

# Chapter 10

## Water Remunicipalisation: Between Pendulum Swings and Paradigm Advocacy

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**Abstract** This chapter considers whether remunicipalisation – the return of water services to public ownership and management following the termination of private operating contracts – has a role to play in the future of the urban water sector. It does so by looking at the process of remunicipalisation in Berlin, Germany and Buenos Aires, Argentina. Attention is paid to the interplay of: (1) pendulum swings between competing paradigms of water service management; (2) the paradigm advocacy resulting in the dominance and emergence of paradigms at local level; and, (3) the conceptual tensions between communitarian and privatist paradigms of urban water management. In both cases, the rigidity of the privatist paradigm has led to the emergence of the communitarian paradigm. Two different processes of remunicipalisation are observed: explicit paradigm advocacy in Berlin, and tacit paradigm advocacy in Buenos Aires. In neither case has the passage from private to public ownership automatically led to the dominance of the communitarian paradigm. Indeed, the causal relationship between remunicipalisation and progressive change is not one of necessity but rather of possibility. Nonetheless, the emergence of water remunicipalisation as a global trend in the last 15 years has profoundly reconfigured institutional trajectories in the urban water sector. The dominance of the privatist paradigm is now challenged in the global North and South and will continue to be in future. This is due to persistent demands by communities for water to be treated as a social good, and the shortcomings of water privatisation as a community development tool.

### 10.1 Introduction

In the global North and South, the urban water sector is at a crossroads and its institutional trajectories remain as uncertain as ever. For more than three decades, international organisations like the World Bank have relentlessly promoted water

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privatisation. This neoliberal project has been promoted in tandem with a number of national governments and the multinational corporations that stand to benefit from increased business opportunities (Lobina and Hall 2009). The promotion of water privatisation has been underpinned by theories predicting 'state failure' (Bakker 2013) and prescribing private sector management in view of superior private sector efficiency (Lobina 2013). This theoretical armoury, also described as public choice ideology (Self 1993), emboldened the World Bank to assert that 'there is no alternative' to water privatisation (Hall and Lobina 2009a, p. 82). Yet, developments in the last 15 years have exposed the intellectual fragility of this theoretical and ideological armoury and an increasing number of governmental authorities and local communities have refused to subscribe to the only alternative that they were offered under this neoliberal project. While the policy preferences of the World Bank and other mainstream actors remain unvaried, these developments are causing the redefinition of urban waterscapes.

The first development is the failure of the academic community to find evidence of superior private sector efficiency (Bel et al. 2010), which exposes arguments of 'state failure' as a caricature of the public sector and a romanticisation of the private sector. The second development is represented by the widespread social resistance against water privatisation (Hall et al. 2005; Lobina and Corporate Accountability International 2014), which questions both the desirability and the feasibility of the neoliberal project. The third development is closely related to the first two and consists in the increasing termination and remunicipalisation of privatised contracts. The major cities that since 2000 have decided to close the book on water privatisation and remunicipalise water services by bringing them back under public control include Atlanta, USA; Dar es Salaam, Tanzania; Jakarta, Indonesia; La Paz, Bolivia; and the symbolically powerful case of Paris, France (Kishimoto et al. 2015). Together with the fact that the overwhelming majority of the world's cities are served by public water operators (Lobina and Hall 2008), the emergence of water remunicipalisation as a global trend (Lobina 2015, 2016) is upsetting neoliberal plans to turn privatisation into the globally dominant form of water service provision.

Water remunicipalisation consists in the return of urban water services to public ownership and management following the termination of private operating contracts. It also represents a new form of water service provision that goes beyond ownership change to incorporate collective aspirations for social and environmental justice and offer new possibilities for creating progressive water policies (Lobina 2015, 2016). Increasingly, cases of water remunicipalisation are associated with progressive change including improved access and service quality, and enhanced democratic governance (Lobina et al. 2014). In addition, the public sector has historically made a decisive contribution to the universalisation of access to water services in the global North (Hall and Lobina 2009b) and the expansion and strengthening of water service provision in countries of the global South such as Brazil and Argentina (Castro and Heller 2007). These precedents bode well for the potential contribution of water remunicipalisation to progressive change. Therefore, understanding the process of water remunicipalisation is of high policy relevance

and instrumental to charting trajectories of institutional reform in the urban water sector.

This chapter is concerned with the process of remunicipalisation as a paradigmatic policy change (Hall et al. 2013) and aims to ascertain whether remunicipalisation has a role to play in the future of the urban water sector. While Hall et al. (2013) predict institutional trajectories towards remunicipalisation by focusing on the macro-dimension of urban water reform in two northern countries, this chapter does so by looking at its micro-dimension in a northern and a southern city. To broaden the representativeness of the case studies, the chapter looks at one case of remunicipalisation in the global South (Buenos Aires, Argentina) and another in the global North (Berlin, Germany). Both cases explore the tensions between paradigms of water service management leading to and following the implementation of remunicipalisation.

This chapter is structured as follows. The next section outlines the main policy paradigms in water service provision. The third section contains an overview of extant research on water remunicipalisation as an emerging global trend, and serves as background for analysis. Particularly useful here are the observation of the extent and acceleration of the international diffusion of water remunicipalisation. The fourth and fifth sections present the two case studies. In the concluding section, the similarities identified between the process of remunicipalisation in Berlin and that in Buenos Aires allow for confirming some of the findings of Hall et al. (2013) and for qualifying others. In turn, this allows us to suggest new directions for future research.

## 10.2 Paradigms of Water Service Management

This chapter is concerned with the social forces and factors that underpin the process of remunicipalisation, to consider whether policy advocacy will be conducive to the expansion of remunicipalisation in the future. Events leading to water remunicipalisation in the chosen case studies are interpreted with the aid of a framework that consists of: (1) Polanyian pendulum swings between competing paradigms of water service management, occurring at global level as a result of policy diffusion (Hall et al. 2013); and, (2) the paradigm advocacy, or the collective action and discourse resulting in the dominance and emergence of paradigms at local level (Lobina 2012).

As conceptual benchmarks for the orientation of institutional change in the pursuit of sustainable water development, urban water management paradigms can be defined in function of the principles that inform the ethos of water service operators (Lobina 2012). The communitarian paradigm conceives water as a public or common good and access to water as a human right. It also upholds community development and social equity as the ultimate goals of water service provision, whether this is pursued through state or community involvement. This paradigm advocates the subsidisation of water pricing to favour universal service access. The neoliberal or

privatist paradigm views water as an economic good or a commodity and rests on the centrality of the market as a regulating mechanism, of water privatisation as a form of delivery, of efficiency as the goal of provision, and full cost pricing as a financial mechanism (Castro 2009; 2016, *forthcoming*; Bakker 2007, 2008). Therefore, the communitarian and privatist paradigms are incompatible because they rest on two opposite conceptions of the nature of water service provision, respectively considering water as a public good and a commodity. The two paradigms also rest on two opposite conceptions of the means of water service provision, respectively emphasising the deployment of collective and individual property rights for the organisation of service delivery (Bakker 2008).

Drawing on Hall et al. (2013) and Lobina (2012), it is possible to summarise the analytical framework thus. The process of water remunicipalisation unfolds at the intersection of pendulum swings and paradigm advocacy. At the global level, pendulum swings between the communitarian and the privatist paradigm shape the normative environment for reforming water services. Local governance, collective action and governmental decisions on water service reform and ownership change are in fact influenced by the dominant paradigms produced by such pendulum swings. Policy diffusion mechanisms such as emulation and coercion represent a vehicle for the transmission of influence from global to local governance systems. At local level, actors form advocacy coalitions to reform local water services in reaction to the pendulum swings resulting from the international experience with water service reforms. Advocacy coalitions thus promote competing paradigms of water service provision. The conceptual tensions between the communitarian and the privatist paradigm, reflecting the tensions between irreconcilable ideas of water service provision, inform paradigm advocacy. The persistence of these tensions means that the problem of who and how should provide water services can only be reinterpreted but not solved (Lobina 2015, 2016), so that the pendulum cannot be expected to cease swinging (Hall et al. 2013).

### **10.3 The Emergence of Remunicipalisation as a New Form of Water Service Delivery**

In the last 15 years, water remunicipalisation has emerged as a global trend. Kishimoto et al. (2015) identify 235 cases of water remunicipalisation that occurred in 37 countries from March 2000 to March 2015. Water remunicipalisation is diffusing across high-income, middle-income, and low-income countries, albeit to different degrees and at varying velocities. The remunicipalisation trend shows a marked acceleration in high-income countries where 55 cases occurred between 2005 and 2009 and 104 cases took place between 2010 and early 2015, nearly doubling the pace of remunicipalisation in the global North (Lobina 2015, 2016). The observation of the remunicipalisation trend in selected European countries has induced more than one observer to refer to an on-going pendulum swing in favour of public versus

private water operations (Wollmann 2013; Hall et al. 2013). However, it is the list of major cities that in different geopolitical contexts have decided to remunicipalise water services since 2000 that better suggests the importance of this emerging trend. This list includes: Accra, Ghana; Almaty, Kazakhstan; Antalya, Turkey; Atlanta, USA; Bamako, Mali; Berlin, Germany; Bogota, Colombia; Buenos Aires, Argentina; Budapest, Hungary; Conakry, Guinea; Dar es Salaam, Tanzania; Jakarta, Indonesia; Johannesburg, South Africa; Kampala, Uganda; Kuala Lumpur, Malaysia; La Paz, Bolivia; Maputo, Mozambique; Paris, France; Rabat, Morocco (Lobina 2015, 2016).

To appreciate the significance of the global remunicipalisation trend for the possible institutional trajectories of the global water sector, the above data require contextualisation. First, the global remunicipalisation trend is happening despite the considerable resources that international financial institutions have produced since the 1990s to promote the diffusion of water privatisation, and despite renewed initiatives to promote water privatisation (Lobina et al. 2014). Second, the fact that so many flagship privatisations of the 1990s have failed and have been prematurely terminated and remunicipalised points to the unsustainability of water privatisation. Third, these developments are at the same time redefining urban waterscapes, and opening the prospect for future changes in urban waterscapes. Decision-makers are in fact questioning the credibility of water privatisation, especially in light of the symbolically powerful remunicipalisation in Paris (Pigeon 2012), as recently acknowledged by French water multinationals (Lobina and Corporate Accountability International 2014).

Both in the global North and South, remunicipalisation is diffusing more rapidly in countries where water services have been privatised more extensively. This is the case in France where there have been 94 cases of water remunicipalisation from 2000 to 2015, with an acceleration that is unparalleled anywhere else in the world. This is also the case in Argentina, one of the countries of the global South that privatised most extensively in the 1990s, and where there have been eight cases of water remunicipalisation from 2000 to 2015 (Kishimoto et al. 2015). The relatively limited diffusion of remunicipalisation in countries like Germany compared to France can be explained by the fact that, like in the rest of Europe and the rest of the world (Lobina and Hall 2008), privatisation concerns only a minority of water operations. This narrows the opportunity for remunicipalisation.

The drivers for remunicipalisation often include civil societal and local governmental discontent with privatisation. This discontent stems in large part from the private sector's failure to meet theoretical expectations of superior efficiency and deliver on its promises to enhance sustainable water development. The false promises of water privatisation that have led to remunicipalisation include: poor operational performance of private companies (e.g. in Dar es Salaam, Accra, Maputo), under-investment (e.g. Berlin, Buenos Aires), disputes over operational costs and price increases (e.g. Almaty, Cochabamba, Maputo), soaring water bills (e.g. Berlin, Kuala Lumpur), difficulties in monitoring private operators (e.g. Atlanta), lack of financial transparency (e.g. Grenoble, Paris, Berlin), workforce cuts and poor service quality (e.g. Atlanta) (Lobina et al. 2014). In many cases, both in the global North and South, social mobilisation led to local governmental decisions to termi-

nate unsatisfactory private contracts and remunicipalise water operations (Hall et al. 2005; Lobina et al. 2014).

What makes water remunicipalisation a new form of public service delivery beyond ownership change are the aspirations for social and environmental justice that inform social mobilisation and collective demands for the return to public services, and the opportunities that remunicipalisation offers for innovative and emancipatory urban water trajectories. These opportunities are for the adoption by public service providers of institutional and operational policies consistent with the communitarian paradigm. For example, remunicipalisation has led to the introduction of advanced forms of public participation in decision-making – with civil society representatives sitting on the Board of Directors of the new public water operators – both in Grenoble (Lobina and Hall 2007a) and Paris, France. In Paris, efficiency savings obtained after remunicipalisation allowed the new public enterprise to reduce tariffs, increase financial contributions to poor households, launch a water saving campaign, and refrain from cutting off water supply in squats (Sinaï 2013; Pigeon 2012). However, the policy process of remunicipalisation can be characterised by tensions between competing paradigms. In Jakarta, Indonesia, a civic campaign has demanded the remunicipalisation of a water concession and used a citizen lawsuit evoking the respect of the human right to water to achieve this aim (Zamzami and Ardhanie 2015). These aspirations for collective ownership to realise collective civil rights, consistent with the communitarian paradigm, have been met with a governmental proposal to corporatise and part-privatise the local water operator, a proposal inspired by the privatist paradigm (Jacobson 2014). To explore similar tensions between paradigms, the chapter proceeds by looking at the remunicipalisation processes in Berlin and Buenos Aires.

## 10.4 Water Remunicipalisation in Berlin, Germany

Preparations for the privatisation of Berlinwasser (BWB), Berlin's water operator, started with its commercialisation in 1994 when the Senate of the city-state of Berlin decided to restructure the public company under private law. The Senate of Berlin then decided to privatise BWB by selling part of its capital (Lanz and Eitner 2005). This initiative was motivated by the prospect of turning BWB into a company making profits for its public owners by operating international contracts. Eventually, the Senate of Berlin decided to privatise BWB by selling part of its capital to the private sector. This decision was presented as 'a necessity in the face of rising city debts' and as an opportunity to make BWB an important commercial player in the global water market (Beveridge 2012, p. 56). The inevitability of the partial privatisation of BWB was accepted by most political parties represented in the Senate (Beveridge and Naumann 2014).

The decision to privatise BWB occurred in an economic and fiscal context shaped by the fall of the Berlin wall in 1989. In fact, this had led to the collapse of previously subsidised industries in both parts of Berlin and to widespread job losses in

the public sector, causing mounting debts for the local government. Also, the decision to privatise was made in a historical moment when the promises of commercialisation, privatisation and globalisation were uncritically discussed (Beveridge and Naumann 2014). In the 1990s, the pendulum was widely believed to be swinging in favour of water privatisation (Wollmann 2013). The dominance of the privatist paradigm at local level was thus facilitated by the influence of pendulum swings and by policy diffusion in the form of emulation or, more precisely, conformity with the prevailing norms of behaviour.

In 1999, 49.9% of the shares of BWB were sold to a consortium including multinationals RWE and Veolia. The agreement provided for a return on equity for the private shareholders to be eight per cent, and this level of profitability would be guaranteed by the state of Berlin for 28 years. The private contract was highly controversial as it led to 'severe under-investment' and the explosion of prices (Händel 2013; Lanz and Eitner 2005). These arrangements were consistent with the privatist paradigm and its uncompromising belief in water as an economic good to be fully costed, and on the centrality of the market as a regulating mechanism needed to achieve efficiency. Another practice consistent with the privatist paradigm as well as the interests of the private shareholders was keeping the private contracts commercially confidential so that the favourable treatment of private sector interests could not be challenged by public opinion (Beveridge and Naumann 2014).

The controversy surrounding the private contract, fuelled by dramatic price increases, favoured social mobilisation against water privatisation. In 2007, the citizens' group *Berliner Wassertisch* (Berlin Water Table) started campaigning for the disclosure of the confidential contracts, and obtained the support of environmental groups and other social movements. Frustrated with the left-wing city government's acceptance of water privatisation, the campaigners decided to use a public referendum to force the Senate to amend legislation and publish the secret contracts. The Senate responded by engaging in a legal standoff with the campaigners to prevent the referendum from taking place (Beveridge and Naumann 2014). Nonetheless, in February 2011, over 660,000 Berliners voted in favour of the proposition 'Berliners want their water back' turning the popular referendum into a triumph for the campaigners (Terhorst 2014). The referendum had made the private contracts so unpopular that, in the city elections of September 2011, remunicipalisation 'was in the manifesto of three of the four major political parties, despite the fact that Berlin still [had] huge debts' (Beveridge et al. 2014, p. 66). The contract was terminated as the state of Berlin bought back the shares owned by RWE in April 2012, and the shares owned by Veolia in September 2013 (European Water Movement 2013).

The aim of the referendum was not confined to the mere publication of the private contracts but included remunicipalisation. Drawn by the Berlin Water Table, the charter on the management of the remunicipalised BWB shows that the campaign for remunicipalisation in Berlin had been inspired by the communitarian paradigm. The Berlin Water Charter states that BWB must serve the common good, universal access to water in Berlin should be guaranteed as a human right, water should be affordable for all Berliners, and direct democratic participation in BWB's decision-making should be guaranteed (Berliner Wassertisch 2013). However suc-



cessful the referendum campaign in promoting BWB's remunicipalisation, other factors might have played a role in orienting public opinion and ultimately governmental decision-making in favour of public ownership. For example, policy diffusion and the emulation of Potsdam and other German cities that had previously remunicipalised water services also proved influential (Beveridge and Naumann 2014).

The tensions between the communitarian paradigm, as enshrined in the Berlin Water Table, and the privatist paradigm that informed the conduct of the privatised BWB are apparent. Testament to these tensions is the rejection by the Berlin Water Table of any form of future privatisation or part-privatisation of water operations, 'not even in the context of so-called public-private partnerships or similar models' (Berliner Wassertisch 2013, p. 2). But the tensions between the two competing paradigms remain, even after remunicipalisation, as the effects of privatisation continue to be felt. On the one hand, the total cost to taxpayers of the acquisition of BWB's private shares was EURO 1.3 billion 'which [would] be paid for through higher water bills over the next 30 years.' This financial burden casts doubt on the sustainability of water operations after remunicipalisation (Lobina et al. 2014, p. 8) threatening to undermine the aspirations of the Berlin Water Table for affordable and socially equitable charges. In this sense, the implications of a 2014 decision by Germany's Federal Cartel Authority to impose a 17% price reduction and force BWB to pay EURO 254 million back to consumers<sup>1</sup> remain to be seen. On the other hand, the remunicipalised BWB has rejected calls for introducing advanced forms of public participation and has established a consultative consumer council<sup>2</sup> much in line with the practice of private water operators (Lobina and Hall 2007a). As the remunicipalisation process consolidates, these tensions between competing paradigms appear unlikely to be solved in the near future.

## 10.5 Water Remunicipalisation in Buenos Aires, Argentina

Preparations for the privatisation of water services in Buenos Aires began immediately after the election of Carlos Menem as President of Argentina in 1989. Menem implemented an extensive programme of privatisation as his administration declared a state of economic emergency justified by rampant hyperinflation. The decision to privatise water supply and sewerage in Buenos Aires was made by decree, without public consultation, and no alternatives to privatisation were discussed. The Argentinean Government was the leading actor in the advocacy coalition that promoted water privatisation. Other actors joined the coalition to support the

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<sup>1</sup>Email communication from Carsten Herzberg, 11 April, 2015. For further details, see: [http://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2012/05\\_06\\_2012\\_Wasser-Berlin.html?jsessionid=A4390F5E224B8CFE9D8E2F395DE6CCB6.1\\_cid387?nn=3591568](http://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2012/05_06_2012_Wasser-Berlin.html?jsessionid=A4390F5E224B8CFE9D8E2F395DE6CCB6.1_cid387?nn=3591568)

<sup>2</sup>See <http://www.bwb.de/content/language1/html/14273.php>. I owe this insight to Carsten Herzberg.



implementation of the privatisation. The World Bank provided technical assistance and advice on selecting the concessionaire and the World Bank's International Finance Corporation later became a minority shareholder of the private operator Aguas Argentinas. Offered a 10 % shareholding in Aguas Argentinas, the main trade unions assuaged their resistance and, convinced of the inevitability of privatisation, turned into supporters of water privatisation. Public opinion was conquered by the governmental discourse that privatisation was the necessary cure for hyper-inflation and that there was no alternative to it (Loftus and McDonald 2001).

The neoliberal paradigm therefore became dominant as the macroeconomic crisis restricted the range of policy options that public opinion considered as realistic. Policy emulation contributed to reinforce the dominance of the privatist paradigm. For example, the World Bank-funded team of legal and financial consultants who assisted the privatisation process was UK-based (Loftus and McDonald 2001). They could thus draw on the experience of the 1989 water privatisation in England and Wales, an example that influenced the emergence of the privatist paradigm elsewhere (Lobina 2005b). But the dominance of the privatist paradigm in Buenos Aires can also be explained by the latency of the communitarian paradigm in collective discourse in a context of anaesthetised dissent. Social mobilisation failed to challenge the dominance of the privatist paradigm even as private water operations generated increasing controversy (Loftus and McDonald 2001).

In May 1993, a consortium led by Suez-Lyonnaise des Eaux started operating the Aguas Argentinas concession. It was only 8 months later that Aguas Argentinas requested to renegotiate the contract, beginning a pattern of escalating bills, under-investment and considerable profits. This pattern would persist until the collapse of the Argentine economy following the financial crisis of December 2001 (Azpiazu and Forcinito 2002; Lobina 2005a). Throughout this period, the profitability of the concession was prioritised over the achievement of social objectives. Network connections that proved unaffordable as a result of full cost pricing (Loftus and McDonald 2001) were financed through a solidarity tax on all consumers, with little contribution from the private operator or external finance. In addition, network connections in peri-urban areas were financed through a community contribution of labour and a municipal contribution of materials. Finally, to guarantee the remuneration of international shareholders, water charges were indexed to the US Dollar so that currency devaluation risk was transferred to local consumers (Hall and Lobina 2007; Lobina 2005a).

The December 2001 crisis was followed by years of legal confrontations between the concessionaire and the Argentine government. Aguas Argentinas' insistence on increasing water prices to compensate for the 2001 devaluation of the local currency conflicted with governmental requests for tariff reductions to avoid exacerbating the social and economic crisis (Lobina and Hall 2007b). In 2006, the government cancelled the concession contract and remunicipalised water and sanitation services by appointing the public operator AySA. Despite the change from private to public ownership, AySA was 10 % owned by trade unions like Aguas Argentinas used to be. Also like its private predecessor, AySA involved residents in expanding water access in low-income neighbourhoods (Azpiazu and Castro 2012). Conversely, the

practice of financing investments in the extension of the service changed following remunicipalisation. In October 2006, a long term investment plan of 5.69 billion US Dollars was approved to achieve full service coverage, 52% of which was to be financed through tariffs and the remaining 48% by the central and local governments (Lobina and Hall 2007b).

In the absence of prominent social mobilisation for remunicipalisation, the communitarian paradigm emerged in the wake of the December 2001 crisis as the Argentinean government refused to accept that the profit motive takes precedence over social considerations (Azipazu and Castro 2012). A practice associated with the communitarian paradigm that has been introduced with remunicipalisation is the use of public finance to enhance affordability and service access (Lobina and Hall 2007b). This contrasts with the reliance on full cost recovery through tariffs and charges typical of the privatist paradigm as embodied by the Aguas Argentinas concession. However, elements of the two paradigms appear to coexist under the new public operations. The 10% shareholding held by the trade unions in AySA is a marketised form of workers' participation in the workplace. Like the continued involvement of residents in the extension of network connections in peri-urban areas, this is proof of the lasting influence of privatisation. It is however not necessarily in contrast with the achievement of progressive change under remunicipalisation. Indeed, the fact that the public sector is not subject to the profit maximisation imperative allows for flexibility in allocating resources for achieving sustainable water development (Lobina 2013).

## 10.6 Conclusion

The two case studies presented in this chapter show how, operating at the macro-level of paradigmatic policy change, pendulum swings and policy diffusion provides the stimulus for paradigm advocacy at the micro-level of urban water reform. This exogenous stimulus has been illustrated in relation to opposite types of reform, privatisation and remunicipalisation, whose implementation is informed by paradigms that embrace irreconcilable notions of water service provision: the notion of water as a public good and a human right enshrined in the communitarian paradigm, and the notion of water as a commodity which characterises the privatist paradigm.

In both cases, the pendulum swing in favour of the privatist paradigm was favoured by a strong sense amongst policy participants of the inevitability of water privatisation. Also, the rigidity of the privatist paradigm and its unsuitability to address sustainable water development objectives has led to the emergence of the communitarian paradigm. This was accompanied by two different processes of remunicipalisation: explicit paradigm advocacy in Berlin, and tacit paradigm advocacy in Buenos Aires. In Berlin, an explicit advocacy coalition was formed between the Berlin Water Table and the social movements that supported the local referendum. In Buenos Aires, the Argentine government acted in conformity with the communitarian paradigm without engaging in concerted collective action. These different

processes have one commonality: they are explained by the irreconcilability of ideas of community development and the profit motive that is the cornerstone of the privatist paradigm.

Both in Berlin and Buenos Aires, doubts can be raised as to whether the passage from private to public ownership automatically led to the dominance of the communitarian paradigm. Indeed, the persistence of operational practices associated with the privatist paradigm points to a non-linear relationship of causality between the process and outcome of remunicipalisation. Otherwise put, the relationship between remunicipalisation and progressive change is not one of necessity but rather of possibility. The aim of this chapter is not to assess the outcome of water remunicipalisation, nor the results of path dependency in paradigmatic policy change. This is deferred to future work.

What the cases discussed here show is that, due to the rigidity of private operators in prioritising the profit motive over community development, social groups that uphold the communitarian paradigm and the idea of water as a human right will continue to mobilise against water privatisation. In addition, governments that recognise the unsuitability of privatisation to achieve ambitious sustainable water development objectives will continue to consider remunicipalisation as a credible policy option. The emergence of water remunicipalisation as a global trend in the last 15 years has profoundly reconfigured institutional trajectories in the urban water sector. The dominance of the privatist paradigm is now challenged in the global North and South and will continue to be in future. This is due to a combination of persistent demands by communities for water to be treated as a social good, and the shortcomings of water privatisation as a community development tool.

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