

## SDG 6

### (Re)municipalization of water – the right way towards achieving SDG 6

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The push for greater private sector involvement in the implementation of SDG 6, the Sustainable Development Goal on water, flies in the face of growing evidence that the privatization of water and sanitation has been detrimental, especially to the most marginalized and vulnerable communities in the world.

Evidence shows that private investors have largely ignored the most underserved regions of the world while favouring more lucrative markets requiring less capital and promising greater returns.<sup>1</sup> For instance, in Chile, where 95 percent of the water and sanitation services are in private hands, the State invested significant public funds in order to achieve extensive coverage before it was sold to private investors with the promise of a 7 percent return.<sup>2</sup> Corporate utilities operating in Chile have not expanded networks outside profitable urban centres.

In Jakarta, private companies took over water and sanitation systems with the promise of expanding the networks in exchange for water charges that would guarantee a 22 percent return on investment.<sup>3</sup> Two decades later, those promises remain unfulfilled. Vast segments of the population do not have adequate access to safe, affordable drinking water in sufficient supplies.

As a result, in 2018 the Supreme Court of Indonesia annulled the contracts with private companies operating in the city.<sup>4</sup>

While developing solutions for the financing and implementation of SDG 6, decision-makers must therefore acknowledge the sweeping trend of local governments taking water and sanitation back into public hands. Despite a concerted effort by International Financial Institutions to push private sector participation in water and sanitation services since the 1990s, more than 90 percent of water and sanitation systems around the world are publicly owned and operated. This is due in large part to strong public resistance to private control of local water and sanitation systems.

#### Remunicipalization: an undeniable trend

Where water and sanitation have been privatized, remunicipalization, or the return of a privatized system into public hands, has become an undeniable trend.

Remunicipalization refers to the return of privatized water supply and sanitation services to public service delivery. More precisely, remunicipalization is the passage of water services from privatization in any of its various forms – including private ownership of assets, outsourcing of services,

1 Hall/Lobina (2012).

2 Larrain (2012).

3 Wu/Ching (2013).

4 See: [www.tni.org/en/article/indonesian-supreme-court-terminates-water-privatization](http://www.tni.org/en/article/indonesian-supreme-court-terminates-water-privatization).

and public-private partnerships (PPPs) to full public ownership, management and democratic control.

Many cities, regions and countries have chosen to close the book on private water and to bring services back into public control.

Research coordinated by the Transnational Institute (TNI) shows that there have been at least 835 examples of (re)municipalization of public services worldwide since 2000, involving more than 1,600 municipalities in 45 countries. More than 235 cities from 37 countries have remunicipalized water services in this period, affecting more than 100 million people.<sup>5</sup>

Remunicipalization is generally a collective reaction by local authorities and citizens to the economic and social unsustainability of water privatization and PPPs. The pace of this trend has accelerated dramatically. The wave of remunicipalization across France is very significant symbolically. It is the country with the longest history of water privatization and is home to the leading water multinationals. The experiences in other countries such as Spain, the USA and Germany, and major cities including Paris and Jakarta, provide clear evidence that privatization and PPPs fail to deliver on the promised benefits to local governments and citizens and that public management is better suited to meet the long-term needs of end-users, local authorities and society at large – including the need to protect our local and global environment.

Remunicipalization is rarely just about the change of ownership structure from private to public. It is fundamentally about (re)creating better public water services that work for all. This includes restoring a public ethos, universal access, affordability and ensuring transparency and accountability towards elected officials and citizens as opposed to focusing only on the most lucrative parts of the service. Remunicipalized public services often involve new forms of participation for workers and citizens. For

example, the new water operators in Paris, Grenoble and Montpellier are making decisions together with citizens about the reform and operation of water services. The democratization of water services is also at the centre of the remunicipalization movement in Spain, which was born in the aftermath of the global financial crisis from the resistance against evictions and water and electricity cuts.

### Public-sector solutions

Given the repeated references to ‘evidence-based’ policy throughout the SDG process, decision-makers pondering the most effective and equitable ways to implement SDG 6 cannot ignore the evidence coming out of communities that have rejected privatization. The hundreds of experiences of remunicipalization within the last 15 years provide evidence not only of private sector failures, but also of solutions for better public services. When the city of Paris took water back into public hands in 2010, services improved significantly. The city saved US\$ 35 million Euros in the first year and reduced tariffs by 8 percent.<sup>6</sup>

The surge of remunicipalization campaigns has provided an important channel for citizens and workers to regain the democratic control that had been eroded by privatization for decades. Cities and local groups engaged in remunicipalization campaigns are simultaneously building effective, forward-looking, democratic public water services. Successful remunicipalization experiences inspire and empower other local authorities to follow suit. We see cities and groups joining forces within each sector, within each country, at the European and international levels: all counterbalancing the influence and obstruction of big corporations and central governments.

Just to give a few examples, the French and Catalan networks of public water operators pool resources and expertise, and work together in dealing with the challenges of remunicipalization. The progressive coalition Barcelona en Comú is one of several in Spain through which communities have articulated a global ‘municipalist’ vision within

5 Kishimoto/Petitjean, eds. (2017); Kishimoto/Petitjean/Lobina, eds. (2015).

6 Hall (2012).

which they practice diverse forms of direct participatory democracy and work pragmatically for solutions to global challenges.

In Canada, the Blue Communities Project began in 2009 as a strategy to prevent local governments from succumbing to pressure by the federal government to entertain private sector participation. A joint project of the Council of Canadians and Canadian Union of Public Employees, the project also supports municipalities in efforts to realize the human rights to water and sanitation. More than 20 Canadian municipalities have since joined the network. Today, the project is active in Switzerland, Germany, France, Greece, Spain, Turkey, Ireland, Brazil and Colombia. Major cities like Paris and Berlin are Blue Communities along with smaller towns like Cambuquira in Brazil. In Switzerland the project also serves as a vehicle for public-public partnerships between Swiss utilities and utilities in other parts of the world.

Rather than promoting failed PPPs, the SDG process should look to these public-public partnerships that are flourishing around the world.

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