

## **[Another world exists: Thousands of water cooperatives on the planet \(\\*\)](#)**

### **The “silent revolution” of the water cooperatives**

Water cooperatives are not an isolated localized phenomenon. On the contrary, they thrive in countries with variable environmental and social-political-economic conditions, indicating their adaptability. Thousands examples of urban or rural water cooperatives exist in the **USA, Canada, Latin America (Chile, Colombia, Brazil, Argentina, Mexico and Bolivia) and Europe (Finland, Denmark, Austria etc)**<sup>[1]</sup>. Moreover, water cooperatives have won high marks for customer satisfaction and operational performance worldwide<sup>[2]</sup>.

The international financial capital promotes the private or the public-private management of water, loyal to the neoliberal fundamentalism, although its own researches show other things. It is very characteristic the outcome of a World Bank research: “Consumer cooperatives can offer an alternative institutional model for delivery of urban water supply and sanitation services. The cooperative model has a number of potential advantages over private and public utility models. All utility cooperatives are characterized by the facts that owners and customers are the same and that cooperatives do not have a profit objective. All utility cooperatives have two boards (Administration and Oversight), and the one member–one vote election system. The ownership model and governance structure can result in a clear objective for the utility: provide sustainable service at affordable cost. The fact that any cost reductions are translated into lower tariffs constitutes a strong incentive to pursue efficiency. Other advantages are the flexibility associated with the absence of cumbersome procedures, and a strong customer orientation derived from the alignment of objectives”<sup>[3]</sup>.

Despite the significant number of successful water cooperatives globally, international policy discussions have largely by-passed them. Furthermore, water cooperatives have been largely ignored both in research and policy. The discussion has focused on private and public water and sanitation systems ignoring community based options<sup>[4]</sup>.

Why?

Because the water cooperatives constitute an alternative model for the water management aside from the public (governmental or municipal) and private model, they are created and operated “from below” on a non-profit basis, they are independent of economic and political interests, they ensure the most possible democratic citizen participation and they do not leave a distinct position for bosses of private and public sector. These are not good reasons to conceal them?

The text below is a synoptic and indicative overview of the water cooperatives in the continents of Europe and America (north and south).

### **Austria: More than 5.000 water coops**

Austria is one of the European countries where the cooperative water management plays the most important role. More than 5.000 water cooperatives in the country serve citizens in rural areas. An example is the Wassergenossenschaft Gramastetten (Water Cooperative of Gramastetten) founded in 1947 and provides drinking water to about 2.000 people. Membership is connected to the ownership of real estate and apartments. All relevant information is available to everyone and important decisions are taken by the general assembly of all members. The administrative and most of the technical work is done on a voluntary basis. The regional association of water cooperatives

provides expertise, quality control, and training for the volunteers. The water quality is good and tariffs are far below average. The principle of strict non-profit management, the use of local water sources and the low administrative costs due to voluntary work by the members are the main reasons for the low prices.

The Wassergenossenschaft Gramastetten, with its 569 members, it is one of the biggest water cooperatives in Austria and an example of an autonomous, self-managed and decentralised water provision with democratic water management and strong elements of participation (making nearly every household a member). The principles of non-profit and solidarity cooperation are crucial to its functioning<sup>[5]</sup>.

### **Denmark: More than 2.500 water coops**

Denmark has a long tradition of water cooperatives. No single Ministry in the government of Denmark is responsible for water supply and sanitation, which is considered foremost a local government responsibility. The Danish water supply is highly decentralized, with large and small waterworks situated all over the country. In 2001 there were 2.740 “common utilities”, of which municipalities owned 165 and 2.575 were owned by consumers’ cooperatives<sup>[6]</sup>.

### **Finland: Around 1.400 water coops**

Finland has also a long tradition of organizing water services through cooperatives, especially in rural areas but also in bigger townships. Currently there are some 1.400 water cooperatives in the country providing water supply and increasingly also sewerage services. A research team of Tampere University of Technology using their substantial experience with water cooperatives and the data collected in a variety of projects in Finland discuss the general characteristics, diversity and main stakeholders of water cooperatives and finally, argue that water cooperatives have great potential<sup>[4]</sup>.

### **Spain: Water coop in the middle of the Civil War**

There was 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<sup>[7]</sup>.

### **USA: Close to 3.300 water coops**

Close to 3.300 water cooperatives in the U.S. are consumer-owned utilities formed to provide safe, reliable and sustainable water service at a reasonable cost. They provide drinking, fire protection and landscaping irrigation water. In addition, many of them provide wastewater services. Water cooperatives are most often found in suburban and rural areas that are located too far from municipal water companies to receive service.

Most water cooperatives are small (serving 501 – 3.300 consumers) or very small (serving fewer than 500 consumers). 89% of the population that is served by public water systems is served by either a publicly owned, municipal water system or a cooperative utility. The remaining 11% of Americans are served by privately owned water systems. Non profit cooperatives are the most common organizational form in small communities<sup>[8]</sup>.

## **Canada: Approximately 200 water coops**

In Canada the cooperative model is most widely used in rural areas. There are approximately 200 water supply cooperatives in Canada, mainly in Alberta, Manitoba and Quebec<sup>[9]</sup>.

## **Latin America: the world's largest water coops in urban areas**

There is a longstanding history of water supply and sanitation cooperatives in Latin America. A research team from Cochabamba-Bolivia (University Mayor San Simón and Food and Water Watch) and Canada (University of Ottawa) documented 26 successful alternatives in the water sector in Latin America. They documented 9 cases of single public providers (municipal water utilities), 12 non-profit non-state providers (including community-run systems and cooperatives), 3 non-profit/non-profit partnerships, and 2 public/non-profit partnerships. They argue that the cooperative model potentially presents an alternative form of collective ownership that defies the capitalist logic of private property. Compared to private businesses or state-owned utilities, which are controlled by shareholders or elected officials, cooperatives that provide basic services have certain organisational advantages that make them potentially more democratic<sup>[10]</sup>.

In **Brazil**, cooperative model was introduced successfully for rural water supply and sanitation during the 1990s<sup>[2]</sup>.

In **Mexico**, in the officially Free and Sovereign State of Chiapas (one of the 31 federal states), which is divided into 118 municipalities, 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<sup>[11]</sup>.

In **Argentina**, some 10% of the population is served by cooperatives. In Buenos Aires after the departure of the company Enron, the consumer and workers cooperative successfully manages the water supply<sup>[7]</sup>. Among these cooperatives is also a case in the municipality of Moreno in the Buenos Aires Metropolitan Area<sup>[2]</sup>.

The experience of a worker-controlled water utility in the province of Buenos Aires, Aguas Bonaerenses Sociedad Anónima (ABSA), has been heralded by the UN as a model water company. The province of Buenos Aires has 10 million inhabitants distributed over 74 cities with 48 municipalities, which are served by ABSA. Azurix, a subsidiary of ENRON, was granted a concession in 1999, but it only lasted for three years, during which time the company failed to invest in the maintenance and expansion of services, leaving behind a severely debilitated company. In the wake of the financial crisis of 2001–2002 and the bankruptcy of ENRON, the union proposed to take over the company as its technical operator (replacing Azurix), forming a cooperative which is run by the workers called the 5 de Septiembre. The provincial government agreed with the idea and bought Azurix's shares, leaving the union with the 10% of shares that they already had.

The research team from Bolivia and Canada conclude that ABSA is a successful public water company under the administration of the workers' cooperative controlled by SOSBA (the water workers union of Buenos Aires) having achieved 70% of water coverage and 45% sewerage coverage over a vast and dispersedly populated geographical area [10].

In **Bolivia**, major urban water utilities are managed as cooperatives under customer ownership, such as Saguapac Cooperative in the central part of the city of Santa Cruz de la Sierra. This is the world's largest water utility run as cooperative (183.000 members). The cooperative was created in 1979 and today, provides water services to around 871.000 inhabitants (although the total urban

population of Santa Cruz is around 1.5 million). According to a study done by Corporación Andina de Fomento, Santa Cruz de la Sierra scores 99.3 out of 100 in water quality, one of the purest in Latin America. The Saguapac's mission states that it will develop its activities while preserving the environment, and is working to preserve the quality of the groundwater aquifer<sup>[12]</sup>.

A study by researchers at the University of Birmingham conducted in the late 1990s found that Saguapac is one of the best-run water companies in Latin America measured by criteria of efficiency, equity and effectiveness.

While the Saguapac cooperative has been heralded outside of Bolivia as a model, Bolivian water activists underline the fact that the utility's concession area is a restricted geographical area within the centre of the city. The peri-urban areas are served by nine small cooperatives. Testifying to the fact that Saguapac is not the sole service provider in Santa Cruz de la Sierra is the existence of the Water Cooperative of Plan 3000 (La Cooperativa de Aguas del Plan Tres Mil, COOPLAN) in the poor suburb of Plan 3000. As Uruguay activist and political analyst Raúl Zibechi describes it, "In the middle of a racist city of white elites, the nucleus of the agro-export oligarchy, Plan 3000 is an immense and poor suburb of almost 300.000 inhabitants, a microcosm composed of 36 Bolivian ethnic groups. It is a city that – in the name of the struggle against inequality – the residents of Plan 3000 resist the machista, oppressive, and violent culture of the local elite". COOPLAN was established in 1986 by the residents of Plan 3000 in order to address the problems created by reluctance of Saguapac to expand services to peripheral neighbourhoods. Today it provides about 80% of households within its service area with potable water (121 000 of 151 000).

Another also successful case of water cooperatives in Bolivia is Cosmol, a local service provider in Montero<sup>[10]</sup>.

### **Towards water cooperatives of social solidarity economy and direct democracy**

Approaching and recognizing the water as a commons and not as a commodity or as a means for taxing citizens is a prerequisite for the cooperative water management<sup>[13][14]</sup>. Prerequisites are also, the water cooperatives creation and operation "from below" on a non-profit basis, their independence of economic and political interests, to ensure the most possible democratic citizen participation<sup>[14]</sup>.

The worldwide experience shows that each called cooperative does not belong obligatory in the social solidarity economy and direct democracy, if not based on the principles and procedures of the social solidarity economy and direct democracy. Moreover, these principles and procedures are not only a cooperative statute issue. Their realization needs the real participation of citizens in taking decisions via general assemblies, which cannot be done without a social movement to support it and composed by citizens educated for that<sup>[14][15][16]</sup>.

**(\*) Kostas Nikolaou**

Member of Initiative K136

*Environmental Planning of Cities*

Hellenic Open University

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