

# Municipal Socialism Then and Now: some lessons for the Global South

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*ABSTRACT* Given the large and growing literature opposed to the privatisation of services such as water and electricity, it is peculiar that so little has been written about the experience of ‘municipal socialism’—a set of roughly analogous historical movements that used local governments to challenge private service delivery and advance ‘socialist’ agendas from the late 1800s to the 1940s. Although primarily a European and American phenomenon, and emerging from different contexts than those prevailing today, municipal socialism found widespread support and transformed many public services. Results were mixed, with some experiments being little more than (pre)-Keynesian attempts to revitalise capital accumulation in the face of ‘irrational’ private sector services, but the lessons are important as these experiments provided the first intellectually and politically sustained resistance to privatisation and other prototypical forms of what we now call neoliberalism, and demonstrated the possibility of effective service delivery by the public sector. This paper reviews these experiments, focusing on the experience of the United Kingdom and drawing lessons for contemporary efforts to build alternatives to privatisation in cities in the South, where local-level, socialist-oriented reforms have been relatively strong.

Struggles against neoliberalism have been one of the defining political features of the past three decades. Nowhere has this resistance been more acute than in urban areas, contributing to a geographically and ideologically diverse range of anti-neoliberal protest and practice. The literature on the subject has been equally varied, tracking a wide range of resistance movements and proposing new visions for a post-neoliberal urban world, from perspectives as diverse as ecological anarchism to postcolonialism.<sup>1</sup>

Given the growing opposition to contemporary urban neoliberalism, it is peculiar that the experience of ‘municipal socialism’ has been largely absent from this debate. Though varied in its makeup, municipal socialism constituted a set of roughly analogous historical movements that fought the

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private delivery of essential services and used local governments to advance 'socialist' agendas from the late 1800s to the 1940s. Primarily a European and American phenomenon, and emerging from very different conditions than those prevailing today, municipal socialism was a remarkably robust trend which found widespread support and profoundly transformed public services. At the very least municipal socialism provided the first intellectually and politically sustained resistance to privatisation and other prototypical forms of what we now call neoliberalism, and demonstrated the possibility of effective and efficient service delivery by the public sector in urban areas.

This vibrant history has not been entirely forgotten; many contemporary and retrospective studies have been written.<sup>2</sup> There was also a brief revival of the debate in the UK in the 1980s. But virtually nothing has been written about the relevance of municipal socialism to contemporary cities in the global South, despite the fact that urban Asia, Africa and Latin America have pursued some of the most vigorous and explicitly socialist paths to urban development of the past 30 years: the election of left-wing municipal governments; the (re)municipalisation of services such as water and gas; broad-based participatory budgeting systems, and so on. Latin America has arguably been the most dynamic in this regard.<sup>3</sup> In fact, we found only one article on cities in Latin America that even uses the term 'municipal socialism', and the authors limit their commentary to observations on the challenges and opportunities presented by these older experiments without drawing any critical analyses about the lessons learned.<sup>4</sup>

Our motivation in writing this paper is to help fill this analytical lacuna, drawing contemporary lessons from historical experiments in service sectors as different as water, restaurants and health care. Good and bad, the breadth and depth of publicly owned and publicly managed 'municipal enterprises' of a century ago was truly remarkable, and serves to remind us that another (urban) world is possible. None of this is to suggest that experiments in municipal socialism were universally successful or models to be copied in the global South. There is much to criticise, and we will argue that a good deal of what called itself 'socialist' was highly compromised practically and ideologically, with no less a detractor than Vladimir Lenin (1907) declaring this municipal 'trend' to be 'hopeless', incapable of bringing about larger socialist transformation. We agree with much of this structural critique, but we also want to highlight some of the more promising potentialities.

Despite the obvious differences, the industrial cities of Europe and North America that gave rise to municipal socialism have much in common with cities in the global South today; rapid population growth, weak infrastructures, limited financial resources, massive inequities, major health epidemics, and a fragmented and un(der)regulated plethora of private service operators. We cannot review the entire history of municipal socialism in this paper, however, and have therefore opted to focus on one particularly illustrative experience, that of the UK, to give historical context to our discussion of the potentials and pitfalls of municipal socialism in the global South today.

### **Municipal socialism in Britain**

By the 1890s three-quarters of the British population was living in urban areas.<sup>5</sup> The new city managers faced daunting infrastructure challenges that threatened to undermine the prosperity and stability of town life. The very notion of a communicable disease bred an awareness of collective vulnerability, and a sense that the fortunes of *all* city dwellers were inter-connected.

Threats to public health also exposed the contradictions of rapid capital accumulation. The ‘freedoms’ of competitive capitalism had facilitated short-term profit without regard to long-term consequences. Almost all forms of late 19th-century intervention were attempts to cope with this backlash. Central governments took the lead, and from 1848 the British parliament passed a series of public health measures mandating local authorities to take action. Patients with infectious diseases were to be isolated, cattle inspected, water quality to be regulated. This was self-conscious public mediation, initiated and funded from above, but implemented from below.

Municipal enterprise in Britain can claim direct descent from these early public health actions. Although it reversed the direction of initiatives—sending ideas, proposals and requests up to Parliament rather than passively following instructions sent down—central government enthusiastically endorsed public intervention in local economies. Cities, after all, experienced the toxic by-products of unfettered capitalism at their concentrated worst, undermining confidence in the entire market system.

By the end of the 19th century, Britain had become the mother lode of municipal enterprise in the English-speaking world, and in many respects was unique, shaped by its distinctive political and philosophical traditions. Its provision of municipal public services, however, was not dissimilar to those appearing in one form or another across much of Western Europe.

Municipal socialism even found adherents in the USA. But here pioneers were planning cities from scratch on green-field sites, they were not bureaucrats taking defensive action to mitigate epidemics, overcrowding and outdated infrastructure. And Americans were more likely to be advocates of competitive capitalism than of socialism. The profound contrast between the two countries did nothing however to diminish American interest in Britain’s experiments, a testament to the powerful appeal of local provision at the time, and an indicator of the potential influence that localised forms of socialism might continue to have today.

#### *The rise of municipal enterprise*

Well before 1900 local authorities in England had launched an extraordinary range of public services. Numbering in the hundreds were markets, slaughterhouses, cemeteries, crematoria, libraries, refuse and sewage disposal services. More exotic were a printing plant, a sterilised milk depot and a wool conditioning house. Leisure activities were also commonly provided for and included aquariums, boys’ clubs, fireworks, free concerts, parks, public baths,

racecourses and theatres. At the same time, many towns and cities also owned and operated utilities, supplying gas, water and electricity.

Commentators have tended to lump all these activities under the rubric 'municipal enterprise' but, in fact, they fall loosely into two separate categories. The first is municipal trading, including activities underwritten by local authorities that operated very much like private markets, catering to different groups of consumers who paid directly for the items or services on offer. The second, often referred to as 'gas-and-water socialism', applies primarily to those utilities deemed to be 'natural monopolies'. Such services were paid for collectively through rates rather than individual transactions. What they almost all shared—and what made them controversial—was their appropriation of the powers of private enterprise: their ability to set prices and raise revenues in arenas that were potentially money-making. Profits that arose would not be passed on to shareholders but would instead be used either to lower the cost of services or to offset the rates, reducing the tax burden.

Such powers in public hands could radically alter the role of municipal authorities in the local economy. Traditionally they had served as the charitable providers of last resort. Provision was desperately inadequate, if free. But, even here, some local authorities had taken it upon themselves to set up exceptional health services, funded from the rates base. All locally owned and run, such services stood no chance of being operated for profit and so attracted little interest from private capital. By contrast, responsibility for the poor drainage and contaminated water supply that contributed to epidemics could indeed be laid at the door of competitive capitalism. Sanitary reformers had exposed the gross inadequacies of a *laissez-faire* approach to a problem which had allowed nine companies in London to partition the water supply among themselves in what became 'a nine-headed monopoly'.<sup>6</sup> None of these firms supplied water for non-paying purposes such as fire-fighting. Cities and towns, faced with the unanticipated side-effects of rapid growth that private enterprise had failed to restrain, were in desperate need of intervention.

Economist John Stuart Mill took up the cause of water reform, criticising the byzantine inefficiencies of balkanised private supply well before the establishment of any large-scale monopoly supplier. In 1851 he thought it obvious that great savings in labour 'would be obtained if London were supplied by a single gas or water company instead of the existing plurality. . . Were there only one establishment, it could make lower charges, consistently with obtaining the rate of profit now realised'.<sup>7</sup> It was an error, he argued, to believe that competition among utility companies actually kept prices down. Collusion was the inevitable result, not cheaper prices. Nor was water the only service that would be most efficiently provided by a single supplier. Mill pointed out the benefits of centralisation in 'the making of roads and bridges, the paving, lighting, and cleansing of streets'.<sup>8</sup>

The mayor of Birmingham committed himself wholeheartedly to this new civic gospel—'all monopolies which are sustained in any way by the State ought to be in the hands of the representatives of the people, by whom they

should be administered, and to whom their profits should go'.<sup>9</sup> He brought gas and water under municipal control the former primarily for its profits, the latter in pursuit of long-overdue public health reforms. Galvanised by a smallpox epidemic in 1874, the city also took on the construction of a new network of water systems, with the mayor even putting up some of his own money to demonstrate confidence in the new investment.

Birmingham's willingness to accept a modest return on capital was seen as an expression of enlightened self-interest, an acknowledgement that investment in their own communities was not just speculation but the creation of a valuable shared asset, one that would benefit private enterprise *and* the general public. It required a new way of thinking about public investment.<sup>10</sup> London, by contrast, would have to wait another 30 years before its own water supply was centrally coordinated, revealing one of the most salient features of municipal enterprise—the inability of local authorities to make common cause with one another. Although they all had the same public health concerns, there were no incentives to share expertise and resources because each town or city was required to apply individually to Parliament for legislative approval of every new proposal for local provision. What this meant in practice was that hundreds of private legislative bills had to be sent to Parliament each year, appealing for permission not only to introduce a new public service but to raise the funds that would be needed to pay for it. Towns and boroughs could not set their own rates, rents or service fees. They had to apply to central government for permission to raise capital and submit to rigid statutory obligations governing their use of revenues.

This placed local authorities on a very short leash. Those hoping to add a new public service to their municipal operations faced an uphill battle and the outcome was always uncertain. British Parliament gave a voice to business interests and to rural constituencies still untouched by the urban problems that municipal services addressed. For many of them, any extension of local authority powers represented a political as well as an economic threat: 'If in Europe, Socialism stands for crime', raged one Conservative MP, 'in England Socialism connotes folly'.<sup>11</sup> Such scare tactics were effective at keeping a lid on municipal enthusiasms.

The forced, if uneasy, intimacy between local and central states is one of the distinguishing characteristics of municipal enterprise in Britain. It offers a vivid contrast to the American experience, in which the central state hardly played a role. When they agreed to form a federation, independent American states retained all the powers they had not specifically assigned to the new central government. The early struggles over the provision of public services were, therefore, contests between cities and states. This made the battles that ensued in the USA intensely parochial. There was no central clearing house similar to the British Parliament, no common forum where ideas fermenting in the hinterlands could be introduced, debated and reported in the press. Instead, American municipal campaigns were typically driven by charismatic socialist mayors. Their successes numbered in the dozens, however, not the hundreds—too few to raise fears of a 'socialist menace'. And in many cases the commitment to municipal services was more a response to corruption and

inefficiency than part of a wider party political or ideological strategy. There were, in fact, Republicans who ran and served as reform mayors. When some of these local politicians went on to serve at the state or national level they left their municipal politics behind.<sup>12</sup>

In Britain municipal services rose to a position of some prominence. Years after they were up and running public services were elevated to theoretical prominence within the manifesto of the Fabian Society. Established in 1884 as a ginger group on the Left, the Society was composed of mostly London-based middle-class intellectuals. It was best known for its pamphleteering polemics, which promoted a gradual (non-Marxist) transition to the comprehensive public ownership of land and industry. Municipal services were a first step towards this ultimate goal. They would serve as ‘embryos of the collectivist state’.<sup>13</sup>

### *Rising opposition*

While the Fabians and others pressed forward with municipal enterprise in theory, opposition to its implementation in practice mounted steadily on the ground. The loudest adversaries were businesses, large and small, who rejected all public trading as unfair competition. They resented having their rates applied to activities that undermined their own economic well-being. Worse, they argued, public undertakings were inefficient, run by people who were ill-equipped for the job. ‘The primary duty of a local governing body is to govern and not to trade’, opined a seasoned opponent in *The Times*.<sup>14</sup>

It was especially galling to private business to see the profits from public gas and water used to offset the rates across the board rather than rewarding relatively large (i.e. commercial) consumers with preferential reductions. Complaints along these lines found their way into noisy municipal electoral campaigns, funded by trade associations that clamoured for the revocation of special powers that had legalised municipal services in the first place. Americans waded into the debate as well, hoping to dampen enthusiasm for any more of these experiments in their country. Robert Porter, the Director of the US Census, travelled around Britain in 1902 warning audiences about the bankruptcy and ruin that lay in wait for American cities and towns that took similar risks. Municipal trading, he advised, ‘must of necessity lead to stupendous financial liabilities, add to the burden of the rates, weaken municipal credit, bring about inequality of taxation, interfere with the natural laws of trade, check industrial and scientific progress, stop invention, discourage individual effort, destroy foreign trade, establish an army of officials, breed corruption, create an aristocracy of labor, demoralise the voter, and ultimately make socialistic communities of towns and cities’.<sup>15</sup>

### *‘Labour aristocracies’*

Of all the complaints compressed into this tirade, the one that drew the loudest and most alarmist censure was the rise of the so-called ‘aristocracy of labor’. With every expansion in the provision of public services came an

expansion in the role of the public sector employer. By 1907 the London County Council (LCC) was responsible for almost 40,000 employees. At the end of the 19th century much employment in London remained seasonal or sporadic—and sweated. Only a minority of city workers earned anything approaching a living wage. With few exceptions nascent trade unions were not yet strong enough to force significant concessions from their employers.<sup>16</sup> Contractors carried out all the building work, for public and private clients alike. They formed monopoly rings to keep prices high and costs low.

But after the success of the 1889 dock strike new unions began to emerge, as unskilled workers organised alongside traditional craft unions. Building unions became strong enough to oppose the imposition of excessive hours and unfair wages. The newly formed LCC sought to reinforce this trend; one of its first resolutions required contractors to submit tenders for Council work that were based on trade union wages. But the Council soon went further, resolving in 1892 to establish its own works department. Its early responsibility for the fire service, street improvements, bridges, tunnels, city parks and worker housing created strong incentives to establish a permanent in-house building operation to carry out new construction work and repairs and maintenance. All rejected cost as the sole criterion in awarding building contracts.

Advocates of direct employment understood that it would be costly to implement and would almost certainly push up rates. But they also understood that for a public authority charged with the long-term welfare of its population, sweated labour was a false economy. Failure to provide a living wage had knock-on effects for labourers and their families. Increases in illness, crime and poverty all imposed costs that would be borne by the local rates. These ideas, in their earliest form, did not derive exclusively from party political platforms but emerged from loose associations of trade unionists, London MPs and middle-class intellectuals, who became active in organisations such as the London Municipal Reform League.

The financial concerns raised by direct labour services—loud as they were—took a back seat to the political anxieties they stirred up. Business interests were convinced that ‘the transformation of local authorities into large employers of labour [was] simply a means towards an end of which they never lose sight—the eventual transfer to the State or to the municipality of all the means of remunerative employment’.<sup>17</sup> Scaremongers conjured up the prospect of a municipal ‘army’ linked nationally through regional and eventually national trade associations to hold local government to ransom.

In reality the total number of municipal employees in the 10 largest English towns (excluding London) hovered at just over 2% of the population and constituted no more than 5% or 6% of the ratepayers.<sup>18</sup> The lion’s share of major contracts was still awarded to private firms. The addition of publicly financed but privately built infrastructure gave visible form to the rise of locally centralised power. But the impact of these projects on the built environment also made them targets of criticism. Not everyone was thrilled with the terra cotta ornaments that graced the new facades of Birmingham’s Corporation Street. Commercial enterprises lamented the perceived excessive

munificence of the new urban grandeur. 'Luxuries' aside, the public commitment to stable and well-paid employment raised awareness of industrial democracy across the board, affecting blue and white collar workers alike.

All in all, the contribution of the early municipal employer to improved working conditions has been underrated.<sup>19</sup> Town hall management introduced important alternatives to the classic cost-minimising models championed by private enterprise. Public employment created its own set of problems, some just as intractable as those that dogged the commercial sector. But long after municipal services were disbanded their impact on collective bargaining remained widespread and profound. It can, in fact, be said that these experiences *fundamentally transformed* the idea of municipal employment (and state employment in general), from one that fell within the logic of the market to one that saw state spending as having a larger social and economic role in stimulating the provision of improved services.

#### *The provision of utilities*

The municipal provision of electricity shared few of the features of direct employment of other services. Rather than defending an increase in the cost of services intentionally brought in-house, local authority intervention aimed at driving down the cost of supply. Arguments for the monopoly control of water soon came to be applied with equal force to electricity.

New laws in the 1880s obligated local authorities to lay electric cable under city streets to facilitate domestic hookups. Small-scale generating plants turned out to be well suited to providing street and residential lighting, as well as power for industry and tramway systems. But innovation soon created economies of scale that small towns could not take advantage of. Large generating plants were less expensive to build and cheaper to run than small plants, and they permitted long-distance transmission that reached far beyond municipal boundaries. Manchester became the model for municipal electricity supply, just as Birmingham had been for water. With statutory powers that extended over a wide geographical area the City Corporation could justify the construction of a power station large enough to provide power at very low cost.

At the other end of the spectrum were services providing health care. Unlike water and electricity, these could neither be sold nor delivered in bulk, nor passively consumed; they required direct contact between service provider and final user. For the most part 19th-century responsibilities for health care were transferred to municipal control from the voluntary (charitable) sector rather than from private enterprise. These were not activities that private capital found profitable. Their addition to the roster of municipal duties reinforced the role of the local authority as a caretaker of last resort, something that entrepreneurs found easier to swallow than municipal meddling in commercial enterprise. Antagonism surrounding the control of health services was more likely to involve conflicts between medical professionals and elected politicians at *all* levels than to pit capital against labour or local against national political interests.

### *Criticism from the Left*

The responses to municipal socialism from the political Left at the time were as diverse as the services themselves. There was no consensus on the role of local provision within a broader socialist programme, and not everyone shared the enthusiasm of the Fabians. The Christian socialist RH Tawney, for instance, emphasised the benefits to capitalists rather than labour: 'The motive of nearly all these developments has been a purely utilitarian consideration for the consumer. They have not been inspired by any desire to introduce juster social arrangements, nor, in particular, by any consideration for the wage-earner. They have been inspired simply by the desire for cheap services. . . Clearly there are no germs of a revolution here'.<sup>20</sup> William Morris also weighed in with his reservations: 'If the municipal Socialism of Mr Sydney Webb were carried out and put in practice, though it should logically (perhaps) lead to the destruction of privilege and poverty, yet historically it may do nothing of the kind. . . At any rate it is not Socialism, as it would still admit of the existence of competing classes'.<sup>21</sup>

Socialists to the Left disdained the Fabians' gradualist politics, rejecting the parliamentary road to socialism that gas and water enterprises represented. Radicals preferred the model of the Paris Commune, which they saw as achieving a more decisive break with capitalism.<sup>22</sup> Friedrich Engels dismissed the Fabians as a 'band of careerists', arguing that 'Fear of the revolution is their fundamental principle'.<sup>23</sup> Lenin endorsed this criticism. 'The bourgeois intelligentsia', he wrote, 'elevate municipal socialism to a special "trend" precisely because it dreams of social peace, of class conciliation, and seeks to divert public attention away from the fundamental questions of the economic system as a whole, and of the state *structure* as a whole, to minor questions of *local self-government*. . . The philistine, reactionary utopia of bringing about socialism piecemeal is particularly hopeless'.<sup>24</sup>

In reality the Fabians were not as opposed to nationalisation as their detractors have argued, supporting, for example, the nationalisation of the railways. But at heart their sympathies lay with municipal power; they expressed the hope that 'in a Socialist Commonwealth as much as one half of the whole of the industries and services would fall within the sphere of Local Government'.<sup>25</sup>

### *Decline and disappearance*

By 1941 local authorities were supplying electricity to 65% of Britain's consumers. Seven years later electricity supply was nationalised. By the end of the Second World War control of many municipal services followed this pattern, passing to centralised authorities as mandated by Parliament. Where local trading services had accounted for roughly 30% of local authority income in 1945, by 1980 they accounted for less than 2%.<sup>26</sup> Those typically vilified as 'unfair competition' (notably markets and municipal restaurants) dropped out of sight altogether, leaving the field to private enterprise.

In retrospect it is easy to see how municipal enterprise in Britain sowed the seeds of its own destruction. The very diversity of public services discouraged the development of any productive multi-sector alliances, which might have prompted a more coordinated system of local service provision and perhaps a more coherent notion of 'socialist' development. Each municipal service was organised around its own distinctive system and scale of provision. The supply of water, for example, was dependent on geography and on large-scale engineering, both factors that were less important to the provision of primary health care. Equally distinctive was the relationship of each service to its final consumers. In the supply of electricity, for example, the consumer was a passive recipient of a uniform and invisible current, as opposed to the food sector, where end-users made informed and highly specialised choices.

Each service also provoked its own unique set of detractors, with its own grievances and sense of urgency. The public operators of water undertakings found it hard to make common cause with physicians who objected to working for the local state. The absence of campaigns that mobilised municipal workers en masse further weakened the collective visibility of municipal services in the eyes of the public.

An approach to municipal reform that was more entrepreneurial than socialist also served to undermine the movement, reinforcing the notion that public intervention at the local level could and should pattern itself on private enterprise. But holding local authorities accountable to the dictates of capitalist investment disguised the fact that they were, in fact, denied most of the powers available to true private sector undertakings. Their ability to borrow, purchase and invest were all seriously curtailed. The terms and conditions of their loans had to be approved by others. Nor could they readily apply the profits of one service to underwrite the costs of another.

Defenders of municipal services were essentially caught in a bind, asked to measure themselves against standards which did not really apply. But they never saw fit to respond to their critics with an alternative set of criteria, one that substituted broader political or social objectives for narrow profit-and-loss accounting principles. They chose not to advertise the redistributive objectives of their pricing mechanisms or to publicly promote (and defend) them. Instead, they continued to allow public criticism to paint them as a drag on local economic growth.

It also did not help that support for municipal enterprise coexisted with imperialist ambitions outside the country. Joseph Chamberlain was as avid in his support for municipal enterprise as he was of empire, and saw no conflict in espousing both. In fact, his experience as mayor of Birmingham probably spurred his efforts to bring the railways in South Africa under public control with a view to their eventual expansion on the continent.<sup>27</sup> The Fabian Society also failed to take any formal stand against imperial domination, accepting it as 'a modern necessity'.<sup>28</sup> As with Chamberlain the Fabian perception of British beneficence allowed it to imagine 'progressive' municipal administrations in the colonies without acknowledging the contradictions that came with them.<sup>29</sup>

The implementation of public services in British outposts reflected a very different political agenda. Administrative councils in southern Africa, for example, were more likely to represent commercial or imperial interests than anything resembling ‘home rule’. The municipalisation of the water supply in Johannesburg in 1905 was prompted as much by the water requirements of the mines as by those of city residents. And, unlike Birmingham, Johannesburg chose to run its water service at a profit rather than lowering the price to encourage consumption among poorer residents.<sup>30</sup> This practice of applying profits to offset the rates was, in part, a reflection of an inadequate rate-base, restricted, as was the electoral roll, to property owners. Towns were forced to raise revenues through local fees, many of which exploited Africans rather than Europeans.

More egregious public health crises were often used by colonial authorities to justify the mass removals of Africans from central city locations. In what has been dubbed ‘the sanitation syndrome’, white municipal administrations in Africa blamed epidemics on urban Blacks to rationalise the destruction of their housing and the creation of segregated cities.<sup>31</sup> This bore little resemblance to local public health policies implemented in Britain.

### Lessons learned

What, then, are the lessons to be learned from these earlier municipal experiments for contemporary cities in the global South? Optimistically, they confirm that local states *can* be efficient, effective and equitable service providers. Contrary to neoliberal rhetoric, municipal authorities can row *and* steer a boat. They are capable of running a wide range of basic services and can do so in ways that create significant gains in public health, service quality, workers’ rights, and so on. In a world of seemingly endless commercialisation it is useful to remember the remarkable achievements of these early municipal governments, and to note the (potentially) transformative effects of local initiatives.

As noted earlier, these early experiments inspired the revival of municipal socialism in several British cities in the early 1980s, helping local activists to keep anti-neoliberal, class politics alive. The Greater London Council (GLC, the successor body to the LCC) developed ambitious but short-lived plans for direct intervention in the provision of local services: health care, infrastructure, skills training, conditions of employment, anti-racism, etc. As Peck notes of these efforts, the ‘rationale of the municipal socialist project. . . was to confront and counter the neoliberal policy orthodoxy’ of the Thatcher era.<sup>32</sup> Though ultimately defeated by the Thatcher government—the GLC was abolished in 1986—these efforts remind us that radical urban politics are possible even in the face of withering criticism and unrelenting propaganda.

But it is equally important to remember why previous forms of municipal socialism collapsed, and why, as Lenin and Engels argued, it is so difficult to have ‘socialism’ in one city, let alone one suburb. Without a national (and perhaps international) network of support it is hard to imagine how a single municipal authority—no matter how large or well-resourced—can withstand

the legislative, financial and political assaults of hostile national and supra-national state agencies and private service companies. If cities in the UK in the 1980s could not overcome this antagonism, how can Lagos, Buenos Aires or Bangkok manage it today?

There is also the question of just how ‘socialist’ these early municipal experiments really were. There was an undeniable commitment to ‘fairness’ and ‘universal access’ and an explicit challenge to the commodifying effects of private services. There was also ‘widespread anti-monopoly sentiment’, which ‘flowed easily into calls for public production and distribution of basic goods and service’.<sup>33</sup>

But it can also be argued that the outcome (if not the initial intent) of municipal socialism was to (re)invigorate capital accumulation—a form of ‘state capitalism’ that was to be a precursor to a more highly theorised, scaled-up and explicitly anti-socialist Keynesian project from the 1930s. Recognising the inefficiencies and health dangers of fragmented private supply systems, policy makers and certain factions of capital saw municipalisation as the most immediate and most effective way to prevent market decay and enhance market opportunities. As MacKillop notes in the case of early water infrastructure in Los Angeles, ‘public investments furthered private interests on a grand scale’ as land developers pushed for public service extension to open new frontiers of accumulation. In short, capitalists allowed municipal socialism to develop and thrive, but only as far as it suited their needs. ‘Nobody wanted this [municipalisation] venture to be too ideological or harmful to private enterprise. . . The idea was to make the municipal water service [in Los Angeles] work efficiently, to ensure the city’s “greatness”, and without harm to the city’s financial situation. As long as this didn’t prevent the oligarchy from making money, they didn’t object’.<sup>34</sup>

The economic crises of the 1930s gave additional impetus to this statist trend, supported ideologically by the ascendancy of Keynesianism, and scaled up by technological advances and the imperatives of national stimulus spending on public works. In effect, the emergence of *national* welfare states took the wind out of the *municipal* socialist sails, while capital accumulation on an increasingly national and global scale squashed the potential for radical redistributive initiatives locally.

But perhaps the most important lesson from this period is the transition from redistribution-oriented municipalities to local authorities driven by market ideologies under the aegis of ‘new public management’. Whether by design or default, the constraints that forced former socialist municipalities to focus on ‘income-generating endeavors that would result in saleable commodities’ put them on a long-term ‘trajectory toward a fee-for-service model throughout the public sector’. This was not a linear or uncontested path, of course. There were bureaucrats, politicians, activists and workers who fought the trend, often putting their jobs, and even their lives, at risk. Nor was it simply an ideological sell-out. As Radford notes in the American context, ‘Changing what government does is a complicated, laborious, and often disappointing task, in which ideology and political culture are often less important than organisational, legal, and financial factors’.<sup>35</sup>

But whether by ideological transformation, organisational attrition, anti-socialist misinformation, the technological scaling-up of service provision, or some combination of these changes, whatever commitment there may once have been to equitable services under the banner of ‘municipal socialism’ eventually gave way to an increasingly commercialised, supply-side mode of urban planning that saw market-based management methods and inter-city competitiveness as the new norm of service administration.

This trend was clearly evident in the attempt to revitalise collective provision in the UK in the 1980s, as demonstrated by Manchester’s ‘short and rather tepid experiment with municipal socialism followed by a rather longer and more successful period of “municipal chauvinism”’.<sup>36</sup> Similar concerns were raised in London at the time. What had ‘started with a radical, anti-establishment bang, ended with a conformist, utilitarian whisper’. For Randall the failure of these movements ‘lay in the fact of local authority members opting to become functionaries of the new order rather than taking up their other role as advocates of, or custodians of, community’. Whatever the reasons, ‘citizenship’ was reduced to ‘the ability to shop around’.<sup>37</sup>

The significance of this deep ideological and organisational shift at the municipal level since the 1940s cannot be overstated. In market-oriented countries local authorities continue to use redistributive rhetoric to justify state-owned and operated services, but in many cases these are highly commercialised entities that operate much like private businesses, often buying up and operating privatised services beyond their jurisdiction. This is not unique to the postwar era—‘public’ enterprises in Europe have behaved like quasi-multinationals for over a century—but public utilities in the global South have become increasingly corporatised over the past two decades as well, sometimes in collaboration with European public agencies.<sup>38</sup>

With this in mind, it is not ‘surprising’—as Goldfrank and Schrank suggest—that so many of the ‘municipal socialism’ experiments in Latin America today are ‘compatible with the contemporary dictates and preferences of the international donor community’.<sup>39</sup> What these authors see as a ‘seemingly odd convergence of neoliberal and socialist policy tendencies’ are not that peculiar at all, when one remembers the capitalist logic and management ethos that crept into ‘socialist’ cities in Europe and North America a century ago.<sup>40</sup>

This is not to deny the extraordinary gains of many urban Latin American experiments of the past 20 years—redistributive spending, popular participation, service extensions, improved social wages, and so on—but there is a growing literature on the limits of these reforms based on exactly the kinds of marketisation concerns we have discussed above, particularly in those states that have been adopting market-friendly social democratic policy platforms.<sup>41</sup> Nor is it to suggest that only ‘pure’ socialism at the national or international level will be effective. Our point here is that the practice and ideologies of ‘municipal socialism’ place constraints on any municipal authority intending to effect radical change on its own.

### Conclusion

In conclusion we highlight three particularly salient points in assessing the potential for municipal socialism in the global South today. The first is ideological. Any attempt to build municipal 'socialism' must be clearly cognisant of, and explicitly opposed to, the commodifying and commercialising tendencies that have undermined many of the municipal experiments of the past. To live up to its name, municipal socialism must be deeply anti-market, insisting on a public management ethos that is committed to clearly articulated forms of equity and sustainability not beholden to market mechanisms. The specifics of these policies will differ from place to place, but they cannot be informed by narrow financial tools that create state-owned enterprises that are public in name but private in practice.

Second, municipal socialist experiments must be profoundly democratic, engaging a wide range of municipal residents in decision making and operation. Early municipal experiments were worker-ist or elitist in their orientation, 'insulating decision making from public debate' and obscuring its more radical objectives. British efforts in the 1980s also suffered from a 'failure' of local leaders 'to invest their communities with a sense of power'. On this front experiments in Latin America are already miles ahead, with localised participatory programmes involving tens of thousands of people in discussions about municipal reforms, cutting across race, class, gender and other socioeconomic divides. But even here we see a trend towards a narrowing of engagement, in part because of a growing disillusionment with the circumscribed role of participatory budgeting programmes on municipal spending, and in part because of an increasing marketisation of these programmes as cost-reflexive pricing and other market norms begin to creep into municipal discourse and practice.<sup>42</sup>

Finally, there is a need for information campaigns that can better ward off the negative propaganda of the neoliberal press, international financial institutions, bilateral donors and other detractors of municipally oriented 'socialisms'. The World Bank alone spends hundreds of millions of dollars a year coordinating workshops, publishing articles and financing government initiatives to promote public-private partnerships (PPPs), while leftist municipal authorities struggle to get their ideas across.

This is an age-old conundrum, of course, with early forms of municipal socialism being fiercely attacked for the mildest of reforms. But these earlier experiments also provide political inspiration. In the 1920s, for example, the American federal government worked with local public authorities to produce and distribute films and articles arguing that the public administration of power and water utilities was more efficient and more desirable than private ownership and operation.<sup>43</sup> The effects of these education efforts have not been adequately studied—and their ideological intent should not be romanticised—but the potential for popular counter-propaganda today is substantial. We cannot Facebook our way into a more just and sustainable urban future, but challenging the 'common sense' of an oligopolistic global

media must be part of any effective effort to develop and sustain municipal socialism.

In the end it may be difficult to imagine any deep form of socialism emerging in an increasingly marketised world, particularly in a single city. It may also seem a parochial and overly state-centric concept to some. But the aim of this paper has not been to promote a single vision of municipal socialism, even less to suggest that 19th-century European experiments be transferred to contemporary cities in the global South. Rather, we have sought to remind readers of the remarkable range of municipal experiments that have taken place with public service provision in the past, and the gains and pitfalls that they presented. Whether ‘municipal socialism’ is a phrase we should continue to use is debatable, but it is important that we understand what it was and what it might mean today.

## Notes

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