

Current Situation of Water Privatization in Japan and Our Struggle Against It

KUBOTA Kazutaka

Secretary General

ZENSUIDO (All-Japan Water Supply Workers' Union)

1. Background

At the Third World Water Forum (held in Japan in 2003), the ideas that “Water is a basic human right” and “Water is a public good,” rather than “Water is a commodity,” were adopted. Also, at the Fourth Forum (Mexico, 2006), there was little discussion on PPP (public-private partnerships) or privatization. Rather, public water supply based on public-public partnerships was positively evaluated. However, the trend toward privatization has not weakened in Japan or the rest of the Asian region. Therefore, Japan needs to defend the principle of public management of the water supply and promote international cooperation, or realize public-public partnerships based on the improvement of the water supply through public management.

In Japan, the Koizumi administration, which carried out structural reforms, and the Abe administration, which inherited these policies, have transformed conventional systems into ones that aim to procure public services from the market and introduced systems of independent administrative agencies and the designated management for public facilities, along with market tests. Consultants have proposed water privatization schemes in defiance of the Water Supply Law.

In addition, governors and mayors who promote administrative and financial reforms are pursuing economic efficiency alone. An increasing number of managers in charge of water supply lack an understanding of its proper roles. There are stronger trends toward avoiding negotiations with trade unions. Increased personnel transfers have taken place between water supply officials and those of other administrative sections. Thus, privatization and subcontracting are becoming more common and technical bases are being lost in public water supply entities.

2. Water Supply as an Element of the Right to Existence Stipulated in the Constitution

(1) Water Supply Law as part of legal structure concerning the Right to Existence in Article 25 of the Japanese Constitution

“In consideration of the principle that the water supply in Japan is conducted based on the Water Supply Law as a part of the legal structure concerning the right to existence stipulated in Article 25 of the Japanese Constitution, and is done under the management of local governments,” we defend the principle of public management of the water supply by working to prevent the law, which regulates the supply of drinking water, from becoming a dead letter. It is also necessary to establish a strong operational basis, both technical and financial, and our policy struggle aims to widely spread public-public partnerships, making use of the partial revision of the Water Supply Law. In addition, we have cooperated with local assemblies to the greatest extent possible, calling upon them not to apply the designated management system to water supply conducted by local governments. We cannot accept the adoption of such a pro-privatization management system in defiance of users and residents, so we are lobbying the governments to grasp these issues and problems.

(2) Japan's water supply improved when it came under the management of local public enterprises

The Local Government Law and the Local Public Enterprise Law were enacted in 1947 and 1952, respectively, following the end of World War II. These laws helped establish a management framework for local public corporations providing water supply, through the introduction of a self-support accounting system and a corporate accounting system, and the establishment of the JFM (Japan Finance Corporation for Municipal Enterprises). Subsequently, the new Water Supply Law, enacted in 1957, clarified the purposes of the water supply and water quality standards, leading to the rapid extension of the supply system. Nationwide, the coverage is now

97%. Public enterprises have accumulated the technical capability to continue supplying safe water and to integrally manage and operate the range of water facilities from water withdrawal to water distribution.

We must maintain and nurture the excellence of public corporations while supplementing and modifying shortcomings involving the participation of users and residents in the decision-making process.

3. The Designated Management System for Water Supply in Saga City: A Struggle to Halt De Facto Privatization

In March 2005, based on the ideas of consultants, the Third Administrative Reform Promotion Congress issued recommendations to Saga City to reform its water supply, including by “comprehensive subcontracting to public sectors utilizing the designated management system.” They recommended that expenses for the purchase of purified water and improvements in infrastructure following a municipal merger should be excluded from consideration. In other words, measures were not proposed for the major issue, and no future vision was articulated. Labor costs were to be reduced through a 90% reduction in personnel through the abandonment of accumulated technical strength, and the quakeproofing of facilities would be postponed. This type of “correction” may make possible the “direction to keep the water rate at the same or a lower level during the coming decade,” but will lead to an aging and loss of technical capability of water facilities, and to a collapse of the basis for the water supply. Many other problems have been suggested, such as the “absence of experts on water at the administrative reform promotion congress,” “lack of crisis management,” “groundless business analyses,” and “discussions and decisions being made behind closed doors, without the involvement of citizens or the city assembly.” Although this plan was abandoned in the end, thanks to our efforts, the transfer of Waterworks Department officials to subcontractors (meaning their dismissal) was originally recommended (application of Article 28, Local Public Service Law) in the draft of the recommendations.

The scheme for the “Application of the designated management system to the water supply” has not been well established. If it is forcibly carried out, this will lead to a blurring of the sharing of responsibility between the local government and private companies. At the same time, the Water Supply Law will become a dead letter, and the stable supply of safe water will be jeopardized. The scheme will require privatization, with private firms re-obtaining project approval after the agreement of Saga City Assembly as representative of the citizens. In this case, privatization will be equivalent to the city’s abandonment of its water supply.

The Saga Water Supply Workers’ Union has carried out a protracted struggle based on the position that “What is necessary is a grand design for the water supply in Saga” and “Citizens should make the decisions,” with the support of many trade unions and citizens opposing the weakening of the Water Supply Law. The union has repeatedly explained its position to all members of the administrative reform promotion congress and delivered leaflets to all households in the city, and the “Citizens’ Association” that was subsequently formed has held grassroots meetings on the water supply in Saga City.

The trade union in Saga has also launched discussions on the efficient management of the water supply based on a grand design, based on policies such as “Water safety is users’ safety,” “The safety of the operational base leads to continuity supported by the established technical and financial bases,” “Restoring and protecting a healthy water cycle is a guarantee of the safety of the environment and social infrastructure” and “The safety of workers means securing bases for working and living with pride.”

In the end, the manager of the water supply operation stated, in a collective bargaining session in September 2005, “Following a comprehensive consideration of the issues, we have decided not to introduce the designated management system.” Therefore, we succeeded in stopping the system from being introduced. In the subsequent mayoral election in Saga, a candidate who promised to maintain the principle of public management and to carry out public services under the responsibility of the municipality defeated the incumbent mayor who had implemented administrative reforms in the city. The opinions of trade unions have been reflected in the “Vision for community water supply” formulated under the new municipal administration, and “private business approaches” are

not referred to, as a fruit of our efforts.

The following lessons can be drawn from the struggle in Saga City.

- (1) The essence of Article 25 of the Japanese Constitution, which stipulates the right to existence, needs to be utilized to ensure that the Water Supply Law, whose purpose is to stably supply safe water “cleanly, abundantly and inexpensively,” does not become a dead letter,
- (2) Trade unions need to aggressively express their views on policies and defend the public nature of the water supply by enhancing cooperation with water users, citizens, assemblypersons and water supply workers.
- (3) Public officials should provide information without hesitation, to allow the opinions of users and citizens on water supply operations to be reflected, and to ensure their participation in decision-making processes.
- (4) Trade unions need to present alternative ideas to privatization. This is difficult, but essential, for discussing the preparation of a grand design.

4. Resisting the Privatization and Further Subcontracting of the Water Supply to Ensure a Stable Supply of Safe Water

A designated management system was introduced in Takayama City, Gifu Prefecture in April 2006, over strong opposition, after the city merged with smaller municipalities in the vicinity. We are currently trying to grasp the problems of this system, which has been implemented for a year.

The most important issue regarding the subcontracting of the water supply is the operation and management of water treatment plants. The “comprehensive subcontracting” of such works, which is not stipulated in the Water Supply Law, may be promoted as a means to avoid adopting a system to subcontract to a third party, which applies all the regulations in the law, including the possibility of criminal charges, to subcontractors. In principle, the “public,” in the form of a public water supply corporation, is supposed to take responsibility. However, the corporation loses its technical capabilities when comprehensive subcontracting is carried out, and its role becomes limited to taking responsibility when something goes wrong. On the other hand, the subcontractor can evade the strict regulations that govern subcontracting to a third party. Such law-evading subcontracting leads to serious problems for the stable supply of safe water, and we must continue our struggle to prevent its introduction, by placing pressure on regulatory authorities. Furthermore, it is obvious that market tests are not compatible with water supply, so we will redouble our efforts to keep such tests from robbing the works of their continuity.

There are two common aspects to struggles continuing around the world, which are the existence of forces of democracy against neo-liberalism and the pursuit of user and resident participation in decision-making processes. Japan should promote public-public partnerships on a global scale, and needs to provide other countries not only with technology transfers, but with excellent frameworks and systems for public water supply, and to cooperate with them for the development of an infrastructure for future voluntary management. To this end, we must first of all stop the privatization of the water supply in Japan and make efforts to strengthen the technical and financial bases for its supply under the principle of public management.

ZENSUIDO is now carrying out the “Water Action Program 2007” together with JICHIRO (All Japan Prefectural and Municipal Workers’ Union) as a member of the PSI-JC (Public Services International – Japan Council) with the aim to defend the public nature of the water supply. On March 8 International Women’s Day, we carried out a QPS (Quality Public Services) Campaign, based on the slogan that “Water is a basic human right and must be publicly managed.” On March 22, World Water Day, all enterprise-based unions adopted the “Declaration for the Establishment of Independent Community Water Supply and Sewage Operations Based on the Public Nature of Water,” and presented it to public water supply entities and supervisory authorities, such as the Ministry of Health, Labour and Welfare. Global capital and international institutions will not abandon their plans to gain control over water and make profits from it. We at ZENSUIDO will make strong efforts to participate in international solidarity against neo-liberalism through the enhancement of our struggle to resist the privatization of the water supply and defend its public nature in Japan.