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Back to the roots

Privatisations have led to higher costs and lower quality of services. It's time to remunicipalise them and give citizens a say

Read this article in German.

A typical feature of major crises is that, even while the skirmishes are still in full swing, a new era is already proclaimed. Depending on temperament, people elevate the desirable into a future scenario or conjure up visions of the apocalypse. However, even though the lockdown has been dragging on for many weeks, there is still a great deal of uncertainty in most countries not only about what course the pandemic will take, but also about how the crisis will be managed and what long-term impact it will have on social cohesion and the economy.

Therefore, caution is advisable. For other crises have taught us that the bouts of socialism and the system-changing reflex to which many people succumb in times of crisis are often quickly followed by a regression into old patterns of behaviour. It is also true, however, that the efforts required to overcome the pandemic are generating impulses that can connect up with the alternatives to the prevailing ways of organising the economy and the common good. It is imperative that we identify and take advantage of these impulses.

In many countries, the consequences of Covid-19 are sharpening our vision for existing social grievances like under a magnifying glass – be it the highly divergent individual resources for coping with the crisis, the lack of appreciation, especially financial appreciation, for the professions which play a crucial role in the pandemic, or the health care system which in many places has been kept on a drip-feed or has already been saved to death.

The state can act

The health crisis has once again highlighted in a drastic way the fundamental importance of social protection and accessible and

affordable social services. Furthermore, one of the most powerful collective crisis experiences may be that there are in fact very few things which are politically impossible. During the pandemic, state institutions in many countries have (re)affirmed the importance of protecting and strengthening the common good and have implemented it even against market interests, distributing resources in accordance with social criteria and breaking with cherished economic policy dogmas.

The lesson to be drawn from this is that where the political will exists, the state remains capable of acting even under complex conditions. And that generates trust. In the 2008 financial crisis, the state institutions were open to the accusation of complicity in the unregulated conditions on the financial markets, and ultimately a great deal of trust was squandered through the austerity programmes. By contrast, the state action in response to the pandemic – despite all the controversy over the scope of the measures – enjoys high levels of consent. And ultimately, the awareness in many societies will probably be heightened that, in future, most people will only be able to live autonomous, individually shaped lives if solidarity-based thinking and communal interests once again play a more central role.

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Above all at the local level (and in countries with weak state protection), numerous solidarity-based and creative offers of assistance have been established in response to the pandemic. Granted, we should not depict these developments in an overly romantic light. Many initiatives are born mainly out of necessity as a result of market (and state) failure, so that people are driven by economic and social pressure to find their own solutions and build a new social infrastructure. But the idea of the common good is inconceivable without people who cooperate with each other, create shared spaces and thereby demonstrate that individual and collective interests are not mutually exclusive.

Let's remunicipalise

How can these impulses – the importance of providing comprehensive (social) basic services, a state that is not merely a crisis manager but also actively shapes a society founded on solidarity, and a committed and concrete form of local solidarity that must be perpetuated – be condensed into projects which illustrate the need for changes that are far-

reaching but can also be implemented and understood at the practical level and tie in with direct experiences of the crisis? A good answer is provided by the numerous global initiatives to remunicipalise resources and to build a local economy for the common good.

To this day, the mantra of many advocates of the pure market doctrine is that public services are an inefficient, bureaucratic and expensive instrument from the last century that must be replaced by private-sector providers. However, the counter-narrative is that the privatisations led to increases in costs, reductions in the coverage and quality of services, deteriorating working conditions and the loss of any democratic control over basic services.

Public interest objectives such as sustainability and social balance were neglected in the battle for high expected returns on investment. The grievances became in part so acute that many local authorities had to react. The global service sector trade union PSI has identified over 1,500 initiatives to remunicipalise public services in the past 15 years – most of them in Europe.

Here, numerous trade unions, local politicians and social movements are committed to public services that serve the common good. In Germany, the municipalisation of the energy supply is an essential part of the transition to renewable energy. In France, over 100 initiatives to municipalise the water supply have led to significant reductions in prices and the modernisation of the infrastructure. In Chile, public pharmacies have reduced the cost of medicines. In Oslo, after twenty years of steady deterioration in working conditions, waste collection has been brought back under the responsibility of the municipality, as have the 7,000 cleaning staff employed in municipal enterprises in Seoul. And in the USA, municipal telecommunications providers are equipping schools with stable Internet connections.

Affordable alternatives

In rural and in urban areas, in small towns and capital cities, from water, energy and nursing care, through transport, housing, education and health, to public funeral parlours that offer affordable alternatives in difficult moments of life – the contexts are highly diverse. But the numerous examples show that even under difficult conditions, it is possible to build effective, transparent and affordable public services with good working conditions and democratic participation, which also address the two creeping corrosive crises of our time, extreme social inequality and global warming.

Moreover, especially in (smaller) cities, this reappropriation is often a central part of a larger biotope of public-interest oriented enterprises, such as workers' cooperatives, cooperative enterprises, housing syndicates and social entrepreneurship. For ultimately the main issue here is not the concrete form of ownership, but of the goals of the project and how municipalities and their citizens can recover more power to shape local economic resources and public life. These approaches are the counterpart to a 'market democracy' in that the local communities secure democratic access to elementary economic processes through diverse public and cooperative forms of ownership.

Where people see themselves as mere appendages of the development of the 'markets', as was the case in many privatisation decisions in recent decades, democracy also atrophies.

Remunicipalisation is certainly an unwieldy slogan, but the idea behind it is not. Already during the pandemic, local authorities around the world are at the forefront of efforts to contain the health crisis and to give people a sense of confidence and security. If the impulses generated by the fight against the virus are to have enduring effects and the economic stimulus programs are to be above all a 'rebuild' and not merely a 'reboost', then they need to be strengthened and supported.

For security in change must be realised also and above all in people's immediate vicinity – and in a twofold sense. On the one hand, it must take the form of social security that has concrete effects in people's lives and of the reliability of the rules governing their immediate living environment. New mobility concepts, affordable living space, access to health and nursing care, a clean and decentralised energy supply, a secure food supply and protection of the landscape – all these factors have a tangible impact on people's everyday lives and are goods that make a secure life possible. And, on the other hand, it must be realised as security of involvement in the sense of being able to exercise influence and help shape the future, because this is the only way to regain trust in politics and society.

Where people see themselves as mere appendages of the development of the 'markets', as was the case in many privatisation decisions in recent decades, democracy also atrophies. In most cases of remunicipalisation, therefore, what is at stake is not just a straightforward change of ownership. They are also a matter of increasing local participation and democracy and bringing together people and initiatives that develop imaginative social and political programs for making towns and municipalities liveable.

All of this costs money

What is often lacking in many countries – apart from a strong commitment to state-guaranteed principles of the welfare state – is a strategy for how the diverse pioneering achievements and initiatives can also develop into structures with the potential to combat profit-oriented approaches where the social and ecological added value should outweigh the rate of return. This calls for state support that improves the chances of success of local public welfare economies, either by providing the 'development tools' (capital, technology and knowledge) for such projects or by offering protection, for example, by drafting public tenders and trade agreements accordingly.

Decentralised economies also require more leeway for municipal and institutional decision-making which initiates integrated planning processes and business cycles between local and regional companies and public 'anchor institutions' on the ground (such as administrations, hospitals and schools). This is supported by a variety of 'mini-publics', such as town meetings and citizens' juries, which advise, for instance, on public transport, local economic strategies or on the domains in which profits should (and should not) be generated, and thus can guide the decisions of city councils and parliaments.

All of this costs money and means that the municipalities have to be equipped with better resources than they currently enjoy in most places. Will the pandemic enduringly change our economic and social narrative and our current view of the world? We don't know. But what we can say with certainty is that, for the second time in a long decade, the economies need to be rescued with public funds.

The scale of the funds mobilised will be so great that it will cement the existing structures for years to come. Or it will initiate a change. And this must begin where both the prospect of a fundamentally different, public welfare-oriented economy and concrete improvements for a secure life can become tangible – at the local level.



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