing

Housing is a major issue in the UK. Central governments have made it as difficult as possible for local councils to build and manage homes, and Thatcher's 'right to buy' policy means that existing council homes continue to be sold into private ownership. Norwich City Council has nevertheless found a way to build new public housing. Using some of its own reserve funds as well as borrowing, the Council has created its own 100 per cent municipal housing development company, the Norwich Regeneration Company. The first result is a 100-home estate of low-rise housing that has been built to meet 'Passivhouse' principles of energy efficiency. This has reduced annual energy costs by 70 per cent. Gail Harris, the Labour council's deputy leader responsible for housing said: 'It's about people having good quality homes and low fuel bills. And we plan to build a lot more'. The homes have been nominated for an architecture award.[14]

Health

The National Health Service (NHS) has been subjected to systematic privatisation by outsourcing since 2012. This has led to a number of disasters and created unnecessary complexity. Even the current Conservative government is now recognising the problems and is expected to modify legal rules to allow insourcing again. This is a major victory, but the NHS still needs to be restored to an adequately funded public service entirely provided by the public sector and protected against post-Brexit trade deals that analysts say could force further privatisation. A major campaign is underway to deal with this looming threat.[15] The Thatcher

government introduced outsourcing of hospital cleaning, at great cost to workers' pay and conditions as well as to standards of service. This is because medical services and hospital maintenance are interrelated: as a case in point a 2017 study found that hospitals that outsourced cleaning had significantly higher levels of MRSA infections, which do not respond to antibiotics, confirming fears that outsourcing leads to lower hygiene standards.[16] This is why devolved governments in Scotland, Wales and Northern Ireland ended outsourcing many years ago, and there is growing pressure on the remaining English authorities to do so.

Regional level

Despite the lack of regional authorities in England, the countries of Scotland, Wales, and Northern Ireland all have devolved powers, and have been more supportive of public ownership than the UK national government. Notably, water services in both Scotland and Northern Ireland have remained in public hands, as a result of strong public campaigns and public opposition, though some Private Finance Initiative schemes have been used to build water and wastewater treatment plants. In Wales the water company remains privatised. Although it was restructured by its senior management into a 'non-profit' private company, it is still financed by corporate bonds paying a good rate of interest, still pays its top executives about half a million pounds each per year, and still lacks formal public accountability.

Other examples of regional pro-public policies include:

- In Northern Ireland, the privatised electricity network, Viridian, has been taken over by EIB, the state-owned electricity company of the neighbouring Republic of Ireland, creating a single public sector network throughout the island.
- Scotland has rejected the marketisation of the NHS that has been introduced in England, and continues to run the NHS under direct control of the Scottish Executive – and, as noted earlier, Scotland,

Wales, and Northern Ireland took the decision to end outsourcing of cleaning in NHS hospitals in favour of 100 per cent directly employed staff.[17]

- The Welsh government remunicipalised Cardiff Airport in 2013, ending much outsourcing, cutting carbon emissions and boosting the number of flights using the airport. The Scottish government had also remunicipalised Prestwick Airport to prevent its closure through bankruptcy but decided to re-privatise in 2019 as a result of cumulative losses.
- Scotland also rejected the use of PFI/PPPs before the UK government did so; and rejected the introduction of student fees. Scottish universities therefore remain free to students.

National level

The trend away from outsourcing services has affected central government too. By way of illustration, the Driver and Vehicle Licensing Agency, which maintains and registers drivers and vehicles in the UK, ended 20 years of IT outsourcing with IBM and Fujitsu. The agency created a new in-house team that built a new system for online tax payments in less than two months.[18]

Successful campaigns led by We Own It have also managed to reverse a series of government privatisation plans at the national level, including:

- Forcing the government to bring the probation services back into public ownership, after a disastrous period of outsourcing (2019).[19]
- Compelling the government to take the East Coast railway service into public ownership (2018).[20]
- Forcing the government to abandon plans for privatising NHS Professionals, the agency providing temporary staff across the NHS (2017).[21]
- Stopping plans to privatise public service broadcaster Channel 4 (2017).[22]

- Derailing plans to privatise the Land Registry, the national system for recording and validating land ownership in the UK (2016).[23]

We Own It also runs continuing campaigns for public ownership of water, rail, energy and postal services. These mobilise strong public support and are reflected in Labour party commitments to bring these services into public ownership.

Labour Party public ownership policies: 2017 and 2019 manifestos

The Labour Party has been at the forefront of the alternatives to privatisation debate in the UK. Its manifestos decisively brought such issues to the mainstream. The Labour Party's 2017 election manifesto included bringing water, energy grids, and rail services into public ownership and operation and was a key factor in Labour winning 40 per cent of the vote – its best result for decades. An opinion poll (see Figure 2) shortly afterwards showed extremely high levels of public support for public ownership. Since then, there has been a much greater level of debate about the merits of public ownership in various sectors. The Labour Party 2019 manifesto developed wider and deeper policies for public ownership in a range of sectors, influenced by the various local trends and initiatives described above, by the climate emergency, and by the economic benefits for people and for local economies. These policies have also been shown to be immensely popular with all sections of the public.[24]

The 2019 election manifesto laid out plans that placed climate change and renewable energy at the heart of economic policy, including the public sector's role in the matter. It included the commitment to 'deliver nearly 90% of electricity and 50% of heat from renewable and low-carbon sources by 2030'. The extension of public ownership across many services and sectors featured repeatedly as part of this programme, with

new transparent and participatory democratic structures.[25] The manifesto included commitments to new public sector banks:

- The creation of new public national and regional investment banks, including a National Transformation fund of £400 billion, of which £250 billion would be dedicated to 'renewable and low-carbon energy and transport, biodiversity and environmental restoration'.
- The creation of a new post office bank, following the renationalisation of Royal Mail, to provide reliable banking services for people as well as local co-ops, community enterprises and small businesses.

Box ll

Details of Labour's manifesto, by sector

Energy

- Take 100 per cent public ownership of the national transmission grid and regional distribution grids, by nationalising electricity and gas companies and creating new national and regional energy agencies.
- Take public ownership, through regional authorities, of the Big Six energy supply companies (British Gas, EDF Energy, E.ON, Npower, Scottish Power, and SSE), which dominate the retail supply of electricity and gas in the UK.
- Enable municipalities and communities to take responsibility for generation, distribution, storage and/or supply of their own energy systems.
- Ensure public regional energy authorities take 51 per cent public ownership of all new offshore wind farms, the main future source of renewable energy for the UK and invest in onshore wind and solar energy as well.[26]
- Invest 20 per cent of the profits from offshore wind in parks, libraries and leisure centres for towns and communities.[27]
- Invest £1.8 billion into three large joint ventures to produce storage batteries, more investment into battery reprocessing

plants, and public equity stakes of £300 million in new electric car manufacturing plants.
- Invest £3.6 billion through publicly owned regional distribution companies into a nation-wide grid of 72,000 charging points for electric cars.[28]
- Invest £300 million to create 'community car clubs' owned by the community to enable electric car sharing.
- Ensure all government cars are electric by 2025.
- Invest in upgrading all 27 million homes in the UK to higher energy efficiency, saving £417 per year on the average energy bill.
- Create over 300,000 'climate' apprenticeships and create overall an extra 1 million new jobs in the green economy.

Buses

Implement free bus travel for everyone under 25 years of age, through £1.3 billion per year in subsidies for bus routes, and legislate to enable all local councils to run their own bus services if they so choose.[29]

Rail

Bring the operation of routes under publicly owned railway companies (the network itself is already public), as existing private contracts expire, and invest to replace diesel engines with electrification.

Water

Bring all the private water companies in England into public ownership and create new regional public authorities to run them using open democratic processes.

Housing

Launch a new programme for local councils to build one million new public sector homes by 2030, with new powers to acquire land at low prices.

Health care

Set up a publicly owned company to produce affordable medical treatments for people who need them; and tie all public funding for drug research to socially prioritised health objectives, including universal access, affordability and complete transparency of data and results.[30]

Social care

Create a new National Care Service, free to all, based on rebuilding municipal capacity to provide care, including new municipal care homes, and funding to enable local authorities to take over existing private care homes.[31]

Education

Integrate all existing private schools into the state education system.

Broadband and telecoms

Nationalise the telecoms network and consumer services part of BT Group, and use it to deliver full-fibre broadband to every home in the country, free of charge to households – the costs would be financed through taxing the companies that benefit most from universal fast broadband, such as Amazon, Google, Facebook and the like.

Plans for insourcing and PPPs:

Insourcing

new legislation to make in-house provision the default for all local government services, with tightly defined exceptions, so that as existing contracts expire, they will automatically be brought in house. It would also strengthen the standards expected of outsourced contracts in relation to service standards and employment and make contractors subject to freedom of information laws. Labour is also advising local councils on how to insource work now.[32]

PPPs

Labour would not create any new PPPs, prison PPPs would be terminated, and the remaining PPPs in the NHS would be brought back into the public sector.

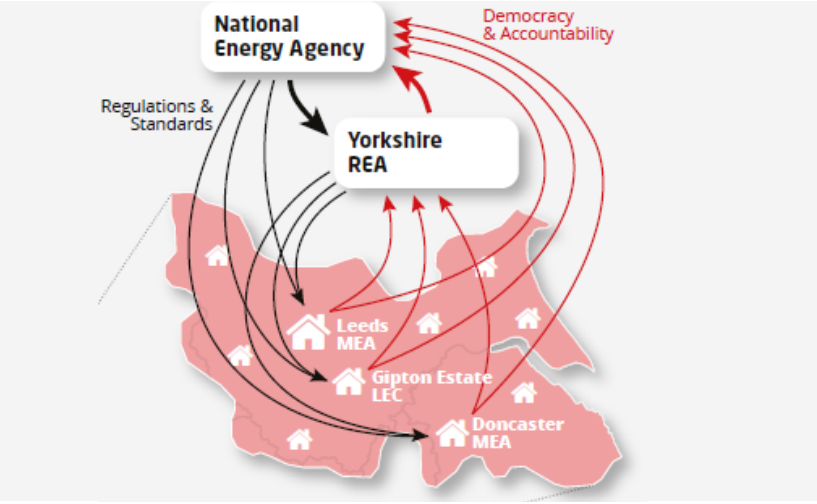


Figure 1: Energy democracy in Labour's manifesto

Source: Labour Party (2019) Bringing energy home: Labour's proposal for publicly owned energy networks. https://www.labour.org.uk/wp-content/uploads/2019/03/Bringing-Energy-Home-2019.pdf

Democratisation of public services

Many of Labour's plans, if elected, would have devolved more powers and capacity to the regional, local and community levels. The party's energy proposals are a good example of this. They would have created regional authorities with overall responsibility for all parts of the energy system, with municipalities and communities taking control of systems in their own areas, subject to meeting performance and professional standards.

In parallel to these policy developments, We Own It produced a detailed plan, '*When We Own It*', for democratic governance of a new public sector,[33] integrating local, regional and national levels. The plan outlines that:

The core institutions will be the new national and regional authorities in water and energy (National Water Authority, Regional Water Authorities; National Energy Agency, Regional Energy Agencies), which will own and provide strategic control of operating companies.

These new public authorities will be governed by boards in which the majority of seats are held by elected local councillors and which also include representatives of workers/unions.

Citizen representatives will be selected by a new organisation, named Participate, to which all citizens and service users will belong by default.

The regional authorities will form associations to carry out a public, transparent mutual exchange of information on best practice, known as 'sunshine regulation', with active support from a National Office for Public Ownership.

All data will be publicly available, and decisions will be made through public meetings with participatory budgeting and popular planning.

We Own It has also produced a '*People's Plan*' for water, a crowd-sourced manifesto for what the industry should be doing when it returns to public ownership.[34]

Big support for public ownership despite 2019 election defeat

Despite the large majority won by the Conservatives in the December 2019 election, direct surveys of voters carried out at the same time show that a substantial majority of UK voters support nationalisation and public sector operation of post, water, energy, rail and buses – as proposed in the Labour Party manifesto (see Figure 2). Support for these policies had grown measurably stronger since the 2017 election. Moreover, this majority support is very consistent across all age groups, regions, class, income, gender and ethnicity. It also extends across political parties; Conservative voters support public ownership in rail and water, and Liberal Democrat voters favour public ownership in energy, buses and post too.[35]

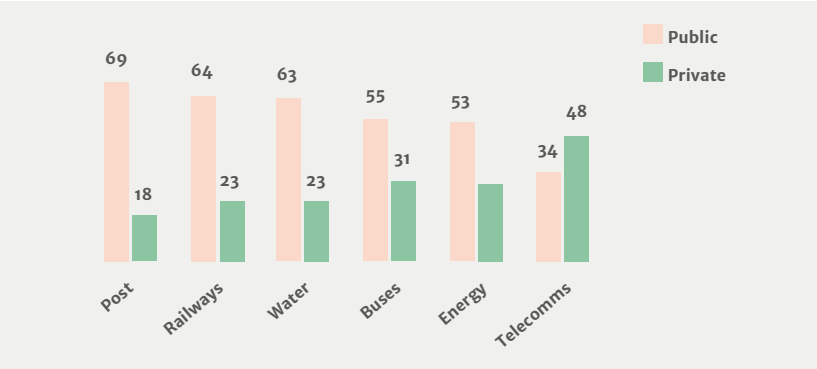


Figure 2: Public support for public ownership in Great Britain, December 2019 (YouGov)

Source: YouGov/Neon survey UK, 11-12 December 2019.

This has been described as a new 'political consensus' by commentators in the *Financial Times*, *The Times* and *Independent*.[36] The new Conservative government duly demonstrated this by nationalising a second rail franchise only six weeks after the election, and it is likely to do the same with other franchises. The political economy of public ownership will continue to be a major issue in the UK in the coming years.

ABOUT THE AUTHOR

David Hall is Visiting Professor at the University of Greenwich, London. His research focuses on the politics and economics of public services, public finance, privatisation and PPPs. From 2000 to 2013 he was Director of the Public Services International Research Unit (PSIRU). David has published numerous PSIRU reports and other journal articles and worked with social movements, civil society organisations and trade unions on all continents. He has also been a guest lecturer at the World Bank Infrastructure Division and invited to speak at meetings of United Nations agencies, the Organisation for Economic Co-operation and Development and other organisations.

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Chapter 7

Putting the 'public' in public services: (Re)municipalisation cases in Malaysia and the Philippines

By Mary Ann Manahan and Laura Stegemann

Strong public institutions are critical for providing effective, quality, affordable and democratic public services to people living in Southeast Asia. This has been underscored by numerous social disputes during the last decade, contesting 'new' public management and reclaiming public services that are anchored in an ethos of transparency, accountability, community responsibility and participation as well as integrity.

(Re)municipalisation of public services has taken root in a number of countries like Indonesia, Malaysia and the Philippines, among others. The cases are diverse but show common features. There are public authorities on the regional or municipal level reassuming control over privatised services. We can also see a number of municipal governments that use public money to create new public service structures that increase social welfare and climate resilience in response to their specific contexts in public-public and public-community partnerships. These cases emphasise that cities and municipalities can provide the means and spaces for democratisation and progressive policies.[1] This chapter highlights novel pathways to deliver quality and democratic essential services led by states, cities and municipalities. The cases include socially innovative systems of public service provision beyond privatisation and commercialisation. We have put a spotlight on examples from Malaysia and the Philippines, with a focus on water, social protection and local resilience to climate change.

Selangor's remunicipalised water system

A 2012 survey to map the degree of public versus private water service delivery in Asia provided a large and broadly characteristic sample of 646 listed water utilities, most of which are public in nature – either as state-sponsored agencies or municipal corporations.[2] Privatised water supply systems are found in key megacities, however, such as Metro Manila, Jakarta and Kuala Lumpur where there have been decades long campaigns to de-privatise water services. Among them, Kuala Lumpur, one of Malaysia's three federal territories enclaved within the state of Selangor,[3] successfully returned water operations to public ownership (as part of the service area of a new state-wide public water utility, Air Selangor). The state of Selangor's remunicipalisation process represents a complicated and expensive two decades-long saga of regaining state autonomy and public control over the water system. Exposed to conflicts of interest between private companies and the Selangor state government, citizens had to cope with the consequences of poor service provision on a daily basis, including poor water quality and high tariffs, exacerbated by water shortages. As the richest and most populated state, remunicipalisation was made possible through a combination of political and economic will from the centre-left government, Pakatan Rakyat (People's Pact), which came into power in 2008. Its leaders put the re-consolidation of a fragmented and unbundled privatised water sector (see Figure 1) at the core of its strategy.

Until 1994, Selangor's water system had been publicly managed and owned, generating annual profits of between €11.5 and €18.5 million.[4] When the demand for water grew and the public utility could not keep up, privatisation was seen as the only viable solution, which was in line with the dominant mantra of neoliberal development at the time. The Selangor state government signed a 25-year Build-Operate-Transfer (BOT) contract in 1994 with Puncak Niaga Holdings, a company owned by the Malay Nationalist party (UMNO)[5]-linked Rozali Ismail. In the years that

followed, Selangor's water system was split and its parts successively awarded to three more concessionaires: PNSB, owned by Puncak Niaga; Syarikat Pengeluar, owned by SPLASH; and the consortium ABASS. In 2004, without any competitive bidding process, the state government awarded Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS), another subsidiary of Puncak Niaga Holdings, a 30-year contract that guaranteed fixed government payments and triennial tariff increments from 2009 onwards. The concessionaire committed €2.26 billion as investments to reduce non-revenue water (i.e. water losses due to theft and leakages) by fixing pipes. The deal was pushed by Barisan National (National Front), coalition of parties on the right and centre of the political spectrum), which governed Selangor until 2008.

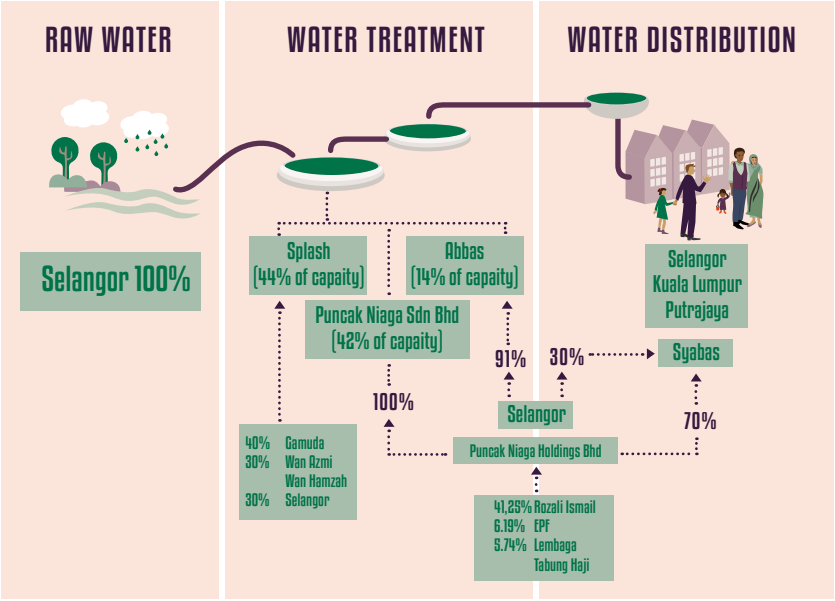


Figure 1: Selangor's privatised water system

Source: Razak, A. (2013) 'Selangor water: Privatisation gone awry', KINIBIZ Online, 26 February. http://www.kinibiz.com/story/corporate/5104/selangor-water-privatisation-gone-awry.html

In 2008, a new government led by *Pakatan Rakyat* granted Selangor state the right to restructure and reconsolidate the water system. The political party promised to freeze tariff hikes as part of its electoral campaign focusing on social justice, human development, an equitable and sustainable economy, transparency and genuine democracy. However, the national government failed to respond to requests to cancel the concessionaires' contracts in 2008 and 2010.[6] SYABAS, on the other hand, filed claims to the state government for US$282 million as compensation for impeding the raise of consumption tariffs, further claiming that the price of US$0.45/m^3 did not cover its operating costs of US$0.55/m3.7 The Selangor government denied the private company's claims, arguing in turn that SYABAS was in breach of its contract because of missed performance targets, inefficiencies, non-disclosure of crucial information, overcharging for unrequested services such as a €12 million office renovation, misallocation of state funds and non-compliance with government procurement processes. Operational irregularities continued to occur such as overpayments to Puncak Niaga's top management amounting to €2 million in 2009, as well as overcharging consumers on water bills that were double that of neighbouring states. Moreover, the quality and stability of service provision steadily declined as regular water interruptions, especially during summer months, and water rationing became the new norm for 10 million affected residents. Following these supply problems, a Special Cabinet Committee on the Selangor water crisis was formed. The committee found that SYABAS operations were indeed inadequate, but conclusions fell short of recommending a full public takeover.

Meanwhile, state authorities and private operators exchanged accusations. From 2009 to 2014, the Selangor government made various attempts to reconsolidate the fragmented water sector based on Article 114 of the 2006 *Water Service Industry Act*, a regulation which allows for the full or partial remunicipalisation of a private business or licensee by the state based on national interest. The government initially offered €2.2 billion to buy back utilities, but the concessionaires rejected the proposal.

On 26 February 2014, the state government flexed its political muscle by establishing a special purpose vehicle called *Pengurusan Air Selangor Sdn Bhd*, or Air Selangor. This new entity operates and maintains the entire water supply and distribution systems – from reservoirs to distributing treated water to 10 million consumers in Selangor, Kuala Lumpur and Putrajaya (federal administrative centre of the Malaysian capital).8 The single, new public operator acquired the three concessionaires in line with the amount agreed upon in a memorandum of understanding between the federal and state governments in 2014: SYABAS and PNSB Water was purchased for a total of €1.9 million in 2015 and ABASS for €194.7 million in 2016. The negotiations with SPLASH took longer, with the Selangor government finally accepting SPLASH's €549.5 million asking price in 2019, which according to critics is 10 times the original takeover offer from 2013.9 Air Selangor has made a first payment of €409.5 million and the remaining amount will be paid over a period of nine years. This completes the final step in remunicipalising the water system, offering an opportunity to re-establish a reliable water system that will serve people in the long term. Air Selangor has already invested €237.1 million10 between 2016 and 2018 to upgrade and maintain the system. Throughout the process civil society and the current ruling party, *Pakatan Rakyat*, played an important role in reclaiming water services, increasing the transparency of the negotiations and envisioning a better public water management.

Advancing social protection and universal access to essential services in the Philippines

Public services such as libraries, health, fire protection, water and sanitation, and education are usually decentralised in Southeast Asia. For many citizens, local government (municipal, village, provincial/state) is the layer they have daily contact with. The relationships between local administrations and citizens are mediated by the quality, effectiveness and capability of the former to meet the needs and demands of the latter. Therefore, local governments tend to have the 'comparative advantages

compared to central governments because of their proximity to people, knowledge about local priorities and the pressure of local constituencies for greater accountability, participation, and transparency'.[11] Notwithstanding the potential weaknesses and susceptibility of local governments to corruption and bad governance, some Philippine local governments deliver inspiring counter-examples to advance universal access to public services and social protection.

The municipality of Binalonan in the province of Pangasinan, home to 54,555 people[12] and located 190 kilometres from the capital, has recently used public funds to set up day care centres, provide financial assistance to women, children and single parents as well as social privileges for senior citizens. Further, it has introduced free primary healthcare services and aid to people in need. This initiative is anchored on the municipal government's vision and core value to ensure 'that [people who have] the least in life have the most in law'.[13] Prioritising primary healthcare

provision in line with national laws promoting maternal and children's health, the municipality has improved health indicators above the national average. The chronic malnutrition rate among children ages 0-2 was at 9 per cent while the national average was at 26 per cent in 2016. The rate of severe underweight has been reduced to 1 per cent and the contraceptive use rate increased to 51 per cent in the same year. In 2015, the Department of Interior and Local Government, the national agency responsible for strengthening local government capacity to effectively deliver basic services to the population, awarded the municipality a seal of good governance and hailed it as a children- and women-friendly local government.

The municipality of Cainta, in the province of Rizal, has undertaken similar initiatives. It is the second most populated municipality (322,128 people) and the richest in the country, with €70.7 billion in total assets in 2017.[14] Under the leadership of Mayor Johnielle Keith Pasion Nieto, who first won local elections in 2012 and was re-elected in a landslide victory in 2016, the 'One Cainta' programme was launched to revive and reinvigorate public services, foster municipal income growth and implement proactive governance. In 2018, at the mayor's initiative and with support from the municipal council, a local ordinance was passed to establish the One Cainta College introducing free tertiary education and lifelong learning to low-income households. The mayor enlisted the help of a known educator and resident, Dr. Victoria Naval, who conducted a six-month feasibility study and participatory consultations with local communities in partnership with a national NGO as well as facilitated the college's accreditation with the Commission on Higher Education.[15] The accreditation means that diplomas earned from the college can be used by students for graduate study and work abroad. As its current president, Dr. Naval oversees the college's lateralised programme[16] that provides full bachelor's degrees for full-time students and lifelong learning courses for individuals regardless of age and gender. Funded by the municipality directly, the college has admitted a cohort of 800 students in its first year.

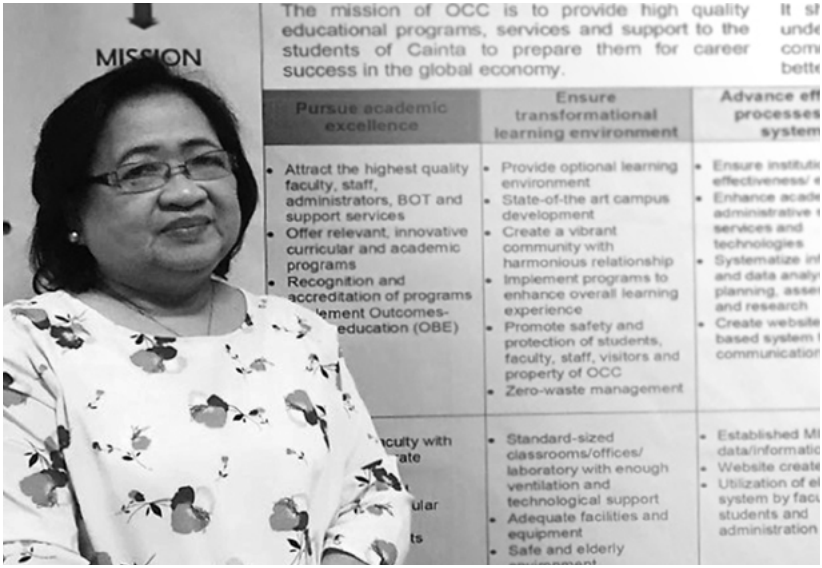


Photo: The author interviewed Dr. Victoria Naval of One Cainta College in 2019

Furthermore, as part of Mayor Nieto's 'development' platform to uplift impoverished people and ensure safer communities for everyone, the delivery of health services is on top of his agenda. In that framework, the municipality has undertaken the construction of new health centres and birthing clinics, upgraded the municipal hospital andset up free consultations with the roll out of the *Libreng Gamot* (free medicine) program, targeting low-income and marginalised households. It has further embarked on improvements to its municipal hospital by increasing the number of hospital beds to accommodate more patients, augmenting the staffing system, upgrading hospital facilities in the charity wards and accrediting the hospital under the National Health Insurance Program. The accreditation gives health insurance members access to free medicine at the hospital's pharmacy, which is paid for by the national government. Municipal health care workers and senior citizens who are Health Green Card holders are also entitled to free hospitalisation that covers medicines, medical examinations, laboratory and doctor's fees and minor surgical procedures performed at the municipal hospital.

The Binalonan and Cainta cases stress the leadership roles that mayors and local councils hold in delivering welfare-based social protection and basic public services. In both cases local public authorities forward visions and action plans that focus on upholding social and human rights, benefitting especially the most vulnerable and marginalised members of Philippine society.

Case I: Selangor's People's Care Initiative

The Selangor government introduced the *Inisiatif Peduli Rakyat*[17] (IPR, People's Care Initiative) as an integrated social protection programme in 2008. Funded by state revenues, the programme was set up to improve social welfare of different vulnerable groups through better education, health care, water provision, transportation, housing and food.

In the realm of education, six initiatives were introduced. The *Skim Bantuan Tadika Selangor* (Skim TUNAS) was set up in 2008 to enable children ages 5–6 to attend kindergarten or pre-primary school. Tuition fees are covered by public funds and are directly transferred to the institutions registered with the Selangor Kindergarten Consultative Council. Another programme is the *Hadia Pengajan IPT* scholarship, launched the same year with the objective of improving equal access to university education. The scholarship fully covers tuition fees and provides a one-time payment of RM 1,000 (€215) for students qualified to study at a public college or university. It focuses on low-income families or those earning less than RM 5,000 (€108) per month. A similar programme directly targets children of farmworkers in Selangor.

Two programmes were introduced in 2008 and 2010 to improve access to health care. The *Skim Mesra Usia Emas Scheme* offers a death benefit of RM 2,500 (€538) for registered senior citizens to

help surviving relatives cover burial expenses. In the framework of the *Women's Health Scheme*, mammograms are free for women aged 35 and over. Another initiative launched in 2017 provides a subsidy for primary healthcare provision, targeting low-income households. The state provides RM 500 (€109) per year for medical expenses. Part of this scheme entitles residents holding a Peduli Sihat health card,18 including their spouses and two children aged 21 or below, to free treatments at registered clinics.

Other programmes focus on access to affordable housing, water, food, transportation and telecommunication services. The *Rumah Selangorku* was introduced in 2012 to provide access to affordable housing. Selangor residents earning below RM 3,000 (€646) per month can apply for house financing not exceeding a value of RM 250,000 (€53,793). Since 2018, the Smart Motherhood Charity programme has helped mothers from low-income households reduce living costs by subsidising purchases of basic food and non-food necessities up to RM 200 per month (€43) using state-issued cards in registered shops across Selangor. This welfare programme recognises the special role of women in managing family affairs and has benefited an estimated 5,000 households belonging to the bottom 40 per cent income bracket. The Smart Selangor Wi-Fi initiative provides free internet access at 300 spots throughout the state. The state is currently improving access in lower income neighbourhoods, as well as in rural and high student density areas. In the sector of public transport, the *Smart Selangor* programme provides free bus service covering 11municipalities and cities. Finally, with the *Skim Air Darul Ehsan* project, the People's Care Initiative also provides free water to households that consume 20 cubic meters or less per month.

Locally anchored climate resilience strategies

The impacts of climate change are experienced in ways as diverse as the environments where it unfolds. Market-based instruments are increasingly recognised as insufficient to respond to the climate change-related challenges that communities face in a variety of local contexts. In contrast, locally anchored climate resilience strategies focus on adapting to a community's specific experience of the threats, impacts and consequences of the climate and ecological crises. They also include mitigation strategies that increase resource and energy efficiency, led by local communities. A crucial pre-condition here is the involvement, ownership and even self-provisioning (self-help/community-organised initiatives, often without government support) of affected communities and people that nurture local capacities and knowledge.

With the world's third largest exposure to climate risks,[19] Philippine municipalities and communities are building and expanding holistic public service structures that respond to present and future risks and reduce people's vulnerability to climate change-related and natural disasters.

The first example comes from the town of Lanuza, located in Surigao del Sur in the Southeastern Philippines. In 2016, local leaders implemented a holistic project on disaster risk reduction and management that fosters adaptation policies anchored on a ridge-to-reef approach. As the local economy depends on its forests, watersheds and mangroves, decision-makers take the entire ecosystem and its interconnectedness into account in formulating programmes that tackle multi-faceted issues in this town of 12,000 residents. The issues include sustainable livelihoods, environmental protection and safeguarding the rights of vulnerable groups such as women, children, elderly people and people with disabilities, all of whom are the most impacted by climate change and natural disasters. In order to finance the initiative, the national and local levels

work together. The municipality has secured €692,322 from the People's Survival Fund, a special fund in the National Treasury that supports climate change adaption and disaster risk reduction programmes in impoverished and vulnerable local communities, while the municipality itself has allocated €148,987 in matching funds.

Similarly, in the same province the Siargao Climate Field School for Farmers and Fisherfolks obtained public funds worth €1.43 million from the People's Survival Fund and earmarked a further €226,758 from the municipal budget. The climate field school is a joint undertaking between the coastal municipality of Del Carmen and the Surigao State College of Technology. Established in 2016, it aims to improve food security and agriculture as the town's principal source of livelihood. The school provides technical assistance to farmers and fisherfolks and delivers tools to reduce diseases caused by pathogens, bacteria and viruses transmitted by insects and snails that affect agriculture-dependent households. It promotes community education on weather forecasting and climate variability to empower local farmers and fisherfolks by increasing their decision-making capacity. The project also finances a regional research centre that surveys options for climate and disaster-resilient food production.

Challenges ahead

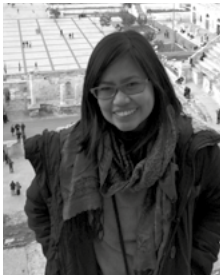
The above cases stress the viability of (re)municipalisation in a region where neoliberal reforms have long undermined public sector performance and permeated the everyday lives of people. Remunicipalisation and municipalisation have articulated politics that move education, welfare and socio-ecological relations to the centre. They stress the important role of targeted public spending strategies accompanied by visionary political narratives and pragmatic policy programmes. While national funds are an important source of money, local authorities can build on local institutions and knowledge to set up programmes that adapt to

their specific needs. Malaysian and Philippine municipalities thus move forward with recipes for public ownership with local ingredients.

One cannot overemphasise that (re)municipalisation means mobilising public money. The main lesson here is that besides political will, fiscal space and actual funds are available to take over a private entity and run a service effectively. Selangor, as the richest state, can easily buy out private concessionaires, but *what if there is jurisdiction and political will to remunicipalise but the authority in charge does not have the financial means?* Here, central government support and foreign development assistance to capacitate and strengthen the local public sector's ability to establish and maintain a public service have to be considered as potential modes of cooperation. Then, there are issues surrounding user tariffs. It is important, for example, to see how Air Selangor as a non-profit utility will ensure that its water tariffs continue to be linked to social justice and human rights goals. Citizens and civil society must also continue to hold public utilities accountable to avoid pitfalls of the past and to make sure that 'new' public utilities remain subject to the same and even higher standards than privatised services to live up to their very nature and mandate.

In short, the new generation of 'the public' must continue to expand its capacities and listen to the needs of people and the environment to create futures that sustainably challenge economic and political norms and advance people's rights, equity and resilience.

ABOUT THE AUTHORS



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Laura Stegemann has worked as a freelance research assistant for the Public Alternatives Project at the Transnational Institute. Currently, she is doing a PhD that falls within the framework of a research project at the University of Glasgow on 'Global Remunicipalisation and the Post-Neoliberal Turn'.

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Chapter 8

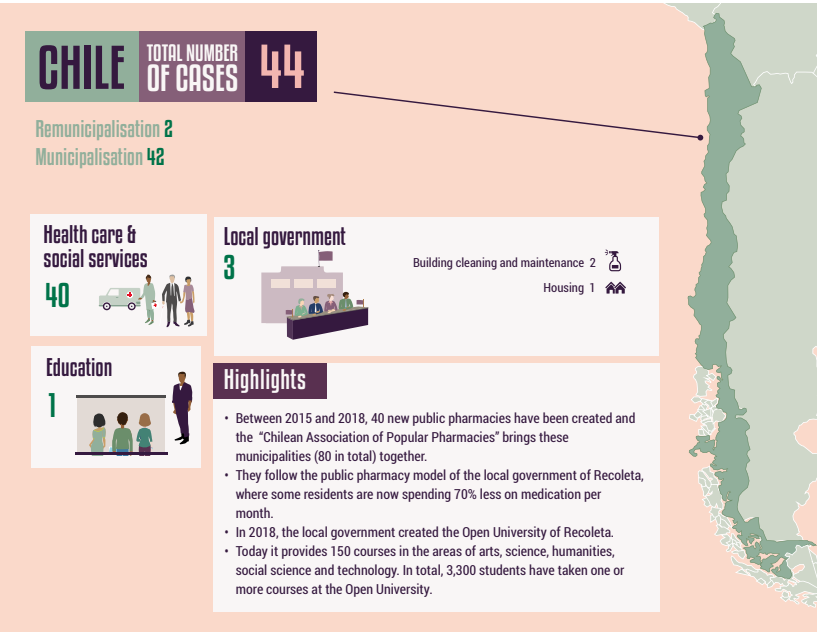
Rebuilding public ownership in Chile: Social practices of the Recoleta commune and challenges to overcoming neoliberalism

By Alexander Panez Pinto

Chile has gone through more than four decades of neoliberalism, inaugurated by the civil-military dictatorship (1973-90). Different areas of social life (such as education, health and social welfare) went through radical processes of privatisation and commercialisation. In addition, one of the central aspects of the current model is the neoliberal exploitation of natural common goods such as the land, water and minerals. Control of these natural resources is currently concentrated in a few companies, mainly transnationals.

During this neoliberal period, some of the main privatisations were of state-owned companies for electricity distribution, gas, water supply and sanitation, hydropower and transport, leading to an increase in the price of these services for the population. Economic changes were accompanied by strong political repression of opponents to the dictatorship's policies. In addition, the centralisation of power in the national government was strengthened, which reduced the democratisation of decision-making spaces for citizens in general.

Since the 1990s, institutions like the World Bank and International Monetary Fund usually present Chile as a 'model' of development for other Latin American countries, because of its economic growth. However, after decades of neoliberal doctrine, there are massive inequalities between people who can afford privatised services and those who cannot.



In 2011, Chile saw significant student and socio-environmental mobilisation. Ever since, resentment of neoliberalism has grown. The number of movements protesting the negative consequences of this model has multiplied and gradually political forces have emerged that promise pathways out of neoliberalism. The nation-wide demonstrations of October 2019, still taking place as this chapter goes to press, are the most representative sample of discontent caused by social inequalities and the precariousness of living conditions for a majority of Chileans.

This chapter seeks to highlight local initiatives in Chile that are working for a social re-appropriation of the commons[1] in order to strengthen public ownership of public services across the country. We will focus on the experience of the local government of Recoleta, a commune in the metropolitan region of Santiago, Chile. Recoleta stands out as an example of proposing and practising social alternatives to market-led policies that favour the private sector.

Background

According to the most recent census, Recoleta has 157,851 inhabitants. It is a commune[2] characterised by historical cycles of migration, with the arrival of migrants from other countries in South America and the Caribbean. Since 1991, the commune is administered by a municipal government. According to the latest official records, 14 per cent of Recoleta's population lives in poverty,[3] which is more than double the average poverty rate for the Santiago Metropolitan Region.

Daniel Jadue, a member of the Communist Party of Chile, has been the mayor of Recoleta since 2012. Mayor Jadue was elected on the promise of moving away from the market model to recover public ownership. From then on the municipality aimed to achieve local development based on participation and continuous improvement of municipal services as the core of the relationship with residents.

One of the challenges as defined by Recoleta's team was trying to create new public services in areas that were priorities for the population. Privatised services had become very expensive due to inefficient contracts that the municipality maintained with private companies.

Key local government initiatives in Recoleta

To illustrate broader discussions about public ownership in Chile, we have selected four representative initiatives in the areas of health, housing, cleaning and education that are part of the political project in RecOLETA.

Box I

Popular pharmacy

In Chile, private pharmacies supply the vast majority of the population with medication, and the government does not regulate

prices. Currently, three pharmaceutical companies dominate 90 per cent of the market. These companies have been investigated and convicted multiple times for crimes of collusion in pricing medicines. The public health system only offers medications for a limited number of serious illnesses with high mortality rates. Faced with the high price of medications, the local government of Recoleta created the country's first 'Popular pharmacy' in 2015. The pharmacy offers cheap medicines for the residents of the commune who are treated in the public health system.

The popular pharmacy reclaims the role of the state as a direct supplier of goods. Bulk purchases of medicines are based on prior evaluation of what citizens need from the national medicine supply centre (demand-driven vs. supply-driven purchases that are standard practice with private pharmacies). The public pharmacy also provides social security based on the principle of solidarity. It facilitates equal access through subsidies for those with lower incomes.

Four years after implementation, results of this initiative for the population are already showing. The municipality's calculations demonstrate that in some cases there have been savings of up to 70 per cent compared to what the residents of Recoleta used to spend each month on medications.

Box II

People's real estate agency of Recoleta

Housing in Chile is dominated by the real estate market. The state only participates through a policy of limited subsidies for the poorest families, so they can access low-cost housing according to market prices. This implies that the poorest residents of cities

must opt for small, poorly constructed houses that in most cases are located on the periphery. This has deepened urban inequality. In 2018, the local government of Recoleta created the first Chilean 'People's real-estate agency'. It offers affordable housing to the commune's poorest families. The municipality formed a partnership with the Ministry of Housing and Urbanism to ensure construction of housing, establishing a project with shared financing (although most of the funds come from the ministry).

The first project, launched in 2018, is a building with 38 apartments. Each 55 m^2-apartment has three bedrooms, as well as a living room, kitchen and bathroom. The construction of the building is scheduled to be completed in 2020. From then on, the Recoleta government will rent the apartments to poor families for a maximum of five years,4 and will charge rent that is less than 25 per cent the household's income. The administration is also planning to add another 90 apartments to an existing condominium project in the commune. This is the first time in Chile since the military dictatorship that a local government is tackling the housing problem and represents a landmark shift in housing policies in the country.

Box III

Workers' co-operative for city cleaning services

Until recently, the government of Recoleta was criticised for the precarious working conditions and poor service of Servitrans, a private cleaning company responsible for street cleaning, parks, public buildings, and so on. Due to these problems, in 2016 the local government decided to support the creation of the 'Jatu Newen' co-operative for the cleaning service concession. The co-operative was created by former workers from Servitrans and is

now made up of 105 workers belonging to various ethnic groups (Mapuche and Aymara), as well as Chileans and migrants from Colombia and Peru.

Since then, the co-operative has taken over the cleaning of the commune. Workers' salaries have increased two-fold and conditions have improved, based on a model in which all members perform the same work for the same salary.

Box IV

Open University of Recoleta

Education is another area where the private sector plays a major role in Chile. Nearly 85 per cent of the students in the country attend a private higher education institution. In addition, graduate-level courses are very expensive in relation to wages and living costs in Chile. For example, studying psychology in a private university can cost US$8,400 annually, while medicine can cost $11,000 per year. Even in public universities, students face expensive fees for their education.5 This creates barriers to fostering a knowledgeable and educated population, and impedes the democratisation of knowledge in the country.

In this context, the local government created *Universidad Abierta de Recoleta* (Open University of Recoleta) with the goal of making general knowledge available to all citizens. To create this project, the municipality used the successful experiences of free universities in Europe and Latin America as inspiration. The Open University is not only designed to improve access to education, it also seeks to encourage the exercise of a more critical, liberated, active and transformed citizenry in day-to-day life.

Given the highly privatised education system, one interesting aspect of the Open University is that it not only accessible to Recoleta residents, it is open to all who wish to participate in the courses, free of charge.

To bring this initiative to life, the municipality built partnerships with several universities and educational institutions both locally and internationally, including the University of Chile, the University of Santiago and the United Nations Educational, Scientific and Cultural Organisation (UNESCO). Today, the Open University of Recoleta offers 150 courses in the areas of arts, science, humanities, social science and technology. To date, 3,300 students have taken one or more courses.

Photo: Universidad Abiertade Recoleta

	Main characteristics	**Type of public ownership**	**Type of public ownership**	**Results**
Popular pharmacy	Creation of a municipal pharmacy to provide affordable medicines to residents.	Municipality	Municipality	Significant reduction in the cost of medications (average saving of 70 per cent compared to what residents used to spend monthly on medicines).
Workers co-operative 'Jatu Newen'	End of concession for the private company Servitrans. New city cleaning service, run by a workers' co-operative.	Municipality granted a concession to a workers' co-operative.	Municipality granted a concession to a workers' co-operative.	Better working conditions for workers. A 50% increase in workers' salaries. Lower cost and improved cleaning services for the municipality.
People's real estate agency	Construction of housing projects that offer affordable housing to low-income families in the commune.	Municipality in partnership with Ministry of Housing and Urbanism.	Municipality in partnership with Ministry of Housing and Urbanism.	The housing projects are under construction.
Open University of Recoleta	University with nostudent fees.	Municipality in partnership with other educational institutions.	Municipality in partnership with other educational institutions.	150 courses per semester with more than 3,300 students participating so far.

Figure 1: Main initiatives of the local government in Recoleta

Spreading the Recoleta model nation-wide: possibilities and challenges

Finally, it is important to reflect on some developments and challenges arising in Recoleta's local politics if we are to overcome neoliberalism in the country.

After Recoleta's success, many locales have replicated some of the local government's initiatives, the most popular being the popular pharmacy.

Today, a Chilean Association of Popular Pharmacies brings together 80 municipalities. Other models like the People's real estate agency are also being used by other local governments.

The spread of these initiatives is due not only to their results at the local level, but also to the traction that Recoleta's experience has gained in the media. Importantly, they are not top-down models imposed by the national government; they represent a process of exchange and horizontal learning among di fferent local governments.

Diverse forms of public ownership

One of the most interesting aspects of the experience in Recoleta is the diversity of ways of building public ownership. These forms of ownership range from the creation of a new public service managed by the local government (popular pharmacy), to partnerships between local authorities and other public institutions (such as with public universities in the Open University), to a workers' co-operative taking over the concession from a profit-driven company (cleaning service). This shows the importance of thinking about public ownership that goes beyond state-led institutions in Latin America, incorporating organisations from civil society in public management. However, one point that does not appear so strongly in Recoleta's experience is the implementation of public ownership initiatives where the community plays a key role. This is a significant shortfall given the long tradition of community organisation in Latin America around services and common goods (mainly by indigenous groups, peasants and residents of impoverished urban areas).

Does Recoleta's experience go beyond neoliberalism?

A key issue with Recoleta's new initiatives regards their scope and whether they have the capacity to transcend the neoliberal model in Chile.

I believe that Recoleta's initiatives should be taken as a starting point for social transformation rather than an end point. In one way, the initiatives described here are actions to improve the well-being of the population of Recoleta in sensitive areas such as health, housing and education, making services free or affordable. In another sense, the experience shows that it is possible to create new initiatives at the local level as an alternative to the market-led services that dominate the country.

Nevertheless, if these initiatives are not accompanied by politicisation of the debate around the transformation of Chile's current political economy, the experiences of local governments risk becoming mere corrections to the neoliberal model through which the public creates or recovers essential services that are not profitable for private companies. The fact that right-wing local governments are also creating popular pharmacies is a case in point. These governments seek to take advantage of the popularity of this initiative in order to legitimise their governance. However, these right-wing municipalities are not seeking to eliminate the privately controlled medicine market and the private health system. Their action simply builds on them. For this reason, the popular pharmacy initiative is insufficient unless accompanied by political proposals to transform the health system as a whole.

Recoleta's experience has placed the strategic importance that local governments have in overcoming neoliberalism on the political agenda. Since the dictatorship in Chile, the historical complaint of leftist political groups has been that the centralisation of power and resources in the national government leaves very little space for transformative political action locally. The government of Recoleta has shown that with innovation and an anti-neoliberal political vision, it is possible to reclaim public services and even create new forms of public organisation at the local level.

The possibilities of implementing anti-neoliberal policies at the local level have important legal and institutional limitations. At the same time, what these concrete initiatives do is exactly that: they highlight the limitations of Chile's political system and call for change in the current order to achieve social and environmental justice. This can be a key strategy to challenge the neoliberal model in Chile in the coming years. With the mass mobilisation of October 2019, the political horizon for this social momentum has widened.

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Endnotes

1 In Latin America, the use of the word 'remunicipalisation' as a strategy for achieving the democratisation of the commons is controversial. Latin America has a long tradition of community management of the commons: water, land, education, health, etc. Whereas 're-municipalisation' can indeed be progressive in some European and North American countries, in the Latin American reality this kind of initiative has been used by States as dispossession policy to end community management. Networks of movements and organisations such as Plataforma de acuerdos público-comunitarios de las Américas (Platform of public-community partnerships of the Americas) prefer to talk about social re-appropriation of the public or social re-appropriation of the commons.

2 The commune is the smallest administrative subdivision in Chile.

3 According to a 2015 survey, see: Ministry of Social Development (2015) Resultados Encuesta CASEN. *http://observatorio.ministeriodesarrollosocial.gob.cl/casen-multidimensional/casen/casen_2015.php*

4 During the five-year rent period, the municipality of Recoleta will be responsible for advising families in the search for a more permanent housing solution.

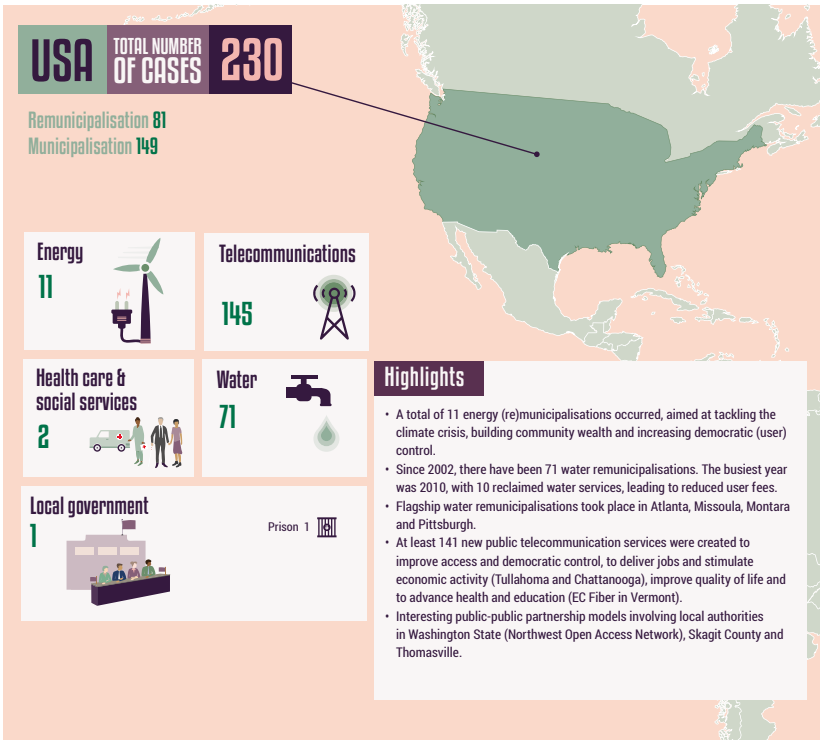
5 This situation was one of the main reasons for the student mobilisation in 2011, which put the problem of profit in education and family indebtedness on the political agenda in Chile. Major protests demanded a change in educational policy, calling for free, quality public education. The demands of the students have not yet been accepted by the national government authorities.

Chapter 9

United States: Communities providing affordable, fast broadband Internet

By Thomas M. Hanna and Christopher Mitchell

In the United States, one of the fastest growing areas of municipalisation and local public ownership is high-speed broadband Internet networks. This is due, in part, to the failure of the highly concentrated, corporate-dominated telecommunications sector to provide fast and affordable service in many parts of the country – especially rural areas, smaller towns and cities, and communities with low levels of income and economic development. In the modern, information-driven economy, this has profound implications for economic development, social and economic equality, and ecological sustainability. Just as they did with the critical backbone economic infrastructure of the twentieth century – electric systems, roads and bridges, water and sewer systems, airports, ports, mass transit, and so on – communities across the country are starting to use public ownership to build and operate the digital infrastructure needed in the twenty-first century. Data from the Institute for Local Self-Reliance (ILSR) shows that in the past several years, more than 800 communities (including cities, towns and counties) have established community owned broadband networks.[1] Of these, 500 are publicly owned.[2] Moreover, more than 150 of these communities (in 29 states) have super-fast networks of at least 1 Gbps and 20 communities (in four states) offer 10 Gbps networks, which is hundreds of times faster than the average US Internet connection.



Supporting the development of local, publicly owned broadband networks has also become a mainstream national political issue. In early 2015, then-President Barack Obama visited the site of one such publicly owned network (Cedar Falls, Iowa) and announced several steps his administration would be taking to bolster public and community broadband networks.[3] As discussed further below, a centrepiece of this effort was an attempt to stop state governments enacting corporate-backed laws impeding communities from establishing such networks. This effort ultimately failed due to the limits of executive branch powers and the election of Donald Trump as President in 2016. However, in August 2019, Senator and Democratic Party presidential candidate Elizabeth Warren unveiled a US$85 billion plan to aid in the development of such

networks (along with co-operative and non-profit networks), especially in rural areas.[4] Critically, for-profit corporations would be excluded from receiving these funds. The plan also called for legislation to remove state-level limitations on local networks. One of her challengers, the more centrist Pete Buttigieg, unveiled a similar plan.[5]

Slower speeds, limited access

Many people probably assume that in the twenty-first century, the world's largest economy would also have the best access to high-speed Internet. However, that simply is not the case. According to recent estimates by the Federal Communications Commission (FCC), 21.3 million Americans (more than the total population of the Netherlands) do not have access to an Internet connection with download/upload speeds of at least 25 Mbps/3 Mbps (considered by the government to be the bare minimum to qualify as broadband service). Meanwhile, 138 million people do not have access to a connection with speeds of at least 250 Mbps/25 Mbps.[6] When considering these numbers, it is also worth remembering that first and foremost, they are likely an underestimate, and second, just because a person may have access to high-speed Internet, does not mean they can afford it. As Senator Warren pointed out in her plan, nearly 30 per cent of households in some urban areas, such as Detroit and Cleveland, do not have any Internet connection, and this is primarily due to cost. On top of this, Internet in the United States is far slower and more expensive than most other advanced countries. According to recent estimates, the United States may be as low as 15th in the world when it comes to average speeds; and 56th when it comes to cost per Mb.[7]

A corporate oligopoly in the telecommunications sector is a major reason why wide swathes of the country (both geographically and socio-economically) are left with inferior or unaffordable service. 'Given that duopolies presently dominate both the wired (Comcast, Time Warner) and wireless (Verizon, AT&T) U.S. markets', University of Pennsylvania

professor Victor Pickard writes, 'it is reasonable to assume that a lack of competition plays an important role in this predicament'.[8] Similarly, Harvard's Susan Crawford writes:

'most Americans probably believe the communications sector of the economy has room for innumerable competitors, but they may be surprised at how concentrated the market for the modern-day equivalent of the standard phone line is. These days what that basic transmission service is facilitating is high-speed access to the Internet. In that market, there are two enormous monopoly submarkets – one for wireless and one for wired transmission. Both are dominated by two or three large companies.'[9]

These corporations have little incentive to invest in improving Internet networks in sparsely populated or low-income areas, and every incentive to raise prices as much as possible in areas where they have a monopoly (or duopoly).

Simply put, many municipalities cannot rely upon a few large telecommunications corporations to provide the digital infrastructure needed to develop thriving local economies and communities in the twenty-first century. For many areas in the US, this is especially critical as a lack of economic opportunity is a major factor in the migration of people to large cities (and their suburban areas) and lower population growth in rural areas.[10] This leads to a downward spiral of lower tax revenues, service cuts, and further population loss that has left many US communities struggling to survive.

Local ownership and control

For an increasing number of US communities, the solution to this problem has been municipalisation. Specifically, that means the development and deployment of publicly owned, high-speed broadband Internet networks,

often established and operated by a local, publicly owned electric utility. These networks use fiber-optic cables and have the capacity to provide phone and television service in addition to Internet access. They can connect a whole city or community ('Fiber to the Home' or FTTH), most of a city or community, or certain areas (e.g. business or medical districts).

One of the primary motivations for establishing a municipal broadband network is access and affordability, especially as it relates to economic development and ensuring local businesses can thrive. For instance, in Thomasville, Georgia publicly owned Community Network Services (CNS) is credited with helping to support local small businesses and a thriving downtown area. 'The best part about CNS', the company explains, 'is that it is funded locally, by the cities which it serves. This means if you are a CNS customer, you are investing in your own communities, not a corporation headquartered across the country'.[11]

Case I: Tullahoma, Tennessee

Municipal broadband networks are also often credited with attracting business investment and jobs to areas that otherwise would not have been considered. Recently, EnableComp (a medical claims processor) announced that it would set up an office with around 200 jobs in the city of Tullahoma, Tennessee. The city's mayor and economic development chief both credit the municipal broadband network LightTUBe (run by the publicly owned Tullahoma Utilities Authority, which is also responsible for the city's water, electricity and wastewater services) for the decision. According to Lisa Gonzalez of ILSR, 'before the city invested in the network, job growth in Tullahoma lagged behind the rest of the state, but within two years after the city began offering broadband, that statistic changed. Job growth in the city doubled Tennessee's statewide rate'.[12]

Case ll: Mount Washington, Massachusetts

Many communities, especially those not served or underserved by the few large telecommunications corporations, have established publicly owned broadband networks in order to ensure further reaching or more reliable service. For instance, because of its remote location, residents of the small town of Mount Washington, Massachusetts were forced to rely on unreliable and expensive satellite Internet service. In 2013, the town began to explore the potential for municipalisation. After receiving an exemption (due to population size) from state laws that require such networks to be run by a publicly owned Municipal Light Plant (electric or gas utility), the municipality established the Town of Mount Washington Fiber Network in 2017. The town received financial support in this endeavour from the Massachusetts Broadband Initiative, a state agency.[13]

Case lll: Wilson, North Carolina

Poor service and affordability were also reasons why the City of Wilson, North Carolina established a city-wide municipal broadband network called Greenlight in 2006. The success of Greenlight has forced Time Warner Cable (now Charter Spectrum) to keep its prices down to compete. Between 2007 and 2009, Time Warner raised its rates in non-competitive neighbouring jurisdictions by as much as 52 per cent but kept prices stable in Wilson.[14] Faster and more reliable Internet for residential customers also has an economic component as it supports small home-based businesses and entrepreneurs, telecommuting options for larger businesses, and general quality of life improvements that make local areas attractive to businesses.[15]

Case lV: Chattanooga, Tennessee

While many municipal broadband networks offer faster than average service, some are even starting to roll out 10 Gbps service. One example is in Chattanooga, Tennessee, where the city's publicly owned utility (Electric Power Board) has been operating a fiber network since 2009. It was the first location in the United States to offer 1 Gbps service and it subsequently upgraded to 10 Gbps. ILSR reports that from 2011 to 2015, the network was responsible for adding around 2,800 new jobs and US$1 billion to the local economy.[16] It is also one of the larger publicly owned networks in the country, serving not only the roughly 180,000 residents of Chattanooga, but also those in the neighbouring jurisdictions of East Ridge, Ridgeside, Signal Mountain, Lookout Mountain, Red Bank, Rossville (Georgia), Flintstone (Georgia) and Wildwood (Georgia).

Partnership options

While many municipal broadband networks are owned and operated by a single municipality, a few communities have come together in public-public partnerships. This allows municipalities, especially those that are smaller in size or density, to overcome certain hurdles related to scale and the cost of providing service. For instance, Community Network Services is a partnership between Thomasville and the cities of Cairo, Camilla and Moultrie. In 1997, these municipalities formed the South Georgia Governmental Services Authority, through which CNS was subsequently established. In 2015, CNS expanded into two additional communities (Doerun, where it took over operations of another, small publicly owned utility; and Norman Park, where it purchased a for-profit cable company). Another similar network is ECFiber in East Central Vermont. Comprised of 24 communities that are ill-served by corporate providers, ECFiber partnered with a non-profit Internet service provider

called ValleyNet to deliver 'fast, reliable, and affordable Internet to every home, business, and civic institution in our territory'.[17] As of June 2019, ECFiber has connected 3,500 residents in 22 of the towns (with eight fully covered). 'If private business cannot or will not create the infrastructure needed to support the Vermont lifestyle', the network states, then 'local government and community-based organisations such as ECFiber can and will'.[18]

Three other variations on this theme of partnership are: 1) public-public partnerships between local public enterprises and services *within* a municipality; 2) 'balanced' public-private partnerships with smaller, for-profit companies (and with the city retaining ownership); and 3) municipal support for the development of multi-community co-operatives.

To illustrate the first, the recent public-public agreement between two publicly owned entities in Skagit County, Washington – the Port of Skagit and the Skagit Public Utility District (which provides water services) – plans to develop a fiber network that will improve access in rural areas of the county (the cities of Mount Vernon and Burlington already have municipal broadband networks).[19]

Westminster, Maryland is an example of a "balanced" public-private partnership. Here, the municipality is building a city-wide fiber network that will provide all residents access to a 1 Gbps Internet. The service is provided by a small, private Internet service provider called Ting, which has 400 employees and operates in several small towns and cities. After a period of exclusivity, Ting will be required to provide open access to the network (meaning other companies or entities can provide service to customers).[20] Unlike larger corporations, Ting prides itself on its commitment to the concept of a free and open Internet (net neutrality) over the possibility of generating higher profits by prioritising certain contents and customers.

Finally, an example of municipally supported multi-community co-operatives is the RS Fiber Cooperative in south central Minnesota. The co-operative offers wireless and fiber-optic service to around 6,200 homes, farms and small businesses in a roughly 700 square mile area. To establish the co-operative, 10 small cities and 17 townships came together and formed a Joint Powers Agreement that allowed them to sell bonds, the proceeds from which were then lent to the co-operative to start building the network.[21]

Challenges

Due to the rapid spread of municipalisation and the success of local, publicly owned broadband networks, the large telecommunications corporations and their political allies in state governments have made it a priority to block and hinder such efforts (although in recent years, as discussed below, a *détente* has settled in). Currently, 19 states have enacted laws that impede or impair the establishment of municipal broadband networks, often, ILSR reports, 'at the behest of large telecom monopolies'.[22] Commonly referred to as 'preemption laws', these range from outright bans in a handful of states to onerous and complicated legal and financial requirements that do not apply to the private sector. These preemption laws have in some cases prevented new municipalisations, restricted expansion of municipal broadband networks, or forced municipalities to consider selling or closing their service.

In early 2015, during the Obama administration, the FCC issued a ruling that attempted to use federal regulatory authority to overturn state laws restricting local municipalisation efforts. As expected, hostile state governments led by Tennessee and North Carolina sued the FCC in an attempt to maintain their state-level preemption laws. In August 2016, the Sixth Court of Appeals overturned the FCC ruling, finding that only a direct act of Congress could stop state-level restrictions on local publicly owned broadband networks. It is for this reason that

a centrepiece of Senator Warren's plan for supporting municipal and co-operative broadband networks was federal legislation banning such state-level laws. 'We will preempt these laws and return this power to local governments', her plan stated.[23]

Alongside preemption laws, corporate lobbyists in state governments are also actively trying to bar municipal broadband networks (and municipalities more generally) from receiving state investment funds for broadband development – limiting the expansion potential of municipal broadband while at the same time diverting those funds into corporate coffers. For instance, in 2018 Michigan introduced legislation that would have established a state fund to support broadband infrastructure. Municipalities would have been barred from receiving grants from the fund and the threshold for a project to qualify for grants was set at a measly 10 Mbps/1 Mbps. With such provisions, the law would transfer 'money from the state treasury to Frontier, AT&T, and any other telco that refuses to invest in anything better than DSL [Digital Subscriber Line] in rural Michigan', wrote Lisa Gonzalez of ILSR at the time.[24] While the original bill failed, the restrictive provisions were included in appropriations legislation that subsequently became law. Tennessee and Virginia have also prevented local governments from applying for state broadband subsidies.[25]

A bright future

While corporate lobbying and state-level preemption laws are undoubtedly an ongoing challenge, broadband municipalisations in the United States are likely to continue in the coming years. In addition to potential future federal action that could dramatically scale up financial and legal support for the development of municipal networks, there are indications that some states are beginning to think more critically about the impact that such preemption laws have on their economies and communities. The last major preemption law was enacted in 2011

(North Carolina), and since then restrictions in three states (California, Colorado and Arkansas) have been lifted, weakened or proven a false barrier to municipal broadband development. Moreover, more than half of all states, including the populous states of California and New York, currently have no such restrictions.

The primary reason municipalisation is likely to continue, however, is that it has a proven track record of success and is generally popular at the local level. Hundreds of US communities have decided not to abandon their fate to a handful of large corporations, and instead are taking control of their own destiny by establishing the economic infrastructure they will need to thrive in the twenty-first century. Many are already seeing the fruits of their efforts as their publicly owned broadband networks deliver jobs and economic activity (e.g. Tullahoma and Chattanooga, Tennessee), improved quality of life (e.g. Wilson, North Carolina and Mount Washington, Massachusetts), advances in health and education (e.g. EC Fiber in Vermont), and, crucially, local democratic control. For the tens of millions of Americans and thousands of local communities that continue to lack access to affordable, high-speed Internet, these pioneering efforts illuminate a path to economic stability and a more equitable and prosperous future.

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Thomas M. Hanna is Research Director at The Democracy Collaborative and Co-Director of the organization's Theory, Policy, and Research Division. He has published dozens of articles in popular and academic journals on democratic models of ownership and governance. His recent publications include Our Common Wealth: The Return of Public Ownership in the United States (Manchester University Press, 2018), The Crisis Next Time: Planning for Public Ownership as an Alternative to Corporate Bank Bailouts (Next System Project, 2018).

Endnotes

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Part 2.
From (re)municipalisation to democratic public ownership

Chapter 10

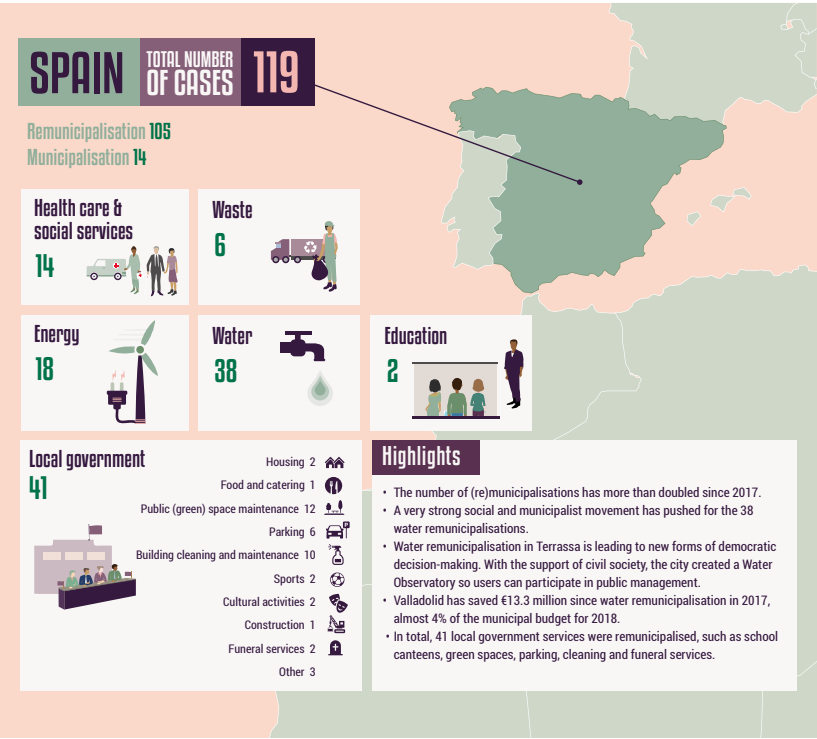
A new water culture: Catalonia's public co-governance model in the making

By Míriam Planas and Juan Martínez

In 2010, a slow but constant movement for public water services began in Catalonia, and remunicipalisation is now a reality in 27 municipalities (with another seven determined to follow their example in the next few years). Eighty-four per cent of the population in this Spanish autonomous region depend on a private company for their water supply. This is equivalent to roughly 400 of Catalonia's 900 municipalities.

In 2011 the Aigua és Vida (Water is Life) regional platform was set up in Catalonia by a wide variety of civil society organisations: neighbourhood associations, trade unions, environmental and international solidarity organisations, among others. The aim of the platform is to advocate for the public sector to decide on water policy and manage the entire water cycle in Catalonia, with civil society participation and oversight to ensure the quality of the service and democratic governance. The platform also denounces the role of the private sector in the management of water and sanitation, and participates in groups and networks at the national, European and global level.

Other municipal local platforms campaigning for remunicipalisation in different cities emerged during the same period, such as Aigua és Vida Girona and Taula de l'Aigua de Terrassa, with more in subsequent years to reach 18 local groups across the region. These are local neighbourhood platforms working in each municipality to develop citizen oversight of water and advocate for the remunicipalisation of the service.



More recently, the Association of Municipalities and Organisations for Public Water in Catalonia (Asociación de Municipios y Entidades por el Agua Pública, AMAP) was established in January 2018. The founders of this association were seven municipalities, two public service providers and the Asociación Catalana de Enginyeria Sense Fronteres, representing Aigua és Vida. One third of the inhabitants of Catalonia live in these seven municipalities. The purpose of the association is to publicise and promote fully public management of water, and to support municipalities that wish to move towards public management. Another aim is to advocate for public policies on public management of water. On the eve of its second anniversary, AMAP continues to grow and now has 36 members.

In this complex scenario, coordination, sharing and trust among diverse movements and actors in the water sector have been key to chip away at the private sector's monopoly.The immediate challenge is how to build new, long-lasting models designed for new forms of water governance. In this sense, the case of the water movement in Terrassa can serve as inspiration for new experiences.[1]

The process of recovering ownership of the service in Terrassa

Terrassa is a municipality located some 20 kilometres away from the city of Barcelona. It is Catalonia's third largest city in terms of population, with 218,535 inhabitants in 2018. In 1941, in the midst of the dictatorship, the concession to manage and run the water supply service was awarded to the company *Mina Pública de Aguas de Terrassa, S.A.* for a period of 75 years. Despite being 'public' in name, this is a strictly private company owned by a group of industrialists from the city.

Taula de l'Aigua de Terrassa (Water is Life Terrassa) was created in 2013. It is a social organisation originally formed to return the management of the water supply service into public hands by 2016, the year the concession was due to end. It launched a process of information, documentation and training for its members, made contact with networks such as Aigua és Vida and Enginyeria Sense Fronteres, and organised numerous information events and campaigns to collect signatures. When the municipal elections were held in 2015, it campaigned for a 'Social Pact for Public Water', a pledge committing to public, integrated and participatory management of the entire water cycle, and it invited all political groups and social organisations to become signatories.

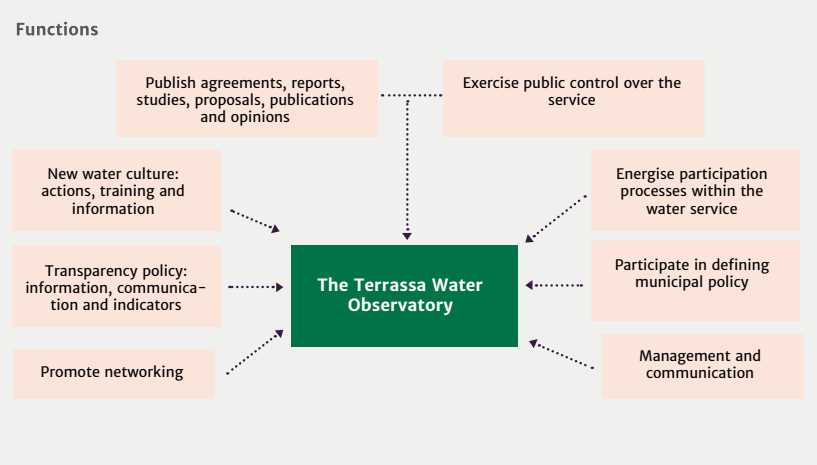
Despite pressure from the city's business lobby, in July 2016 Terrassa's City Council approved a motion in favour of direct management of the water supply service. Finally, in June 2018, Taigua, Aigua Municipal de

Terrassa was created as a public enterprise 100 per cent owned by the municipal government.[2] A month later, the by-laws were approved for the Terrassa Water Observatory (Observatorio del Agua de Terrassa), mandating it to facilitate citizen participation in order to define policies and guide strategic decisions affecting the municipal water supply service.[3]

The Water Observatory as a body for collaboration

The Terrassa Water Observatory has its origins in a motion approved by the Citizen Parliament of Terrassa, a forum that promotes debate and agreements pushed by citizens for consideration by local authorities. Prolonged negotiation with the municipal government and political groups in favour of remunicipalisation led to the approval of its by-laws in July 2018. Putting the Observatory in place was another lengthy negotiation process, which unfolded during three key meetings held in 2019: in February when it was officially set up; in March when appointments were made for all of the management posts; and in April when the work plan[4] and budget were approved and working groups were set up.[5] The Observatory is an innovative body for participation and collaboration, which has become a point of reference for many other municipalities in Catalonia and Spain, particularly for the movement campaigning for public management of water.

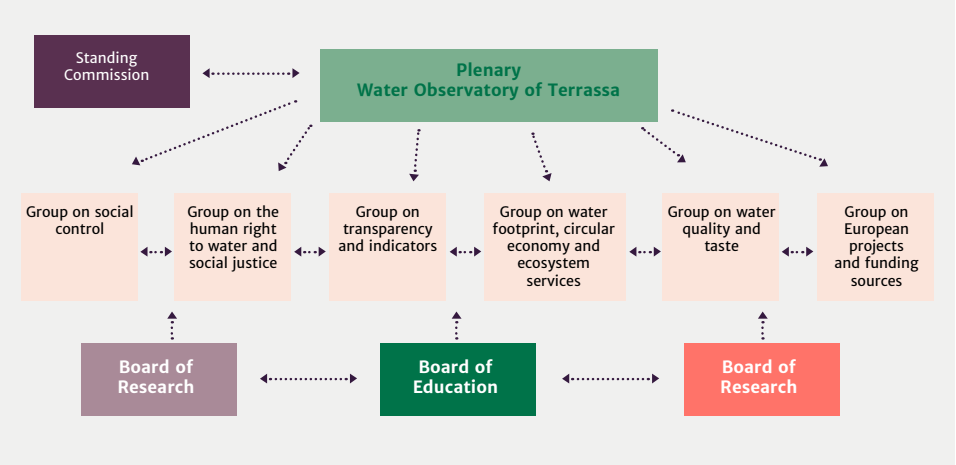
The Observatory was set up as an autonomous organisation affiliated with the Terrassa City Council. The nature of its work is to consult, advise, deliberate and make proposals, and it is able to carry out studies and produce reports and recommendations on water management. It also has the power to draft agreements that must be studied by the municipal government with the aim of including citizen participation in defining policies and strategic decisions to ensure that the service operates properly.



The preamble to its by-laws states that the Observatory was established 'with the political will to improve governance of the city by increasing participation, collaboration and consensus-building with citizens and social actors', and it specifies that 'this new space is designed to be a participatory forum that will operate autonomously, with its own work plan and sufficient funding to be able to fulfill its roles and responsibilities and achieve its objectives, in compliance with the democratic quality criteria established by the Terrassa City Council'.

The fact that the Observatory operates autonomously is essential to enable it to perform its roles. This autonomy is guaranteed by the appointment of an independent president by the Plenary, as well as that of coordinators whose actions must follow the guidelines issued by the president and the Standing Commission, all of which aims to insulate it from politics related to election cycles.

As the highest governing body, the Plenary is composed of a representative from each political group in the municipality, a representative of the municipal government (in this case, the councillor responsible for the city's water service who attends meetings but does not chair them), and



representatives of technical service staff, businesses, community groups, unions, the education sector and university-based research groups. Both the president and the Plenary can also invite people from outside the Observatory (with no voting right) to enrich the debate and discussion on any specific issue. This diverse composition makes management of the Observatory somewhat complicated, but it also enhances its consensus-building capacity and gives it a high level of legitimacy.

The driving forces behind the Observatory and ensuring that its work plan is implemented are the six working groups and the three collaboration boards or networks – research/university, education/schools and citizenship/community groups. The working groups are coordinated by the Observatory's Standing Commission, and are open to everyone who wishes to contribute. The individuals involved are mainly from social organisations, universities and other groups that are members of the Observatory.

The three collaboration boards are autonomous forums that act as interest groups, aiming to reinforce the common project, raise the Observatory's profile and lobby to influence their sector. For example, the Observatory

has delegated to the board of Education the task of promoting the new water culture in the education system. The board of Research acts as a broker within the university setting and facilitates communication with teaching staff and students. The board of Citizenship does the same with community groups. All of these spaces are open to anyone who wishes to contribute.

The representatives and members of the governance structure are appointed for a four-year term. The president is elected by the Plenary, with an absolute majority of members (except the person representing the municipal government), and the position is voluntary. Consecutive terms are not allowed.

Now that we have recovered ownership of water, what next?

Now the major task for Taula de l'Aigua, the social organisations, the political groups and city government is to consolidate the Observatory's process and project. This implies delivering on the agreed work plan and overcoming process-related barriers.

The work plan is structured around four main areas of action. The first is communication: this involves defining the image of the Observatory and developing the communication tools that will enable it to transmit information and knowledge successfully. The second area of work is to make the concept of social control[6] meaningful and develop objectives, a work plan and methodology; this also involves information management, transparency and indicators for monitoring. The third area is related to promoting a new water culture locally, through activities in schools. Finally, the fourth area involves conducting studies on key issues pertaining to the water cycle in the city, as they relate to the social, environmental and technical-economic dimensions relevant to the working groups.

Of the many and varied challenges that must be addressed, we present three salient ones. The first is the conflict between the autonomy of part of the management structure and the hierarchy of municipal government responsibilities. The second is to guarantee the co-production of public policy and collaborative governance in a public service. The third is the weakness linked to disagreements between social groups due to different ways of understanding social mandates.

With regard to the first challenge, in a study on the Observatory[7] the researcher Hug Lucchetti asks whether the Observatory as a com-munity management body fits within the municipal government's organisational structures. He concludes that it does not, for two reasons: an institutional culture receptive to this type of public oversight does not yet exist in local government; and the local government architecture and legislation that would facilitate it is not in place either. There is no doubt that the old forms of governance are not a suitable format for the shared development of public policy. For this reason, there is a need to move forward with proposals to make changes to the regulations regarding participation to include the approach of co-produced public policy and co-management of public services, as well as a need to develop new narratives that help to change the current political culture that is suspicious of innovations of this type. The difficulty of combining the desire for citizen oversight and the desire for an increasingly managerial style in public service is clear. Everything will depend on the political balance of power between City Council and the social movements, which need to defend the model. Although the new municipal government has reiterated its commitment to the project, many politicians and officials are still very reluctant to facilitate participation by the Observatory in the City Council's internal assessment processes and legislative proposals, and this aversion will need to be overcome.

In order to surmount these misgivings and such reluctance, it will be necessary to do things properly, work thoroughly, maintain a firm commit-

ment to the project and its objectives, multiply and strengthen channels for dialogue and collaboration, reinforce the project's support networks and adopt an attitude of patience and persistence. Right now, the continuity of the Observatory depends on the strong conviction of its supporters and on the perception among the main actors that it represents a worthwhile political playing field. This demonstrates that it is difficult to make the transition to these participatory models without empowering citizens first.

With regards to the second challenge around the co-production of public policy and collaborative governance, when the City Council remunicipalised the service it declared that its objective was to 'take a step further and define a new phase and culture of citizen participation in the management of the city's common goods'.

The discussions and negotiations required to launch the Observatory were lengthy and intense. Such debates are essential to define the nature of the Observatory and its place within the City Council. It is a question of defining what we want this 'new phase and culture of citizen participation' to look like. It will need to be the result of an agreement and shared commitment. For example, how will the different actors – local government, public water operator Taigua, the Observatory and other relevant organisations at the municipal level – coordinate with each other? What are the roles and responsibilities of each actor? Does this coordination require specific spaces? How will information be managed? And, in general terms, how do we design the new policy on water?

Concerning the third challenge, which relates to the different ways of understanding social mandates among the social groups, it is worth emphasising that the Observatory is the result of the city's social and political actors placing their faith in collaboration and consensus-building for co-production of public policy and collaborative governance. This determination means devoting time and effort to discussion and forging

agreements among actors with different points of view. But participating in local government also means working within a highly bureaucratic system, which implies a time commitment that may be exhausting for social groups.

Not every group is in favour of this strategy and some question whether it is the most effective one for promoting certain ideas. They ask who wins and who loses in these processes, how resources are distributed, how power relations are transformed, how decisions are taken, who benefits, and what degree of legitimacy the decisions have. Consensus is necessary to take public policies forward. But social gains are exercises in counter-power[8] and are born from dissent. This is why the civic-deliberative and consensus-building process represented by the Observatory is sometimes viewed unfavourably. Even if the Observatory has only been operating for a short time, there are already some tangible results, such as the development of a training proposal in the form of educational activities within schools and proposals for research work. In addition, the working groups are organising social reflection days, and work is being done to prepare assessment reports and proposals on how to define and implement the human right to water in the city, how citizen oversight of public services can be defined and put in practice, how to achieve transparency, what indicators should be used for the evaluation and monitoring of the service, what is the quality of the water we consume, what are the implications of different forms of water use (particularly on health), how can we act as responsible consumers, what is the water footprint of the city and its activities, and how can we make improvements from the circular economy perspective.

The Observatory is a very new process. It is a great achievement that came after six years of work by many of the city's social groups, but at the time of writing it had only been running for nine months. As such, it remains an experiment and it is only with time that it will be able to demonstrate its effectiveness.

Box I

'Write water, read democracy'

This is a slogan deeply rooted in the battle to recover the public management of water throughout the world. In Terrassa, it has been mentioned repeatedly and we have our own reading of its meaning. The European Union Framework Directive on Water introduced the notion of 'active public participation', which was then inserted in the legal framework that has developed since. But in Terrassa, the word 'participation' is no longer useful for understanding each other. It is used by political groups, governments and public administration in general, but we have come to realise that they use it to mean something completely different from what we, grassroots groups and citizen movements, mean by it. This is why we need to use new words and seek new definitions. So, instead, we talk about spaces for collaboration and consensus-building, collaborative networks, collaborative governance, co-production of public policy, social empowerment, citizen oversight, citizens sharing responsibility, governance for sustainability, a new political culture, a new social culture and a new water culture.

The inclusion of these new words in the city's political vocabulary is disconcerting to political groups and the government, but the old words no longer help us to solve problems. This is, without a doubt, the main social and political battle in the city.

ABOUT THE AUTHORS

Míriam Planas is an activist with Engineering Without Borders in Catalonia and spokesperson for Aigua és Vida (Water is Life), an organisation that campaigns to remunicipalise water in the Barcelona region and bring it back to public control.

Juan Martínez is the first president of Terrassa Water Observatory, appointed by the Plenary. He is a member of Taula de l'Aigua de Terrassa and is part of the UNESCO Chair on Sustainability at Universitat Politècnica de Catalunya.

Endnotes

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5 Observatorio de l'Aigua de Terrassa (2019) Grups de treball, 25 April. Available at: *https://drive.google.com/file/d/1q1XPszhcPMpoNwWFpLMiof7sDobi9fDT*

6 Social control is understood as the mechanism and process to guarantee society's access to information, technical representation and participation throughout the decision-making process around public services. It is understood as the participation of society in formulation and implementation of policies. Planning, regulation, inspection, evaluation and services delivery should be under social control.

7 Lucchetti, H. (2019) TFM. Estudi de Cas de l'Observatori de l'Aigua de Terrassa. Màster Interuniversitari en Polítiques Socials i Acció Comunitària, UAB-IGOP Institut de Govern i Polítiques Públiques. Available at: *https://drive.google.com/file/d/1cQkpd1CONCmDxiYe4gSBEb-KC-N9gisOs/*

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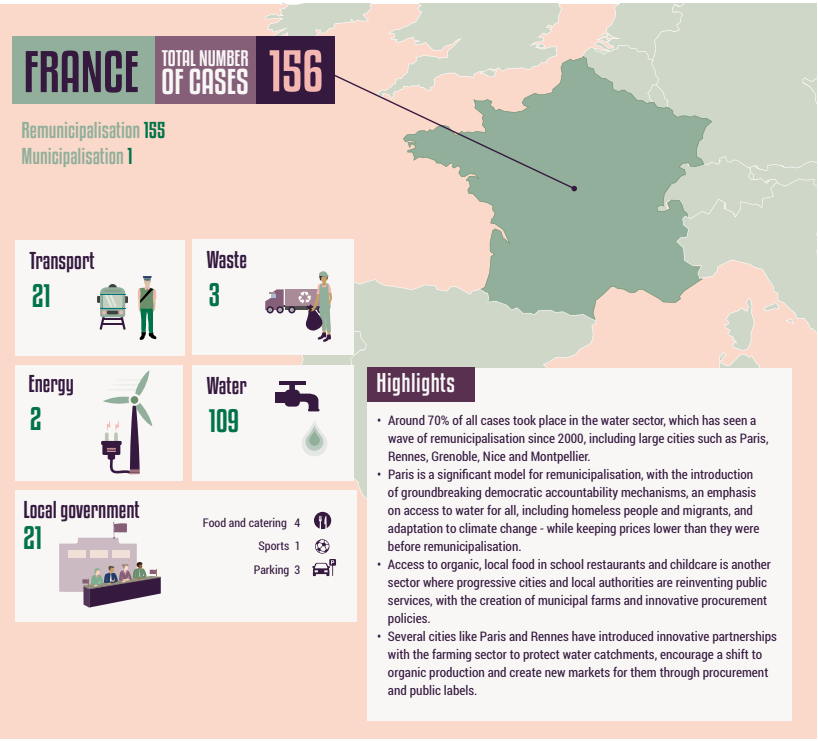
Chapter 11

The empire strikes back: Corporate responses to remunicipalisation

By Olivier Petitjean

Over the last years, there has been a significant trend towards the remunicipalisation of public services in many sectors, which challenges the dominant narrative of a seemingly irresistible tide of privatisation since the 1980s and 1990s. Remunicipalisation involves taking back a public service from a private entity. In some cases, this private operator is a small, local company. In many cases, though, cities are dealing with large, powerful transnational corporations, such as Suez and Veolia in the water and waste sectors. In most cases, then, remunicipalisation takes place in the context of a blatant imbalance of power in knowledge and resources between a local public authority and a global corporation. It is all the more significant that we have witnessed so many remunicipalisations in spite of such unfavourable conditions.

Corporate representatives tend to deny that they have the upper hand and portray themselves as subjected to the rules and conditions imposed by politicians and public officials. Formally, from a purely legal perspective, the relationships between public authorities and corporations are on an equal footing: in theory, cities can freely negotiate the terms of their contractual arrangements with private operators, and they are equally free to end these contractual arrangements if they prove unsatisfactory. Reality is often very remote from this 'theoretical' model. Corporations have far more resources than local authorities, and far more allies; there are many ways in which they can make their interests prevail and limit the political options of elected political representatives.



This article is an overview of some ways in which corporations respond to remunicipalisation, before and after it takes place. Its aim is to illustrate the different levers of power and influence that corporations are able to use to prevent or hinder remunicipalisation. Also, it aims to provide some strategic learnings for city officials and civil society groups confronted with the uphill battle for remunicipalisation. It relies heavily on the experience of the French water sector, where there has been an intense (and partly successful) political battle to break the stranglehold imposed by private corporations over the last 20 years.

‘First, they ignore you…’

A few years ago, an international publication by the private water sector referred indirectly to remunicipalisation as ‘the R word’.[1] It was probably a sign that the first, standard response of corporations to the threat of remunicipalisation – trying to pretend it does not exist – was starting to unravel. They were not ready to acknowledge that the return of water to public management was a viable, potentially attractive alternative to the domination of corporate giants, yet they could not ignore it anymore either.

At first in France, corporations tried to act as if water remunicipalisation was not happening. Then, they tried to depict the early examples of remunicipalisation as marginal initiatives, motivated by purely ideological reasons. Both arguments, of course, have been disproved. First off, remunicipalisation is real: we have counted at least 110 cases in the water and sanitation sector in France since 2000. What is more, it has been demonstrated that such a change also made sense from a technical and economic point of view.[2] Even conservative mayors, who can hardly be accused of ideological bias, have done it.[3] Still today, the default response of private sector representatives to remunicipalisation will be to dismiss it.

What is true, however, is that remunicipalisation is unlikely to ever make headlines in the national media. First, it is essentially a local development and often the very politicians who push remunicipalisation in their city do not wish to make it a politicised or public issue. What is more, these developments contradict some commonly held beliefs about the public sector and the unavoidability of corporate dominance that are deeply ingrained in mainstream media. This is why the work of publicising remunicipalisation is so important.

Hostile environment

Corporations have more financial and technical resources, they have more experience in a variety of contexts, and they are used to dealing with many local authorities. In contrast, when a public service has been privatised for a very long time (or has always been private: think of water services in Nice or Barcelona), municipal expertise in the water sector needs to be rebuilt from scratch. In the case of the Paris water remunicipalisation, the city decided to take the time necessary, years before the end of the private contract, to regain this expertise.

Given the profound imbalance of power between local authorities (often small and scattered) and corporations, the former obviously need assistance. National public administrations, sectoral bodies, academics and consultancy firms should all be there to help local authorities deal with corporate providers and make the best decision possible according to their policy objectives, by providing adequate advice and expertise. In reality, the opposite often happens.

In France, Veolia, Suez and the private industry have managed to influence or exert control on the whole water sector, including national-level officials, so that the 'advice' received by local authorities is skewed in their favour. This is true of both the technical advice specific to the water sector, and of the legal advice about what local authorities can or cannot do in terms of EU law, for instance. Many of the specialised consultancy firms hired by local authorities to advise them on their options for water services are biased, often because they have a historical connection with private corporations or have an indirect economic interest in the matter (and sometimes, to be fair, they are reluctant to support remunicipalisation because of their experience with poorly run public services). Sectoral bodies and trade associations are funded by private companies and staffed by seconded personnel from Suez and Veolia. Public administrations often take a narrow view of the issues

at hand and favour the private sector for two reasons: fiscal austerity (private management makes it look as if government is spending less) and supporting national 'champions' such as Suez and Veolia to continue to be global leaders in the water market.

The only force that could counter-balance an environment so hostile to remunicipalisation is collaboration among public services. This can be done through public-public partnerships[4] or through the creation of networks such as France Eau Publique or Aqua Publica Europea at the European level, which allow for mutual support and operational synergies (at the national level) such as joint procurement, sharing of technical developments, and so on.

Privateers buying hearts and minds

In the battle for remunicipalisation, winning the 'hearts and minds' of the different stakeholders and of the general public is crucial. This means elected politicians, public administration staff, water sector workers, civic organisations, consultants, and of course citizens: there are many players who can push for or against remunicipalisation. Private companies have long understood how important it is to cultivate good relationships with decision-makers and all of those who could influence their business. And they have the financial capacity to dedicate significant resources to this. In France, Veolia organises every year a lavish dinner for French mayors during their official annual conference. But this is only the tip of the iceberg in terms of the lobbying targeted at local officials. For years, both Veolia and Suez were involved in the financing of French political parties, through commissions on water contracts.[5] This kind of blatant abuse has become very rare, but as an illustration, until recently Veolia was still a sponsor of the annual festival of the Communist newspaper L'Humanité, and bought expensive ads on its pages. The reason is simple: Communist mayors from the suburbs of Paris had (and still have) deciding votes

when it came to awarding the contracts to water service provider SEDIF and SIAAP in the sanitation sector, both strategic for Veolia.

Even when political leaders opt for remunicipalisation, private companies can turn to other stakeholders to mount opposition. It can be the opposition groups in the city council; or sometimes private companies turn to national governments that actively seek to thwart remunicipalisation efforts by local authorities, as seen in Spain when the national government joined a lawsuit initiated by the private sector against the city of Valladolid. Or sometimes they have allied with the workers from the private service providers and their unions, particularly in the water and energy sectors where wages and conditions were historically better in the private companies. This strategy was compounded by the fact that proponents of remunicipalisation were sometimes undiplomatic in their public discourse against private companies, omitting to differentiate between workers who were just doing their job and company executives and shareholders who focused on profit-making. In France, initially, some union leaders actively campaigned against water remunicipalisation. This is no longer the case as workers and unions have come to see that their fears about remunicipalisation were not justified all the while conditions within the private water companies were worsening.

In Barcelona, where the city council is seeking to take back its water service from the hands of the private sector and is trying to organise a citizen referendum to this effect, the water company Agbar (now a subsidiary of Suez) has pushed this strategy very far. It has improved the conditions for its workers to turn them against remunicipalisation, it has lavished civil society organisations in Barcelona with generous subsidies and sponsorships, and it has launched large-scale advertisement campaigns in the media… all on top of its traditional funding of local political parties.

Legal straitjackets

Clearly, corporations have more resources and deeper pockets than local authorities, but the average reader would logically think that at least 'there is the law', and the law is the law. The relations between public authorities and private operators are governed by legal and contractual rules that should correct this profound imbalance of power. In theory, cities have the right to defend their interests and end their contractual relations with private companies if they have good reasons to do so. In practice, however, things are not so simple. There are many layers of legislation, national and international, and, unfortunately, some legal provisions and mechanisms serve the interests of corporations. Even when a contract expires and a local authority exerts its seemingly very normal right not to renew it and take the service back to public management, there are still legal avenues for corporations to challenge the decision or, at least, claim large sums of money in compensation.

The most famous – or rather infamous – of these legal mechanisms are investor-state dispute settlements (ISDS). In a nutshell, these take place in private, opaque commercial tribunals which companies can resort to when they consider that their investments and their profits have been unfairly diminished by governments, and through which they can ask for a hefty compensation. The key problem with this system is that the definition of 'unfair' is decided by a panel of private arbitrators, on the basis of vague commercial law principles rather than on the substance of the cases. As a result, most ISDS cases are resolved in favour of corporations, which is why it caused such a public outcry when it was proposed that they be included in the Transatlantic Trade and Investment Partnership. Some ISDS cases have been initiated against laws passed to protect water sources from fracking or mining, against new taxes or against raising the minimum wage. There have been several high-profile cases targeting remunicipalisation or renationalisation of public services, particularly in Argentina.[6] Every time a large-scale remunicipalisation

is being considered by a local authority, you can be sure the threat of an ISDS complaint is aired, explicitly or implicitly.

In a sense, however, ISDS is just the tip of the iceberg. Many national or EU laws can also be used against remunicipalisation. Some countries such as Spain have even passed laws that actually ban local authorities from creating new local public companies. In the end, a simple fact remains: cities can decide to privatise their water service at any time, but once they have signed a contract with a private company they cannot easily get out of it, and they remain bound by its terms. In addition, any dispute on the implementation of the contract will be judged by a commercial court, under commercial law, in which corporate lawyers are obviously very versed – local officials much less so. And any mistake in the remunicipalisation process or in the terms of the contract can be paid very dearly, in the form of financial compensation.

This legal straitjacket on remunicipalisation is not so much about the actual trials and court cases – which remain very few – as it is about the constant threat of legal action. This is something that local politicians usually want to avoid at all costs, and it is often sufficient to hinder remunicipalisation or convince them to pay significant compensation to private providers. Experience shows, however, that when city councils choose to go to court and challenge the compensation claimed by corporations, they often succeed in getting these compensation costs cancelled or at least reduced. This is why, in the fight for remunicipalisation, legal expertise is perhaps just as important as technical expertise.

Political control versus technical control

Another key learning from French experiences with water remunicipalisation is that taking back control of the services involves much more than just deciding not to renew a contract. You might be in charge in principle, but many key aspects of the service were put in place by private opera-

tors. And many times, even when all the material pipes and the plants have been returned to public management, the private companies still own (or claim to own) all the immaterial aspects of the service, such as data on equipment and customers, information systems, patented technologies used in water plants, possibly water meters, and the like. They can decide either to make remunicipalisation more difficult by retaining some of these assets, or by charging local authorities for their continued use by the remunicipalised operator. This obviously leaves remunicipalised operators in a position of fragility, at least until they can build their own tools and take back control of the immaterial aspects of the service as well.

Price wars

Price is often a key reason for politicians and citizens to want to do away with private management of public services. Behind many stories of remunicipalisation, there is a background of unjustified price hikes and the siphoning of cash from the public service for private benefits. Take away the unnecessary financial transfers to a parent company and its shareholders, and you can lower the price almost instantly. This is just what the city of Paris did when it remunicipalised its water service: the price of water was cut by 8 per cent on account of the many million euros that were being 'saved' because there was no private shareholder involved any more. More recently, in Montpellier, the price of water dropped by 10 per cent upon its return to public management, while maintaining the same level of investments. This book includes many other examples where a return to public management has resulted in significant savings while maintaining or improving the quality of the service and the conditions for workers.

At the same time, price can also be a factor that corporations can use as leverage in their fight against remunicipalisation. In France, Veolia and Suez have responded to the threat of water remunicipalisation by offering

dramatic cuts in the price of water when negotiating new contracts with local authorities. Since 2000, many large French cities (Paris, Grenoble, Nice, Montpellier, Rennes) have opted to remunicipalise water. Other large cities (Lyon, Marseille, Bordeaux, Toulouse) that have decided to renew their contracts with Suez or Veolia justify their decision by these substantial price cuts. Local authorities and private companies have reported an estimated 25 per cent price cut in Toulouse or Lyon, and a 20 per cent reduction in Marseille, although consumer organisations have disputed the figures. On the one hand, this can be seen as a positive development, as it is a corrective to some of the most blatant abuses of the past. On the other hand, lowering the price of water in such proportions while still trying to make a profit obliges private companies to cut on maintenance, investments and workers' conditions. It results in a 'low-cost' public service, which will prove unsustainable in the long term for local authorities, and very probably for the corporations themselves. Responsible public operators cannot and should not engage in a 'dumping' strategy to keep prices low at all cost. This is a reminder that although price is important and often decisive, it is not the only criterion. Democratic control and the long-term sustainability of the service are equally important.

Co-opting remunicipalisation

First, they ignore you, then they laugh at you, then they fight you… and then they pretend you are on the same side. A sign of the success of remunicipalisation is seeing private companies using the same language as their opponents. Some private providers, such as Veolia for the hotly contested SEDIF contract (Paris suburbs), have revamped their entire communications strategy and now advertise themselves as a 'public service' just like their public rival Eau de Paris (city of Paris). Other private operators now seek to imitate the governance innovations of remunicipalised operators, such as creating seats for civil society or citizen representatives on the board of directors. Needless to say,

these initiatives are usually much more superficial, and never reach the degree of accountability that has been introduced in Paris with the Water Observatory for instance.[7] Their aim is to suggest that the political debates of the past and the opposition between public and private management are no longer relevant. It might be perceived as a sign that remunicipalisation has won the 'battle of ideas'. While this might be true on a very general level, in practice there are still many highly problematic contracts in place, and the water sector in France remains under the domination of large corporations. More than ever, these corporations are seeking new, indirect forms of privatisation (such as the building and running of water plants) that keep them more sheltered from the public gaze, or new contractual formulas that have the appearance of public management while keeping the private company in the driving seat.[8]

Conclusion

When all is said and done, local politicians and citizen groups pushing for remunicipalisation and undertaking to rebuild a public water service still face an uphill battle in France. The achievements of the last 20 years are all the more remarkable. In spite of the creation of networks such as France Eau Publique, the public service side remains scattered and focused on local issues in comparison to large companies such as Suez and Veolia. Many of the issues and problems that have triggered the recent wave of remunicipalisation are still present in cities such as Marseille or Lyon. The fight needs to continue in those places, as efforts are called for to reinvent democratic, sustainable and inclusive public services able to face issues such as pollution and the impacts of climate change. There is no possible equilibrium in a context where the legal and political framework is still veered towards the private sector and big companies such as Suez and Veolia are still seeking to extract unjustified profits from delivering public services. If the remunicipalisation movement in France does not continue to push ahead, it might soon start losing ground.

ABOUT THE AUTHOR

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Chapter 12

The labour dimension of remunicipalisation: Public service workers and trade unions in transition

by Daria Cibrario

Public service remunicipalisation involves and affects workers. Trade unions are often key actors in the campaigns to bring municipal services from private management or ownership back into the public domain. By exposing to local authorities, service users and union members the evidence of the human and social costs of privatisation, they frequently lead the discourse in favour of reclaiming public services in the common interest. Labour therefore plays a critical role in remunicipalisation processes, both as a progressive force and key collective actor entrenched in the fabric of the transferring services. However, the specific circumstances and concerns faced by workers and trade unions undergoing private-to-public transitions are yet to be fully addressed.

Remunicipalisation is a complex process, and every case is unique to specific local and national regulations, political and social movement landscapes, and industrial relations systems. Each instance has its specific challenges, which can include issues from the transfer of pay and entitlements such as pension funds, leave and seniority to changes in job descriptions or career development paths from a private to a public organisation. Moving the workforce across sectors can be complicated when different legislations and collective agreements apply, or when the law is silent or unclear. Legal obstacles can stand in the way of transfers, such as rules mandating workers to win a public competition to do the same job in the public sector. There are also instances where unions

are restricted to representing workers only in private or public sector employment, but not in both. This could cause union membership loss in a transition.

While awareness of the strategic importance and human rights imperative of the labour dimension of any remunicipalisation process is increasing,[1] the concrete challenges, workplace stories and lessons learned from completed or ongoing private-to-public transition experiences remain largely under-researched and at times misunderstood. As the number of cases rises across continents and sectors, many public service workers' and trade unions' remunicipalisation stories are waiting to be told.

This chapter is part of Public Services International's (PSI) ongoing efforts to shed light on the growing union experience in this field, aiming to lay the groundwork for successful remunicipalisation while avoiding common pitfalls.[2] For the purpose of this publication, it focuses on a limited sample of the many labour actions, challenges and issues that typically remain under the remunicipalisation radar. It is largely based on information obtained during interviews carried out by PSI with union representatives directly involved in remunicipalisation cases.

Mobilising and building knowledge to challenge the pro-privatisation narrative

Trade unions have actively built and participated in remunicipalisation campaigns by joining forces with civil society organisations to document and expose the impact of privatisation on people and communities, while building a service user and citizen vision for the public services of the future. Due to their workplace and community presence, unions are traditionally strong at grassroots mobilisation. Thanks to their organising capabilities, they can mobilise their membership and use collective action to trigger a discourse shift in some pro-privatisation environments.

The use of reputable research centres, investigative journalism, academia and participatory public hearings, along with the systematic documentation of workers' stories, allows unions to expose the damage caused by privatisation and inform the public and local authorities about the reality behind the gloss – ultimately helping them make informed decisions on the future of the service.

Case l: Exposing privatised waste workers' abuse in Winnipeg (Canada)

When the Canadian Union of Public Employees (CUPE) wanted to make the case for insourcing the city of Winnipeg's municipal waste collection services privatised 13 years earlier, the union approached the province's Manitoba Office of the Canadian Centre for Policy Alternatives to expose the dramatic deterioration of service quality and the abuse endured by municipal waste workers in the privatised services. The private contractor had hired truck drivers to collect refuse, pushing them to accept a 'bogus self-employment' scheme, shifting social security costs and related risks onto them. Meanwhile, to staff the trucks these drivers often hired day labourers who were sometimes paid in cash, could be easily let go, and were subject to substandard working conditions. Even if citizens and users perceived a deterioration of service quality, they did not know what was going on.

The researcher reached out to the workers and many answered the call. The Trashed[3] report exposed the precariousness, poverty wages, health and safety risks, and exploitation endured by municipal waste workers in Winnipeg's privatised services. It also shed light on the ethnic and social segregation underlying such exploitation, as most subcontracted workers were Indigenous and/or had a criminal record and faced trouble finding better quality employment. The publication had a serious impact, prompting

reactions from Winnipeg City Council and making a strong case for bringing Winnipeg waste services back in-house.[4]

Case ll: Australia's 'People's Inquiry into Privatisation'

In 2016, ahead of a looming threat of even more public service privatisation by then-Conservative government, Australian public sector unions joined forces with civil society organisations and launched a national 'People's Inquiry into Privatisation' – a participatory, transparent, grassroots and democratic assessment of the consequences of 20 years of privatisation for people and communities. Unions and civil society allies approached three independent, highly regarded investigators and launched a public consultation that ran for 18 months across Australia.

Unions and civil society organisations did the grassroots mobilisation through calls, flyers and social media to encourage community participation, applying the same principles used in door-to-door political campaigning and union organising. People wishing to contribute and speak at the public hearings could sign up on the website and at the venue. The inquiry built a participatory vision around a new generation of public services for the people of Australia. It unveiled hard evidence of the ways that privatisation had damaged the lives of service users and workers, as well as entire communities. This was the case for services for children with disabilities, vocational education and training, health services, and power generation and distribution. The inquiry broke the dominant neoliberal pro-privatisation dogma, creating a more favourable context in which to reclaim public service ownership and management in Australia.[5]

Keeping cohesion, overcoming union fragmentation

Trade unions are not monolithic, and many factors can affect remunicipalisation outcomes. Depending on the industrial relations system, union membership in public services may be fragmented across several, sometimes competing, unions in the same workplace. In addition, when a service involves multiple facilities, different union branches can coexist at the same workplace. If privatisation and outsourcing only affect parts of a service, membership can cut across public and private status. Workers may be covered by different collective agreements and conditions. Some workers may not be union members or excluded from collective bargaining coverage, as can be the case for temporary or agency workers in some jurisdictions.

A variety of corporate cultures and private company-specific labour conditions and benefits can affect workers' perceptions of remunicipalisation. In some countries, the transition from private to public services can be welcome and bring with it considerably better conditions, stronger employment protection and status. In other countries, it can be perceived negatively as potentially representing a loss of status and lower pay and conditions. Private companies that stand to lose profitable and prestigious contracts will lobby, seeking to influence the political process and the workers. These intricate configurations can create divisive dynamics among workers and unions in the same workplace, but also among different branches of the same unions.

Finally, unions can have different views and political positions over remunicipalisation. Some may support it openly by taking a strong political stance, while others may consider it a policy choice of each individual worker. Interests, positions and strategies over remunicipalisation can diverge among workers on the shop floor and their unions.

Box l

Behind the scenes of the Paris water remunicipalisation: the challenges of union fragmentation

Prior to remunicipalisation and the creation of *Eau de Paris* as an integrated water utility, Paris water services consisted of four different companies: SAGEP and CRECEP[6] (the water analysis laboratory) were under public control; private companies Veolia and *Eau et Force* (a Suez subsidiary) provided water distribution services under 25-year lease contracts from the City of Paris. Union membership was spread across 15 different local union branches: CGT, UNSA, CFDT Interco, FO and CFE-CGC[7] were among the unions representing the majority of the workers. These unions had organisational differences: the CGT was mostly present at the workplaces through plant-level union branches (*syndicats d'établissement*) and could negotiate with a certain autonomy from its national federation. The CFDT Interco, on the other hand, was organised as a sectoral local union (*Syndicat des eaux d'Île-de-France*) and was typically more closely accompanied by its national federation in negotiations. On the political dimension of remunicipalisation, the national CFDT Interco position was that a public service under private lease contract would be acceptable provided there was effective control by the public authorities. The CGT federation was openly in favour of returning water supply to public ownership and wanted revenues from public water that were no longer paid out to shareholders to be reinvested in the public utility.

Both federations supported workers in the transition, but many were anxious about the remunicipalisation. Some rejected any transfer to the public sector. This can be partially explained by the fact that pay and conditions in French water services were comparatively higher in the private companies at the time. Public

sector job security was not a compelling argument because in France workers who transfer from a private to public sector company find themselves under a hybrid private law regime (*régie publique*) and do not enjoy the same level of job security as full-fledged public servants (*fonctionnaires titularisés*). Different workplace cultures, as well as how attached certain workers felt to their companies, also played an important role. The union federations produced materials giving employees the facts about the transfer process according to French legislation and described how the service would operate under public ownership, with the aim of reassuring employees and reducing any uncertainty over the employment transitions.[8]

Experience shows that in these situations, it is crucial for union federations and local representatives to maintain regular, clear communication and dialogue with workers on the shop floor over the implications of the remunicipalisation process. Unions also need to support non-union workers in the transition, by reaching out to them ahead of remunicipalisation. It is vital to put in place proactive two-way communications and outreach to build maximum cohesion within union ranks. National union federations are well placed to grasp the complexity underpinning such processes, but local unions have a better understanding of how the workplace is organised. National federations can increase the chances of a positive transition by supporting their local branches with strategic advice, resources, legal and communication services, and by reaching out to shop stewards, members, public authorities and the media.

Organising through remunicipalisation

Public sector workplaces traditionally feature high rates of unionisation, whereas privatisation often means weaker, atomised or no unions due to job loss, outsourcing and the erosion of collective bargaining rights.[9]

Privatisation can also force workers into different unions, depending on labour legislation and union demarcations.

By moving from service profitability to service quality and embracing societal goals, remunicipalisation can be an opportunity for unions to increase membership, strengthen bargaining power and (re)build strong union workplaces in public services.

Retaining membership and seizing the opportunity for growth in a transition means that unions have an interest to build a specific organising angle into their remunicipalisation strategy. This is intertwined with the dialogue process and union cohesion approach referred to above, and with the negotiation of a fair transition for all involved workers with the local authorities described in the following section.

In industrial relations systems where remunicipalisation implies a shift in union jurisdiction and collective agreement coverage as workers move from the private to public sector, specific unions may lose members. In such cases, cooperation, solidarity agreements and membership portability mechanisms can be explored as means to minimise or offset adverse impacts and ensure the best possible union representation for the transferred workers.

Case lll: Norwegian municipal workers' union early outreach and organising of transferring workers

In 2017, when Oslo's decision to remunicipalise waste services was looming, the *Fagforbundet* local union set up a dedicated team and developed a strategy to recruit the workers, many of whom were on temporary contracts. The union team put together a comprehensive list of the workers whose jobs were to be remunicipalised and established a visible local presence. They set up stands in front of the workplace and made representatives available during

the work shift. This meant private provider Vereino's workers could approach them, ask questions and join the union. Many Vereino employees were immigrants and there were major language barriers. Fagforbundet hired interpreters and organised personalised meetings with them. The union prepared leaflets and materials in languages the workers spoke, to make sure they were aware of the situation and their rights. This outreach effort was also an opportunity to organise them: out of the 170 Vereino workers, 80 joined the union before the remunicipalisation. When the company went bankrupt and the City of Oslo internalised the service, Fagforbundet had already achieved the power necessary to negotiate a new collective agreement with the municipality.[10]

Fagforbundet local shop stewards approach Vereino workers to organize them into the union ahead of the imminent Oslo waste remunicipalisation. Photo credit: Fagforbundet

Negotiating a fair private-to-public transition for workers

Regardless of whether there is a clear legal framework underpinning a change from private to public sector, unions must seek to negotiate the terms of any employment transition with the public authorities taking back control of the service. This is not a given, especially in countries where union rights in the public sector are limited or constrained by law or in practice, or where collective agreements exist at a national level but local government-level bargaining is not enabled or practiced. In some countries, local authorities and mayors have little power over public service resources or do not see themselves as employers. They may favour remunicipalisation as a political decision but will not necessarily see or act on the implications of the labour dimension of the transition process.

Negotiating a fair transition for the workers and their unions is in everyone's interest. It is a fundamental step to ensure that remunicipalisation succeeds. In the immediate aftermath of a private-to-public transition, the priority is to ensure service continuity or (re)establish capacity to deliver. This is a window of vulnerability. Any perception that the remunicipalised service is less efficient than under private management needs to be addressed, and social support needs to stay high until the process is completed. In addition, if workers are to deliver effective public services, they must enjoy decent working conditions. They also need to have a say over how the service will be run, as they have a unique view on its operations and on user and citizen needs and expectations. Frontline workers are usually best placed to know what competences, infrastructure and systems are needed or missing to ensure efficient delivery.[11]

The employment transition requires care, transparency and fairness, which greatly contribute to creating a climate of trust from the moment the insourced service begins to operate under public control. For this reason, if a full re-hiring process is deemed necessary, all job posts for

the remunicipalised service should be published as vacant and those already doing the work in the privatised service should be considered as priority candidates.

From the union side, giving a strong and united mandate to representatives at the bargaining table is recommended. This will help offset union fragmentation, reconcile different workplace interests and ensure that negotiations with public authorities are practicable and effective.[12] No transitioning workers should remain excluded from collective agreement coverage or find themselves in a legal limbo, and all workers should receive equitable treatment.[13]

Box ll

Paris water: the challenges of negotiating a fair transition across multiple companies

Prior to their consolidation into the *Eau de Paris* public utility, the four companies had very different pay levels, working conditions and benefits. Harmonising these provisions meant long and hard negotiation of two agreements. The negotiations started in 2009 between the City of Paris and the two pre-existing companies under public control, SAGEP and CRECEP. The City of Paris expected the employees of the various companies to be incorporated into the new public utility as a result of the ownership transfer. However, the city had not fully anticipated the extent of the harmonisation and negotiation process required to ensure a fair transition for all employees. Achieving fairness required the participation of all representative trade unions in the negotiations over the workers' employment transfer with the Paris public authorities. The CGT launched a petition for this approach, collecting more than 500 signatures of employees from all concerned companies. Negotiations were then extended to union representatives of Veolia

and *Eau et Force*. Many different representatives and interests were around the table, and discussions were tense and complex. A critical step was to go through different job descriptions across all four companies, agree on a merged classification system to identify equivalent positions (*fiche de transposition*) and build a single pay structure for Eau de Paris. The final harmonisation agreement was signed in 2011 and represented a major collective achievement for all parties. The union elections that followed the same year reduced the number of unions from 15 to eight.[14]

Conclusion: public services that work for the people, including workers

There is a strong case for public authorities, public service users, citizens and civil society organisations in favour of remunicipalisation to include labour issues from the outset of a campaign; to properly engage at the early stages with service workers and trade unions; and to maintain that relationship throughout the negotiations. Ensuring a fair employment transition for public service workers and negotiating with their elected union representatives should be viewed as an integral part of any remunicipalisation checklist. Getting this right can be a deciding factor in the overall success or failure of a remunicipalisation initiative.

Remunicipalisation is also an opportunity to build an innovative societal vision of quality public services that are participatory, democratic, and work for people and their communities. That vision must include workers and their trade unions. Whenever remunicipalisation of essential public services can lead to a regular stream of income, such as in the case of water services, it presents an unparalleled chance to leverage public ownership to pioneer new, progressive staff management and worker participation practices while creating quality employment in local communities, all while delivering universal access to quality public services.

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Chapter 13

Knowledge creation and sharing through public-public partnership in the water sector

By Milo Fiasconaro

Managing water resources is not an easy job. Providing safe drinking water to citizens and businesses, and treating wastewater so that it can be returned to the environment without putting health or nature in danger is a complex enterprise that requires a wide range of different skills and knowledge. For a water operator, the continuous development of workforce capacity – from the chemist to the plumber, from the IT technician to the geologist – is therefore crucial in order to provide an ever-improving service. Further, socio-economic transformation, climate change and legislative evolution are creating new challenges, requiring that water operators constantly search – both internally and externally – for potential new solutions or approaches.

More generally, the absorption, use, reproduction and generation of knowledge – be it embodied in workers, machines or scientific texts – represents a fundamental dimension of the mission of a water operator. While this is true for both public and private operators, the ownership model can significantly affect the way an operator 'organises' knowledge management. Two main differences can be identified.

The first difference has to do with the diverse 'spatial nature' of public and private operators. A public operator is necessarily territorially bound to the public authority or consortium of public authorities conferring on it the responsibility to manage local water resources (in certain contexts,

the possibility for a public operator to provide services outside the geographical perimeter determined by the mandating public authoritie[s] is explicitly forbidden by law). On the contrary, a private operator, particularly a multinational, will tend to be organised in a networked, trans-territorial fashion, connecting and integrating different plants and facilities across the world. As a result, a multinational company can quickly mobilise, disseminate and transfer new knowledge in its network. In other words, once an effective solution to a shared problem is identified in a private water plant, or once a process improvement is developed at a decentralised research facility or at headquarters, such knowledge can be easily, effectively and cheaply transmitted to the company's plants and management centres worldwide. In addition, the relative economic cost of generating new knowledge will tend to be lower for private than for public operators due to economies of scale. In short, knowledge generation for a private operator will likely be easier and cheaper than for a public operator, thanks to its size and transnational nature.

The second difference concerns the incentives or rationales for investing in knowledge generation. The main drive for such investments from both public and private operators is the need to find solutions to concrete problems. However, a private operator can also decide to invest in knowledge creation (through internal research and development, R&D, or external acquisition) as a competitive strategy: developing new technological solutions that, once patented, can create a competitive advantage over competitors, thus increasing profits. Obviously, such investments can also cause economic losses if they do not yield the expected results – a normal entrepreneurial risk for a profit-making entity. For public operators, selling technologies or patents is not normally part of their mission or mandate so they cannot recover costs involved in R&D activities in that way. In most cases public operators can only recover costs through the tariffs they charge on domestic or business users, which means they have to be extremely careful about the

way they use tariff-generated resources to finance uncertain explorative efforts; otherwise they could be sanctioned, for example by a Court of Auditors, for misuse of public resources.

These two 'structural' differences between the public and private models of water management help explain certain intrinsic limitations, or asymmetries, that public operators face when it comes to knowledge generation and management. The problem becomes even more acute in the case of newly created public services, especially if they are the result of de-privatisation processes. For reasons explained elsewhere in this book (see Chapter 11 for instance), one of the most daunting difficulties public authorities face when they decide to bring water management back into public hands is precisely the definition, sourcing and organisation of the knowledge needed to manage the service. The range of concrete knowledge-related issues is enormous, like understanding the skills needed to manage the service (and then recruiting accordingly), or gaining control or buying the software needed for user databases (or any other soft or hard assets needed). For all these reasons, public operators, and the public authorities in charge of their organisation, have to devise modalities for knowledge generation and use that are different from their private counterparts.

Public-public cooperation as an alternative to market-based solutions

Public operators have different options to compensate some of the asymmetries in knowledge generation described above, and to improve their capacity to address current and future challenges in water resources management. Some options are more 'traditional' because they have been in the public water sector for quite some time. We can mention the possibility for water operators to purchase innovative solutions from the market through public procurement, to rely on

consulting companies for the provision of specialised services, or to recruit and train specialised staff.

A promising alternative is the growing number of public operators deciding to pursue public-public cooperation as another strategy for knowledge creation. Public-public cooperation can offer some advantages compared to traditional market-based solutions. These advantages lie in the 'public nature' of the organisations involved, allowing actors to pursue general interest objectives that can go beyond the specific and contingent interests of the parties involved in the partnership. In this chapter, we illustrate how public-public partnerships in the water sector can advance public service objectives by presenting two common forms: collaboration between water operators and academic institutions, and collaboration among public water operators within national and international networks.

Partnerships between water operators and academic institutions

The first example of public-public partnership pertaining to knowledge management in the water sector consists in collaborating with research entities, particularly universities. Objectives can vary but a typical goal is to increase knowledge on a specific issue or solve a specific problem. In Italy, concrete examples include: Gruppo CAP (water operator in the province of Milan), which has signed a partnership agreement with La Sapienza University (Rome) for an in-depth analysis of geological morphology of the aquifer in the Milan area[1]; or Uniacque (water operator of Bergamo), which has signed a research contract with the Italian National Research Council for a study on pollution of surface water from micro-plastics and antibiotic-resistant bacteria.[2]

Another common objective behind water operator–university collaboration is ensuring the promotion of academic investigation on water

resources management and training of young professionals. Examples in this domain include the joint financing by the Scottish Government and Scottish Water of research awards and a scholarship programme for PhD students focusing their research on water issues,[3] or the co-financing by EMASESA (Seville water operator) of a Master's in Technology and Management of the Integrated Water Cycle at a local university.[4]

Finally, another objective can be ensuring that students are aware of career opportunities with water operators and in the water sector more generally. Indeed, a shortage of qualified workers represents one of the major challenges of the water sector, as pointed out in a UN-Water report.[5] An example in this context comes from Eydap (Athens' water operator), which has created summer time dedicated positions for higher education students (250 in 2019) in its numerous departments.

What is common – and important – in all of these examples is that the knowledge generated through collaboration will remain in the public domain or contribute to the general interest. More precisely, the knowledge generated in the partnership will not be captured in a proprietary form (e.g. a patent, a licensing contract, etc.). On the contrary, such knowledge will be used and shared by the water operator to address or better understand a specific problem; for its part, the public academic entity can publish the knowledge generated – if scientifically relevant – through publications, thus contributing to the general advancement of knowledge in society. In short, launching a knowledge partnership between public entities means that the result of joint work will not serve to generate profits but will be accessible to all, thus contributing to the well-being of society as a whole.

Networks of public operators

As a not-for-profit entity, a public water operator can share knowledge freely through a second type of public-public partnership: participation in

national and international networks of professionals and water experts. Over the last 15 years, there have been a growing number of networks that bring together only publicly owned operators, in comparison to traditional professional networks that used to encompass the private sector as well. In the European context, some of these networks have a national scope: this is the case of France Eau Publique (Public Water France), Asociación Española de Operadores Públicos de Abastecimiento y Saneamiento (Spanish Association of Public Water and Sanitation Operators), or Allianz der öffentlichen Wasserwirtschaft (Alliance of Public Water Companies, Germany). They can also have an international scope, as is the case of Aqua Publica Europea (European Association of Public Water and Sanitation Operators).

All of these networks were explicitly created to pursue two main objectives. The first objective is to enable public operators to develop their own policy proposals for water resources management given they may have different views and ideas to put forward than private operators. The choice of ownership model is not just a matter of dialectic confrontation on a political level (e.g. whether one thinks an essential service like water should be a profit-making business), but it also has concrete implications in terms of how water resources are – or should be – managed from source to tap. The ownership model will affect the way technological or organisational options are selected, or decisions taken over investments, or even how potential conflicts between alternative water uses will be arbitrated. Consequently, public operators need their own space to elaborate and channel their alternative proposals.

If such a 'representation need' is often the main reason behind the creation of these networks, having a dedicated platform where to share knowledge, expertise and solutions on concrete management issues certainly represents the other main drive for the creation of 'public only' associations. The greater homogeneity of the membership can facilitate the development of trust and the circulation of information among members:

when trying to address a specific problem, an operator can be confident that commercial interests do not motivate solutions suggested by other members. The idea that the non-profit nature of relations can facilitate knowledge-sharing and capacity-development initiatives among peers was also behind the creation of the Global Water Operators' Partnership Alliance (GWOPA), under the umbrella of UN-Habitat. Although GWOPA is not an association like those mentioned above, it was launched more than 10 years ago by a UN Secretary General Advisory Board on similar grounds, namely that water resources management issues are partly a 'capacity problem' and that peer-to-peer learning on a solidarity basis can be a powerful tool to disseminate best practices and know-how.

More generally, the creation of networks of public operators can respond to knowledge-sharing needs, based on two rationales. The first one is practical: the assumption is that in a national or transnational network of operators there already exist several solutions to common problems, which can easily be shared precisely because there is no commercial competition among members. In this sense, networks of public operators can compensate the 'geographical asymmetry' mentioned above by becoming catalysers of information and capacities that are not bound by competitive concerns and can consequently be shared freely.

The second rationale can be more value-laden: if water is a common good and water provision, a natural monopoly, and if all economic resources generated by the water management cycle should be reinvested in the water cycle itself, then the knowledge needed to manage and address water management problems should also be a common good. Importantly, public operators would have a duty to share this knowledge.

Public water operators' duty to help other operators is enshrined in Aqua Publica Europea's Founding Charter, for instance. Aqua Publica Europea is a knowledge-sharing platform that performs this mission in different ways. For example, it routinely organises technical meetings to address

specific issues by relying on the internal expertise of members; it supports the activity of internal working groups led by staff from members who coordinate in-depth exchange of data or information on more complex matters; it supports the creation among members of consortia to bid for international research grants. The most recent initiative launched by Aqua Publica Europea in this domain is Water Erasmus,[6] a programme that promotes short-term staff exchanges among members. Water Erasmus has been designed to strengthen operators' internal capacity by responding to different needs: promoting mutual knowledge of different management models; facilitating the mobilisation of knowledge and know-how that is embodied in people; making the workplace more attractive especially for young professionals and helping them to build their own international network. Since its launch in 2017, several operators have participated in the programme:

- Scottish Water's staff visited Eau de Paris (Paris' water operator) to learn about their strategy on public drinking water fountains and Eau de Paris reciprocated the visit to study Scottish Water's remote control technologies;
- Gruppo CAP (Milan) visited Hamburg Wasser to learn more from the technologies and strategies on wastewater treatment, and BCASA (Barcelona's sewage company) visited CAP to study their internal performance assessment methodology;
- SWDE (Wallonia, Belgium) and SMAT (Turin, Italy) exchanged on their innovation strategies.

Photo by Gruppo CAP (Milan, Italy): the team from Gruppo CAP visited HAMBURG WASSER (Germany) with the Water Erasmus programme

Public policies on strengthening knowledge in the public water sector

To conclude, it is important to stress that, in the water sector, the scientific and technological content of routine operations has been growing. Due to some structural differences in terms of public operators' organisation and mission, it is more challenging for them to develop and integrate such content than for their private counterparts. Public-public partnerships – by activating interfaces with the academic world or by collaborating in international networks – can represent an effective response for public operators to compensate for the lack of transnational economies of scale that multinational companies can benefit from. National and transnational associations of public operators pursue the mission of knowledge-sharing and capacity development autonomously, by relying exclusively on resources coming from members. However, this effort will not be enough to address a great challenge of our time: strengthening the capacity of the public sector more broadly. Governments and public powers have a crucial responsibility in facilitating and incentivising this kind of capacity-development effort. This is true for the water sector and for all other public administration sectors. Mariana Mazzucato[7] and several other scholars have shown in recent years that a strong, well-staffed and skilled public sector is an essential condition for fostering the well-being of societies, including the development of a vibrant private sector.

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Endnotes

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Chapter 14

Transforming the state: Towards democracy-driven public ownership

By Hilary Wainwright

This chapter asks 'What are the conditions of possibility for democratic public ownership?' This is a question facing those, across the world, who believe in a democratic egalitarian economy. But this chapter will focus on experiences, struggles and ideas concerning public ownership in two countries more specifically, Uruguay and Britain. Both are countries where questions of public ownership have played an important part in national politics. Both national experiences of public ownership provide challenging laboratories for thinking through what are the political, administrative and industrial relations factors favouring the democratisation of public ownership.

First a background historical note on each country. In Britain, the major utilities and the primary industries in coal and steel[1] were nationalised by the Labour government, which followed the Second World War. These public utilities and industries were re-privatised later by Margaret Thatcher between 1979 and 1990. In 2017, the Labour Party committed itself to bringing all the utilities back into public ownership. Moreover, it committed to doing so under democratic forms of public administration, involving the participation of frontline workers and users.[2]

In Uruguay, the public ownership of utilities goes back to the early twentieth century when José Batlle y Ordóñez led the country under very favourable economic conditions and made the welfare state (one of the first in the world) and the expansion of public enterprises a basis for class

harmony, social mobility and a satisfied middle class.[3] This integrative approach, led by the state but facilitated by a mandatory, secular national education system (established at the end of the nineteenth century) became known as *Batllismo* and is a semi-permanent part of the political economy of Uruguay, entrenched in the constitution and outlasting the 1973–85 military dictatorship.

In the late '80s, the elected governments of the right initiated a process of privatisation in Uruguay, in line with the global neoliberal economic orthodoxy. The majority of the people in this small country of 3.5 million resisted the global trend towards privatisation. The resistance was organised through an alliance of a politically radical trade union movement – which under the leadership of the Communist Party had played an important role in opposing the dictatorship –, networks of community activists and the coalition of left parties, the *Frente Amplio*, which won the government office in 2005. The resistance to privatisation used a provision for referenda in the democratic constitution amended after the fall of the dictatorship, not only to defeat the privatisations but also to entrench the principle of water as a public good into the constitution along with the principle of democratic participation in its management. The Frente Amplio governments of 2005, 2009 and 2014 developed a more radical form of public ownership than Batlle's model based on national integration. Frente Amplio governments treated public enterprises as instruments of state-led industrial strategy to meet social and environmental as well as economic goals.[4]

Democratic public ownership requires a democratic state

A fundamental lesson from both the limits of the 1945 nationalisations in the UK and, positively, from the more recent attempts to democratise public enterprises in Uruguay and make them part of a state-led industrial strategy to meet social, environmental and economic goals,

is that the ideal of democratic public ownership cannot focus simply on mechanisms and relationships *internal* to an industry. Since we are talking about state ownership, we have to think about the nature of the state itself and scrutinise how democratic it is or is not, looking at two dimensions:

- the function and mission that the elected government gives to public industries and how they are managed; and
- the extent of openness to citizen participation in, and awareness of, the decision-making of public industries.

First then, this chapter analyses the lesson from the UK's 1945 nationalisations regarding the state. The original nationalised utilities – British Gas, British Telecomm, British Rail, and so on – were seen as insufficiently responsive to service users, which helps to explain why Thatcher faced little resistance to her privatisation programme, until she came to the National Health System where her privatising plans came up against an exceptional degree of user and staff loyalty.

From the perspective of the importance of a democratic state for determining the character of the nationalised industries, the limits of Labour's 1945 nationalisations from the standpoint of democracy were not surprising. The Labour government had inherited a state originally constructed to manage an empire. Its methods were (and still are) secretive, its unwritten rules opaque to the public but infinitely flexible for the powerful, who were hence under no obligation to be accountable. This peculiarly elite rule, which Labour has traditionally sought to deploy for its own purposes rather than for social transformation, is based on a historic compromise that led to Britain becoming a 'constitutional monarchy' rather than a republic.[5] As such, various functions of government are neither subject to parliamentary debate nor to public scrutiny. A symbol of this is the way that Members of Parliament swear their oaths of allegiance not to the people but to the crown, which, in effect, stands for the moral authority of the state.

The consequence is that there is little recognition of the importance for democracy of open public debate on the rules that guide how we are governed. Yet without explicit, democratically formulated and publicly 'owned' rules, the ruling elite is left to interpret unwritten rules and conventions more or less as it likes. Neither the public nor their representatives have an adequate basis, beyond party manifestos, on which to call the executive to account.

This culture of flexibility disguised by opacity pervaded all parts of the state, including the nationalised industries. The nationalisations of 1945 were mainly pragmatic, a means to reconstruct after the war. There was no explicit statement or agreement on their social objectives, and hence no mechanism for public scrutiny or amendment.

In this model, politicians, advised by specialised professionals, set policy goals, and managers had day-to-day control as if they were simply technicians. This form of administration treated questions of implementation (the sphere of management) as purely technical, with only one 'correct' approach. It militated against popular participation and the debate and judgement that this would have entailed in the process of implementation.

For a positive example of how a democratic, written constitution influences the way public enterprises are managed, we can look at the experience of Uruguay, a country that has not only developed a democratic constitution to protect collective and individual rights but whose recent history has also produced a unique political economy in which public enterprises play a leading role in meeting social and environmental development goals rather than simply increasing state revenue or providing infrastructure for the private sector. Under governments of the Frente Amplio, it became an exemplary case of a *developmental* state,[6] as distinct from a *competitive* or *market-led* state.[7]

Uruguay from 2005 to 2019 (when the Frente Amplio government was narrowly defeated) illustrated two key features of a developmental state. First, it intervened in the market to promote economic development rather than allowing market forces to determine the future of the national economy and the life chances of those who live and work in it. Second, it coordinated the different parts and powers of the state and state enterprises around explicit social and developmental goals, such as overcoming poverty, establishing economic security and strengthening the self-confidence and power of working people.

Public companies are seen as a central means of intervention in the market through their investment strategies and their purchasing and employment policies, and through their coordination to meet social and politically determined goals. For instance, Uruguay's public utilities all had social objectives written into their missions. This explicitly social purpose has influenced how the public views these companies and has led to an unusual degree of popular support for the state and to public consciousness of the social, pro-public role of the state enterprises.

Two distinctive dimensions of Uruguay's constitution are particularly important. The first is the longevity of the public sector as part of the constitution, even though it has changed character in the twenty-first century compared to the model of José Batlle in the last century. Public companies are part of the constitution and hence understood as part of Uruguayan democracy. Generations have been educated in this view of their country. Hence, they have been quick to mobilise to defend these companies against privatisation and eager to advance democratic principles (as in the case of the public water company through which they won the right of citizens to participate on company boards).

The second dimension is the importance of providing a foundation stone of public values to which citizens can refer to protect basic social as well as individual rights. In Uruguay, the constitution is a living institution

that citizens can change democratically to meet new needs, such as to protect water as a natural commons from the pressures of the corporate-driven global market.

For a constitution to be democratic, it must be drawn up with full popular participation so that its values reflect the realities of people's lives. Such a constitution could establish the fundamental framework and shared values of democratic public ownership in the UK and elsewhere, with subsequent legislation determining specific organisational and governance structures. In turn, this would frame how public enterprises are to be managed, turning questions of *management* from being purely technical to questions that recognise how forms of management have an impact on the nature of power relations.

Valuing the practical knowledge and capacity of every citizen

The means of management, then, are neither value neutral nor simply 'techniques'. For a start, they either perpetuate or challenge existing relations of power, including those based on race, gender and class. And they shape the character of social relations both within an institution and externally – for example, whether they are collaborative, hierarchical and/or competitive. In other words, there are choices involved in the implementation of policy, based on purpose and values. The recent proposals of the Labour Party illustrate an alternative option to the model of implementation that, until 2017, had been typical of Labour's approach to public ownership.

'We should not try to recreate the nationalised industries of the past', said John McDonnell, the British Labour Party's Shadow Chancellor of the Exchequer. 'We cannot be nostalgic for a model whose management was often too distant, too bureaucratic'. Instead, a new kind of public ownership is needed based on the principle that 'nobody knows better

how to run these industries than those who spend their lives with them'.[8]

John McDonnell's principle of valuing the knowledge and capacity of every citizen implies a profound cultural shift in the attitudes and strategies of public sector management and in the consciousness and self-confidence of working people. This requires a break from both the 'new public management' encouraged by Thatcher to apply private business methods to the public sector and from the command-and-control hierarchies of the post-1945 state, inherited from the war and reinforced by the paternalistic and narrowly scientific understandings of knowledge of Labour's policy-making elite.

What does this innovative approach of John McDonnell imply about how we move beyond – democratise – these traditional models of public management in which democracy meant only electoral democracy? The assumption behind post-1945 public utilities in the UK and Thatcher's 'new public management' was that the knowledge to implement the politicians' mandate lay with the experts. Beatrice Webb, an influential adviser to Labour leaders from the Fabian Society – a group of left-wing intellectuals who were part of the founding of the Labour Party – put this vividly when she wrote in her diary: 'We have little faith in the average sensual man. We do not believe that he can do much more than describe his grievances, we do not think he can prescribe his remedies'.[9]

Policies based on this approach have meant that possibilities for increased productivity that enhance workers' skills and satisfaction are missed, resulting in production processes that exhaust, de-skill and demoralise otherwise creative, energetic workers and fail to respond to the specific needs and desires of service users. This has meant for instance, public housing designed by architects who live in entirely different environments; public transport planned and run by people who travel by private car; and women's lives shaped by public provision designed and managed by men.

A simple reversal of new public management and the Fabian approach is not enough, however. In developing John McDonnell's 'new model of public ownership', we must address the problem of how, and through what institutions and processes, the knowledge of those 'who spend their lives with these industries' (both those who work for them and the communities and users affected by them) can gain effective expression and utilisation.

This is not simply a matter of democratic principle. Rather, because this aspiration to 'radical' democracy is based on a recognition of the practical knowledge and capacity of all, it is also the basis for improved public efficiency. In a sense, it implies a realisation of Marx's ideal of a society in which the 'fulfillment of all depends on the fulfillment of each'. It could be called 'productive democracy', as distinguished from a liberal democracy in which political rights are conceived in isolation from economic and social equality.[10]

Workers on the board: necessary but not sufficient

'Workers on the board' is the common understanding of the democratisation of public companies. Certainly, worker representation is necessary if a real change in the relations of production is to be achieved. But it is by no means sufficient to change the balance of power between management and workers, which is essential for workers' knowledge and capacity to have an effective influence on company efficiency in meeting social goals.

Experience has shown that unless there has been a change in the balance of power in the workplace, due to trade union organisation and changed management methods, board representation alters little. This is illustrated negatively by the experience of *Mitbestimmung* in Germany, where the fact of workers on the board has often had limited effect unless the unions were strong and in those circumstances the influence of workers

was more through collective bargaining than through participation on boards. 'Workers on the board' is illustrated positively in Uruguay, where union industrial power and political influence has been decisive and the unions have pushed for board representation as a means of consolidating their power through collective bargaining and political accountability.[11]

Furthermore, the social benefits of practical and often tacit knowledge cannot be realised by simply being turned into 'demands' fed through the structures of a union or company from shop floor to the board. Of course, on some key decisions, workers' views can be conveyed through such a process, but there is a deeper level of workers' and citizens' knowledge that is tacit and embedded in skills and capacity that are expressed and shared through practice, whether in technological design and manufacturing, caring for other people, or creating works of art. This practical dimension of knowledge can only be released for the benefit of all through collaborative practice.

Replacing market 'discipline' with that of social and environmental need

To move beyond hierarchical models in the public sector, we need to learn from Elinor Ostrom's approach to the management of the commons[12] and encourage principles like strong common purpose, inclusive, participatory decision-making, commitment and peer-group monitoring, fairness in reward and cost, just conflict resolution, local autonomy and consistent governance. This would involve replacing the bureaucratic hierarchies traditionally typical of the public sector with structures that coordinate problem-focused teams working within the framework that encourages experimentation and innovation.

Still, worker representation plus democratic relations of production and/or service delivery are insufficient to meet fundamental social and environmental goals, such as transition to a low-carbon economy or

overcoming the poverty, exclusion and wasted human talent caused by decades of market-driven politics. Unless its *external* economic relationships and environment are changed, a publicly owned company is still subject to the same pressures that lead private companies to act in anti-social ways.

The 'discipline' of the market must be replaced with the discipline of democratically determined social and environmental need. To achieve this, all the different powers of public bodies – procurement, borrowing, employment, planning, property ownership, environmental and health and safety regulations, and more – need to be deployed to take as much economic activity out of the market-driven economy and into the cooperative or public democratic (ideally) economy. Public money could then be used to generate a positive 'multiplier effect' in meeting need and creating socially useful and satisfying jobs. The social and environmental benefits resulting from public economic activity as it percolates through the economy must be accorded value beyond the monetary cost and benefits of the initial expenditure. This move beyond single public sector organisations towards a decentralised democratic economy is already being at least exemplified through local government.

Community wealth building – an example of an alternative to market discipline

Economic collaboration across the public sector and with co-operatives around a common purpose is already happening in a few localities in the UK, developed through local councils in the nationally hostile environment of a Conservative government. A pioneer exemplar of such a collaborative approach can be found in what has become known as 'community wealth building' in the UK. Inspired by US experiences of more democratic forms of community economic development, it began in Preston post-2008 after the local authority was let down by a private partner in a major regeneration project.[13] As part of the 'Preston Model',

the council has collaborated with other public authorities in the town and region to deploy their procurement budgets, investments and workforce development policies to support local, unionised and democratic enterprises (such as co-operatives).

The Preston model offers a building block for further systemic change. National government support could strengthen and spread such local exemplars with greater powers to local government and through a network of regional public development banks.

Moving from a defensive to a transformative trade unionism

Government action is necessary, but insufficient and limited, given the importance of achieving collaborative rather than hierarchical relations of power and a form of organisation that can facilitate the sharing of tacit and practical knowledge.[14] The democratic drive in an effective strategy for democratic public ownership requires the central involvement of a transformative agency beyond government, like trade unions.

For instance, recent experiences of community wealth building have seen innovative local councils, determined not to be dependent on private finance, turn to workers' co-operatives, other public bodies and the trade unions within them, for alternatives that would grow the local economy. Similarly, the wealth creators, the working and would-be working people, organised through their unions and co-operatives, should be the allies of a government seeking to democratically transform the economy. And sometimes, as in the recent history of Uruguay, they are – or show how they could be.

By way of illustration, in Uruguay the vision of democratic, socially useful public companies is shared and sometimes driven by the trade unions. Here is how Gabriel 'Chefle' Molina, president of the telecoms union

Sutel, sees the significance of the industry being public: 'because [the telecoms company] Antel is public, its services must be for everyone – including those who can't afford it. [And because revenues go back to the state] nowadays we have tablets for pensioners and laptops for young kids to go to school and study with'.[15]

This positive commitment to the social purpose of Antel has had practical consequences. First, it has led to the union being a strong supporter of the integrity of Antel as a public company and a fierce opponent of any plans to privatise services or contract them out to multinational telecoms companies.

Second, the role of the union went beyond the defensive to participation in the appointment of the new director of Antel at the time, Carolina Cosse Garrido. For 10 years, in close collaboration with the union, she led Antel in a direction that was both ambitiously innovative technologically and commercially, and also radical in its social provision.[16] The involvement of the union, and specifically frontline workers, led to successes that would not have been possible if the workers had not understood and supported such ambitious projects.

The relationship between the unions in Uruguay and the left coalition party was forged in the common struggle against the previous dictatorship. As a result, rather than a rigid division of function between them, as seen in the UK, there was a culture of collaboration and mutual solidarity against a common enemy, originally the dictatorship (until 1985), then right-wing parties and then the corporate-driven global market. We are beginning to see the signs of similar collaboration and solidarity in a common cause – resisting austerity, privatisation and deregulation – in the UK. But even now key unions are not preparing a transformative strategy for their industries, including in the public sector. This preparation, this shift to a more strategic, political trade unionism, is a precondition for the realisation of democratic public ownership.

Conclusion

In sum, democratising public ownership requires a radical shift in the balance of power towards frontline workers, users and affected communities. Such a shift cannot be achieved simply by institutional engineering, such as workers on boards. This kind of institutional opening up is necessary, but it will only release a democratic dynamic if there is a conscious movement for industrial and service transformation coming from workers and communities themselves. And this requires a steady transformation, including democratisation, of the labour movement itself.

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Endnotes

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Chapter 15

Putting energy democracy at the heart of a Green New Deal to counter the climate catastrophe

By Lavinia Steinfort

Youth climate activists have taken to the streets to demand immediate action from political power holders. They brought the issues of climate and labour together by calling for a global climate strike in September 2019, in which an historic 7.6 million students, (grand)parents and workers from 185 countries participated. Over 70 trade unions around the world supported the general strike and the number of climate groups that are demanding just transition pathways for fossil fuel workers are also steadily increasing.

The European landscape of climate activism is becoming densely populated. Numerous communities are defending nature along with their livelihoods. Initiatives like the German anti-coal coalition Ende Gelände practice civil disobedience to mobilise large numbers of activists for climate justice. Most of the ongoing demonstrations in 2020 – such as Fridays for Future, Extinction Rebellion and Earth Strike – are led by pupils and students who are joined by their families and teachers on the streets. Some, like the Shell Must Fall alliance,[1] are more explicitly tying corporate power to the climate crisis that has long been destroying communities and the biosphere, particularly in the global South. Or take the overlap between climate activism and the *Gilets Jaunes* protesters' struggle; they successfully mobilised hundreds of millions of lower and middle-class folks across France to fight Olivier Macron's so-called carbon taxes, which follow an extractivist logic in favour of the rich and paid for by the impoverished.[2] The message: climate action must have economic justice at its heart.

Photo of Fridays for Future in Sanremo, Italy. Credit: Tommi Boom, Flickr, Licence CC BY-SA 2.0

The alliance for a Green New Deal for Europe[3] was formed to turn demands for climate justice into policy proposals. Soon after even the European Commission (EC) endorsed the call for a Green New Deal to re-evaluate the European Union's policies in light of the climate and ecological emergency.[4] However, the EC's focus on economic growth has proven to prioritise private profits (i.e. privatisation) over social and environmental concerns. The experience of many cities and citizens is that big business is blocking the energy transition. By reclaiming energy grids and services, and creating democratic public ownership models, they have been able to take climate actions that put people and planet first. For the labour and climate justice movements to prevail, we need to collectively stand up against market solutions and build on the diverse forms of energy democracy that are already being developed across Europe.

How market solutions continue to fail people and planet

The first half of 2019 was the worst for clean energy spending in six years, with investments dropping globally.[5] There has been a slowdown in the shift to renewable electricity across the EU since 2014, with annual investments in renewables dropping by 50 per cent between 2011 and 2017.[6] The EC has warned its member states that their energy and climate plans are unlikely to meet the EU 2030 targets for renewable energy and energy efficiency. Half of the EU countries will probably not even meet their 2020 target for renewables.[7] As Trade Unions for Energy Democracy explains in much more detail,[8] leaving renewable energy to the market implies that small energy companies have to compete with the big multinationals for subsidies and energy supply. This approach has failed to bring the necessary investments. Since 1996, the EC has been pushing for energy liberalisation. The promise was that this would increase competition. However, by 2009 only five big energy companies were still dominating the European market.[9] This market approach is not only leaving many Europeans in energy poverty,[10] it also has not delivered an energy transition at the needed scale and speed. For the last two decades, it was not competition but public policy and state aid, often in the form of feed-in tariffs (FiTs),[11] that drove the growth of solar and wind electricity. This caused renewable energy prices to drop while people's energy bills were increasing,[12] because users were ultimately paying for these subsidies – lower income users in particular. For example, in Italy 85 per cent of the FiTs' benefits went to large producers and Italian users had to foot the bill.[13] Or take the Netherlands, where the vast majority of public resources spent on climate and energy policy goes to corporations. Only one fourth of the funds benefits households, of which higher income ones receive as much as 80 per cent.[14] Because of the initial growth of solar and wind renewables, many European governments got convinced that the energy transition was no longer dependent on subsidies and decided to partially or completely revoke their FiTs schemes. However, without

state subsidies and with lower prices for renewables, markets do not deliver the high returns that private investors are looking for. Moreover, across Europe FiTs have been replaced by competitive bidding, further benefiting the large and established companies.[15] As a result, smaller energy cooperatives have had to close down in Denmark and Germany, which shows where current policies could lead us. Generally, investments in renewables in European countries continue to plummet.[16]

In the meantime, Europe's civil society has been doing a whole lot of advocacy to push the EC to acknowledge the rights of citizens and co-operatives in its Clean Energy Package. But as the EC continues to put all its faith in market rule and competition, it reduces EU citizens to their market value. The package requires EU countries to implement legislation that protects the right of citizens and so-called energy communities to produce, sell and store their own energy.[17] Although this may benefit the more affluent European citizenry, these 'market rights' turn users into market players who have to compete with each other while being outcompeted by the energy incumbents. This approach can only increase the power of the big energy companies, which will undermine the smaller energy initiatives that the rulebook promises to protect. Labour and climate justice movements need to jointly push back against the fallacy of market competition so that our policies no longer treat the climate and energy transition as a class privilege, but as a human right.

Why we need democratic public ownership for a successful energy transition

To kick-start the energy transition, especially a just one, we can no longer waste time and public funding on the private and incumbent companies seeking guaranteed profits. Instead, we should take the whole energy sector out of the market and into democratic public ownership. From South Africa to the United States, campaigns that aim to prevent or reverse energy privatisations and build or transform public enterprises

in an equitable and ecological fashion are in full swing. This is because energy privatisations, public-private partnerships (including power purchase agreements) and outsourcing models have led to worsening labour conditions, massive price hikes and a dire lack of investments.

In South Africa, a coalition consisting of trade unions and civil society organisations is fighting to save and transform the electricity multinational Eskom. The government wants to break up and sell off its generation, transmission and distribution sections.[18] Because this notorious World Bank policy of 'unbundling' is known for ushering in private companies, the coalition is proposing to build a new Eskom that is 'fully public and serving the people' in order to develop its renewable potential in ways that create jobs and improve everyone's life quality.[19]

In his Green New Deal proposal, US presidential candidate Bernie Sanders called for realising full public ownership over renewable energy and the entire power system by favouring 'public power districts and municipally- and cooperatively-owned utilities'.[20] This declaration is, on the one hand, a response to the horrific Californian wildfires caused by the negligence of the American investor-owned utility Pacific Gas & Electric. On the other hand, it builds on the growing number of citizen campaigns – from San Francisco and Lancester to Hermiston and Minnesota – that successfully pushed their local authorities to provide publicly owned electricity from renewable sources. Popular pressure from across US cities and states have been a pre-condition for Sanders to put *country-wide* public ownership of electricity on the agenda.

European civil society can learn from the South African and United States campaigns given we face similar bottlenecks. Firstly, they point to the necessary strategy of proposing pathways to transform Europe's corporatised state-owned electricity companies – such as EDF (France), RWE and E.ON (Germany), Iberdrola (Spain), ENEL (Italy) and Vattenfall (Sweden) – into democratic public entities considering they currently

behave, domestically and internationally, like predatory multinationals. Secondly, these campaigns show that the localised and country-wide demands for publicly owned energy systems should not oppose but strengthen one another.

It is clear that we need to develop comprehensive proposals for carefully planned energy transitions that are country- and continent-wide. But for these to be endorsed by politicians and policy-makers, grassroots engagement is essential. This will only reach a tipping point when residents are experiencing the benefits that the many forms of public ownership can bring. Reversing energy privatisations and setting up municipally owned energy company – in other words, (re)municipalisation – is one strategy for democratising our energy systems and for building more just local economies.

In 2017, the Transnational Institute reported in *Reclaiming Public Services* that since the start of the twenty-first century, 311 energy services and infrastructure have either been reclaimed (189) or newly built (122).[21] In 2019, the figure of reported (re)municipalisations had risen to an impressive 374. To show the variety of municipal energy ownership models, and ways in which it can deepen democracy, let us zoom in on Germany, the United Kingdom, Bulgaria and Spain.

Germany: remunicipalisations to participate in energy governance

The German energy transition was enabled by an alliance between the Social Democrats and Green Party, those who introduced FiTs in 2000. The Big Four energy companies failed to shift to renewable energy, for example by adjusting the grids for decentralised generation. This coincided with many grid concession contracts having expired in the previous two decades. The anti-nuclear and renewable energy movements pushed hundreds of municipalities to reclaim the grids and create their own local

supply companies. Exemplary remunicipalisations have happened in Wolfhagen and Hamburg.

In Wolfhagen, as the contract with private operator E.ON expired and after three years of tough negotiations, the municipal council managed to remunicipalise its electricity grid in 2006. The impact has been extraordinary. The annual profit resulted in cheaper prices for electricity, a two-fold expansion in staff and even allowed to fund the local kindergarten. Then, after a fierce public debate about the need to go 100 per cent renewable, the town did not have to turn to big private investors, because residents were able and willing to organise themselves and set up a citizen co-operative to raise the millions needed to pay for the wind turbines.[22] This public–citizen partnership led to improved local economic democracy as the co-operative became the owner of a quarter of the municipal energy company's assets and now has two seats on its board.

Similarly, the Hamburg government decided to create the public energy supplier *Hamburg Energie*, but was not willing to remunicipalise the energy infrastructure. The inhabitants successfully organised a referendum in 2013 to reclaim the city's electricity, gas and heating grids. By 2016, the city had completely bought back the electricity grid and one year into the remunicipalisation it had generated savings of €34.5 million. Parallel to that, it created the Energy Advisory Board, as part of the public energy agency, with 20 local representatives from the social, science, industry and business sectors. Their meetings are open to the public, giving citizens the opportunity to ask questions and submit proposals.[23] Then, in 2018, the gas and heating grids were reclaimed as well.

United Kingdom: transitioning to new public energy enterprises

Eleven per cent of the UK population is facing energy poverty with thousands of people dying because of cold homes every winter.[24] Citizens' mobilisations have led in recent years to the creation of a public energy company in Nottingham and an energy community organisation in Plymouth. Their purpose is to offer more affordable tariffs, providing energy efficiency services and supporting renewable energy generation.

Plymouth Energy Community (PEC) is a member-owned community benefit organisation created in 2013 with the support of City Council. The city provided a grant, loans and staff expertise so that the organisation could strengthen local capacities to 'create a fair, affordable, low-carbon energy system with local people at its heart'. In 2014, it created PEC Renewables, which funds, installs and manages local renewable energy generation schemes. By 2019, PEC supported more than 20,000 households to save over £1 million on their energy bills, clearing over £26,000 in small debts.[25] PEC also built a solar farm on a plot of contaminated land. Combined with the rooftop panels on schools and community buildings, the city is producing 6 MW of renewable energy. Revenue is expected to reach up to £1.5 million and will be reinvested in carbon and energy poverty reduction projects.[26]

Robin Hood Energy is a municipal energy supplier in Nottingham that was created in 2015 to fight energy poverty and take on the country's Big Six energy companies by guaranteeing transparent pricing, no private shareholders and no director bonuses. Today, it partners with nine other UK cities to offer certified green energy and better tariffs to residents across the country. It now supplies energy to 130,000 users, has 200 employees and has already made savings of £200,000, which is being fully reinvested in more affordable and renewable energy services.[27]

However, for these municipal and community-owned companies to succeed and not outcompete each other, the whole energy system needs to be reclaimed. The Labour Party published a report that called for the creation of a National Energy Agency.[28] This agency would own the transmission lines and be in charge of planning and setting decarbonisation targets. Regional authorities would own distribution grids. Municipalities and communities would be able to locally produce renewable energy and supply residents. This scaled and integrated approach would be able to serve the entire territory, replacing competition with collaboration.

Bulgaria: learning from public control practices

Bulgaria is among the hardest hit by the climate crisis in Europe. It also faces the highest level of energy poverty, affecting 37 per cent of the population. While the national government is still betting on coal, municipalities are fighting the climate crisis much more actively. Particularly, the city of Dobrich has become a role model for other European cities wanting to transform their energy system, despite limited financial resources. The municipality has built up refurbishment expertise, which has led to 30–60 per cent lower energy bills for thousands of families.[29] In 2018, it remunicipalised its street lighting, and the city is switching to LED lights.

Dobrich also benefited from a refurbishment partnership with ENEMONA, a private construction company. Because public-private partnerships tend to socialise losses and privatise profits, the City of Dobrich decided to enter into a contract that explicitly guarantees a strong performance by the private company. It forced the construction company to generate energy and financial savings for the municipality when its nursery and kindergarten were refurbished, among other public buildings. The contract ensured that public interest rather than private gain was prioritised in this partnership. The kindergarten refurbishment alone resulted in 112 tons of annual CO_2 reductions, €15,000 in annual savings and 40 per cent reduced energy use.

Spain: cities and citizens join forces to build energy democracies

In 2015, building on the 15-M movement in which millions of residents occupied city squares, Spanish citizens' platforms brought progressive 'municipalist' candidates to power. With 15 per cent of the population living in energy poverty and electricity prices having increased by 83 per cent since 2013, fighting the private power system and building energy democracy was a key priority for these municipalist city councils.

Photo of Plaza de Catalunya occupation in Barcelona on 22 May, 2015. Credit: Fotomovimiento, Flickr, Licence CC BY-NC-ND 2.0

The solutions that have been developed range from setting up new municipal electricity companies (Barcelona, Pamplona and Palma de Mallorca), involving residents in writing more just energy policies (Cadiz) and getting united in the Spanish Platform for a New Energy Model (Plataforma por un Nuevo Modelo Energético), in which municipalists can exchange lessons learned and best practices. Hundreds of cities are now

also contracting renewable energy co-operatives, such as Som Energia and GioEner, with some municipalities agreeing to pay the electricity bills for impoverished families in their area.[30]

Moreover, the Network for Energy Sovereignty developed 19 policy recommendations[31] for Spanish municipalities to more systematically involve citizens in energy decision-making. For example, the network proposes ways for women, in particular single mothers who are the hardest affected by the fossil fuel model, to steer the climate and energy transition towards an ecofeminist economy.

In 2018, the governing citizen platform *Barcelona en Comu* created the new energy retail company Barcelona Energia to buy energy directly from renewable sources. In 2019, the municipality created a participatory council that is open to users and citizens' groups and is authorised to submit proposals on the strategic direction of the company, give input on issues, such as tariffs and investments, and help shape education policies. The city launched special tariffs too. One is for those who use less energy to benefit from a cheaper tariff and the other is a 'solar' tariff to support users who produce and use their own energy. The new public company is supplying the municipal buildings and can serve 20,000 households.

Once in office, the municipalists of Cadiz created two permanent citizen working groups to fight energy poverty and complete the energy transition. They pushed the city administration to generate solar power and switch its whole energy use towards renewable electricity.[32] It organised residents who face energy poverty to co-design a social discount programme, which would guarantee electricity access to over 2,000 families in need by reducing bills by up to 80 per cent. Moreover, due to improved synergies between the city council and the semi-public electricity company, 55 per cent of the company's revenues are now being reinvested to cover the costs of municipal energy use and pay for the social discount. This has prevented disconnection for thousands of homes every year.

Conclusion

Corporate power will continue to fuel the climate crisis, especially given many big energy companies have the Energy Charter Treaty (ECT) on their side[33] to curtail the democratic powers of more than 50 countries. The treaty's investment protection mechanism – also known as investor–state dispute settlement – enables powerful energy companies to sue countries for outrageously high sums of money. Three foreign investors have used this mechanism to pressure Bulgaria into paying hundreds of millions of dollars for decisions that would limit their profits and combat energy poverty. Moreover, the German multinational Uniper has threatened to use the ECT to sue the Netherlands, if it were to approve a law to phase out coal-fired power plants.[34] For many civil society groups it has become crystal clear that the ECT gives corporations the power to halt the energy transition.

Given the persisting powers of fossil fuel companies, it should come as no surprise that for 2018 global carbon emissions hit a record high, while use of fossil fuels grew with the demand for gas, oil and coal which all increased, and the energy demand reached its fastest pace this decade.[35] Building energy democracies to avert the climate catastrophe would help reverse these trends; it would also entail a transformation of our food, transport and industrial systems. However, since energy is the lifeblood of these systems, a more comprehensive transition is not possible if governments continue to rely on big business.

The public strategies discussed in this chapter are preventing and reversing the privatisation of energy and infrastructure, slowly chipping away at big energy's stranglehold, as well as transforming and building new public companies that are equitable and ecologically sound. There is much to learn from the concrete municipal practices presented here, especially when local authorities partner with co-operatives and give users and workers decision-making powers. Yet we must also acknowledge

that these small-scale alternatives as well as many climate actions can be easily quelled by big business. For this reason, we need to organise ourselves *en masse* to stop the ECT and turn back energy privatisations, while creating a public energy economy of the largest scale.

Most importantly, a Green New Deal will only be meaningful if we take our country-wide energy systems out of the market and into democratic public ownership. Otherwise, we will fall short of achieving anything close to an energy transition, locally and around the world. At the same time, public energy is a necessary starting point but will not be enough if the most affected communities are not in the driving seat of renewable energy systems.

ABOUT THE AUTHOR

Credit: Samir Achbab

Lavinia Steinfort is a social geographer and political activist. As a researcher at the Transnational Institute (TNI) she is working on public alternatives such as (re)municipalisation of public services, a just transition towards energy democracy and transforming finance for the 99%. Lavinia is co-implementing the 'mPOWER' project that facilitates peer learning among European energy transition cities and is the coordinator of the international Energy Democracy alliance. She co-authored the book Public Finance for the Future We Want and the report One Treaty to Rule Them All about the Energy Charter Treaty.

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(Re)municipalisation is redefining public ownership

Noting the inadequacy of national and multilateral policies to tackle the climate crisis and widening inequality, a growing network of progressive municipalities has developed its own policies and measures to do so. (Re) municipalisation is one of the key strategies to address the challenges of our time, including pandemics such as Covid-19 which has made people realise that medical staff, caregivers, cleaners, waste collectors, water and energy workers keep our societies alive. Privatisation is such an ill-advised policy because these are the very services that tend to be outsourced first. Cities are well-positioned to reverse the tide and prioritise public health and well-being, to explore democratic models for public services and their management, and to advance innovative economic models that build community wealth and create decent jobs. This conclusion highlights key findings from collaborative research on the 1,408 compiled cases[1] and from the 15 individual chapters.

(Re)municipalisation works where privatisation has failed

Motivations for remunicipalisation are diverse, but often include a need to recover from a failed privatisation. Our research confirms the extent to which privatisation has missed the mark on delivering vital public services for all and economic efficiencies.

Controlling costs for users and local authorities

Cost is not the only consideration when deciding to remunicipalise a public service, but it is obviously one of the deciding factors. For decades,

privatisation, PPPs and outsourcing have been sold to officials, politicians and the public as being more 'efficient' than traditional public services, and providing better value for money. Our research convincingly disproves these claims. We found at least 245 cases where remunicipalisation either aimed to cut or had effectively reduced the cost of providing services. Furthermore, in at least 264 cases, municipal companies planned or had already managed to boost public investment in services and infrastructure.

There are five basic reasons why privatised services are generally more expensive down the line:

1. Corporations must generate profits and pay dividends to their shareholders and any parent company.
2. Privatisation brings extra layers of complexity and cost, including paying high fees to the consultants and lawyers who design the contracts.
3. Public authorities lose control over the costs of running the service (private operators tend to outsource some of the work to other companies, often within the same corporate group and often at high cost).
4. Private operators lack a long-term vision when it comes to financial management.
5. Public bodies typically pay lower interest rates on loans than private entities, which can help finance infrastructure needs for instance.

By contrast, with public ownership of services, tax revenues and any revenue generated from user fees can be invested directly in the service and in pursuing broader social and environmental goals. Many examples of this are featured in this book, from the well-known case of Paris (Chapter 2) to that of Taber in Canada (Chapter 3). Another concrete story gathered as part of the list of cases is from the capital of South Korea, Seoul, which created two new city-owned companies in order to hire cleaning workers for the Seoul Metro. The city's total related expenses

decreased 5 per cent despite the higher labour costs, simply because it no longer had to pay the management fee and 10 per cent value-added tax to private companies.

Redressing degraded working conditions, creating decent jobs

When private operators come in to reduce expenses, the first line items they look at are labour costs. By cutting jobs, eroding working conditions and undermining collective bargaining, privatisation is a powerful driver of precarious work. This is a problem not only for impoverished workers, their families and local communities, but also for users because service quality and access decline.

In contrast, there are many examples of remunicipalisation and insourcing where local councils have saved money while improving working conditions and/or pay. Since 2011, London's Islington Council has taken back contracts worth about £380 million in cleaning, building and grounds maintenance, and waste management services. The move has meant better pay and working conditions for 1,200 frontline employees, and generated savings of about £14 million (Chapter 6). Another success story for workers is that of Kragerø, Norway, where remunicipalisation of waste management has led to a 14 per cent reduction in fees for residents, while delivering an increase in workers' wages and pensions (Chapter 1).

Avoiding major economic risk

This book lists 26 cases of remunicipalisation involving bankruptcies of private operators. The 2018 collapse of Carillion, a company specialising in outsourcing contracts and privatised infrastructure, jeopardised 420 'private finance initiative' projects as well as the future of 18,000 employees in the UK (Chapter 6). In Denmark, 'free choice' policies introduced mandatory competition in elder care, but a large number of private companies collapsed (Chapter 4). In Norway, the bankruptcy

of waste management company RenoNorden would have stranded 137 municipalities if the union had not anticipated its economic difficulties and worked with local officials to remunicipalise the services (Chapter 1).

Bankruptcies and corporate collapses reveal the truth behind privatisation's alleged service efficiency and innovation: the facts show that many privatisation deals are economically unviable. Typically, outsourcing contracts and PPPs are specifically designed to prioritise profits and dividends over service quality. When the profits dry up or fail to materialise, corporations and investors just walk away, abandoning the workers and the people who rely on the service.

Another illustration of privatisation's economic failures is the unwillingness of private operators to deliver services in unprofitable areas or communities and for user groups who cannot afford to pay or are more expensive to serve. Take the case of Africa where private waste companies tend to operate in the wealthiest neighbourhoods of large cities, excluding the vast majority of the population (Chapter 5). In the US, major telecommunication companies were not interested in serving rural areas, smaller municipalities and low-income communities. Local governments and community-owned companies stepped in and developed high-speed broadband Internet infrastructure in many areas where corporations were not interested in operating (Chapter 9).

The broader benefits of (re)municipalisation

(Re)municipalisation is much more than a reaction to the failures of privatised service provision; beyond pragmatism, it is about guaranteeing and promoting basic rights, and serving the needs of everyone – as all public services are meant to do. Our research demonstrates that remunicipalisation – and even more so municipalisation, that is, the creation of brand new public services – are driven by a positive public interest ethos. This book uncovers even more than that: in many

cases, (re)municipalisation drives wider positive changes in the social, environmental and economic areas. It promotes the health and well-being of all, including workers; it helps to build resilient local economies and makes them less dependent on large corporations; and it is in many cases an important building block for a genuine climate transition. As exemplified by the concept of 'community wealth building', a term coined by the US-based The Democracy Collaborative and used in the UK's context as well, municipalities and other anchor institutions can use procurement and investment decisions strategically to secure ecological and equitable economic development.

Upholding and promoting human rights

The 2018 report of the UN Special Rapporteur on extreme poverty and human rights found that widespread privatisation of public services and infrastructure is systematically eliminating human rights protections and further marginalising people who are living in poverty.[2] The report looks at the human rights implications of privatisation in the criminal justice system, social services, water, sanitation, electricity, health care, transport and education. UN Special Rapporteur Philip Alston criticises the absence of human rights criteria in most privatisation agreements, which rarely include monitoring the impact that privatisation has on the most vulnerable people.

(Re)municipalisation can be an antidote to this erosion of human rights. The global list informing these pages found 138 cases where defending human rights was a clear policy objective of (re)municipalisation, with many examples of concrete measures put in place to achieve this goal. In Chapter 2, the author from the Paris public water company stresses that its mission goes beyond mere pipe connection. *Eau de Paris* is committed to defending the human right to water for all, for instance by maintaining and expanding a network of public drinking water fountains across the city that provide water access for the most vulnerable population, including refugees.

In Chile, perhaps the country where neoliberalism is most deeply embedded, the municipality of Recoleta has swam against the current. It considers housing, education and access to medicine as human rights and has created municipal services to provide them to poor citizens (Chapter 8). Chapter 7 also presents initiatives that aim to guarantee health and social care for vulnerable groups in Selangor state, Malaysia.

Protecting public health and well-being

Today, the healthcare sector is facing ever-growing pressure to privatise, including through outsourcing and competitive tenders. Profit-making service providers are enjoying a blooming market thanks to liberalisation driven largely by international trade and investment agreements. Research demonstrates there is a much better and viable alternative, however. As shown by the Covid-19 crisis that was still unfolding as this book was going to press, the healthcare systems that are publicly owned, democratically controlled and well-funded – from Costa Rica and Uruguay to South Korea to Norway – are much better equipped to deal with the sudden upsurge in patients.

Remunicipalisation and municipalisation in the health sector have clear public health benefits, especially for the most vulnerable families. Examples include the remunicipalised emergency ambulance services in Southern Denmark (Chapter 4), which hired all former employees and an additional 100 new emergency medical technicians under better working conditions; this contributed to improving quality of the service and health outcomes while the operational costs were reduced by 15 per cent.

Another significant example is found in the municipality of Binalonan, Pangasinan in the Philippines (Chapter 7) where diverse social services are provided based on the vision of ensuring 'that [people who have] the least in life have the most in law', with clear positive health outcomes. Overall, the global list compiled for this book includes at least 142 cases of

newly created or remunicipalised public services that did enhance or were expected to enhance public health and provide harm reduction services[3].

Securing better conditions for workers

(Re)municipalisation can translate into better conditions for service workers. The global list of (re)municipalisation documents at least 158 cases where conditions did or were foreseen to improve for workers, including pay, occupational health and safety, freedom of association and collective bargaining, freedom of speech and worker participation in decision-making. The presence and role of unions in campaigns and all along the transition process often prove critical to the achievement of such outcomes. As evidenced in these pages, providing quality employment and improving workers' conditions while valuing their knowledge and experience about how services should be organised and operated go hand-in-hand with building economically efficient public services that are accessible to all (Chapter 12). It is no coincidence that workers and their unions are often at the forefront of remunicipalisation efforts.

In addition, remunicipalisation is often linked to the formalisation or integration of informal workers into public operators or co-operative structures, effectively realising their human rights and offering better employment conditions. Chapter 5 by Vera Weghmann on the waste sector in Africa provides several interesting examples in that regard. In Egypt, privatisation of waste management in the country's three largest cities deprived the Zabaleen community of their livelihood and translated into a significant drop in recycling rates. A much more promising model is to build public waste management services based on integrating informal waste workers and their experiences, given they are often very effective at reducing waste.

Building community wealth and local economies

Reclaiming and creating publicly owned services in sectors such as waste, food, cleaning and telecommunication can be a game changer from an economic perspective. When a public utility is democratically controlled, it is far more likely than a private corporation to reinvest its profits back into the community and to 'localise' the economy.

For example, through public procurement, local governments can contract worker co-operatives to keep their cities clean (Valparaíso, Chile) or partner with local farmers to protect the groundwater and sell organic food in public school cafeterias (Rennes, France). There are 297 cases in the global list of (re)municipalisation that did or were expected to contribute to community wealth building and to sustaining the local economy. Some of these (re)municipalisations enabled using locally abundant natural resources more wisely, while others created meaningful local jobs for residents and new, more sustainable business activities.

Together, the chapters in this collection give numerous examples of how (re)municipalisation contributes to community wealth building. For instance, as described in Chapter 6, Stoke City Council in the UK insourced its housing maintenance work in 2018, increasing workers' pay by £1,000 per year, and improving productivity and quality of service. The council then created an arms-length trading company to bid for other work, which last year produced a surplus of over £4 million for the city, and a proactive procurement policy means that over 80 per cent of materials are purchased locally. The dozens of municipal broadband Internet services established in cities across the United States, a story told in Chapter 9, represent a successful process of community wealth building too. One of the primary motivations for establishing a municipal broadband network is access and affordability, but benefits go beyond that, creating employment opportunities, increasing economic activity and improving quality of life by advancing access to health care and education.

Tackling the climate crisis

Municipalities and public authorities have the ability to prioritise long-term ecological concerns over short-term financial considerations. Tackling the climate crisis, for example by switching to renewable energy and reducing CO_2 emissions, was a key reason to (re)municipalise a public service in at least 119 of total compiled cases. The majority of these cases are from the energy sector, for which the number of (re)municipalisations increased by almost 20 per cent between 2017 and 2019 to reach 374 cases. Chapter 15 by Lavinia Steinfort discusses the current role and the strong potential of cities and communities in driving the energy transition through (re)municipalisation and in doing away with a dependency on extractive private corporations, and highlights the obstacles related to national and supranational strategies still focused on liberalisation and privatisation.

There are other ways in which (re)municipalisation contributes to tackling the climate emergency, beyond setting up or reclaiming energy providers. By retrofitting public and residential buildings, municipalities can significantly reduce their energy use, and make energy more affordable for everyone. The recent remunicipalisations of public transport in the Dutch cities of Rotterdam and The Hague have enabled them to partially replace the fleet with electric buses. In another case, the French city of Briançon remunicipalised its waste services in 2013 and reduced the amount of waste produced by 33 per cent; it is committed to achieving 'zero waste' in the coming years. Rennes, France showcases another ambitious way of integrating water management, supporting local agriculture and providing quality food for school children. The city launched a programme to help farmers switch to organic methods as a way to prevent water pollution at the source. Simultaneously, the initiative has created local demand for the farmers' produce by linking up with school canteens in the wider Rennes area and by creating a brand new label under the *Terre de Sources* label that facilitates commercial sales of the sustainably produced food in local supermarkets.

Both the impacts of the climate crisis and municipal responses to it can differ widely from one geographical context to another. The Philippines epitomises how the global South has been on the frontline of the climate crisis for a long time. The local governments across the country have created climate schools to help farmers and fishing communities better address the impacts of extreme weather events and other climate-related hazards that are threatening their incomes and livelihoods. By learning how to monitor weather changes and how to adjust agricultural practices accordingly, students of the Siargao climate school have already managed to improve local rice production (Chapter 7).

(Re)municipalisation is an opportunity to build democratic public ownership

Public ownership is not democratic and efficient by default. As it can happen in private sector companies, the public sector can be captured by bureaucracy and inefficiency, by vested interests, by corruption or authoritarian rulers. Building strong, high-quality public services requires new forms of public ownership through which residents can directly and indirectly participate in democratic decision-making.

Establishing democratic control

Positive changes brought about by (re)municipalisation range from increased accountability and transparency mechanisms and information disclosure to establishing participatory governance as observed for water services in Grenoble and Paris. Representatives of workers and users sitting on the decision-making body of a public entity are key to improve governance and expand the meaning of public ownership. In Denmark, the law enables public companies to reserve one-third of board seats for worker representatives. Research for this book identified 149 cases where (re)municipalisation resulted or was foreseen to result in improved democratic control and public ownership.

Some cases go further, enhancing representation mechanisms with the creation of more spaces for users to interact with public companies such as people's observatories and assemblies. Terrassa, Catalonia is one of the most advanced experiments to co-govern common resources (Chapter 10) through the establishment of the Terrassa Water Observatory, an autonomous body affiliated with the city council that enables citizens to consult, advise, deliberate, make proposals and conduct research on water management in the municipality.

Public ownership can also take the form of a collaboration with grassroots citizens' organisations and users' or workers' co-operatives, or take the form of co-ownership shared between a public authority and a not-for-profit association. In Wolfhagen, Germany the co-operative that helped fund the town's wind turbines owns a quarter of the public energy company, with two seats on the board (Chapter 15).

There are many other examples of public authorities working with non-profits and co-operatives. These collaborations and partnerships help reinvent the culture of public institutions. Across Spain, proactive cities are choosing co-operative energy retailers such as Som Energia, GoiEner and EnergÉtica over large private companies. In the UK, the City of Plymouth and its residents established the Plymouth Energy Community in 2013, a member-owned community benefit organisation whose profits are reinvested into the community. However, while the involvement of local workers' co-operatives in the delivery of public services can be a progressive way to enhance community participation in public service delivery and promote local decent employment, caution is warranted to ensure that this does not become a way to shortcut costs and lock informal and co-operative workers into low wages.

One cross-cutting concern analysed in Chapter 14 regards the realisation of the full potential of such democratised services, which may call for transforming the state itself. Hilary Wainwright argues that the UK's

non-transparent hierarchical structure undermines efforts to rebuild public services. Uruguay's democratic constitution enshrining public services and the right to water as a public good offers an inspiring way forward.

Engaging and learning from workers

Alliances of trade unions and civil society organisations have led numerous fights against privatisation to victory. In Lagos, Nigeria a unions-communities-NGOs alliance built a shared, citizen-focused vision and common strategies to reform the state water company, as an alternative to privatisation. Likewise, when workers are a driving force of (re)municipalisation, they often influence positively the design of the new public services by promoting public interest values and objectives. In Norway, the municipal workers' union *Fagforbundet* developed a successful remunicipalisation strategy following the massive bankruptcy of RenoNorden, which affected 137 municipalities' waste collection services (Chapter 1), turning the situation into an opportunity to bring services back in house and to grow membership. Fagforbundet teams recruited workers of the private company – many of them migrants with temporary contracts – prior to remunicipalisation. They successfully built up solidarity with non-union workers during the transition.

In Chapter 12, Daria Cibrario identifies some lessons learned from trade union experience to help plan ahead for successful remunicipalisation, which necessarily involves and affects the workers who operate the service. The labour dimension exemplifies that every remunicipalisation case is unique due to local and national regulations that affect workers' employment terms and conditions. Based on the experience of members from the trade union federation Public Services International, she recommends reaching out early to all affected workers and supporting them throughout the process, as well as ensuring cooperation between national union federations and their local branches. She also stresses

that it is essential to open a negotiation table with local authorities for all service workers as soon as possible to ensure a fair private-to-public transition.

Hilary Wainwright also insists that democratic public management must recognise the value of the knowledge and know-how of every citizen, services user and worker, and involve them in public sector management and strategy (Chapter 14). This requires a profound cultural shift in the public sector itself. She also provocatively argues that 'workers on the board' is necessary but insufficient, as it does not automatically bring about change in the balance of power between management and workers.

Chapter 1 from Norway provides one concrete way to integrate workers' ideas. Nina Monsen and Bjørn Pettersen unpack the practice of 'local tripartite cooperation' that exists in more than half of the country's municipalities, through which politicians, local authorities and trade unions work constructively to create a culture of dialogue that promotes finding the best local solutions to the specific challenges facing the municipality. The Fagforbundet union finds that, through this approach, workers, civil society and other voices too often unheard are given a platform to engage in constructive dialogue with local authorities and service managers to share ideas and proposals.

Enabling ecofeminist public services

Ecofeminist public services put care for people and the planet front and centre. Private operators' pursuit of profits tends to worsen already existing injustices, destroy ecosystems and harm vulnerable residents who are more reliant on public services, a disproportionate number of whom are women.

Privatisation often leads to service rate hikes, compromising access to services; to make matters worse, when austerity measures cut subsidies

they make child care, elder and other types of care unaffordable. This work tends to fall to women because the division of labour that underpins our economic model is deeply gendered and racialised. Not only do women still perform the majority of the un(der)paid care and domestic work, much of this work is also outsourced to women of colour. In addition, there is a high concentration of women working in the public care, cleaning and education sectors, and they bear the brunt when these sectors are privatised. Reversing privatisation and rebuilding public services can increase accessibility but public ownership in itself is no guarantee for gender justice.

An ecofeminist approach implies profound transformation, enabling deeper levels of democratisation with public services run from the bottom-up and with care for human and non-human life. Hence, we need to feminise how politics is done.[4] This means that politicians and public administrators must not only listen to residents but also include them on a permanent basis in policy and decision-making processes (Chapters 2, 6, 10, 14 and 15). It should involve new mechanisms through which marginalised groups can gain real power to ensure that public services improve people's everyday life.

Fostering public-public cooperation

Remunicipalisation can be a very uneven battle. Local public authorities and communities have far fewer resources than big corporations, and the latter are often backed by international institutions, national governments and a variety of 'experts' and consultants, as explained in Chapter 9 about the French water sector. Olivier Petitjean goes on to argue that the only force that could counter-balance an environment so hostile to remunicipalisation is collaboration among public actors. Local, national and international cooperation among public operators is key to shifting the balance of power. Both institutionalised and informal public-public cooperation have been critical to the growth of the (re)municipalisation

movement – not only defensively as a way to overcome obstacles, but also proactively by helping to build better public services.

Milo Fiasoconaro, in Chapter 13, focuses on the asymmetry of knowledge between private and public actors in the water sector but also highlights the fundamentally different motivation and utilisation of knowledge by both types of actors. According to Aqua Publica Europea's experiences, public-public partnerships are a useful and essential tool for public actors to improve their capacity to address current and future challenges in water resources management. The knowledge generated and shared through public collaboration will remain in the public domain and contribute to the well-being of society as a whole. Public-public cooperation and partnerships is now emerging in new sectors such as energy and telecommunication. Such partnerships are also critical to extending public services to communities or areas that the private sector has been unwilling or unable to serve, such as rural regions, low-income neighbourhoods and disinvested communities, as illustrated by the extension of community-owned broadband Internet infrastructure to small and rural towns in the US.

Moving forward

(Re)municipalisation is a powerful political strategy to push back privatisation and a promising alternative to move beyond the extractive economy in general. It is true that most national governments are failing to tackle extreme inequality and the ecological crisis, yet many cities are stepping up to tackle these challenges and improve the livelihoods of their residents. That being said, collective local actions alone cannot solve systemic problems. Alexander Panez Pinto from Chile rightly argues in Chapter 8 that the experiences of local governments risk becoming mere corrections to the neoliberal model to fill essential services gaps where private companies have pulled out if these initiatives are not informed by the current debate on Chile's political economy. As a case in point,

right-wing local governments in that country are also creating so-called popular pharmacies but they never question the privately controlled medicine market and the private health system as such. He concludes that progressive local initiatives are insufficient; Chile needs political proposals to transform the health system as a whole.

Nevertheless, courageous progressive municipalities are not waiting for top-down changes and are prioritising the needs of the most marginalised people in our society, including migrants, people with disabilities and low-income families, among others. For instance, the constitution of Mexico City adopted in February 2017 gives its authorities full responsibility to provide waste services free of charge, prohibiting privatisation and outsourcing, and enshrining mutual recognition between the municipality and labour unions.[5] We see this as a strategic pathway to mounting collective pressure on national and supranational governments.

These cities and citizen movements are increasingly designated as 'municipalist'. While the municipalist movement could adopt diverse strategies depending on local context and need, it unanimously recognises public services including water, energy, housing and health care as central issues. The global municipalist movement met for the first time at the 'Fearless Cities Summit' in Barcelona in June 2017, at the invitation of *Barcelona En Comú*. Today, the Fearless Cities network connects 77 cities that are standing up to defend human rights, democracy and the common good.[6] It is not a coincidence that de-privatisation of public services is one of their key strategies. They see de-privatisation as a way to expand citizenship by sharing decision-making powers and opening up ownership models to representatives from user groups, workers, civil society and research institutions.

Many of the cases presented in this book are at odds with the mainstream portrayal of public ownership as top-down, bureaucratic and oblivious of

the realities on the ground. Quite the opposite, they are pioneering public service innovations that are building democratic public ownership models for the twenty-first century. Municipal initiatives from the participatory mechanisms of citizen observatories to public-community ownership models and genuine worker engagement can inspire a broader, country-wide vision. These collective, bottom-up experiences at the local level are already improving people's lives; they are also a powerful foundation to push for the democratisation of public ownership at all levels, and especially nationally.

In the United States, numerous cities are advocating for locally owned and controlled energy and banking services. Since 2019, the youth-led Sunrise Movement, various trade unions and ex-presidential candidate for the Democrats Bernie Sanders have been calling for a national Green New Deal that centres around public ownership of energy and finance. The Covid-19 outbreak further increased the urgency and necessity of these calls. When municipalities team up with social movements, they can reset a whole country's political agenda. Other examples include the alliance in South Africa that is calling for transforming Eskom, one of the biggest electricity companies in the world and currently a failing public utility, into a fully public and people-serving utility.[7] The 2019 UK Labour Party platform illustrates the type of national support and policy framework that allows local governments to reclaim public services by insourcing and rebuilding their capacity to provide local services directly.[8]

Given austerity measures following the 2008 financial crisis have slashed municipal and national budgets, it is of utmost importance to transform how public resources are spent. As the Covid-19 pandemic has proven, public services are the backbone of our society but they need sufficient funding if they are to rise up to the task in times of crisis. Governments across the globe have adopted plans to protect workers and companies, bail out industries and support economic recovery after the fallout. Some have pledged to increase public spending in the health sector, but there

should be safeguards to ensure that this money actually benefits public services, and is not used to promote further PPPs and other forms of private sector involvement. Public investment must be directed towards strengthening public services, based on democratic public ownership models, and towards social and environmental objectives such as tackling the climate crisis and caring for the most vulnerable.

As Thomas Marois points out in a recent report published by TNI, worldwide public finance institutions have US$73 trillion in assets, with over half in the hands of public banks.[9] This is equivalent to 93 per cent of global gross domestic product. In the current model, most of this public finance is used to absorb risk by guaranteeing the profits of private investors – at a high public cost. It would be much more effective if national and municipal governments were to cut out these big private intermediaries and invest these public funds directly to build public healthcare systems and other essential infrastructure. Combining direct public investments with much-needed progressive tax systems could nurture territorial solidarity by making universal public services a reality.

This book demonstrates that when public services are publicly owned and democratically organised they can effectively strengthen community wealth and the local economy. It is time to demand democratic public ownership at all levels and call for universal access to public services so that all people can lead dignified and prosperous lives. As racism, fascism and the far-right are on the rise, offering viable systemic solutions that work for people and for the planet can significantly help rebuild our societies and economies on a basis of solidarity and cooperation. Our public future lies in hope, not fear, and rests in the hands of communities, not corporations.

Endnotes

1 The global list of (re)municipalisation consisted of 1,408 cases by the end of October 2019. The database is available at: *https://futureispublic.org/remunicipalisation-global-database/*. An interactive database is under construction in collaboration with the University of Glasgow. It will be accessible through the above link in the near future. Additional cases and information will be added to this new database as they are collected.

2 United Nations, Seventy-third session, Agenda item 74 (b) Promotion and protection of human rights: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms, Extreme poverty and human rights. 26 September 2018. *https://undocs.org/A/73/396*

3 Harm reduction refers to policies, programmes and practices that aim to minimise negative health, social and legal impacts associated with drug use, drug policies and drug laws. It focuses on positive change and on working with people without stigma and discrimination, or requiring that they stop using drugs as a precondition for support.

4 Roth, L. and Shea Baird, K. (2019) 'Municipalism and the Feminization of Politics', Roarmag (6). *https://roarmag.org/magazine/municipalism-feminization-urban-politics/*

5 'To ensure sustainable waste services, we must value waste workers and make sure they are in decent jobs', Daria Cibrario cited in 'Spotlight on Sustainable Development 2018'. *http://www.2030spotlight.org*

6 *http://fearlesscities.com/en*

7 Eskom research reference group (2018) 'Our power: achieving a just energy transition for South Africa'. *https://www.new-eskom.org/*

8 *https://labour.org.uk/wp-content/uploads/2019/07/Democratising-Local-Public-Services.pdf*

9 Marois, T. (2019) 'Public banking on the future we want', in Public Finance for the Future We Want. TNI. *https://www.tni.org/en/publicfinance*

Appendix

Research methodology

The remunicipalisation and municipalisation data gathered are the result of the concerted efforts of several citizen organisations, researchers and trade unions. Sixteen organisations[1] worked jointly and collected data. Some 22 researchers did desktop research to verify the collected data.

Data collection for this report took place from mid-2015 to late 2016 (phase 1) and from the beginning of 2018 to mid-2019 (phase 2). The information is based on a participatory survey that asked participants to identify cases of (re)municipalisation in their jurisdictions (phase 1). Questionnaires were distributed in trade union and civil society networks, as well as to organisations working in the field of public services. We asked respondents to elaborate on the reasons for (re)municipalisation and to explain why the service is now in public hands.

This survey focused on essential services, including water, energy, transport, waste management, recycling, health and social work, and education. It also included a catch-all category for 'local government services', which includes building and cleaning, security and emergency, public (green) space, housing, school catering, sports, cultural activities, funeral services, construction and repair, human resources, IT and other. In the second phase of the research, we added telecommunication/Internet services as a new category.

1 Austrian Federal Chamber of Labour (AK), Canadian Union of Public Employees (CUPE), Danish Union of Public Employees (FOA), The Democracy Collaborative (US), European Federation of Public Service Unions (EPSU), Ingeniería Sin Fronteras Cataluña (ISF), MODATIMA (Movement of defence of water, land and the environment, Chile), Multinationals Observatory(France), Municipal Services Project (MSP), The Netherlands Trade Union Confederation (FNV), Norwegian Union for Municipal and General Employees (Fagforbundet), Public Services International (PSI), Public Services International Research Unit (PSIRU), Transnational Institute (TNI), University of Glasgow (Scotland), We Own It (UK).

Due to limited time and resources, the list of survey recipients is far from comprehensive, with notable gaps particularly in African countries and Australia. There is no doubt that many more cases remain to be discovered. The current survey does not include cases where a service has been remunicipalised and then privatised again, or where the contract simply shifted from one private provider to another. These cases are obviously outside the scope of this research. The following data were collected:

- Year of decision and implementation of remunicipalisation and municipalisation,
- Previous private operator,
- Name of remunicipalised new operator,
- Ownership structure after (re)municipalisation,
- How de-privatisation happened
  E: Contract expired, not renewed and remunicipalised,
  S: Shares sold by private operator, contract remunicipalised,
  T: Contract terminated and remunicipalised,
  W: Private operator withdrew (from management) contract, contract remunicipalised,
  P: Public acquisition,
  D: Decision to remunicipalise, not implemented yet, Level of taking back control (Municipal, Inter-municipal, State/ province/ regional,
- Types of actions
  A1: Remunicipalisation including through public-public partnerships [typically inter-municipal cooperation],
  A2: Partnerships between public authorities and citizen/worker co-operatives taking over from profit-driven commercial services providers,
  A3: Worker and/or citizen-led co-operatives taking over from profit-driven commercial services providers,
  B1: Creation of new public companies [typically municipally-owned] and/or services by local authority,
  B2: Creation of new public companies and/or services and/or

infrastructure by local authority in collaboration with cooperatives or civil society).

In the second phase, researchers collaborated to capture impacts and outcomes of remunicipalisation and municipalisation. In many cases, the examples were new and it was too early to draw conclusions. In many other cases, the researchers simply could not access detailed information. For instance, the water and energy cases from phase 1 add up to 578 cases and many of them lacked sufficient information for analysis. In total, 664 cases (47 per cent of 1,408 cases) did not provide sufficient information to analyse impacts and outcomes. Nevertheless, researchers could access data for 744 (53 per cent) of the cases. Researchers focused on cases where the provision of public services was based on clear public objectives and a certain degree of democratic control by service users. These public objectives include transparency, equity, universal access, affordability, environmental sustainability, service quality, control over the local economy and resources, and fair pay for workers. Democratic control refers to user participation and accountability on the part of elected officials. Based on the information collected by researchers and the participatory survey, identified impacts and outcomes were coded when there were clear references, using these categories:

1. Better value for money and public sector savings
2. Lower fees for residents
3. Better working conditions
4. Increased public investment for quality services
5. Responding to private sector bankruptcy
6. Increased local capacity for community wealth building
7. Achieving policy goals that benefit people and planet
8. Measures to tackle the climate crisis
9. Improved democratic control and public ownership
10. Users, workers or communities partner with public authority

11. Universal access to protect human rights
12. Enhancing public health and harm reduction
13. A feminist approach to public services

Concerning categories 1, 2 and 3, researchers looked mainly into remunicipalisation cases to compare them with previous private management, but not exclusively because some newly established municipal energy or telecommunication companies provide more affordable tariffs compared with existing private options in a competitive market. Category 5 only refers to remunicipalisation cases.

Finally, this global survey is extensively supported by 15 chapters written by Bjørn Pettersen and Nina Monsen, Célia Blauel, Robert Ramsay, Thomas Enghausen, Vera Weghmann, Mary Ann Manahan and Laura Stegemann, Alexander Panez Pinto, Thomas Hanna and Christopher Mitchell, Olivier Petitjean, Daria Cibrario, Milo Fiasconaro, Míriam Planas and Juan Martínez, Lavinia Steinfort, David Hall and Hilary Wainwright. These chapters provide insights on remunicipalisation in the authors' countries and sectors as well as across sectoral or thematic issues.

The organisations

Austrian Federal Chamber of Labour (AK)
www.wien.arbeiterkammer.at

Canadian Union of Public Employees (CUPE)
www.cupe.ca

Danish Union of Public Employees (FOA)
www.foa.dk

De 99 van Amsterdam
www.de99vanamsterdam.nl

The Democracy Collaborative
www.democracycollaborative.org

European Federation of Public Service Unions (EPSU)
www.epsu.org

Ingeniería Sin Fronteras Cataluña (ISF)
www.esf-cat.org

MODATIMA (Movement of defence of water, land and the environment, Chile)
www.modatima.cl

Multinationals Observatory
Contact: Olivier Petitjean, opetitjean@multinationales.org www.multinationales.org

Municipal Services Project (MSP)
www.municipalservicesproject.org

The Netherlands Trade Union Confederation (FNV)
www.fnv.nl/mondiaal-fnv

Norwegian Union for Municipal and General Employees (Fagforbundet)
www.fagforbundet.no

Public Services International (PSI)
www.world-psi.org

Public Services International Research Unit (PSIRU)
www.psiru.org

Transnational Institute (TNI)
Contact: Lavinia Steinfort, l.steinfort@tni.org
www.tni.org

University of Glasgow
www.gla.ac.uk

We Own It
www.weownit.org.uk

How to get involved

- The organisations worked together for this book welcome your participation. The conference site **Future is Public** *https://futureispublic.org/* remains a resource center on democratic ownership of the economy and de-privatisation trend. Contact : Satoko Kishimoto, *satoko@tni.org*

- The team of Professor Andrew Cumbers at the University of Glasgow is conducting the research project **'Global Remunicipalisation and the Post-Neoliberal Turn'**, which aims to explore the potential of public ownership and more specifically the process of remunicipalisation to challenge neoliberalism and create more democratic forms of urban and local governance. Within that, an interactive database of global (re) municipalisation is under construction. It will be accessible through *https://futureispublic.org/remunicipalisation-global-database/*

Additional cases and information will be added to this new database as they are collected. You could join by informing new cases through the survey English: [*https://glasgow-research.onlinesurveys.ac.uk/global-remunicipalisation*] German, French, Spanish, Portuguese, and Swedish are available. Contact : Franziska Paul, *Franziska.Paul@glasgow.ac.uk*

- **'People over Profit'** is the global platform that Public Services International (PSI) and many partners launched in 2017. The website of '*https://peopleoverprof.it/*' connects trade unions, organisations and campaigns fighting against privatisation and Public Private Partnerships (PPPs) in public services such as water, health care, education, energy, waste management and public infrastructure. Contact : *campaigns@world-psi.org*

- The **Next System Project** *https://thenextsystem.org/* is an initiative of The Democracy Collaborative aimed at bold thinking and action to address the systemic challenges facing the United States and the world. Systemic problems such as economic inequality, racial injustice, and climate change require systemic solutions. Working with a broad group of researchers, theorists and activists, the Next System Project functions as a research and development lab to link alternative political-economic strategies and institutions, such as energy democracy, public banking, and worker control/ownership, to a larger vision of a political economic system beyond corporate capitalism. Subscribe to a newsletter and enjoy a biweekly podcast series.

- The **Water Remunicipalisation Tracker** website is one of the spaces to share water remunicipalisation cases. New examples are added and existing cases updated regularly. *www.remunicipalisation.org*

- The **Municipal Services Project** (MSP) explores alternatives to privatisation in the health, water, sanitation and electricity sectors. The MSP is an inter-disciplinary project made up of academics, labour unions, NGOs, social movements and activists from around the globe. *www.municipalservicesproject.org*

- In UK, the question of public ownership of public services has emerged at the centre of political debate. The national campaign **'We Own It'** provides information to make peoples' voice louder. Public services belong to you. You pay for them, you use them, they affect your life. You are more important than private profit. Join us! *https://weownit.org.uk/people-not-profit*

- **Energy democracy** *http://www.energy-democracy.net/* is concerned with shifting power from big business to energy users and workers. The website provides a global mapping of comparable experiences over the world, and connects researchers and practitioners working for socially just and sustainable local energy systems. Contact : Lavinia Steinfort, *l.steinfort@tni.org*

- **Transformative Cities** *http://transformativecities.org/* is a space for progressive local governments and social movements to popularise and share their experiences in the transfomative political, social and cultural practices to meet basic need of people such as water, energy, food and housing. We aim to promote the lessons of these cities globally to inspire other cities. Tell us your story! Contact : Sol Trumbo Vila, *soltrumbovila@tni.org*

- The **Reclaiming Public Water** (RPW) network is an open and horizontal network connecting civil society campaigners, trade unionists, researchers, community water associations and public water operators from around the world. Contact : Satoko Kishimoto, *satoko@tni.org*

Resistance to privatisation has turned into a powerful force for change. (Re)municipalisation refers to the reclaiming of public ownership of services as well as the creation of new public services. In recent years, our research have identified more than 1,400 successful (re)municipalisation cases involving more than 2,400 cities in 58 countries around the world.

But this book is about more than just numbers. It shows that public services are more important than ever in the face of the climate catastrophe, mounting inequalities and growing political unrest. Together, civil society organisations, trade unions and local authorities are crafting new templates for how to expand democratic public ownership to all levels of society and opening up new routes to community-led and climate conscious public services.

The Covid-19 crisis has made clear the disastrous effects of years of austerity, social security cuts and public service privatisation. But it has also demonstrated that public services and the people who operate them are truly the foundation of healthy and resilient societies.

As privatisation fails, a growing international movement is choosing (re)municipalisation as a key tool for redefining public ownership for the 21st century.