

## **Neoliberalism, P3s, and the Canadian Municipal Water Sector: A Political-Economic Analysis of this 'Post-Political' Waterscape**

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### **Abstract**

In this paper I consider how the increase of Public-Private Partnerships (P3s) in Canada now threatens the autonomy of municipal water services. P3s have gained traction since the 1990s as a mechanism of private alternative service delivery that replace traditional public provision. Over the past decade, P3s have been actively promoted by the state via quasi-government agencies such as Public-Private Partnerships Canada (PPP Canada), yet their results have been markedly poor. Nevertheless, P3s are now being situated as a key mechanism in the neoliberal (re)regulation of public services, regardless of their shortcomings and inequities. With this in mind, I frame recent Federal policy changes concerning the funding of local water infrastructure and services and their implementation through such agencies as PPP Canada as expressions of post-political governance in Canada. I argue that the capacity for local decision-making concerning this integral social and ecological service is being overwhelmed by a technocratic, expert-driven political process that is contingent on the hegemony of economic austerity to institute municipal water privatization, free from democratic accountability.

### **Keywords**

Public-private partnerships, water governance, neoliberalism, political economy, post-politics

### **Introduction**

Reeling from decades of 'state failure', public water services around the world have experienced neoliberal privatization of varying degrees (Bakker, 2013; Peck, 2010a), bringing their operations in line with the market-centric rationality (Brown, 2015) that now so commonly informs contemporary environmental governance (Bakker, 2014; Heynen et al., 2007). Globally, the outcome of this recalibration in governance has been socially and ecologically detrimental (see Bakker, 2010), with Canadian municipal water services also suffering this fate. The political-economic climate in Canada is now set to exacerbate this.

At first glance, this invocation of predetermination might seem unsuitable – are the routine outcomes of water service marketization, such as commercialization and privatization (Bakker, 2014, 2003), really beyond democratic control? Can we not challenge this overflow of 'displacement', this commodification (Castree, 2003; Harvey, 2004, p. 64) – is there really no alternative to the processes of neoliberalization? These questions aside, the language above is certainly intentional, meant to invoke a sense of concern about the trajectories of water privatization and the capacities of political will for opposing them.

Karen Bakker (2013) recently argues that we are witnessing a refined intensification of neoliberal water governance around the world – one characteristically variegated in form, albeit uniformly 'non-public' in expression. Bakker states that while outright, 'traditional' privatization has declined, new articulations have emerged that are still neoliberal in spirit; that "neoliberalization [is] producing its others or a means by which states devolve responsibility for services to certain classes or groups of citizens" (2013, p. 257), namely those in the private, or corporate sector. As this

paper seeks to demonstrate, this process is occurring in Canada under the guise of ‘economic prosperity’, and via the benefits afforded through public-private partnerships (P3s).

P3s have grown in popularity since the mid-1980s as an alternative to traditional municipal service provision. Generally, aside from secondary tasks where private firms are required for specific and limited roles, ‘public’ water typically relies on financing and labour that are sourced in house by sub-federal governments. P3s are distinct from this arrangement, however, because they allow private firms to control publicly-owned projects at all stages, and therefore to incorporate market mechanisms at a much greater degree (Loxley, 2010). Historically, P3s have been commonly been used for large infrastructure projects in the transportation sector (for roadways and bridges), in healthcare (for the creation of new hospitals), and, more recently, in municipal water treatment and delivery. According to Loxley (2012), 200 P3s were planned or implemented in Canada between 1985 and 2001, valued at over US\$71 billion. To date, all levels of government in Canada have engaged in some form of P3 in the past fifteen years (Loxley, 2010, p. 4), with a substantial increase since the economic crisis of 2008 (Lang, 2013).

During this period, I argue, the Canadian waterscape has been transformed, through a common sense adherence to austere economic policy and the expansion of private stakeholder involvement in decision-making, into a waterscape where local governments will have little to no input – no political capacity – to decide how to finance or provide water to their constituents. Therefore, answering the questions posed above – questions concerning the force of marketization and control over water services – requires engagement with a political-economic analysis of Canadian water governance that problematizes the mechanisms through which both responsibility and authority for water services are availed, and the forms of so-called ‘public’ provision that result. With attention to these mechanisms – primarily the government discourse concerning the so-called ‘need’ for P3 privatization, and subsequent policies used to normalize it – we can observe an overly pragmatic and economically driven form of neoliberal, post-political water governance developing in Canada.

## Neoliberalism in Brief

Neoliberalism is commonly understood as a political-economic philosophy heralding individual freedom, liberty, and unimpeded economic development as central tenets of collective progress. The ‘neo’ in neoliberalism infers a resurgence of this perspective from classical liberal economic beliefs of philosophers like Adam Smith and David Ricardo, who further espoused the centrality of property rights and autonomy as key facets of social progress. Thus, *neoliberalism* begins from the position that freedom from state intervention will safeguard individual liberties from *within capitalism*, and is grounded in an overall recognition of the virtues of the market – and therefore the inabilities of the state – in managing economic development. This promise is carried forwards through ‘common-sense’ rationalization (Brown 2015; Harvey 2005) and discursive reproduction (Springer 2013) that act to legitimize the material processes of neoliberalization (England and Ward 2007), and vice-versa. For as Marx stated in his account of the base-superstructure relationship under capitalism, “the mode of production of material life conditions the social, political and intellectual life process in general” (1993, n.p.). As such, the ideological merits of neoliberal capitalism are reproduced through state-led initiatives like trade liberalization, economic deregulation, and of course, public service and asset privatization.

As David Harvey (2005) showed over a decade ago, the U.S was a global leader in diasporizing neoliberalism practices via its support of transnational financial activities engineered to ameliorate the economic hardships faced by developing economies through the latter decades of the 21<sup>st</sup> century, while simultaneously ensuring the permeability of such spaces to corporate capital (Woods, 2006). This process has been referred to as ‘accumulation by dispossession’ (Harvey, 2007), whereby public assets are transferred to the private sector, often at well below their real value, and can then provide a ‘spatio-temporal fix’ (Harvey, 2001) against circulatory devaluation or other

vulnerabilities brought about through the inherent contradictions of capitalism. Thus, for the argument unfolding here, neoliberalization is recognized first and foremost as an accumulation project, contingent on the re-formulation of public, or common spaces into entities which are amenable to techniques of market-based governance<sup>1</sup>.

## Post-Political Neoliberalism

Since the “unabashed victory of economic and political liberalism” (Fukuyama, 1989, n.p) and the successes of neoliberalism, democracy has taken a back seat to the prioritization of economic growth, making (or sacrificing) space to what have been termed ‘post-democratic’ or ‘post-political’ governance (Crouch, 2004; Swyngedouw, 2009, 2010, 2011; Wilson and Swyngedouw, 2014a; Žižek, 1999). Wilson and Swyngedouw (2014b) summarize this as “a situation in which the political – understood as a space of contestation and agonistic engagement – is increasingly colonised by politics – understood as technocratic mechanisms and consensual procedures that operate within an unquestioned framework of representative democracy, free market economics, and cosmopolitan liberalism” (6). Although the philosophic roots of this view are not a primary focus here,<sup>2</sup> those who have influenced the literature on post-politics like Jacques Rancière, Slavoj Žižek, and Chantal Mouffe arguably share similar end goals targeting increased democracy and egalitarian, emancipatory politics. As such, the disciplinary range occupied by these thinkers provides much flexibility in using post-politics as an analytic tool, which in part explains its recent surge in attention (e.g. Wilson and Swyngedouw, 2014b), and its application here.

Indeed, one only has to look to the current state of contemporary econo-centric, individualistic politics (Brown, 2015) to realize the timeliness of a theoretical lens that posits the partial foreclosure of democratic potentiality, the “disappearance of politics” (Rancière, 1999, p. 102), and the legitimization of unquestioned, state-led corporate capitalism (Boggs, 2000; Crouch, 2011). Contemporary examples of post-political-induced unrest like those at Zucotti Park and Tahrir Square exemplify cathartic moments of democratic expression that oppose the ‘economization of everything’ (Brown, 2015) which seems to characterize neoliberal political relations today. Wilson and Swyngedouw capture this defining institutional feature of post-political life well:

Post-politics is defined by the reduction of the political to the economic – the creation of a ‘welcoming business environment’, which inspires ‘investor confidence’, and provides the economic guarantees deemed necessary for ‘strong and stable markets’...[T]he economy is therefore increasingly insulated from even the most limited forms of democratic accountability, even as the state increasingly legitimizes itself in terms of its capacity for ‘pragmatic’ and ‘responsible’ economic management.

(2014b, p. 8-9)

Concerning the practices of macro-economic governance, post-political ‘pragmatism’ of this sort is now commonly achieved through state reliance on policy experts and so-called ‘best practices’ (Peck, 2011) like those sought via neoliberalization. This is an increasingly easy task for states like Canada where austerity is the new normal – where “the elision of democracy with the dictates of capital” (Wilson and Swyngedouw, 2014b, p. 9) unequivocally equates sound political leadership with economic progress. Of course, this is not a new phenomenon, but the extent to which it now constitutes a populist neoliberal ‘common-sense’ (Springer, 2013) arguably is. Indeed, the post-political condition is so disconcerting largely because it supplants a more holistic political determination, both for citizens and varied ‘agents’ of governance, with a narrowly focused conception of economic prosperity as the true democratic ideal.

Environmental issues have become an important focus of post-political critique as of late (Raco, 2014; Swyngedouw, 2011, 2010, 2009), and these framings speak to the challenges faced by envi-

ronmental movements in light of unabated neoliberal capitalism and its antagonism with the politics of sustainability, or environmental governance more broadly. Indeed, Erik Swyngedouw's recent work on eco-politics and climate change (2009, 2010) is particularly informative here. He explores how the "fetishization of CO<sub>2</sub>" by the global scientific elite and their co-optation of the discourse of sustainability has resulted in a unilateral, quasi-apocalyptic vision of neoliberal climate politics (2010, p. 216). Lamenting the loss of true political dialogue about alternatives to green capitalism as the solution, he argues that "much of the sustainability argument has evacuated the politics of the possible, the radical contestation of alternative future socio-environmental possibilities and socio-natural arrangements, and has silenced the antagonisms and conflicts that are constitutive of our socio-natural orders by externalizing conflict" (2010, p. 228).

Swyngedouw's main argument – that *there are*, in fact, alternatives to the technocratic solutions realized within neoliberal capitalism for the challenges presented by carboniferous capitalism, but no political space for them to be vocalized – is intrinsic of the post-political context I will relate to Canadian water governance. More specifically, however, I seek to elucidate a political-economic environment – one rich with the symbolism and practices of neoliberal governance – in which local governments must now accept that, by way of austere rationalizations of fiscal capacity, the federal government now determines the conditions through which water services are to be provided to their citizens. Indeed, a post-politics is at play in the Canadian waterscape that *depoliticizes* environmental decision-making at the local level, in exchange for privatization.

## Neoliberal Water Privatization

Like many other aspects of the public realm, the neoliberalization of water services began in the 1980s. The UK was one of the first sites to experiment with full asset privatization in 1989 (see Bakker, 2004), and due to the inclusion of privatization schemes in the infamous Washington Consensus (Woods, 2006), it spread quickly through the Global South (Castro, 2008; Prasad, 2006). The now-famous events at Cochabamba, Bolivia is a fine indication of the reception of such policies during this period, where the privatization of public water services at the behest of the World Bank resulted in wide-spread protests and civil unrest (see Spronk, 2007).

Although water privatization began in the UK and spread southwards from there, other countries in the Global North were not immune to the discursive force of privatization. Indeed, the so-called 'state failure' rationale gained traction through the 80s and 90s, souring the idea that public services should be safe from marketization, and so water privatization arrived in North America as well. As Bakker notes, this perspective "posits that states are less efficient and effective than private-sector organizations and markets" (2014, p. 474). This discourse echoes the pro-private sentiments of other institutional reforms of the era, like New Public Management, which characterized public services and decision-making processes to be inadequate for accommodating the spatial-temporal conditions of economic globalization.

### *The Canadian Context*

In Canada, where public services have maintained a strong legacy in the collective imaginary, full asset privatization has not been as successful as in other regions. However, service privatization (or 'alternative service delivery' (Furlong and Bakker, 2010)) has become an increasingly common state-led solution for achieving the benefits of asset privatization – namely, capital accumulation (Harvey, 2005) – without the social ramifications experienced in places like Bolivia. The 2005 Walkerton, Ontario tragedy exemplifies this contextual difference. As Prudham (2004) has identified, the provincial mandate for the use of private sector actors for municipal water testing resulted in a failure of regulatory oversight – a so-called 'normal incident' of neoliberalism – that caused extensive poisoning and the loss of life for citizens in the Ontario town. Though the infrastructure re-

mained public, the affiliated testing services were privatized, signaling that privatization need not involve the sale of assets, simply the incorporation of the norms and characteristics of marketization, like commodification and commercialization (Bakker 2003). Thus, while only a brief example, this case highlights the near-sightedness of regulatory change favouring market-based governance practices that has come to characterize many aspects of water governance in Canada, and neoliberalization more generally.

However, one would be hard-pressed to argue that Canadian water infrastructure is not in dire need of investment – a material reality that has stoked the flames of neoliberalization under analysis here. Indeed, while public infrastructure has been underfunded for decades, it became much more pronounced between the mid-70s and mid-80s (Mackenzie, 2013), and the concomitance of this with the rise in Canadian deficit politics, of ‘low-tax’, neoliberal austerity ideology (Carroll and Little 2001), should not be ignored. Nevertheless, the capital shortcoming is still monumental. Mackenzie (2013) estimates that an investment totaling 30% of *annual* GDP is needed to meet demand. Concerning water infrastructure specifically, the Canadian Water Network (CWN) determined in 2004 that \$39 billion was required to maintain and upgrade existing water systems, and estimated this amount would reach \$90 billion by 2013 (CWN, 2004). Similarly, the federal government has estimated that water infrastructure costs may reach a staggering \$100 billion by 2023 (PPP Canada, 2013)–hence the ‘need’ for alternatives to public provision.

### ***P3s in Canada***

The infrastructure funding shortfall represents a serious liability for essential services like water, and one that the government chose to remedy through privatization. Indeed, “since 1993, the Government of Canada has attempted to address the infrastructure deficit through a series of shared-cost programs” (Dupuis & Ruffilli, 2011, n.p) in hopes of dispersing the responsibility for providing infrastructure and services without challenging the neoliberal waterscape in Canada. What’s more, this sentiment has also been embraced by numerous sub-federal governments. British Columbia was the first province to adopt the P3 approach, stating in 2003 that “P3s can reduce [the] government’s capital costs, helping to bridge the gap between the need for infrastructure and the Province’s financial capacity” (Partnerships BC, 2003, p. 3). Since then, P3s have spread to virtually every Canadian province and territory (Loxley, 2010).

P3s are contractual agreements between a public party (typically a government) and a private firm (or conglomerate of firms), whereby the latter design, build, finance, maintain, or operate public services in exchange for the profit generated by these activities (Loxley, 2010; Whiteside, 2012). This arrangement is key, because with ownership remaining public, P3s can be touted by the state as a public-owned, low risk solution to funding shortfalls – as a benefit to the public economic good. Indeed, the argument offered by the state and their corporate ideologues is that because governments retain ownership of the assets in question, the processes involved do not amount to privatization (CCPPP/PPP Canada, 2012), however this is simply untrue.

While the focus of this paper is not to present a detailed critique of P3s, it must be stressed that P3s do not achieve the public benefits for which their use is politically and economically justified, and that they are most certainly a form of privatization (Mackenzie, 2013; Mehra, 2005; Loxley, 2012, 2010; Whiteside, 2013; Vining and Boardman, 2008; Ouyahia, 2006). P3s epitomize the commodification and privatization of public services in Canada (McBride and Whiteside, 2011), and characterize neoliberal accumulation by dispossession in all its destructive glory (Whiteside, 2009). The shortcomings of P3s – cost and time overruns, labour code violations, decreased quality of service and product – have been vocally noted by academics and members of civil society for nearly two decades (e.g. Council of Canadians, 2012; CUPE, 1998; Loxley, 2010, 2012; Whiteside, 2009, 2013). In point of fact, global trends in water service ‘remunicipalization’ emphasize these findings, and challenge the privatization of public water altogether. A recent study completed by a collective

of civil society organizations documents 180 cases of water privatization, many of them P3s, that have reverted to public provision (Lobina et al., 2014), therefore reaffirming the ‘uncooperative’ nature of private water management overall (Bakker, 2004).

Yet, contrary to a decade of critical examination and evidence indicating that privatization is not compatible with water services, the Canadian state eagerly continues to institutionalize P3s, in policy and practice, as the future of water infrastructure and provision in Canada (Lang, 2013). Worryingly, this is being enacted in a way that legitimizes privatization while at the same time inhibits the capabilities of local governments to oppose its institutionalization.

## **The Making of a Post-Political, Neoliberal Waterscape**

### ***The Post-Politics of Austerity***

The crisis of 2008 served as a catalyst for solidifying the Canadian state’s commitment to water service privatization. While it was purported early that Canada fared well in its recovery from the recession, the crisis certainly crossed the border. As McBride and Whiteside (2011) note, the initial monetary response to the crisis was denial, and then minimization, as the Conservative government sought to uphold the image of an economy that had survived relatively unscathed because of the stability of its banking sector. Yet, the monetary actions of the state indicate a contradictory condition, evidenced by the somewhat quiet distribution of a significant bailout package estimated at \$114 Billion by the end of 2010 (Macdonald, 2012).

This aligns with the post-political naturalization of economic emergency as a stable fixture of contemporary states, in which “our societies must no longer be concerned with the fight for freedom or equality... but with the struggle for survival” (Rancière 2010, p. 18, as cited in Wilson & Swyngedouw, 2014a). Of course, the survival in question is that of the economy, not of public services, and hard times call for hard measures; so should the state (and its stakeholders) be questioned as to why they are endorsing P3s so eagerly, the ideological weight of the economic survival discourse will surely ease the burden of justifying a policy directive that endorses water privatization.

The 2012 C-38 budget provides an insightful look at the neoliberal discourse used to enforce austerity following the crisis. For example, the federal government stated in 2012 that it was “committed to returning to balanced budgets at an appropriate pace as the economy continues to recover from the global economic crisis” (Government of Canada, 2012, p. 209). While this directive is not surprising, it is distinctly inconsistent with economic conditions at that time, because by 2012 the Canadian economy had not depressed to the same extent as other large economies (McBride and Whiteside, 2011). In fact, it was reported in the same budget document that, because of Canada’s “sound economic, fiscal and financial sector fundamentals, real GDP [wa]s... well above pre-recession levels – the best performance in the G-7” (Government of Canada, 2012, p. 32). Yet, the Canadian state still pushed austerity forwards, ‘tightening the belt’ by cutting public spending in its attempt to balance the budget. As MacDonald (2012) notes, the spending cuts required to return to balance were immense, as the 2012 bill included public sector job cuts projected to total 34,000 federal jobs by 2015. With additional changes to employment insurance and old age security, amongst numerous others, C-38 was described as Canada’s “austerity budget wonderland” (Broad, 2012, n.p.), rife with tales of good-doing though indicative of severe structural economic change.

Perhaps unsurprisingly, this was the same budget year that P3s became a direct avenue of public investment. The newly established Community Infrastructure Improvement Fund dedicated \$150 million to local infrastructure projects, to be prioritized “through consultation with partners and stakeholders” in the private sector (Government of Canada, 2012, p. 156). Here, another element of post-political governance comes to light, namely how state-level politics occurs in unison with economic deliberation, within an “unquestioned framework” of free-market economics, and all in the

‘public interest’ (Wilson and Swyngedouw, 2014b, p. 8). Though, as recent history has shown, the economic bailouts following the Great Recession were made *on the backs of the public*, and in the interest of the capitalist class. As such, socially or environmentally-minded alternatives to bailouts and austerity can not reach beyond rhetoric and dismissal when ‘recovery from crisis’ is the sole prerogative of the state. Therefore, neoliberalization was left unquestioned in Canada, thus acting to *depoliticize* the economy as a separate institution deserving of democratic, agonistic, political attention, and instead to ‘embed’ it *in* the political (Polanyi, 2001). Taken in sum, this account exemplifies the ‘irrational rationality’ of neoliberal economic reforms (Brown, 2015) pursued in Canada during a period when such drastic measures were not necessary. More so, it indicates the reification of the post-political foundation—where austerity is acceptable, or perhaps even necessary, for selling the P3 privatization agenda.

### ***Entrenching Private Stakeholder Interests: From ‘Government’ to ‘Governance’***

Since the crisis of 2008, numerous government agencies have been formed or repurposed in Canada that form a policy infrastructure which supports the development of public-private partnerships. These entities exist at both the federal and provincial level, and, in accordance with associated budgetary allocations and other financial abilities, help to further institutionalize the P3 model and promulgate its use.

The main advocate in the federal push for P3s is Public-Private Partnerships (PPP) Canada. PPP Canada is a Crown Corporation, and is therefore wholly owned by the Federal Government. This ownership structure is important, because the entity acts both as an auxiliary government agency and as a political tool, as it is responsible for both promoting P3s in Canada and assessing infrastructure and service compatibility with the P3 model. This dual authority is discussed in a recent annual report, which notes that PPP Canada (2012a, n.p.) was created “to deliver more P3s by leveraging incentives, demonstrating success, providing expertise; and to deliver better P3s by promoting procurement options analysis, and capacity building”. As the agency further acknowledges, “the twin challenges of returning to fiscal balance and promoting private sector led economic and job growth are the dominant public policy priorities of governments across Canada and around the world. Public-Private Partnerships (P3s) have demonstrated their ability to contribute to these priorities” (PPP Canada, 2012a, p. 1). Indeed, PPP Canada is very clear in its allegiance to private infrastructure provision, noting that the preferred P3 model is that which offers best value for money and “the most private sector involvement” (PPP Canada, 2012a, p. 1). Following the formation of PPP Canada, similar agencies have been created or adapted at the provincial level as well. In all, six provinces have committed resources of varying capacity to the creation of sub-federal P3 markets in Canada. British Columbia, for example, is the national leader, having run a dedicated agency – Partnerships BC – since 2002, while Partnerships New Brunswick was only recently established in 2012.

From a post-political standpoint, establishing these ‘P3 units’<sup>3</sup> in the years following the crisis has allowed the Canadian state to capitalize on the aforementioned neoliberal climate of austerity to include a new cadre of private stakeholders in the mechanisms of water governance. As Swyngedouw reminds us, echoing Rancière, “postpolitics is [...] about the administration (policing) of environmental, social, economic or other domains and they remain, of course, fully within the realm of the possible, of existing social relations; they are ‘the partition of the sensible’” (2009, p. 609) – and who better to administer the apparatus responsible for resolving the country’s infrastructure needs than representatives of corporate capital, the ‘sensible’ advocates of economic growth? Thus, unsurprisingly, the PPP Canada board of directors consists of current or former members of BMO Financial, KPMG, and SNC-Lavalin, all firms that are set to profit from expanding the P3 industry in Canada. While such corporate-state elite relations are not new (e.g. Mills, 1956), those exposed here act to remove the ‘partition’ between private and public service; between cor-

puration and state; between reductionist governance towards economic growth and democratic political decision-making – and create the space for privatization to expand with little resistance.

### ***From 'Politics' to 'Policies': Privately Financing Municipal Water Services***

We can also observe in the Canadian waterscape the creeping normality of an infrastructure funding policy structure that entrenches the P3 method. Before the crisis, Federal funds were more readily available for needy local governments. For example, the \$8.8 billion *Building Canada Fund* was created in 2007 to support national, provincial, and municipal infrastructure projects under very lax restrictions, primarily focusing on projects that supported three core foci: economic development, environmental protection, and community prosperity (Infrastructure Canada, 2011). In recent years, however, infrastructure funding policy has been reformed, limiting the accessibility of money for municipalities and therefore necessitating the use of public-private partnerships, with focused attention on water services.

Indeed, recent Federal budgets have introduced policy that 'routinizes' (Whiteside, 2013) P3s within the interscalar economics of development in Canada. The state introduced the *P3 Canada Fund* in 2009, dedicating \$1.25 billion in available support for sub-national infrastructure projects, up to 25% of a project's direct capital costs. To be eligible for this financial support, however, projects must be procured as a P3. The 2013 federal budget refilled this fund with an additional \$1.25 billion over 5 years; however, access was predicated on some significant new conditions. Now, all applications with a value above \$100 million are subject to a 'P3 screen.' This mandatory screen includes a "rigorous quantitative and financial analysis to determine whether a P3 approach would provide better value for money than a traditional procurement approach" (Government of Canada, 2013, p. 177). Essentially, any and all projects seeking federal support must prove their project's feasibility for accommodating the P3 model<sup>4</sup>. When keeping in mind that PPP Canada is responsible for determining the worthiness applications by assessing their amenability to P3 privatization, little room is left for deliberation should a municipal government *not* want to privatize.

Finally, what is most disconcerting about these depoliticized conditions of privatization is that water services are now a leading priority for P3 expansion in Canada. This is evidenced by two recent interrelated policy changes. First, PPP Canada now explicitly states that water services are best suited for the most intense form of privatization – the DBFOM, or 'Design-Build-Finance-Operate-Maintain' model – and emphasized that applications should fit this model in order to receive federal funding (PPP Canada, 2014). Importantly, of those water sector P3s funded since 2008, five of eight have been this type, which often include contracts of up to 30 years and little recourse for reversal (Lang, 2013). Second, and perhaps most significant, PPP Canada recently emphasized that the policy pertaining to the project value at which a P3 Screen is necessary – now set at \$100 million – will not apply to the water and wastewater sectors, and that all water sector P3s will be eligible. Specifically, PPP Canada (2013) emphasized that this minimum project value "is not firm, is project-specific and may be less relevant to the water/wastewater sector than other infrastructure sectors due to the nature of the market of service providers" (p. 4). Though it likely goes without saying, these 'providers' are private, for-profit firms. The report also notes that small projects of between \$10-30 million are the norm for the water sector, and therefore, that these projects will be considered for funding and endorsed by the government regardless of other overarching policies (PPP Canada, 2013).

Taken together, these policy changes indicate that the federal government is now strongly committed to privatizing municipal water services in Canada. Of course, one might argue that this activity is simply a response to the aforementioned water infrastructure deficit; an attempt to channel investment to development at a time when the public coffers are short. This may be a valid argument, if not for the fact that it ignores the neoliberalization of public services that has occurred over



the past three decades; that it neglects *the political determination* that has created this state of low-tax, economic scarcity in the first place (Dobbins, 1998; Carroll and Shaw, 2001; Evans, 2008). Yet, with a closer look, we can see the contradictions of *post-political* governance also shining through. While P3s are actively promoted by the state as a mechanism to meet the growing demand of aging infrastructure in Canada without selling the asset, as was the case with Crown Corporations, the political autonomy of local governments is nevertheless usurped through a policy structure that removes their ability for decision-making and hands it to agencies such as PPP Canada, whose interests *and mandate* eschew public delivery. What remains is a waterscape destabilized by the post-political conflation of the austere priorities of state-directed, yet corporate-led governance and the necessarily autonomous politics of local development. This presents a troubling forecast for water governance in Canada, on which I will offer some brief reflections.

## Conclusion

Growing attention to ‘local’ water governance practices in recent decades has emphasized the benefits of local decision-making in resource management (Wisner and Mitchell, 2005). However, as this research indicates, the assumed benefits of *participation* in environmental governance – including the sharing “of information, understanding, and the capacity for change” (Wisner and Mitchell, 2005, p. 1) – are significantly limited when local governments, in this case, municipalities, cannot make the most suitable decisions regarding how to finance or provide the infrastructure needed for managing these resources. Unfortunately, these findings are in line with those offered by others studies like those conducted by Norman and Bakker (2008) and Parsons (2001), who have found that the ‘scaling down’ of environmental governance in Canada does not always mean that political authority will follow. The research at hand indicates that the state, via its affiliated quasi-private agencies, still plays a very large role in managing the economic capabilities of local governments via their water services.

Indeed, this analysis illuminates a waterscape where future management practices may be dominated by stakeholders who view water services as economic practices, first and foremost, and therefore craft policy that commodifies water from the Federal level downwards. In Raco’s terms, it reflects a ‘false managerial utopianism’ in which “common-sense understandings of democracy and decision-making processes are thus being eroded piece by piece” through “new modes of dependency on experts” (2014, p. 43) like PPP Canada and the CCPPP. When coupled with the dogmatic normalization of neoliberal austerity, the political climate in Canada leaves little space for contestation, while concomitantly *opening up space* for the spatio-temporal displacement of private capital (Harvey, 2001). Municipal governments are left without the political capacity to make effective decisions about how to manage their water services, and potentially their social and environmental responsibilities as community leaders. The ability to make choices concerning local tender, employing unionized labour, or adhering to ecologically specific practices could therefore be challenged when the investment needed for unavoidable infrastructure or services is predicated on the adoption of business practices, rooted in the logic of capital accumulation, that are now ‘afforded’ via P3 privatization. Following Swyngedouw (2010), this waterscape now mirrors the “postpoliticization of the [local] public sphere (in parallel and intertwined with the processes of neoliberalization)” (215), but a contradictory public sphere that is committed– at least discursively – to remaining ‘public’ if only in name. It is certainly more private in expression. Luckily, alternative voices can still be heard, echoing from places where privatization has not unraveled as smoothly. For example, in 2011 the communities of Abbotsford and Mission, BC voted to oppose federal P3 funding for a new water system (Council of Canadians, 2011). This initiative, led by Water Watch Mission-Abbotsford, demonstrated the capabilities of local, grassroots opposition in responding to water commodification. However, this case lies in the minority, and more awareness of P3s is needed to stem the tide of privatization currently swelling in Canada.

Finally, while stating water's importance is axiomatic, highlighting its essentiality is arguably necessary for drawing attention to how sustainable management is an ongoing, global concern. Thus, this task might be aided through recognition of water's 'post-sovereign' importance, a lens which reminds us that "some environmental problems lie beyond the limits of ordinary state competence, too complex to be resolved through straightforward exercises of state sovereignty or conventional inter-sovereign agreements" (Karkainen, 2004, p. 74), and requiring inter-national co-operation. However, attention must be paid to not allowing governance practices at any scale to be co-opted by stakeholders whose interests in water are neoliberal and post-political. Indeed, our dependence on water is *pre*-political, and requires an approach to water management, to 'water politics' in general, that doesn't lose site of this fundamental quality.

## Notes

1. This is of course just one side of the neoliberal coin. For a detailed survey of how this word is cast in contemporary critical research, see Springer et al. (2016).
2. It is important to note that there is a divide in the post-politics literature between applications rooted in these ontological foundations (e.g. Rancière, 1999) and those that seek to analyze the sociopolitical processes through which this ontology is reified (e.g. Raco, 2014). This paper aligns with the latter.
3. Political economist Heather Whiteside refers to the agencies involved Canadian P3s as 'P3 Units,' arguing that they are responsible for the 'routinization, institutionalization, and depoliticization' of P3 policy in Canada (2013).
4. The Federal Government announced in November, 2015 that this requirement would be lifted; however, so far no indication of this is available from official government sources. See McKenna (2015) for more information.

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