Care, public services and the importance of integrated local public ownership

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1. Introduction

The importance of integrated local public ownership and control of services was highlighted during the COVID Pandemic where some of the world's wealthier countries – notably the US and UK – experienced some of the worst infection and mortality rates.[1] Research has suggested that a lack of local public capacity, as a result of decades of cuts to public services and the reduction of trained staff, often driven by austerity policies, hampered initial efforts to combat the spread of COVID. The effects were especially evident for local government services, where so many vital functions and activities related to care, health but also the basic infrastructures for everyday life are located and managed. Particularly hard hit were poorer communities, where the lack of access to decent affordable local health and social care was often a critical factor accounting for much higher mortality rates than in wealthier sections of the population.

The Pandemic came on the back of almost four decades of dominant neoliberal policymaking around the world, which assumes that forms of market provision and private enterprise are more efficient than the public sector, or a planned approach, in the delivery of critical public services, across a range of sectors from water to energy, to health and social care, and transport. Yet the evidence of poor performance of privatised and outsourced local services has mounted, as they put short-term profits of private operators over good and affordable provisioning that cares for communities. When for-profit services rely on cost cutting measures this often involves downsizing and deteriorating conditions for workers. In response to these failures, there has been a growing trend towards what is termed remunicipalisation.[2] This is where cities and towns take privatised and outsourced public services back into local (municipal) ownership and control.

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[1] BMA (2020) *Public Services, Private Profit: the Role of Private Outsourcing in the COVID 19 Re*sponse, British Medical Association London, July 2020, p4. Benjamin Goodair and Aaron Reeves, Outsourcing health-care services to the private sector and treatable mortality rates in England, 2013–20: an observational study of NHS privatisation. *Lancet Public Health* 7, 638-46, 2022. Jennifer B, Nuzzo and Jorge R. Ledesma (2023) Why Did the Best Prepared Country in the World Fare So Poorly during COVID? *Journal of Economic Perspectives* 37, 3-22.

[2] Andrew Cumbers, Bethia Pearson, Laura Stegemann and Franziska Paul (2022) *Mapping Remunicipalisation: Emerging Trends in the Global De-Privatisation Process*, University of Glasgow. Satoko Kishimoto, Olivier Petitjean and Lavinia Steinfort (2020) The Future is Public: Towards Democratic Ownership of Public Services (Amsterdam: Transnational Institute. Both reports available at: https://publicfutures.org/resources

In this short briefing, we demonstrate the importance of remunicipalisation as a key dimension in creating better, more integrated, democratic and publicly owned local service provision. We show that this is critical to shift away from economies driven by private profit and growing inequalities, and towards an agenda around more equitable and caring societies.

2. Care and integrated local public ownership

How does local government ownership of public services relate to care and caring cities and societies? If we think about services that enable a caring system from the point of users – affordable and reliable transport networks, accessible and quality housing, equitable health and social care, and a clean and healthy environment to name a few – these are all interconnected in a way that only integrated local public or municipal ownership and control can fully realise. Many of the problems that emerged during the COVID Pandemic highlighted how decades of outsourcing and privatisation of local services had left local governments with a lack of capacity, knowledge and overall control of critical services. If we think about care more broadly as also being concerned with the work that is carried out by care givers in society, there is evidence that working for a public authority offers more economic security and more equitable terms and conditions than working for a private or outsourced company. This is usually linked to workers having better rights, conditions and the ability to participate in important decision-making around caring work through collective bargaining and strong trade unions structures. In comparison, privatisation and liberalisation of employment usually leads to work intensification, poorer wages and conditions and growing levels of precarious work.[3]

When understanding care as the labour and value that is driving structural and social transformation, public ownership can, at its best, enable a level of democratic participation in the development and delivery of public services.[4] This can help public authorities to rethink how services are provided and how communities function, ensuring universal access to local public services,

[3] Jörg Flecker et al (2009) *Privatisation of Public Services and the Impact on Quality, Employment and Productivity* (Summary report of the PIQUE project), Hans Böckler Stiftung, Vienna.
[4] For a range of sector and geographical examples that demonstrate that, see Kishimoto et al, 2020.

providing social protection systems, fostering local economies of care and equality, and orientating local economic development towards equitable prosperity. To do so, it requires involving including workers, who have the first-hand knowledge of providing care work, but also critically those often excluded from these processes, such as people with disabilities, women and girls, and people from marginalised socio-economic groups. Finally, care as looking after the planet necessitates services being run with sustainability and climate change as core concerns, not optional extras. Public ownership initiatives around the world have demonstrated how this can be achieved.

It may seem to be a matter of common sense that services run in the pursuit of profit are incompatible with this vision for creating caring communities, systems and societies, yet, in many countries, we still see sectors such as elderly care dominated by private corporations seeking returns on investment rather than ensuring quality of life for both the giver and receiver of care. Additionally, government policy across many countries, and indeed informed by global governance institutions such as the IMF, and institutions like the European Union, still demonstrates a preference for private solutions to critical problems, notably in addressing the climate emergency. In practical terms, private ownership of discreet services and the outsourcing of parts of services sets limits on the extent to which public services can be coordinated and organised as an *integrated* care system. Indeed, there is considerable evidence that privately-run public services fail not only by these measures but also do not deliver on its promises of efficiency and cost-effectiveness.[5] Commercialisation and privatisation of public services have increased inequalities and segregation, disproportionately harming the most overloaded with care work: women and girls.[6]

What is the evidence that integrated local public ownership is a precondition for realising the vision of caring societies? Drawing on an international database of cases of remunicipalisation[7] as well as more than 20 years of qualitative research around the world, the following sections focus on how integrated, democratic, universal and effective public services can shape a future-proof care agenda.

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[5] https://www.eurodad.org/historyrepppeated2
[6] https://publicservices.international/resources/news/recognising-care-as-a-human-right-and-a-public-good-?lang=en&id=15382
[7] See: https://publicfutures.org/.

3. Remunicipalisation and a caring society

Public ownership of services including water, energy and healthcare has been returning to the forefront of public policy at the local level for more than 20 years. This shift has been monitored with the Public Futures database, a collaboration between the European Research Council project 'Global Remunicipalisation' at the University of Glasgow and the Transnational Institute (TNI). Public Futures is an open access, crowdsourced and expert-verified database that records cases of local deprivatisation (remunicipalisation) and new public service creations (municipalisation) around the world, from 2000 onwards. The latest confirmed figures are 1,763 cases in 78 countries on every continent and across 91 different services and activities.[8]

Remunicipalisation is prevalent in the global north, especially in Germany, France and the United States, with a growing number of cases also emerging in the United Kingdom, Australia and Spain. Overall, we see fewer remunicipalisations in the global south, partly because privatisation has been less pronounced there so far, but there have been significant numbers in the water sector where local and regional governments have pushed back against privatisations dating back to the 1980s. In addition, when it's difficult to reclaim a service from the market or when a certain service is clearly missing, we see public authorities creating new public services, such as the creation of many new public energy services across Germany. There has also been an interesting recent trend in Chile, where local governments have been setting up local pharmacies in response to the inequalities of privatised healthcare.[9]

Remunicipalisations are particularly strong in the sectors of energy (24 per cent) and water (22 per cent). However, we also see increasing diversity in sectoral concentration, particularly in telecommunications, health and social care, and waste. Finally, where motivations for reclaiming and building new public services have been recorded, the two most frequently given reasons are the demand for improvements in quality of service provision and achieving cost reductions.[10] Other motivations include taking back democratic control and using

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[8] https://publicfutures.org/about
[9] Alexander Panez Pinto (2020) Rebuilding public ownership in Chile: Social practices of the Recoleta commune and challenges to overcoming neoliberalism. In: Kishimoto et al.
[10] See Cumbers et al (2022).

remunicipalisation for wider policy objectives linked to more equitable local social and economic development.

4. Remunicipalisation as a driver for more integrated public provision

When the reasons behind the remunicipalisation trend are explored, a common theme that comes out of the motivations cited above is the imperative for local governments to regain control of vital public services so that these can provide better delivery for users as well as being linked to the creation of better jobs and more sustainable and robust forms of local development that at the same time respond to climate change and environmental responsibilities. In short, the care dimension in various forms is highly prevalent. Here, we showcase a set of case studies that focus on three elements of this trend: accessibility and affordability: care for the environment; and the democratisation of public services.

4.1 Making public services accessible and affordable

Plymouth, UK

With the aim of creating a just transition strategy which had the needs of the local community at its heart, the city of Plymouth, in southwest England, created the Plymouth Energy Community (PEC) in 2013. PEC started as public-community partnership where the city provided financial support and the expertise of its civil servants to build up the local capacities needed for create "a fair, affordable, low-carbon energy system with local people at its heart".[11] This involved building new renewable capacity while also trying to make energy more affordable. By 2019, PEC had assisted over 20,000 households to save more than £1 million on their energy bills, while clearing small debts to the tune of £26,000. Moreover, it built a solar farm on contaminated fallow land, which in combination with rooftop solar, produces renewable power to 2,000 homes. Eventually, the aim is to generate up to £1.5 million over the course of the project's 20-year lifetime, will be

[11] Luca Hopman, Satoko Kishimoto, Bertie Russell and Louisa Valentin (2021) Democratic and collective ownership of public goods and services: Exploring public-community collaborations. Transnational Institute, available at: https://publicfutures.org/resources.

locally reinvested to further curb energy poverty and greenhouse gas emissions.[12] In 2023 alone, PEC was able to provide £815,000 in benefits, savings and grants, for the local community.[13] This innovative form of ownership where local government partners with a community development organisation shows the potential for a more democratic and equitable energy transition.

Recoleta, Chile

Chile experienced one of the most extensive and sustained periods of privatisation as part of its military dictatorship over the period from 1973-1990. Public services including education, healthcare, energy, water and transport were taken over by corporations, often transnational ones, which increased prices for citizens and produced significant social inequalities between those who could afford to pay for privatized services and those who could not. In 2012, the local government of Recoleta – with just under 200,000 inhabitants – initiated a programme of local public services in priority areas for the population. The best-known of these is the 'popular pharmacy' initiative, started in 2015, the aim of which was to provide medication for citizens based on social need, rather than ability to pay. This was made possible by purchasing medicines directly from suppliers, rather than private intermediaries, on a by-demand basis. This model was replicated across Chile with public pharmacies created in 44 municipalities in total and estimates suggest reductions in the cost of medicines of up to 70 per cent.

4.2 Caring for the planet through sustainable public services

Cairo, Egypt

Traditionally, about two-thirds of Cairo's waste has been managed by the Zabaleen community. By relying on door-to-door collection and pigs feeding on the food scraps, 85 per cent of the daily 15,000 tons was recycled. However, following privatization of waste services in 2002, recycling rates dropped to around 25 per cent with certain areas of the city no longer having service provision. At the same time, the Zabaleen waste workers experienced a 75 per

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12   https://www.tni.org/files/futureispublic_chapter_15.pdf
13   https://plymouthenergycommunity.com/about/news/our-impact-this-year-2024

cent drop in their wages under the new private contractors. Moreover, residents had to pay for these inadequate waste services through a surcharge on their electricity bill leading to hundreds of lawsuits. To tackle these issues, when the private contract expired, the municipality decided to remunicipalise its waste management and again, partner directly with the Zabaleen community. This case shows that deprivatising waste services in partnership with a local community can effectively contribute to higher wages, better service provision and a more circular economy.[14] It also shows the importance of a more holistic integrated approach to public services, demonstrating how privatization effects can have negative spillovers beyond their direct sphere of activity.

Paris and Rennes, France
Most of the documented water remunicipalisations (70 per cent) have taken place in France with a total of 115 cases, where a growing scarcity of water has led to increasing public debate around water and its equitable distribution. Developments from Paris to Rennes show how deprivatisation can result in more sustainable water and land management that both lowers prices to consumers and manages water supplies more effectively and in harmony with the environment. In 2010, Paris reclaimed its water services and created the municipal company Eau de Paris. Municipal ownership has been key to increased accountability by creating an independent water observatory and a more diversified board that includes elected officials alongside, staff representatives, user groups and environmental advocates. These changes were not only vital to lower tariffs and support households with payment diculties; they also underpin great strides towards sustainability. For example, as part of its resources protection policy, Eau de Paris buys farmland and leases it to farmers at affordable rates on the condition that land is farmed according to more organic and environmentally friendly methods. This has improved the quality of water resources. Moreover, the company had steadily reduced its greenhouse gas emissions by reducing energy and shifting its power sources towards its own renewable generation.[15]

Outside Paris, the city of Rennes is another example of how water remunicipalisation can link to a broader sustainability strategy. In 2014, the city remunicipalised its water services. Taking back management of water allowed

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[14]
https://www.tni.org/files/publication-downloads/executive_summary_the_future_is_public_def_online_14july.pdf
[15]   https://www.tni.org/files/futureispublic_chapter_2.pdf

the municipality to start protecting the water catchment areas that suffered from pollution from intensive industrial agriculture, supporting more sustainable agriculture and ensuring healthy meals in schools and day care centers. One year later, the city launched the 'Terre de Sources' programme which has been supporting 2,000 farms over an area as large as Paris to shift to ecological farming. The objective of the programme was fourfold: improve water (resources) quality, advance sustainable farming, involve all stakeholders in water governance, and establish fair pricing for local, sustainable products. This has enabled the prevention of water and land pollution through a shift away from pesticides, fertilisers and antibiotics. The collaboration between the city of Rennes, the municipal water company and farmers has lessened water treatment costs while protecting local water sources – with children, water users and the environment as its beneficiaries.[16]

4.3 Democratising public services

Terrassa, Spain
Terrassa remunicipalised its water services in 2017 and has become an example for democratic, participatory and socially just water services. A coalition of citizens and a wide variety of civil society organisation united in a movement known as "Aigua es vida" (Water is life) which convinced local authorities to end the contract with the private operator and set up a new public water company. The new public water operator was accompanied by a citizens' water observatory (Observatori de l'Aigua de Terrassa, or OAT) to ensure participation and democratic governance. The observatory consists of 36 members representing unions, NGO's, academics and political groups, among others, and operates through six working groups in the "triangle" between City Council – Water Utility – Users. The working groups deal with issues such as water quality, communication, education, social justice and environment. The role of OAT goes beyond observation of the functioning of the water utility and extends to making policy proposals and "co-producing" public water policy. Decisions are taken by open assembly based on consensus and democratic voting mechanisms. The OAT is different than, for example, the Water Observatory in

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[16]
https://www.tni.org/files/publication-downloads/public_community_collaborations_report_web_19_aug_2021.pdf

Paris that was installed after remunicipalisation in the sense that the two members of the OAT that are in the board of directors of the Terrassa water utility do have voting rights, contrary to the water observatory members in Paris. It demonstrates that remunicipalisation can entail a strengthening of public power. This model inspired many other local governments, both in Spain as well as in other countries, in rethinking and remunicipalising their public (water) services.

5. Conclusion and policy implications

Frustration at the problems arising from privatisation is driving a remunicipalisation trend but equally critically, there is a desire for local governments and citizens to take back control over key services to both improve performance but also to provide broader benefits for local communities. Our case studies show how in different ways taking back ownership and control of local public services enables municipalities and local government to forge new integrated strategies around key public priorities and needs that shift the focus away from private profit seeking. This is most evident in the Chilean pharmacies case, where new forms of public provision can tackle fundamental social inequalities in relation to health care. The water examples also demonstrate how municipalities in France are using remuncipalisation to shift focus away from revenue generation and narrow economic metrics towards a more integrated set of social and ecological priorities consonant with an ethos of care and more sustainable forms of water and land management. The Cairo case similarly suggest the positive benefits for environment, jobs and users of an integrated public approach to the city's waste management compared to the fragmented and negative effects of privatisation.

Both the Terrassa and Plymouth cases illustrate ways in which local public ownership can also empower citizens and communities to participate in decision-making, addressing some of the discontent and alienation that is often felt by local people in relation to their vital services and infrastructures being controlled by 'out of touch' corporate elites driven by profit rather than an ethic of care. From a related perspective the Public Futures database also contains evidence of a new generation of public broadband companies that are

flourishing in 'left behind' parts of the United States in rural areas and small towns, where low income communities are economically unattractive for large corporate operators. Here, alliances between local communities and local government drive the development of new public networks at affordable rates that secure vital access to the internet and digital economy to combat economic marginality and exclusion.[17]

From a policy perspective, remunicipalisation suggests a growing demand to bring more sectors into public ownership, where critical infrastructures, assets and services can be reoriented away from narrow commercial criteria under privatisation towards a broader set of community, social and ecological concerns. The COVID Pandemic reinforced the importance of locally integrated public service control, capacity and delivery as critical to the care, health and wellbeing of all citizens and their environment. Yet, there is still a need to challenge the official policy discourse of key bodies such as the OECD, EU and IMF which continues to advocate private solutions to public service provision despite the evidence of its deficiencies. If the focus of local governance is to shift towards an ethos of care, social wellbeing and ecological balance, then remunicipalisation needs to be asserted as an alternative policy proposal.

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[17] Thomas M. Hanna and Christopher Mitchell, (2020), United States: Communities providing affordable, fast broadband Internet.