

**Back to the Future: Retooling the
Water Consensus in a post-neoliberal
world or**

'Keynes for Capital?'

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THE BLACKBERRY PRESIDENT QUITTING THE THUG LIFE

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THE PERILS AND PROMISE OF THE NEW ERA OF BIG GOVERNMENT



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1. Disappearing Water: Saving Private Finance
 2. The Water Conundrum Today: the impossible trajectories of water
 3. RE-politicizing water

Saving Private Finance: an example

- 2008: The end of neoliberal wet dream
 - Lehman Brothers
 - Water privatization/private investment in water had already slowed down massively
 - Water and other socio-environmental inequalities and injustices have disappeared from international agendas
- 2008/2009: US\$ 1.5 trillion bailout
- 2010/2011: Another several hundred million Euro of tax money in EU alone (Greece, Spain, Portugal, Ireland)
- 1 Billion people without safe sanitation
- Camdessus Report 2004: Financial requirements are 'enormous': US\$ 180 billion annually (up to 2025)
- 70% expected to be raised by private sector (pipe dream)
- UN: US\$ 100 a year to provide safe water
- 15 years of free and fully covered water supply

The Water Conundrum Today

- 1. The Stuttering Privatisation Desire**
- 2. The State as 'Socialism for the (Financial) Elites'**
- 3. Experimental Re-tooling of the Water Consensus in a post-neoliberal age:
5 trajectories**
- 4. Re-Politicizing Water democracy**

Retooling the Water Consensus in Post-neoliberal Age

- a) From Direct Control to Financialisation
- b) Privatization/Marketization as post-neoliberal shock-doctrine
- c) Re-taking/Maintaining Public Control
- d) Subsidising Water Capital Investment:
Towards a Global Liberal Keynesianism ... or
Back to Basics: Water Industry as engineering
contractors
- e) Disempowering 'stakeholder' participation

Trajectory 1: Financialisation and Watery Things

- The drive toward financialisation – Private Equity Financing (5/22 UK companies publicly listed -- Thames Water as example)

“The expansion of the nature and scope of financial markets and institutions to include the provision of urban infrastructures. It involves the continuous assessment of activities by financial markets”

→ stable and profitable regulatory environment

-> liquidity – stable returns

-> McQuairie (Thames water)

-> Cheung Kong Investment (Northumbria Water Bid) – 27% of Northumbria is owned by Ontario Teachers’ Pension Plan – decisions made on financial portfolio analysis

→ Investment portfolio (Eastern Capital)

Trajectory 2: Subsidising Private Capital – Privatization/marketization as post-neoliberal shock doctrine

- Naomi Klein's shock doctrine (Greece, Spain, but also South Africa and Turkey)
- Socialisation of cost (through the taxpayer) and privatisation of profits: back to the future.
- Water Industry as 'service' (technical/managerial) providers
- Social and political struggle of collective intervention

Trajectory 3: Re-taking/Maintaining Public Control

- Politicizing the commons
 - Italy
 - Paris
 - Andean alternative, Uruguay, etc...
- Re-asserting the Public/State – re-defining the private-public interface

Trajectory 4: Subsidising Water Capital Investment: Towards a Global Liberal Keynesianism ... or Back to Basics: Water Industry as engineering contractors

- Traditional major water and sanitation companies as service and management providers.
- New articulation between State (public), water industry and financial sector

“[The] water business is not a good and attractive business [in light of] “a reduction in grants and subsidies, an often premature or unrealistic emphasis on concession contracts and full divestiture, and a belief that any business must be good business and that the private sector has unlimited funds”.

He further insisted that private water investment in the developing world had unrealistic expectations because of “increased country risk, increased financial risk, increased contractual risk, unreasonable contractual constraints and unreasonable regulator power and involvement”.

[All this leads to] “overburdened private balance sheets, few new contracts, poor and diminishing returns for private investors, contract and even corporate failures, limited interest in the market, and investors turning to other, more lucrative, markets” (Talbot, chair and CEO of SAUR).

Trajectory 5: Stakeholder Participation, disempowerment and consensual policy: the doctrine of public sector failure

The citizen to the rescues or “The End of the Political”: the tyranny of ‘Stakeholder’ Participation, citizens’ disempowerment and the disappearance of the Political

‘The Political’ becomes techno-managerial ‘Policies’ under a consensual techno-managerial regime

Thinking out of the Water Box: “It is all about the Political”

- The mirage of the commodification debate: water is and will remain a commodity
- The need for Full Cost Recovery
- Re-Politicising Water: Who will recover What costs from Whom and for Whose benefits?
- A socio-ecological appropriation of full cost recovery: insists on systemic re-distribution of financial and other resources
- From questions of investment to foregrounding redistribution – WHOSE CLAIMS TO WHAT KIND OF WATER: A political question of claiming equality
- From a consensual post-political condition to imagining different futures: recapturing ‘water’ democracy.
- Re-politicizing water