



This is how we won the water fight

You turn on the tap and the water flows. It's fresh, clean and cheap. That's how it works in Sweden, but for millions of people in the world the water supply is affected by shortsighted business interests.

In the mid-1990s the municipality of Malmö was governed by centre-right parties. They wanted to sub-contract water and sewage operations and the major European water companies were invited to tender for water and sewage in Malmö. There was great opposition among both inhabitants of the municipality and management and employees of the water and sewage works.

The Municipal Workers' Union, Kommunal, which organises the water workers, worked together with Social Democratic politicians to keep water under public management. The management of the waterworks also wanted to continue under municipal management and together with local representatives of Kommunal they insisted on submitting a tender for their own operations. Solid research, to which the

trade union contributed its knowledge and competence, showed that the municipality itself was in a very good position to run and develop the operations. Apart from the waterworks' own tender, five companies submitted tenders.

The decision on this tender was to be taken the same year as Sweden had general elections, including local elections. Kommunal and the Social Democrats succeeded in various ways to delay the decision. The election came and the Social Democrats won.

The tender specifications had stated that there should be a considerable difference between the winning tender and the others. The difference was very small between the tenders from the municipality and Anglian Water. After the election the new majority decided to keep the water under municipal management. But without our trade union's fight together with the works management and Social Democratic politicians Malmö's water supply and sewage system would have been taken over by Anglian Water.

Local federations – a democratic solution for water and sewage services

Within the EU, quality and environmental requirements have become more stringent for water and sewage services. The EU Drinking Water Directive imposes stricter requirements for further measures to secure the quality of drinking water. Facilities also need to be extended to take care of sewage sludge and for ecocycling.

The water and sewage industry is facing a generation change, which will require new recruitments. Sound sustainable and long-term solutions are necessary for bringing water from source to tap and subsequent purification.

In Sweden it is the municipalities that are responsible for water and sewage services and the Public Water Services Act allows municipalities to work together. So a good way of managing this is regional partnerships and larger units in the form of local federations (joint authorities), in which municipalities join forces to manage their water supply. And many municipalities are interested in such partnerships.

The two neighbouring towns of Malmö and Lund have a total of 380,000 inhabitants. Parts of the towns' distribution systems are relatively old, which in the course of time will need to be renewed and improved.

There have been successive investigations into the water and sewage issue over the years before finding this public-public partnership solution.

Local government officials and politicians from both municipalities have been engaged in a process to bring about a partnership. A reference group with trade union representatives also took part. Staff from both municipalities' water and sewage works were involved in process groups and submitted comments on everything from IT, tariffs and maintenance planning to the environmental aspects. They discussed problems and stumbling-blocks related to partnership, as well as suitable forms of cooperation.

So on 1 January 2008 the local federation VA SYD was formed, as a first step in creating a regional water and sewage service. The aim is that more municipalities in the region will join VA SYD in the next few years.

The point of local federations as a corporate form

The basic idea of local federations is to utilise the partner municipalities' facilities, equipment and competent staff across municipal borders. This brings great efficiency gains.

A political organisation, the federation assembly, guarantees the politicians' influence and transparency. Through production control committees the politicians in each municipality also retain their local control over the operations. Trade union representatives participate in the board meetings. The municipalities have separate economies, and do not therefore inherit each others' property or maintenance backlog.

There are several advantages to local federations:

Staff competence and skills are utilised and it is easier to recruit personnel. It is easier to coordinate

necessary on-call and contingency services. Customers can be offered increased availability and service through coordinated IT support. The resources can be used jointly for such things as charge systems, planning, design, mapping, service supervision, maintenance of pipe work, emergency repairs, laboratory services and workshops. Purchase of equipment can also be coordinated.

Environmental work is developed in various ways; for example, sewage sludge can be dealt with effectively.

Last but not least, the coordination makes water services cheaper for the inhabitants of Malmö and Lund. They pay SEK 2.65 per cubic metre – which means that they pay no more for 1,000 litres of tap water than for 1 litre of bottled water.



An attractive employer for water and sewage professionals

Being able to recruit and retain staff who are professionals in water and sewage occupations was an important reason for establishing the local federation. Many employees will soon be retiring, and it is difficult to recruit competent pipelayers and water and sewer engineers.

This is what *Stig Sjögren*, General Manager, says about recruiting staff:

“The smaller the municipality, the fewer development opportunities for the staff. In a larger municipality a pipelayer can be a supervisor, for example. We can make the job more interesting and have greater resources.”

Occupations such as pipelayers and meter inspectors take time to learn - you don't become a pipelayer in a morning. The partnership makes it possible to train staff internally. When employees who have worked many years in an occupation have the chance

to be supervisors their skills can more easily be transferred to those who are growing into the industry. Employees get more opportunities to contribute to good quality.

Sune Malmgren, meter inspector and elected representative in Kommunal, says:

“The question of recruitment is important. When several municipalities join together in this way we can concentrate our efforts in a completely different way. It must also be possible to pay good wages and offer conditions of employment that are competitive.”



Sune Malmgren

Why is water a trade union concern?

The Swedish Municipal Workers' Union, Kommunal, organises many water and sewage workers. Kommunal's members have pushed to bring VA SYD into existence.

In the opinion of the union, public welfare services that are "natural monopolies" should not be run by private companies, since politicians are then unable to take the necessary responsibility. That is why water and sewage services must be under public management.

The corporate form used in VA SYD is a form of public-public partnership as advocated by PSI, Public Services International, instead of public-private partnership, which also exists.

The research officer *Sigmund Wiveson* at Kommunal's head office, has assisted in the process with studies and analyses. He has participated in discussions and maintained a dialogue with all those involved, including politicians and employees. He says:



Sigmund Wiveson

"Local federations have the advantage that municipalities can join together and pool their resources, both staff and equipment, and at the same time ensure that their own municipality has a say. From a trade union perspective it is important to safeguard jobs, to create good jobs and sound competence in the operations.

Local federations like VA SYD allow investments in development and quality and at the same time give continued citizen influence over common resources like water."

Facts about the VA SYD local federation

- It is an integrated legal person. The local federation is the responsible authority. An integrated production unit is responsible for the day-to-day running of the facilities.
- It consists of the federation assembly (the highest political leadership) and the executive committee, a politically appointed body that is in charge of the day-to-day operations.
- Each municipality has water and sewage committees that ensure local participation.