

Chapter One

Remunicipalisation Works!

by David A. McDonald

It's not an easy word to say, but remunicipalisation is a growing and exciting trend in the water sector. Defined as the transfer of water services from private companies to municipal authorities, remunicipalisation shows that the public sector can outperform the private sector and can be an effective water provider anywhere in the world. This book reviews five recent examples of remunicipalisation – in Paris (France), Dar es Salaam (Tanzania), Buenos Aires (Argentina), Hamilton (Canada) and in a series of Malaysian municipalities – and discusses why it is happening, how the transformations take place, how well the services have performed under public control, and lessons learned from these experiences.

The reasons for remunicipalisation are diverse, but stem in no small part from the failures of water privatisation. Even the World Bank has called for a 'rethink' of privatisation policies,¹ having recognised the regulatory problems associated with multinational water providers, and having seen the effects of a profit-driven service delivery model on workers, low-income households and the environment.

As a result, there has been less direct privatisation of water services since the 1980s and 90s, but the commercialisation trend continues, largely through the use of public-private partnerships.² In effect, the World Bank and many United Nations agencies still advocate for private sector participation in water services and continue to invest in think tanks, conferences and publications that promote and finance private involvement in water services around the world.³

Not surprisingly, resistance to these commercialisation trends continues as well. From street protests in Cochabamba, Bolivia, that forced multinational water companies out of the city in 2000, to grassroots movements protecting groundwater supplies from bottled water companies in India and the US, to research and academic writing about the problems of water commodification, mobilisation against the practice of water privatisation remains strong.

Municipalities are increasingly involved in this resistance, in part because they have witnessed the effects of privatisation first-hand, making this level of government a critically important player in public-private debates. Although some municipalities remain supportive of private sector involvement in water, many are frustrated with the broken promises, service cut-offs to the poor, the lack of integrated planning, and pressures from international financial institutions that force them to contract out to private firms. As a result, many municipalities have begun to push back. This is not (yet) a complete reversal of the privatisation tide, but it is a riptide of sorts, inspiring practitioners and policy advocates from around the world to explore a new counter-narrative to the neoliberal ideology of market-based service delivery solutions.⁴

Inspiration is not enough, however. Discussions of remunicipalisation have been energetic but anecdotal, with little understanding of the commonalities between various experiments and no clear research methodologies for evaluating their results. Although each remunicipalisation experience is different it is essential that we develop a comparative understanding of why they have happened (or not), how they operate and whether they can and should be attempted elsewhere. This book is therefore an effort to advance academic and policy debates about public water services by tightening our conceptual understanding of remunicipalisation and situating the discussion within a larger body of literature on ‘alternatives to privatisation’.

Another objective is to be ‘critically positive’ about remunicipalisation, which is to say that we want to celebrate public water provision but in ways that recognise the constraints and limitations of ‘public’ reforms in the hope of identifying means by which remunicipalisation can be more successful. There are concerns with all of the remunicipalisation experiences we investigated for this book and room for improvement on a number of fronts. It would be unproductive to ignore or downplay these issues.

It should also be noted that this is not the first time the world has witnessed (re)municipalisation debates. Most contemporary water services around the world started as private enterprises (as early as the mid-1800s), but as the inefficiency of private sector providers became increasingly evident, and as private companies denied water services to the poor (contributing to outbreaks of cholera and other illnesses), local governments began to municipalise these services for the first time. The city of London, for example, went from a “nine-headed monopoly” in the 1850s, to a centrally coordinated public utility in the early 1900s.⁵ No less a figure than liberal economist John Stuart Mill criticised the byzantine inefficiencies of balkanised private sector supply, noting that “a business of real public importance can only be carried on advantageously upon so large a scale as to render the liberty of competition almost illusory...it is much better to treat it at once as a public function.”⁶ 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.

The first prominent city manager in the UK to endorse this philosophy and to apply it in practice was the Liberal Radical Joseph Chamberlain. As mayor of Birmingham in the 1870s, he committed himself 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.”⁷ Chamberlain succeeded in bringing gas and water under municipal control, the former, primarily for its profits, the latter, in pursuit of long-overdue public health reforms. “The Water Works,” Chamberlain argued, “should never be a source of profit, as all profit should go in the reduction of the price of water.”⁸

In some respects, then, the debates about remunicipalisation today are the same as those that took place a century ago. Municipalities remain concerned about the power of private corporations over essential services in their towns and cities, and the implications this has for social and environmental welfare. We are also witnessing similar concerns about financial crises and the growing polarisation of wealth, contributing to a healthy skepticism of market reforms in general and reinvigorating resistance to privatisation in particular.

Less optimistically, the parallels with these earlier municipalisation efforts raise troubling questions about the nature of the state, and in whose interests ‘public’ water is actually being run – particularly when it comes to ‘corporatised’ water utilities run on private-sector operating principles, a point we return to repeatedly in the book. Nevertheless, motivation can be taken from the fact that water privatisation was once before seen as a dismal failure at the municipal level and a comparable trend is recurring today.

Choice of case studies

Decisions about which sites to examine in this study were based on several criteria. First, we opted for locations where remunicipalisation had been fully completed, and where sufficient time had elapsed to draw reasonable conclusions about their operation – although each case is still very much a work-in-progress. Second, we chose a geographically disperse set of examples, with sites in Europe (Paris), Africa (Dar es Salaam), Latin America (Buenos Aires), North America (Hamilton), and Asia (Malaysia). Third, we chose sites with very different political, economic and geophysical contexts.

The Malaysian case is not, strictly speaking, one of remunicipalisation, due to the fact that it brought about a national-level set of reforms that affected many different municipalities. We included it because of this multi-scalar feature, however, given how it illustrates the potential for nation-wide reforms to bring change to a large number of municipalities instead of scattered, stand-alone efforts.

The fact that the examples are drawn from the North and the South serves to illustrate the global nature of this remunicipalisation trend and some of the universalities associated with it. This North-South focus also highlights ongoing resource and power differentials between governments in higher- and lower-income countries, with the cities of Hamilton and Paris having much greater fiscal and infrastructural capacity to bring water in-house than municipalities in Argentina, Malaysia and Tanzania, where human and financial resources for water services are more scarce. Similarly, non-governmental organisations and labour unions in the North tend to be better resourced for resistance to privatisation and promoting alternatives than their counterparts in the South, and often have more political space to air their views.

One lead that cities in the South have in this regard is the more highly charged nature of water debates and the life-and-death nature of problems associated with water privatisation. Scars of e-coli infection in Canadian municipalities in the early 2000s helped catalyse support for remunicipalisation in Hamilton, but these concerns pale in comparison to the disease burdens and service cut-offs associated with privatised water services in Argentina, Malaysia and Tanzania where large percentages of the population have little or no access to basic water and sanitation and where diarrhea, cholera and other illnesses remain major causes of concern. It is in tragic environments such as these that resistance to privatisation often burns hottest, and where the potential for longer-term (grassroots) political commitment to change is strongest. Tough opposition does not necessarily lead to successful alternatives to privatisation, but it can certainly speed change along.

Research methods

As noted above, this is the first comprehensive and comparative study of contemporary water remunicipalisation to be undertaken. But with innovation comes methodological challenges, the most important of which is the lack of an established remunicipalisation literature to draw on. Complicating matters is the dearth of literature on alternatives to privatisation in general, with the vast majority of anti-privatisation writing being a critique of privatisation rather than an exploration of alternative public service options.

Nevertheless, research for this book has benefited from methodologies that have been developed for previous work undertaken by the groups coordinating this study – Corporate Europe Observatory (CEO), the Municipal Services Project (MSP) and Transnational Institute (TNI). Extensive studies by the Reclaiming Public Water Network – coordinated by TNI and CEO, and involving dozens of organisations around the world – provided a rich background of empirical insights into remunicipalisation and an extensive network of contacts,⁹ while the development of new research methods on ‘alternatives

to privatisation' more broadly provided additional coherence and transparency to our comparative studies.¹⁰

The point of departure in the research was to ask questions about the history of the original privatisation in each municipality, and the events and conditions that led to its demise. This historical overview was drawn based on interviews with people involved in the privatisation, reviews of secondary literature, assessments of budget documentation, and so on. Interpretations of privatisation experiences are subject to debate, of course, but in each case the episode has left significant structural, financial and ideological legacies that shaped the direction of remunicipalisation and often constrained the potential for public sector success.

More difficult was the evaluation of the remunicipalisation experience itself. For this assessment we drew on a normative set of 'criteria for success' that had been developed for the study of alternatives to privatisation referred to above.¹¹ Our objective was to establish a universal set of criteria against which we could evaluate the success (or otherwise) of a remunicipalised service, while allowing for differences between the case studies. As Hachfeld et al note, "there is no exemplary model of 'good' or 'progressive' public water management,"¹² but it is important to establish clear and explicit criteria against which one can assess the outcomes of remunicipalisation and compare the experiences across time and place.

The criteria we have selected should come as little surprise to those familiar with the debates about privatisation; many are the polar opposites of what is seen to be wrong with privatisation, such as lack of transparency, inequality and unaccountability. We have also used criteria that are unique to public services, such as 'public ethos' and 'solidarity', and opted for criteria (such as equity) with sufficient elasticity of meaning to allow for variations in interpretation. Finally, our criteria are also intended to challenge or rule out many neoliberal interpretations of success, such as marketised notions of 'efficiency' that limit discussions of service performance to narrow financial terms.

The research criteria we employed are summarised in Table 1.1. Not all of these criteria were examined in depth in every case, but interviews and literature reviews were informed by these measures of success and allowed us to develop data on the operating principles and practices of the remunicipalised water services. Further investigation will reveal more detailed information, and the fragile nature of some cases suggests that current performance could change on short notice. Nevertheless, the information collected here offers a more transparent and comprehensive glimpse into remunicipalisation than has been available to date. In this regard, the book should be seen more as research-in-progress than as a final statement on remunicipalisation.

Finally, four of the case studies were undertaken by Martin Pigeon from CEO who travelled to Dar es Salaam, Hamilton, Malaysia and Paris for the research. The fifth study on Buenos Aires was conducted by Daniel Azpiazu and José Esteban Castro, with the same terms of reference and with close research collaboration and editing from the research team. Fieldwork began in late 2010 and was completed by mid-2011.

Key findings of the research

As with any complex system the devil is in the details. Nowhere is this maxim truer than in the politically charged environment of water remunicipalisation. It is essential, therefore, that each case study be taken on its own merit and be read closely. There are, however, some common findings that can be highlighted here, summarised into what we consider to be 'positive' and 'critical' lessons. The former showcase the most encouraging results from the research, while the latter highlight more ambiguous outcomes, such as the ongoing presence of a commercialised logic in public water management. Neither are inevitable products of remunicipalisation but both help to advance our conceptual and political understanding of this growing trend in the sector.

Positive lessons

Remunicipalisation works

Though not perfect and never guaranteed, the examples in this book demonstrate that water services can be transferred from private to public ownership and management with little disruption of service and with extremely positive results. In each case the remunicipalised entity offered more equitable, more transparent and more efficient services than the private sector provider that preceded it, with a higher quality of services and with better long-term sustainability.

Financially, there were significant direct savings for most of the municipalities – some €35 million in the first year in Paris, and about C\$6 million in the first three years of remunicipalisation in Hamilton – some of which was realised immediately when profit-taking for private management fees was removed. Efficiency gains were also achieved through good, sensible public management. Moreover, short-term savings boosted re-investments in longer-term infrastructure development, which will in turn help avoid future cost burdens associated with the health and environmental disasters of privatisation, much of which was borne by the state in the past.

Just as important as the cost savings are the philosophical shifts that have taken place in water services: the perspective changed from a narrow, profit-oriented one to one involving a wider range of social and political objectives. From ensuring water access for the

Table 1.1 Criteria used to evaluate remunicipalisation

Equity	<ul style="list-style-type: none"> · Is availability of the service equitable for different social groups? · Is the quality and quantity of the service equitable? · Are prices equitable? · Is equity formalised, legalised or institutionalised in some way?
Participation in decision making	<ul style="list-style-type: none"> · Is the depth and scope of participation adequate? · Is participation equitable? · Is participation formalised, legalised or institutionalised in some way? · Is the model of participation sustainable?
Efficiency	<ul style="list-style-type: none"> · Is the service delivered in a financially efficient manner? · Are adequate investments being made in long-term maintenance? · Do efficiency gains undermine other potentially positive outcomes? · Do efficiency gains take into account other services and/or levels of government?
Quality of service	<ul style="list-style-type: none"> · Is the overall quality of the service good? · Is quality improving?
Accountability	<ul style="list-style-type: none"> · Are service providers accountable to end users? · Is accountability formalised, legalised or institutionalised in some way?
Transparency	<ul style="list-style-type: none"> · Does the general public understand the operating mandates of the service provider? · Are decisions about service delivery regularly communicated to the public? · Is transparency formalised, legalised or institutionalised in some way?
Quality of the workplace	<ul style="list-style-type: none"> · Do frontline workers participate in the policy-making of the service? · Are workers paid a fair salary and benefits? · Are there adequate numbers of workers to ensure quality, safety, sustainability? · Are there good relations between frontline workers, managers and end users of the service? · Is there equity among workers?
Sustainability	<ul style="list-style-type: none"> · Are there sufficient financial resources available to ensure successful continuity of the service? · Is there sufficient political support for remunicipalisation at different levels of government? · Is the service using natural resources in a sustainable way?
Solidarity	<ul style="list-style-type: none"> · Does the service help build solidarity between workers, community, bureaucrats, politicians, NGOs, end users? · Does the service help to build solidarity between different service sectors (e.g. with public health officials)? · Does the service help to build solidarity with other levels of state?
Public ethos	<ul style="list-style-type: none"> · Does the model help to create/build a stronger 'public ethos' around service delivery? · Does the model promote thinking and dialogue about concepts of public ownership and control? · Does the service model explicitly oppose privatisation and commercialisation?
Transferability	<ul style="list-style-type: none"> · Is the model transferable to other places (in whole or in part)?

poor in Buenos Aires, to a reunified and consistent management of the entire water cycle in Paris, many remunicipalised water entities have demonstrated their ability to think beyond their sectoral boundaries and accounting silos to be more holistic in their planning and action. Contrary to the privatisation argument that ‘politics’ is bad for water management, these public providers have demonstrated that politics is an inevitable and necessary part of decision making and service delivery. It is a question of how these politics are managed and the nature of the politics being discussed.

Staff morale has also improved among frontline workers and management, notably in Buenos Aires and Hamilton. Instead of sitting on the sidelines in frustration as private water companies fail to live up to their expectations, public water employees are more engaged in the planning and operation of water services than they were in the past and feel part of a larger public service network and ethos. We do not want to overstate this philosophical change: water workers in Paris have been largely unaffected by remunicipalisation, and in Malaysia trade unions have had little involvement in the discussions about water reforms. It is also difficult to measure criteria such as ‘work satisfaction’, and there are additional concerns about the depth of commitment that workers have to notions of ‘publicness’ (discussed below). Nevertheless, the pride-of-work expressed by many of the employees interviewed for this research was palpable and suggests a commitment to public water services that goes beyond the narrow financial and technocratic concerns that dominate private water management.

Shifts to public worldwide

The fact that remunicipalisation is taking place on every continent serves to demonstrate that it can happen anywhere. The Paris remunicipalisation is particularly note-worthy given that city’s symbolic role in water privatisation; two of the largest and most influential private water companies in the world, Veolia and Suez, are headquartered in Paris and have run the city’s water services at different stages since 1860. It was not an easy transition, but if decades of private sector inertia and entrenched corporate power can be overcome in Paris there is hope for most other places in the world.

The growing phenomenon of remunicipalisation also challenges the myth that privatisation is irreversible. Often used, understandably, as a tactic by anti-privatisation activists to argue that water should not be privatised in the first place, there is a need to revisit the full import of this claim. More importantly, there is a need to revisit what we mean by ‘public’ water, particularly in countries in the global South where public services have often been under-funded, unequal, non-transparent and open to corruption. In other words, remunicipalisation should not be seen as a linear, two-way street between polarised notions of private versus state delivery, but rather as a remaking and rethinking of what it means to be public, and a revisiting of how we define successful water services.

Herein lays a key challenge for those wanting to remunicipalise their water systems. As encouraging as it may be that so many places are taking water services back from the private sector, there is no blueprint for how it is done and old-school models of top-down state planning may not be seen as progress at all. This challenge does not make it any less urgent to remunicipalise, but it does raise the bar in terms of what we should expect from a 'successful' public transition.

It should also be emphasised that remunicipalisation can be managed completely at a local level. Although successive national governments were involved in the case of Dar es Salaam, and even more so in the multi-sited case of Malaysia, remunicipalisation can occur within the jurisdictional boundaries of a local authority, making it easier for local groups to mobilise and advocate for change. Small towns and district municipalities can also bring water back in-house.

Having said that, watersheds often cross political boundaries, and under-funded municipalities are increasingly desperate for capital and operating revenues, requiring some intergovernmental coordination. There is also merit in thinking in national or regional terms when considering a mass remunicipalisation strategy, particularly in Europe where dozens of private water contracts will be coming up for review in the next few years (see the concluding chapter of this book for further discussion).

Privatisation is its own worst enemy

Helping the remunicipalisation trend is the failure of water privatisation, in all its guises. In four of the five cases in this book, it was the (near) collapse of privatisation that precipitated the move to remunicipalise. The situation was disastrous in two cases (Buenos Aires, Dar es Salaam) and problematic in two others (Hamilton, Malaysia). In Paris, private water provision was not a failure per se, but it was clear that the two private companies were reaping profits that could be kept in public hands. In all cases it became obvious that the private water companies put short-term profit ahead of long-term sustainability, and selective service delivery ahead of broad-based equity, treating citizens like consumers and water like a commodity.

Significantly, it was bureaucrats and politicians who recognised these problems and began to wonder why water had been privatised in the first place. Some of this awareness was triggered by a growing global critique of privatisation, but the local flaws were so glaring that even those who had previously supported privatisation turned against it. The fact that most of the senior policy makers interviewed for this research were generally in favour of market-oriented policies, and even supportive of privatisation in other sectors, makes this rejection of water privatisation all the more poignant and damning.

Privatisation, in other words, is its own worst enemy. Alternatives to privatisation are not so readily apparent, however, making it all the more important to discuss the details of remunicipalisation well in advance rather than scrambling to fill a corporate void after private provision collapses.

Critical lessons

Reversing privatisation is not easy

As encouraging as the momentum behind water remunicipalisation is, the technical and political difficulties associated with making this shift cannot be underestimated. Even where political will is strong and financial and technical capacity exists, reverting to public ownership and management is fraught with difficulties. There is institutional memory lost, degraded assets, poison pills left by the private company, communication and accounting systems that do not mesh with public sector systems, and so on. The case studies in this book provide the details of some of these challenges, but even these are only brief overviews of extremely complicated private-to-public transitions.

It is truly in these details that the devil of remunicipalisation is to be found. Political mobilisation to initiate such a process is difficult enough. The really demanding part comes with the grunt work on the ground to make it happen in practice. From equipment inventories, to amalgamating unions, to a change in service delivery cultures, remunicipalisation requires hundreds of people working long hours in stressful conditions under tight timelines. This is not the high profile politicking of resistance, but the tedious, behind-the-scenes grind of institutional and ideological reform that requires sustained attention to detail.

In some respects, remunicipalising water is even more difficult than creating water services from scratch. The deep asset deficit left by many private water companies means that municipalities are working with decrepit equipment and collapsing infrastructure that can be more expensive to repair than to replace and build anew. Private firms have also demonstrated that they can be politically difficult, sabotaging transition efforts to try and undermine the public provider. In each of the cases discussed in this book the private companies refused to release critical operational information, attempted to take the municipalities to court for breach of contract, or initiated counter-propaganda campaigns in an effort to undercut the credibility of the remunicipalisation initiatives. The fact that these anti-remunicipalisation efforts were unsuccessful in each case speaks volumes to the commitment of those involved in the transformation. It also lays bare the gritty, self-interested nature of private sector service providers and underscores the argument noted earlier that public water services should never be privatised in the first place (with the proviso, of course, that if they are privatised it can and should be reversed!).

Finally, it must be noted that donor funding cannot be relied on for remunicipalisation efforts. After decades of generous (and ongoing) political and financial support for privatisation from international financial institutions and bilateral donors, these ‘development’ organisations have effectively ignored the remunicipalisation trend. Funding for research on remunicipalisation is a drop in the bucket compared to what is spent on pro-commercialisation research and conferences by donors, while support for the implementation of remunicipalisation is practically non-existent (with the exception of limited funding for public-public partnerships from UN-Habitat¹³). In some cases international donors even have attempted to undermine remunicipalisation efforts, making the transition to public services an even more difficult one (such as the World Bank’s attempts to block remunicipalisation in Dar es Salaam, as discussed in Chapter Three of this book).

No guarantee of a ‘public ethos’

Perhaps the most important lesson of all is what remunicipalisation tells us about the meaning of ‘public’. Many – if not most – of the officials interviewed for this research remain captive to the neoliberal logic of ‘new public management’ and resistant to welfare notions of service delivery such as cross-subsidisation for the poor. There has been a dramatic ideological shift over the past three decades in the training and management of public employees around the world – due in part to the ‘good governance’ agenda of the World Bank – and this trend is evident in each of the cases in this book. Entrenched neoliberal beliefs in market-based incentives, ring-fenced accounting, cost-reflexive pricing, and competition within and between government departments has transformed the ways in which people think about and manage public services, raising questions about the potential for deep reform in the public sector.¹⁴

Corporatisation is the term used to describe services that are wholly owned and operated by the state but run on private sector operating principles.¹⁵ This arrangement typically involves the creation of a stand-alone water utility, directed by government but operating as a separate legal entity and largely dependent on its own revenues for operation. Cross-subsidisation from other sectors or levels of government is discouraged, while performance evaluation is generally conducted on narrow cost accounting terms and senior managers are paid based on the financial health of their ‘company’.

In some cases these corporatised managers are more dogmatic in their adherence to market principles than their private sector counterparts (partly due to the threat of privatisation if they do not prove themselves to be ‘efficient’). Such public service providers have denied services to low-income communities because of the ‘high costs’ of delivering them, and service cut-offs are often used to punish non-payment. Some providers simply limit services to low-income households to a pre-defined level of ‘basic needs’.¹⁶

Of the cases in this book, Dar es Salaam is the most problematic in this regard, with the new public managers of DAWASCO using language and policies that sound much like the private company they replaced. It is encouraging that water services are back in public hands, but DAWASCO management's failure to take equity and public engagement more seriously is a major concern. Low-income households continue to be marginalised and managers seem reluctant to think in more holistic terms, even flirting with ways to (re)introduce market incentives into the newly remunicipalised organisation.

Similar ideological currents were detected in the other case studies as well. The most common argument given by interviewees for remunicipalisation was not equity or public solidarity, but the fact that it 'saves money' and is 'more efficient' than a private contract. These are not unimportant criteria, of course. Nor is a concern with saving money necessarily neoliberal. These narrow financial preoccupations are, however, suggestive of a mindset still deeply embroiled in market ideology. Changing these attitudes will not happen overnight or with superficial technocratic reforms. Nor can it be forced on people. A different public sector philosophy will take sustained democratic efforts, possibly requiring a generational shift.

The good news is that a deeper rethink of the meaning of public is required in any event. As noted above, some public services have performed poorly or have been non-existent, making a rethink unavoidable. But even where the public sector has performed well – which describes the vast majority of water services in the global North – there are good reasons for thoughtful reform. Keynesian-era water services were often top-down and non-participatory and seldom as efficient as they could have been. They were also typically part of a larger Fordist model of development that aimed to support rapid growth in private sector industrialisation and market consumption, assisting corporate expansion and undermining environmental sustainability.¹⁷

Experiments with public participation in water services planning, worker cooperatives, community water systems and other innovative models of service delivery are challenging these older models of public water delivery and demonstrating the potential for water systems that push the boundaries of what we mean by public service.¹⁸ Remunicipalisation cannot be an unquestioned return to what was offered before privatisation. It must be an improvement on what is meant by public and an expansion of the democratic terms of engagement.

Bringing in the state and organised labour

The reality of complex and expensive water systems is such that governments must play a critical role in service delivery reform. Collaboration of state and non-state actors will be

easier in locations where senior bureaucrats and politicians have committed themselves to progressive change, but even where states seem impervious to cooperation mechanisms for state-society interaction it will be essential for successful transitions to public water entities.

Labour involvement is also critical. Public sector unions have been marginalised from many of the debates about remunicipalisation, despite the fact that frontline workers have important insights into operational challenges and opportunities and public sector unions have been at the forefront of opposition to privatisation at a global level.¹⁹ Poor labour relations with managers are part of the problem here, but so too has antagonism between unions and social movements been a concern at times, with public sector workers sometimes seen as being primarily interested in protecting their own jobs. Some unions have made impressive strides in addressing these tensions and it is important that good relations with communities and social movements be fostered.²⁰

Add to this mix a diverse collection of non-governmental organisations and academics attempting to intervene in remunicipalisation debates and there is an obvious need for better coordination of pro-public mobilisation. This is not to suggest that there should be a single voice or a simple consensus on what remunicipalisation should look like. The debates are too new and too complicated for that. Nor would we advocate the kind of blueprint models for reform that have motivated the single-minded rush to privatise. Remunicipalisation is necessarily different in every place, and versions of 'public' may take on very different hues. Nevertheless, there is a need for better coordination and sharing of ideas. Government officials, labour unions, social movements, NGOs and others will need to be part of this coordinated conversation. Research on remunicipalisation must take these internal political dynamics seriously.

Conclusion

Remunicipalisation is an inspiring and promising development in the water sector. The five case studies provided in this book demonstrate the potential for reclaiming public water and remaking the public sector. Not all the lessons are positive, but each case provides insights into how private-to-public transitions take place, what could be changed or improved, and how these remunicipalisation experiments might be reproduced elsewhere. The fact that these transitions are taking place in very different locations and contexts is most encouraging of all.

The success of remunicipalisation in the water sector also begs the question as to whether it can work in other sectors such as health care, electricity and waste management. In some respects it already has. Privatisation has failed to deliver in all of these areas, and

citizens and managers have been pushing for a rethink of the commercialisation model. Hospitals and electricity services have been taken back into public hands, at all levels of government, and there are vibrant debates around the world about how various services can be returned to public ownership and control.²¹

Each service sector offers its own managerial, technical, geographic and political challenges, but there is much to be learned from inter-sectoral debate and dialogue. Water may be the most widely targeted sector for remunicipalisation, with much to offer policy makers and activists in other areas, but so too can water managers and researchers learn from reforms in health care, electricity, waste management, education, etc. After all, a more holistic sense of integrated public service delivery requires dialogue across sectors. If we are to escape the silo mentality imposed on public services by the logic of commercialisation we must start by avoiding it in debates about remunicipalisation.

Endnotes

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- 3 See, for example, the Public-Private Infrastructure Advisory Facility (PPIAF) website at www.ppiaf.org. For a critical review see *Bretton Woods Project* (2010) World Bank assesses water strategy, faces barrage of criticism. 30 September. <http://www.brettonwoodsproject.org/art-566649> (accessed 5 August 2010).
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- 12 Hachfeld, D., Terhorst, P. and Hoedeman, O. (2009) *Progressive public water management in Europe*. Discussion Paper for Reclaiming Public Water. Amsterdam: TNI and CEO, p. 4. <http://www.waterjustice.org/uploads/attachments/Progressive%20public%20water%20management%20in%20Europe.pdf> (accessed 2 May 2010).
- 13 See the Global Water Operators Partnership Alliance (GWOPA) website at www.gwopa.org, although even this laudable initiative is influenced heavily by corporate participation.
- 14 Pollitt, C. and Bouckaert, G. (2011) *Public management reform: A comparative analysis – New public management, governance and the neo-Weberian state*. Oxford: Oxford University Press; McDonald, D.A. and Ruiters, G.R. (2005) *The age of commodity: Water privatization in Southern Africa*. London: Earthscan.
- 15 For a fuller discussion see Transnational Institute (2006) *Public services yearbook 2005/6: Beyond the market. The future of public services*. Amsterdam: TNI.
- 16 van Rooyen, C. and Hall, D. (2007) *Public is as private does: The confused case of Rand Water in South Africa*. Occasional Paper no. 15. Cape Town: Municipal Services Project.
- 17 Burrows, R. and Loader, B. (1994) *Towards a post-Fordist welfare state?* London: Routledge; Taylor-Gooby, P. (2000) *Risk, trust and welfare*. Houndsmill: Macmillan.
- 18 Brennan et al. (2005), *op.cit.*
- 19 There are dozens of local unions that are active on a municipal and national scale (e.g. the South African Municipal Workers Union and the Canadian Union of Public Employees) as well as the international coordination of Public Services International.
- 20 For a review of the role of labour in these debates see Wainwright, H. (2012) Transformative resistance: The role of labour and trade unions in alternatives to privatization. In McDonald and Ruiters, *op.cit.*, pp. 71-98.
- 21 For a survey of the literature and an interactive platform for discussion see www.municipal-servicesproject.org.