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# Crisis of Privatisation – Return of the Public Sphere

*Neoliberal privatisation is suffering from a legitimacy crisis, an efficiency crisis (concerning prices, quality and access), and a crisis of profitability – but crises do not necessarily lead to an end to privatisations, rather they lead to new ways and strategies for making them more effective. Politicians and investors are looking for other (investment) opportunities. Nevertheless, we can observe shifts in the social climate that enable successes in anti-privatisation campaigns, foster remunicipalisations and the debate about the public sphere.*

The water supply for the population of Paris is to be completely restored to public ownership from 2009 on, as the Socialist mayor Delanoë announced on June 2nd 2008. To date, the clean water treatment is the responsibility of SAGEP, a semi-state-owned limited company, while the distribution to the consumers is in the hands of Veolia and Suez, the well-known transnational corporations. But their contracts will not be renewed, and this will enable a municipal restructuring with the long-term aim of “stabilising water prices”. After Grenoble, this would be the second spectacular case of remunicipalisation of water in France. The examples of Potsdam or Fürstenwalde show that this is also happening successfully in Germany. It seems to have become easier to mobilise people against the sale of their water utilities. In this way, it was possible to stop a planned water privatisation in Hamburg with the aid of a successful citizen's referendum. The Berlin citizen's initiative to disclose the water privatisation contracts is heading in the same direction.<sup>1</sup>

## 1. Crises of Legitimacy

Liberalisation, deregulation, and privatisation – the dissonances in this triad of neoliberal modernisation are becoming loud and clear. The dispossession and valori-

sation of public property was a decisive element in opening new investment possibilities for excess capital and private enrichment. These policies of appropriation lead to disastrous social effects – reduction in public employment, conversion of regular to precarious working conditions, price increases on previously affordable public services, restriction of social rights and of opportunities for democratic decision-making (cf. Dickhaus/Dietz 2006; Weizsäcker et al. 2006; Huffschmid 2004) – as a price for partially better and 'more efficient' services for those who can afford them. Due to these disastrous effects, demands are raised for protection against intensified competition, with calls for regulation and public control. Now there is growing resistance to the selling off of public companies.

An opinion poll carried out by the German weekly newspaper *Die Zeit* (on August 9, 2007) showed that 67 per cent of those asked would rather have companies like the Deutsche Bahn (German train services), Telekom and the provision of energy left under the responsibility of the state. According to another opinion poll (by the dimap-Institute in Germany) more than 75 per cent reject a privatisation of water. The state is “fashionable again”, the FAZ complained, the most important conservative German newspaper (on August 5, 2007, p.32). The political promotion of the project to privatize the German train services especially led to a rapid increase in scepticism in public opinion (cf. Forsa, 2008), in the political parties and in the media. The theme of privatisation was first considered as politically relevant in 2007 and was clearly and critically reported on in the media.

According to a poll of the Forsa opinion research institute in January 2008, only 47% of the population still accepted a privatisation of public services. Privatisation experiences are seen to be more on the negative side by 52%. "Further privatisations are considered more critically." General acceptance has clearly decreased compared to the 1990s.

<sup>1</sup> Cf. [www.berliner-wassertisch.net](http://www.berliner-wassertisch.net)

The great myths of neo-liberal privatisation and deregulation policies are increasingly crumbling, also because they are confronted with these questions.

The **structure of property relations** and their variations are clarified by their concrete effects. We are dealing with an "**assessment of the impacts of privatisation**" and this leads to 6 questions:

- What are the consequences for the structure of the market. What position do privatised businesses occupy in the economic structure [the **economic inequality** aspect]?
- What are the socio-economic security effects - what are the developments in job security, working conditions, social welfare, etc., [the **social inequality** aspect]?
- Has privatisation an effect on the provision of goods and services (access to and distribution of goods and services, "human security", equality in access and of opportunity, quality of goods and services, fees, spacial distribution with regard to gender, ecology and health [**developments in use value** aspect, **gender inequality**]?)
- What are the consequences for the state: what income is generated for the state from sales or taxes? What income losses are incurred or what costs are to be met by the state? What is the status of the loss of the state's ability to political intervention [**economic and political inequality** aspect]?
- What effect does privatisation have on politics - transparency, access, participation, influence and democratic control [**political inequality** aspect]?
- What conflicts result from these effects?

At the same time, however, 80% of the population believe that the state works more bureaucratic and less flexible than private services; 71% think that private companies are more efficient, cheaper (61%) and also friendlier (58%). And this despite the fact that the private sector only seeks high profits (74%).

This not only shows the sustainability of the privatisation ideology but also a "bizarre" composed general "common sense" (Gramsci): Although the majority believes that private companies were cheaper and more efficient, the majority believes at the same time that they raised prices in an uncontrolled fashion (68%) and that only the state guarantees a provision for all regions (58%), with adequate prices (52%) and the maintenance of service quality (49%) – a very contradictory terrain. This is not a crazy thing, but reflects different experiences: privatisation politics used to enjoy broad acceptance because it promised the restitution of efficiency with respect to the really deteriorating state of many public utilities, it promised a reduction in costs and prices in the course of competition, a new freedom of choice for customers because of the diversity of providers and products, as well as solutions to the public finance crises through profits from the sales. But 20 years of experience with privatised services showed: the promises were not kept. The reduction in services has uncovered the efficiency gains through privatisation as a myth; instead of a reduction in costs we face higher prices for energy, gas, water, health; the new freedom of choice turns out to be an opaque chaos with respect to tariffs, and is offered by only a few providers which are partially organised as an oligopoly; and the crisis in public finances was also only reduced in rare cases on a short-term basis by privatisation gains, usually by selling off the "family jewels", especially in the municipa-

lities, and this led to long-term income losses or high subsequent costs for municipalities; and far too often privatisation massively fostered corruption.

This dismal reality leads to a new "privatisation disenchantment", and at the same time it revives political action against privatisations as well as direct democracy. Over 160 citizen's referendums against privatisation have been initiated in Germany, and 32 were even successful, others were terminated after privatisation projects were forced to be abandoned beforehand. The recent case of Leipzig attracted a lot of attention, where 87 per cent of the city's voting population voted against selling the city's companies on 27th January 2008. The moratorium on privatisation in Leipzig is initially valid for three years. In Freiburg, Heidelberg and Rostock, selling off municipal housing was prevented by citizen's referendums too.

## 2. „Failed Privatisations“ – Crisis of Efficiency and Profitability

Meanwhile, we often hear about „failed states“ – now the serious legitimacy crisis of privatisation is also increasingly nurtured by failed privatisation projects. The best known example is the disaster of the British railway system. Its tracks were finally taken over again by the state. State interventions such as these become necessary to assume the debts of bankrupt companies and to secure the provision of important public goods (cf. Rügemeier 2008). The most spectacular recent re-socialisation of railways is to be observed in New Zealand. The privatisations in the housing sector also fail to meet entrepreneurial expectations. Municipalities sold vast areas of city housing to big international private

equity funds that promised a long-term involvement, and also to adhere to social standards and still increase profits. However, big corporations like Cerberus resold their new acquisitions after a short time because profits were very much lower than expected. Spectacular buying plans were repeatedly postponed.

In this situation, investors increasingly move from direct performance and control attempts to a strategy of valorisation through financialisation and Public-Private-Partnerships. One example of a crisis of profitability is water supply and sanitation: investment funds now “do not want to manage water but want to manage money,” Eric Swyngedouw writes (2008). No satisfactory profits can be made with water because of the enormous infrastructural requirements (especially in countries of the 'global South'), *unless* state subsidies are made available. If this is the case, “then“, Marx writes in the *Grundrisse*, „capital rolls off“ the provision of respective reproduction conditions “to the state“ (MEW 42, p. 437). Correspondingly, Adam Smith already advocated that such “public goods“ have to be provided by the state.<sup>2</sup> Meanwhile, even the Federation of German Industry (Bundesverband der Deutschen Industrie, BDI) is complaining about international competitiveness being endangered because of the lack of investment in power plants, electricity supply, and roads, and therefore calls for “ten per cent more state investment in infrastructure“ (FR, 27 May 2008). Indeed we can assume that the infrastructure that would be necessary for the reproduction of capital cannot be adequately provided by private companies and that therefore the serious crisis of public provision of infrastructure is increasingly in contradiction to the private clearance sale of public resources. In this sense privatisation becomes unproductive for the overall profitability of capital.

So, at a first glance, the heydays of privatisation seem to be over (Rilling 2008). The number of privatisations as well as the privatisation gains in the EU decreased from about 70 billion Euros in 2005 to about 40 billion Euros in 2007. The largest proportion of 41 per cent of the gains were achieved with the privatisation of financial institutions and banks, followed by the sale of electricity providers (21%) and telecommunications companies (19%; PB 2008, p. 11). The main focus of privatisations worldwide has shifted away from the European Union to China and Russia (also to Eastern Europe).<sup>3</sup> In addition

to the legitimacy problems, decreasing privatisation gains and projects are caused by the fact that the significant and especially the profitable areas of public property have already been privatised, that the prospects for stable profits in the remaining areas are rather sparse and that currently the financing of further privatisations by investors - especially private equity funds - have “started to splutter” due to the subprime and credit crisis (cf. Candeias/Rilling 2008). It is to be expected, however, that the big state funds of China, the Arab states and others will play a much larger role in the future in financing privatisations (cf. Kaufmann 2008). Currently, the investors' interest at the moment is more than ever focussed on profitable jewels, as hospitals or railways-systems in Germany and France.

So, the assumption that the investment possibilities would increasingly start to diminish is wrong. In total, Germany and France were still top of Europe in 2006 with nearly 9 billion Euros of privatisation gains but Germany lost the dubious title in 2007 with only a little more than 6, 7 billion Euros in privatisation gains, far behind France with nearly 14,7 billion Euros (PB 2008, 9).<sup>4</sup> The politics of privatisation are increasingly shifting to the municipal and regional level, and are relatively unimpeded in enforcing Public-Private-Partnerships as the new magical solution for privatisation, concentrating on the areas of health, education, and transport. Every third city is still planning further privatisations (Ernst & Young 2007). Even housing privatisations are still continuing: in June 2008, the government of North Rhine-Westphalia sold 93,000 flats to the US real estate fund Whitehall despite the protest with a citizen's referendum that collected 66.000 signatures. Whitehall now owns approximately 800,000 rented flats in Germany. But, as mentioned above, public opinion is contradictory concerning privatisation: a majority believes that some areas as theatres and museums, public transport, and even employment offices could be privatised. Following Smith's reasoning, a public good is only an exception “in the general common sense” from the otherwise well-functioning market-lead (capitalist) production. Other areas are considered to be the core part of public ownership and control: an overwhelming majority of over 90% endorse the idea that justice, police and the fire brigade should remain in the hands of the state, together with financial administration, schools and universities as well as pension funds, (according to the Forsa opinion research institute).

2 „Certain goods which though they may be in the highest degree advantageous to a great society are, however, of such a nature that the profits could never repay the expenses to any individual or small number of individuals, and which it therefore cannot be expected that any individual or small number of individuals should erect.“ (Smith 1776/1976, Book V, 244).

3 Privatisation gains in China are steadily increasing at an incredibly fast rate and already reached nearly 42 billion Euros in 2007, for instance by selling companies like PetroChina (6,14 billion Euros) or China Shenhua Energy (6,07 billion Euros; cf. PB, p. 7).

4 The Privatization Barometer provides handy internationally comparable data, however, in the case of Germany, they only consider privatisations on the municipal and regional level to an inadequate extent, and therefore systematically underestimate the number of privatisations.

### 3. Deprivatisation and Remunicipalisation – but how?

This contradictory public opinion is reflected also in politics. More and more often, waste disposal, water utilities, electricity supply or housing are being deprivatised or remunicipalised. Not only Paris, but even every tenth city in Germany is planning to reverse privatisations (cf. Ernst & Young 2007). Only a minority of 16% of the population still approve further privatisation of municipal property, and already 28% support the option of deprivatisation. Thus the myths of privatisation are hardly believed any more but the project of privatisation itself is still being continued – although in a modified way. This is also due to a lack of alternatives. Demands such as 'Water is not for sale', for instance, support the creation of myths from the left. Water has been sold for a long time and also had to be paid for even when provided by the state, Eric Syngedouw (2008) insists – affordable access to water for all is not synonymous with the commodity goods form.

Only few re-municipalisations of public companies of the basic services of public interest have been carried out so far, when compared with the number of privatisations. However, since they seemingly breached the privatisation logic (“inefficient-expensive-bureaucratic”), they attracted wide attention. For instance, the most famous example of municipalisation of waste disposal in Bergkamen, was already called the “Orange Revolution”.<sup>5</sup> Critics of neoliberalism are told that not only private enterprise could do it “cheaper and better”.<sup>6</sup> Moreover, the previously absent economic success of municipal companies is explained by the lack of microeconomic know-how and entrepreneurial management (Wiebe/Schürer 2007). Now they would follow microeconomic models and excavate reserves of rationalisation.<sup>7</sup> However, this only shows “that an acceptance of the economisation of social services has been enforced in the shadow of the legitimacy crises”. Even in the cases of successful remunicipalisation, as, for example, waste disposal in Bergkamen, there is often a reference to higher efficiency and lower costs in the municipal companies. If public utilities are only assessed by purely economic indicators, this already follows the neoliberal logic. Remunicipalisation alone does not

solve any problem, since this does not automatically mean an exit “from the microeconomic logic” of competitiveness, profit maximisation, and pure economic rationality (Holm 2008).

Therefore, the “public” must be considered more comprehensively: it has to guarantee the general conditions of reproduction for each single person within the meaning of a social right, this means to provide everybody and every region with low priced (or even free) high quality services, and at the same time to maintain high environmental and health standards, to create qualitatively good employment with standard wages, to secure investment in all important areas like the careconomy (including cross subsidies) and to enable far-reaching democratic participation in the production and distribution of public services for all – including employees and consumers, also – in the end – to gain “control in association with others over” the relevant living conditions (Holzkamp 1987, p. 14). This would require a certain voluntary commitment of the municipal decision-makers and a corresponding detailed codification, since the municipal decision-makers change after each election period, and the decisions and the motivations on remunicipalisation would change accordingly.

At the moment, however, the practice of remunicipalisation still shows the scars from the struggle against privatisation. Competition, profit and efficiency are defined as significant characteristics of the “public sphere“, to counteract the allegations of bureaucratic inefficiency – whereby it should not be forgotten that the cost-effectiveness of a company is important, but there are usually other additional reasons for remunicipalisation. The definition of the “public sphere“ in politics is often quite narrow, as the current example of the rural district of Lüneburg shows. On December 31, 2007, the contract with the corporation on the collection and transport of waste in the district ended. The district previously rejected the renewal of the contract with Remondis and a procurement throughout Europe and transferred the waste collection and disposal to a limited company (Gesellschaft für Abfallwirtschaft Lüneburg – GfA), of which 50% is owned by the district and 50% by the city of Lüneburg, and whose aim was to build and maintain a central landfill site of the district and the city until 2007. Due to the transfer of the service provision to a limited company in public ownership, this is already called a “remunicipalisation“ (Schreiber 2007, 1).

In addition, a subsidiary company, Dienlog GmbH, was founded in March 2004 already – according to the political decision-makers with consent by trade union and employees' representatives. This construction is now specifically being criticised by the trade union and the media. The business report 2006 reveals that since then, new employees have solely been appointed in the subsidiary Dienlog. These jobs are not based on the public

5 Report by the German TV magazine ›Monitor‹ on 18 January 2007, “Die 'orangene Revolution' – Städte holen die Müllabfuhr von Privaten zurück”.

6 Said by the executive vice-chairman of the association of municipal waste management and city cleaning (VKS), Achim Schröter, cited in: “Kommunen wollen mit Hausmeistereien wieder Geld verdienen, newspaper Welt online, 2 March 2007.

7 According to the website of the German public services trade union, Ver.di, on remunicipalisation: <http://kommunalverwaltung.verdi.de/themen/rekommunalisierung>

sector collective agreement, but on a pay scale that is “in accordance with the regulations of the private waste disposal economy“ (George 2008). This decision is justified with the maintenance and improvement of competitiveness with respect to private corporations, especially in case of procurement throughout Europe. Standard wage structures were formally guaranteed, but the collective labour agreement of the public services (TVöD) was restricted, even though the executive director of the GfA emphasizes that employees “would not automatically” earn less. Price stability for customers of public services is pitted against the working conditions and wages of public company employees. Additionally, the fees for waste disposal are not reduced and the executive director cannot guarantee price stability (ibid.). This construction – a municipal company with subsidiary companies to hire employees outside the collective bargaining agreements – can be found elsewhere in Lüneburg as well. The clinic, for instance, was transformed into a city company: the health care employees are still paid according to the collective wage agreement (TVöD), but especially the cleaning and kitchen personnel was outsourced to a service limited company: there they were first paid 10% more than in the private sector, but 7% less than before in the public sector (Meyer-Timpe/Rudzio 2006). Double standards are applied to employees: ‘Low qualified’ employees are separated from ‘qualified’ employees, and under the pressure of impending unemployment and the alleged needs of efficiency and competitiveness they are subjected to other wage standards.

The re-entry into public property that has been initiated in the process of remunicipalisation shows that the use of market mechanisms is by no means ruled out, but is even required in the concept of many of those involved to sustain their position within the labour competition. The “public services” show a wide range of different forms of marketisation and (re-)municipalisation, and without having developed a conceptual aim of the ‘communal’ (municipal) or ‘public sphere’, this does not necessarily mean an antonym to privatisation. Although municipalities and communes can regain influence over municipal companies, the extent to which this exceeds a microeconomic and market-orientated logic based on private enterprise, and actually adopts a different ‘public’ character that also considers other interests and needs, depends on the virtual orientation, participatory organisation and management of a municipal company. If remunicipalisation is to be more than just a change in ownership, then it is a process that develops its own significant social and economic quality of public service (see Hachfeld 2008). Therefore, what does “common good” mean as an “antonym“ to privatisation?

## 4. Pleading For “The Public”

In the Anglo-American language area, the terms ‘commons’ (common goods) or ‘common’ are used which relate to the Latin word ‘communicare’, ‘sharing’ or ‘participating’, ‘communicating’ or the ‘shared good’, the term ‘public’ as a contrary point of reference enjoys increasing acceptance when describing alternatives to the rhetoric and politics of private enterprise (Ostrom/Laerhoven 2007; Rilling 2001; 2005; Rössler 2001).<sup>8</sup> The „Commons“ refer to commonly owned or used natural goods or material resources (water, fisheries, raw materials, forests, land, air, fauna) or even common social and cultural resources (spaces, knowledge, ideas, traditions), the “public realm“ encompasses much more than just the “public“ that is usually identified with the sphere of the media. The adjective ‘public’ characterises many different items: goods, services of general interest, property, companies, employment, spaces, communication, law, and decisions are decorated with this term. These issues especially lead to political controversy and the ‘public’ functions as a kind of antonym to ‘private’ when there are conflicts about public goods, basic services of public interest, public property, public and state-subsidised employment, the public sector or public services, public order, public interest, public space or participation of the public in decision-making. Admittedly, these issues are usually not seen as related and politically connected. The inherent conflicts are often seen as single issues just like the involved activists. The political areas of the party programmes are also not differentiated according to public or private issues. There are family parties, pensioners’, and workers’ parties or even popular parties but there is no party of the public and certainly no private party. Therefore, we are dealing with very different but socially and economically important issues that are commonly defined as being public. *What then is the ‘Public’?* It is a relation between actors that accounts for *The Other* and ultimately the *General Interest* beyond the private and the individual. It is a space for discussion and action, and society is always present: as a reference that not only considers private interests but also those of the others, and hence a common or general interest is accessible through co-partnership and can be develo-

8 The German expression ‘Das Öffentliche’ (‘the public’) does not seem to have a direct translation in English [translator’s note]. Since the 17th century, the term public good, or ‘common good’ incurred the meaning of the adjective ‘common’ (*koinos* in Greek, lat. *communis*) and hence the normative and identity-shaping political and social aspect of being oriented towards common welfare: public welfare, common public interest, public order etc. – in short: the reference to the aspired good “public order“ of the community (“*salus publica*“) that evolves in the political process. The Latin word *publicus* later adopted the meaning of ‘governmental’. In a different way, this made the ‘public’ – as for instance in ‘public order’ an antonym to the ‘Private’, cf. Rinke (1988).

ped.<sup>9</sup> The public sphere as a social and political form of movement is an operation of opening and expansion and it creates the situation of openness, hence accessibility – for whichever extent and number. The control of access is shared. In this sense, it basically (when in doubt as an assuring entitlement or a right) opens the way to elements of equality, free use (consumption), of communication or free co-operation and thus (also political) equal participation (availability). In contrast, private necessarily refers to the elements of releasing inequality by enclosure or exclusion (entitlement or enabling control of access) and the restriction of use or availability as well as hierarchical interaction. The differentiation private/public now refers to two dimensions that are often (since they are highly interdependent) not seen as separate. On the one hand, politics and economy, state and market, public or private power, public services are treated as opposite to private capital; this refers to the public sector as represented and incorporated by the state as the general interest, as opposed to the special interest of the private form of economy and the market. On the other hand, the dimension of private life (e.g. the family) – where the world of feelings, intimacy, safe spaces, and also the 'secret' and hidden spheres exist – confronted with public life, public space, ideally with the general transparency and accessibility without fear or sanctions, and additionally the public as a communicative arena, where the world and the private of the many and of society are publicised (public opinion, publicity) and where private persons assemble as public audience.<sup>10</sup>

The opposing elements influence each other in both dimensions: the public sphere is privatised and the private sphere is also municipalised – an interaction that is effective in both dimensions. Therefore, the strict differentiation between 'private' and 'public' has been weakened for some time (but nevertheless still applies). Thus, for example, the issue is not about the state increasingly invading the defensive barriers of private life with its well-equipped surveillance and investigations, working towards a totality of the state and the public sphere, while rich private people practically appropriate the public sphere or subject the public sphere to market forces. The variety of relationships between the public and private spheres also crystallize into many hybrid forms, whereby it is difficult to decide which of the two is dominating: private interests finance public goods and deliver services for the basic necessities of life or supply "military security", decide on how the billion-market for the consumption of and public access to music or lyrics is regulated, or determine how the inter-

net operates down to the last detail (the Internet Engineering Task Force (IETF) or ICANN or judge how the handful of globally operating rating agencies assess the credit worthiness of private and public actors on the financial markets.<sup>11</sup> The procedures of numerous international regulations concerning investment, competition arrangements, taxation, safety standards or industrial relationships are in the meantime largely controlled by private capital actors and their agencies. State determined law is replaced by laws from private contracts and soft law (codes, guidelines, norms, standards) (Picciotto 2007). On the other hand, public companies produce exclusively or predominantly for profit as global players (e.g. municipal utilities) and have largely abandoned their dedication to the public interest. Irrespective of which of these relationships we consider: the dominance of the private interest remains unbroken. The powerful hegemony of the private sphere, as it was built up through the liberal market radicalism of the previous three decades has led to an unprecedented enclosure and crowding out of public goods and the basic services of general interest and public ownership. "The public sector shall be public", was a demand once made by Welcker, the old liberal (Welcker, 1864 p.744). This is increasingly less the case: use of public goods and services has become dependent on purchasing power and basic public services of general interest are controlled by the financial markets. The remaining public ownership operates unrestrainedly according to normal private capital profit maximising precepts and the remaining tiny public spheres mutate to advertising markets devoid of prospects. The substance of the public sphere of the "public power" fades. The hegemony of the private sphere has not only replaced the public sense of values with the private sense of values, but also has significantly changed what still remains of the public sphere, in that it has imposed its market operation methods, concepts and objectives on the private sphere. It is common practice in the meantime to arrange exclusion from public services through fees and charges, such that only those who at least participate in the costs can avail themselves of public goods and services such as education or culture, enjoy public property such as parks, rivers or lakes or museums or gain access to public areas of high utility value (transport systems). In the language of the theory of ownership, public goods convert to club goods which are no longer openly (or

9 This ultimately means: Public interest in the sense of the German constitution is the "people" in its diverse and controversial social reality.

10 Following Henning (2007) and Rinke (2002).

11 „Public force is the power (estate) that is entrusted by the people to the state and its law enforcement and use of violence is a power that is liable to the people. It is public because it needs to be constituted, legitimised and controlled by public proceedings ... Finally, it is public because it is responsible for public welfare (oriented towards the "people" by "proceedings") and this responsibility bestows it ... with an own legitimacy.“ (Rinke 2002, 44, emphasis added by authors). Each of these three aspects has meanwhile been shifted massively towards the private and the particular interest.



freely) accessible and usable. This leads to inequality effects and reduces welfare functions. Even the state, as the controller of the greatest density of formal public goods, is developing marketing interests in its liberal democratic institutions (parliament, justice, political infrastructure) and is increasingly drawing on a wide range of private arrangements (e.g. secrecy, assigning sovereign functions to private interests, introducing business management practice, etc.). In short: the public sphere itself has been privatised and is incorporating the systematic production of social and political inequality and exclusion of the private sphere into its way of operating. The communality is weakened. From the perspective of the marketing citizen, there is a pleasant side-effect of the de-politicisation of the public sphere, since this now primarily follows economic rules.

Additionally, the second dimension of the distinction between the private and public spheres operates between mutual exclusion and mutual permeation: individuality, intimacy and personal characteristics are being marketed, made into a commodity and commercially processed by the public media and the personal and private is being advertised on the market and made permanent. The personal and private is a moment of movement in the public sphere and in the public space – and has already long since adapted to marketing rules – and resubjected as a private object of marketing that can generate a commercial value. The market puts a value on what was previously private, a second “privatising of the private” (Henning 2007). At the same time, the “private” is subsumed in the “real” sense. Richard Sennett sees “the end of the public life” here (Sennett 2004). Since the personal is individually and in principle more than the person in the sense of the market economy, this continually new normative adaptation to the economic world breeds a feeling of failure and fear. The privatization of the private always makes us feel quite miserable, it entails high social costs.

Talk of the “public sphere” thus signifies neither a mode of production nor an economic order. This is therefore not a question of the whole system of democratic socialism or civilized capitalism. Finally, the public sphere is not considered to be the tactical compromise intervention of secret Left state interventionists or the resigned friends of a civil society that has become unpopular. It is rather all about working out a consistent answer to the dominant practice and culture of privatisation – at eye-level. The public sphere outlined here is understood to link production and appropriation relationships as well as the controlling relationships associated with them (ownership, jobs [“public service”], availability), produced utility value (goods and services), various modes of operation (especially communication, cooperation, publicity) and their territories or places (spaces). Formulated politically, it is normatively distinguished by

what should produce democratising control and the promotion of political, economic and social equality. Thus, it is concerned with concrete effects and practicalities. Working for the “public sphere” means democratising and communalising ownership and social relationships, companies, goods, places, or taking measures that affect the basic services of general interest (public welfare), organising communications, public governance to reduce inequality in the distribution of resources in society and the distribution of political goods (participation, access). Thus, the public sphere can become an effective medium of solidarity in the most varied realms of life since it enables participative justice and accessibility with respect to the elementary conditions of life and offers a “*conditio humana* for individual liberty” (Klein 2008).

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## The Network Privatization / Public Goods (ppg-network)

The Network Privatization / Public Goods (ppg-network) was founded in 2003 on the initiative of researchers from the **Rosa-Luxemburg-Foundation**.

The ppg-Network is a loose network of individuals, research institutes, organisations, etc. who are all engaged in the topic of privatization/ public goods and corporations, public spaces and public services / wealth / property. Some members focus more on the political sphere, others emphasize social movements or theoretical academic work. Topics are the conflicts about property and for the public good. We organize seminars, workshops and lectures (also internationally), publish policy papers or books and edit a regular **newsletter** for over 400 subscribers from 17 countries.

Additionally, our main feature is a huge website full of information, based on a **weblog** with more than 700 entries. It can be found at: <http://www.who-owns-the-world.org> .

The website collects information on the themes of privatization, valorization, public goods, **deprivatization**, property, and distribution of wealth and then files them into currently 30 categories: Daily short news items with internet links, text references, and announcements are complemented with carefully compiled background information (still being set up at the moment), as well as recommendations on selected search tools for finding further information on the net. Of course we work together with various other organisations critical of privatisation, for instance the German Left and the European Left party (DIE LINKE and the European GUE/NGL). In short: we seek **co-operation**, support, and networking.