

Critique of political economy of water and the collaborative alternative



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- The approach and recognition of the water (and in general, water supply and sanitation) as a commons, a social good and a fundamental human right or vice versa, as a commodity and / or as a means for taxing citizens determines the policy management: private, public, social, based or not on democratic participation of citizens and workers [1].

[1] Nikolaou K., "Water in the World: Social good or commodity?" For Environmental Education, 3 (48), 2013 Also in: Dialektika, 22.3.2012, www.dialektika.gr

- The results of the private management of water, which is applied worldwide, are now known: degradation of water quality, increased water loss, deterioration of infrastructure and increasing prices [1, 2].
- The results of the public or social or public-community, based on cooperation between public and local and regional bodies, cooperatives, trade unions and other collectives of a community are also known: accomplished citizen involvement, strengthened quality water services and lower prices [1, 3].

[1] Nikolaou K., "Water in the World: Social good or commodity?" For Environmental Education, 3 (48), 2013 Also in: Dialektika, 22.3.2012, www.dialektika.gr

[2] Food and Water Europe, "Public-public partnerships. An alternative model to leverage the capacity of municipal water utilities ", 2012

[3] Public Services International and Transnational Institute, "Public-public partnerships (PUPs) in water", March 2009

- The main water management policies (and in general, water supply and sanitation) are four:

- 1) Private
- 2) State
- 3) Local government (municipal or regional) and
- 4) Collaborative - Cooperative.

There are and combinations of them, but do not change the basic categorization.

- In the following, brought a critique of political economy models of current water management and the collaborative management is approached as an alternative in the context of social and solidarity economy and direct democracy, which is mainly based on democratic participation of citizens and at the same time can ensure the participation of workers and local government.



**Private management:
profits for companies**

- In the case of private water management, usually the investments and the ownership of infrastructure and natural resource of water owned by the state and the management - distribution of water by the private sector.
- The public-private partnership is the usual form of privatization which opened the new field for business profits through the exploitation of the natural resource of water, although it belongs to everyone as a commons, and the labor embodied in the management of water supply and sanitation (processing, quality control, distribution, etc.) and finally, the appropriation of surplus value produced by workers.
- Further profits arising from the maintenance of infrastructure, implementation of technical projects etc, realized by the same or other companies.
- The price of water paid by citizens determined by the profits of companies and is well above the actual cost of receiving, processing and transporting water from source to tap.

- The policy of privatization of water management is not accidental, but an integral part of the attempted privatization of strategic sectors of the society, economy and environment (as well as energy, natural resources, food, waste management, etc.) within the dominant neoliberalism as the contemporary expression of capitalism.
- This neoliberal privatization policy in conjunction with the — without historical precedent - aggressive policy of financial capital is an unprecedented attack of the smallest and richest percentage of society against the vast majority of the population and leads to a huge transfer of wealth from workers and small and medium classes to the hands of few, deepening further the current crisis (born and exacerbated because of social inequality) and pushing the system to more extreme disorder [4].

[4] Nikolaou K., "Science and crisis: Approaching socially equitable exit", Proceedings of 21th Panhellenic Conference on Chemistry, Thessaloniki, 9-12.12.2011. Also in: Dialektika, 10.12.2011, www.dialektika.gr

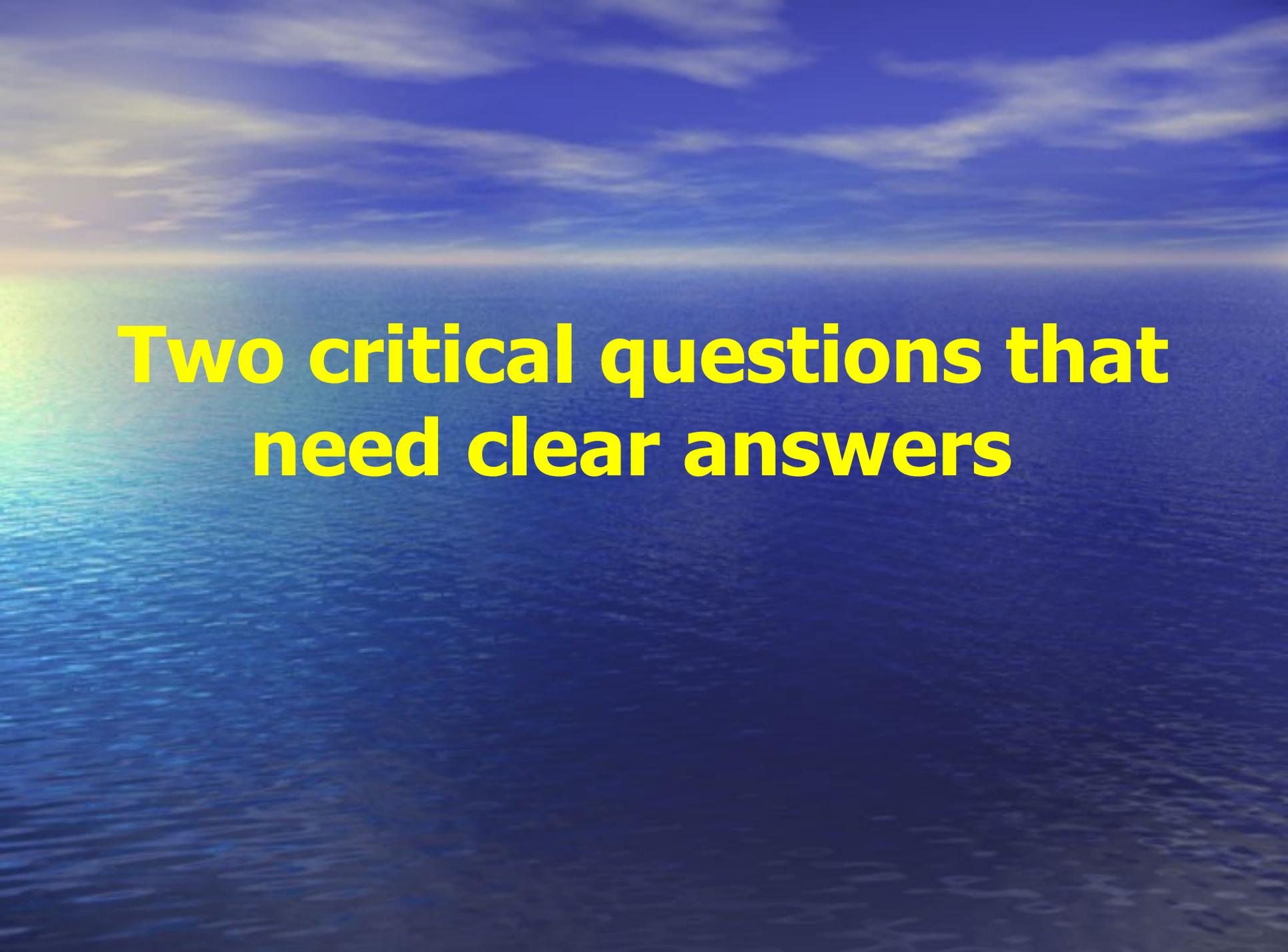


**State and local government
management: taxes on
citizens**

- In the cases of state and local government water management, usually the investment and the ownership of infrastructure and natural resource of water owned by the state and the management - distribution of water by the state or local government respectively.
- In these cases, both the exploitation of the natural resource of water, although it belongs to everyone as a commons, and the labor embodied in the management of water supply and sanitation (processing, quality control, distribution, etc.) ultimately leads to the production of surplus value produced by workers, which manages the state or the local government respectively constituting indirect tax.
- The price of water paid by citizens determined by the "surplus value – tax" decided and required by the state or local government and it is above the actual cost of receiving, processing and transporting water from source to tap.

- Therefore, the state and local government water management functions as a means for imposing indirect taxes, which are known to be the most unfair and extreme class taxes.
- Note that in this case, profits may arise from the maintenance of infrastructure, implementation of technical projects, etc., realized by private companies.

- The decision therefore to manage “surplus value – tax” finally obtained by the government or local government (municipality or region).
- It could be argued that a government or a municipality may or may not affect the price of water by such a tax and that it suffices to elect such governments and municipalities.
- This means that water management will be every 4-5 years depending on the results of parliamentary or local elections.
- Historical experience shows that transfer of decisions - that determine the lives of all citizens – to other people, is causing the problem.



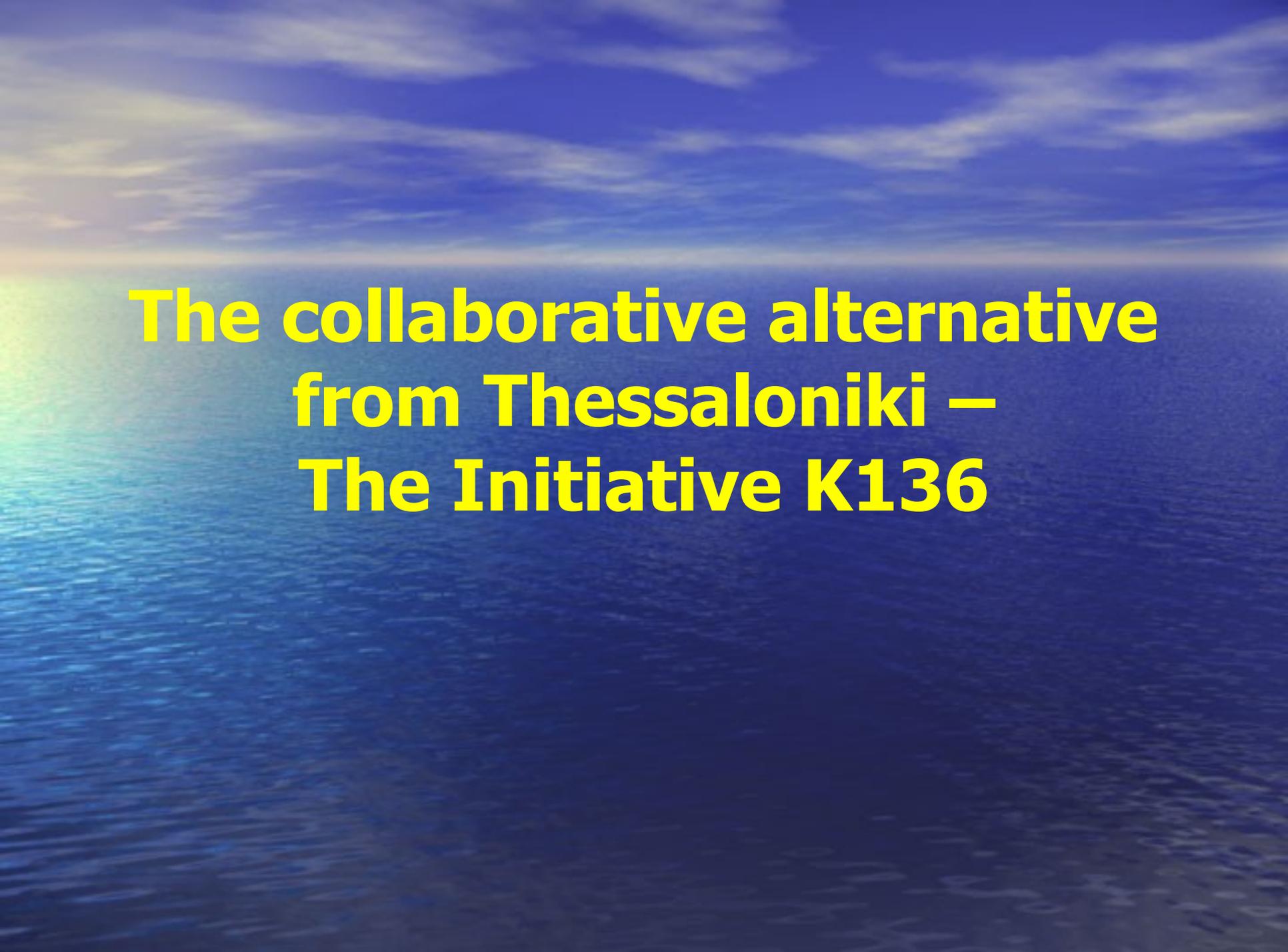
**Two critical questions that
need clear answers**

At this point there are two critical questions.

- First: who made and who makes the privatization of water everywhere in the world?
- As it is well known, the governments, the municipalities and the regions depending on the case.

- This raises the second question: **Saying no to privatization and ultimately preventing the privatization, say yes to what?**
- Be the water management in the hands of governments, municipalities or regions?
- That is in the hands of institutions that made or make privatization?
- But then we turn back to the transfer of life to others, in other words, we turn again to the problem.

- So what is the answer?
- Once the water belongs to everyone, since it is a commons, a social good, a human right, then it must be social ownership and management.
- That is, they are real owners and managers all citizens with direct democracy, with equality, with social solidarity, without profit, without taxes.
- How can this be done?

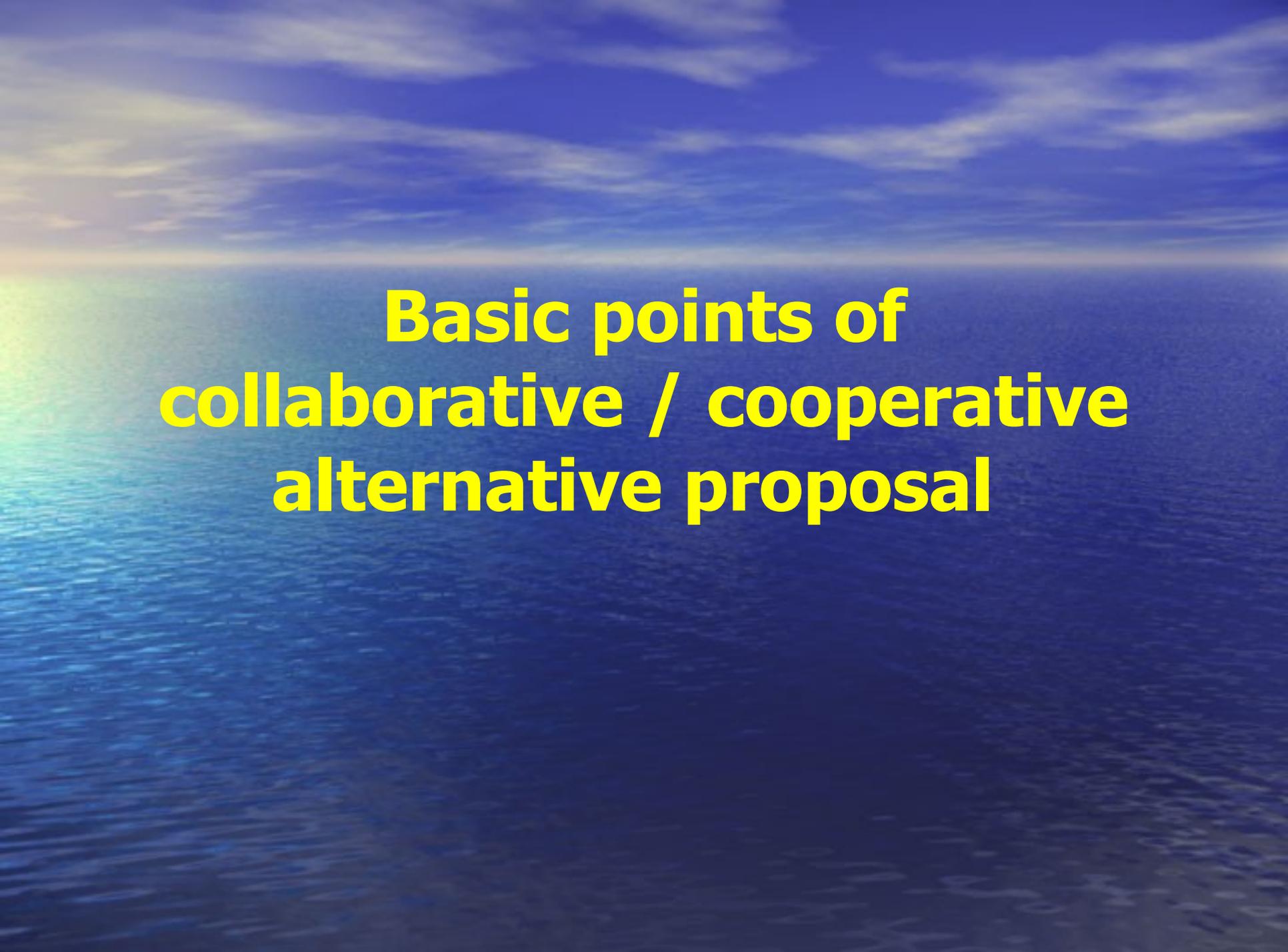


**The collaborative alternative
from Thessaloniki –
The Initiative K136**

- In 2011 in Thessaloniki, a proposal had been formulated, according to which, with 136 euro per household (per hydrometer), the citizens can get in their hands the ownership and management of the Water and Sewerage Company of Thessaloniki - EYATh (sold by the government) and become the drinking water a social good, thus preventing the privatization. From this idea took the name the Initiative K136 [5].

- The idea constituted the continuity of the first labor union struggles against the privatization of EYATH during the decade of 2010, discussed and passed by the EYATH workers union to the assemblies of the square of the White Tower (movement of "indignant"), then discussed in citizens initiatives for direct democracy and social solidarity economy and ultimately created "from below" the K136, independent of political parties, organizations and all kinds of economic and political interests.

- The first 3 years (2011-2014) the K136 struggling in every municipality, community, neighborhood (continuously on a weekly basis) against the privatization of EYATh, created so far 12 non-profit cooperatives in 12 of the 16 municipalities and communities in the region of Thessaloniki, associated with EYATh.
- Hundreds of people are involved directly or indirectly to the cooperatives (who constituted a ready base of volunteers in the referendum against the privatization of EYATh in 2014), while thousands of people connected and informed about the cooperative proposal.



**Basic points of
collaborative / cooperative
alternative proposal**

1. Creation of non-profit water cooperatives per municipality and per community with members all citizens of the municipality or community
2. Creation of the secondary union of all non-profit water cooperatives
3. Collective ownership of the water and sanitation entity by the cooperatives
4. People hold cooperative share (to which they belong) and not shares of water and sanitation entity (this would mean privatization like "Thatcher form" and it is a "popular capitalism")
5. The cooperative shares can not be sold in general, because they accompany and correspond to hydrometers. Thus, no one and no company can never control the cooperatives and consequently, the water and sanitation entity
6. Non-profit management of water supply and sanitation. There can be no profit in such cooperatives. Besides, it makes no sense the existence of profit – tax – surplus value after owners, managers and consumers are all citizens and they do not sell water to someone else. The water prices cover its cost
7. In cooperatives it is valid the principle: one person - one vote regardless of the number of cooperative shares, which everyone is holding

8. The cooperatives are operating in the context of social and solidarity economy. Benefit all citizens-members (social economy) and simultaneously supported financially weak and guarantee access to water-sanitation for all citizens (solidarity economy)
9. The cooperatives are operating in the context of direct democracy. The decisions are taken by the assemblies of cooperatives and not by the Governing Council (GC) of cooperatives or by the GC of water and sanitation entity
10. Representatives of cooperatives transfer decisions of citizens' assemblies in the assembly of the Union of Cooperatives and the GC of water and sanitation entity and perform, they do not decide
11. Management with aware of the relationship of water and sanitation to protect the environment and avoid the risk of climate change
12. Non-alienation of the worker from the product of his work [5].



Clarifying some theoretical issues

- It is absolutely necessary clearing up that each called cooperative does not mean that belongs in the social and solidarity economy, if not based on the above principles. Also "on current cooperatives, they have value only if they are independent creation of the workers and are not protected either by governments or by the bourgeois" [7]. Because "that workers want to create the conditions of cooperative production on a social scale, and first of all on a national scale, in their own country, only means that they are working to overthrow the current terms of production and this has nothing to do with creating cooperatives with the help of the state" [7]. Still, "if the material conditions of production are cooperative ownership of the workers themselves, and then the distribution mode of consumption media will be different from today" [7].

- The idea of collaborative self-management of water and sanitation authorities by workers and all the citizens of a region, which repeals and replaces the capitalists in the place of surplus value appropriation, which they produce, is an example of a more general approach, according to which its absence was the determining cause, which overthrew social policies and the welfare state in capitalist countries [8].
- We note that this approach is the logical consequence of available - for a one and a half century - scientific theories and analyzes for surplus value [9].

[8] Wolff R., "Workers self directed enterprises", Lecture, Berlin, 5.11.2011

[9] Marx K., "Grundrisse - Fondements de la critique de l' économie politique", Ed. Anthropos, Paris, 1968

- So there is "an even greater victory of work political economy on the political economy of property. We talk about the cooperative movement ... "[10], which we must admit that it has a terrible problem that was identified 150 years before or so, that "associations of workers could manage shops, mills and almost every kind of activity and immediately improve successfully the living conditions of people. But they did not left a distinct position for bosses. Terrible! "[11].

[10] Marx K., "Inaugural Address of the International Working Men's Association - The First International", 1864, Marxists Org.

[11] Marx K., "The Capital. A critique of political economy ", Ed. Lawrence and Wishart, London, 1954



**Historical successful
examples of water
cooperatives**

- **Spain:** Cooperative water management in Barcelona during the Spanish Civil War. The company Agbar, which took over the operation after the defeat of the democrats featured incredible reforms achieved by the water cooperative water.
- **Bolivia:** The World Bank recognized that the water cooperative in Santa Cruz was the only in the country that managed to give water to all the citizens of the city.
- **Argentina:** In Buenos Aires after the departure of the company Enron, the consumer and workers cooperative successfully manages the water supply [12].
- **Mexico:** In Chiapas, cooperatives are the economic pillar of the Zapatistas. All is cooperative with policy based on direct democracy, education on solidarity economy and collective ownership, active participation of many in the life of the community [13].

[12] G. Kallis. "Water is everyone's business - There are alternatives to privatization", <http://greeklish.info/gr/greece/environment>, 24.1.2014

[13] Rodríguez S., "Las cooperativas son el pilar económico del zapatismo", La coperacha, 11.6.2014, www.lacoperacha.org.mx



**Converging on a
collaborative alternative**

- In Thessaloniki, after the referendum in 2014, where 218 002 people (51% of those who voted in local elections) went to the polls of Referendum in 181 polling centers and the overwhelming 98% said 'No' to privatize EYATH, after the decision of the Council of State that is unconstitutional privatizing water companies and after the decision of the Athens Court against TAIPED (HRADF - Hellenic Republic Asset Development Fund) that without transparency and justification excluded the union of Thessaloniki citizens water cooperatives in the competition for EYATH (the disclosure of the opacity of procedures shows that was right for cooperatives to participate in the contest), the privatization of EYATH has been strong shocks [14, 15].

[14] Nikolaou K., "The referendum on the water of Thessaloniki", European Water Movement, <http://europeanwater.org>, 2014

[15] K136, "Decision of the Athens Court against HRADF", European Water Movement, <http://europeanwater.org>, 2014

- The K136 assembly considers that is the right time to develop a positive proposal, which may be a majority in society and can be an articulation of government and / or local government (municipal / regional) management of infrastructure and water sources, with cooperative ownership and management of water supply and sewerage entity with participation of local communities and workers in the management of the entity, like the water cooperative statutes already provide [14, 16].

[14] Nikolaou K., "The referendum on the water of Thessaloniki", European Water Movement, <http://europeanwater.org>, 2014

[16] K136, "Press release", European Water Movement, <http://europeanwater.org>, 2014

- A proposal to move within the social and solidarity economy and direct democracy, aiming at a society and economy of needs and not of profits, in a society where the free development of everyone is the condition for the free development of all.