PERCEPTION OF THE EMPLOYEES OF A STATE COMPANY ABOUT PRIVATE CAPITAL AS A SOLUTION TO THE CHALLENGES OF THE NEW LEGISLATIVE FRAMEWORK OF SANITATION

Haneron Victor Marcos 1  
Bessy Castillo Santa María 2

ABSTRACT

Purpose: To analyze the perception of the employees of the mixed economy company CASAN regarding the challenges related to the existence of a competitive market in the Brazilian sanitation sector and the preservation of a mostly public management. This article presents the perception of the employees of a Brazilian state mixed economy company regarding its position in a competitive market environment imposed by the new legislation. Remaining mostly public or betting on a greater introduction of private capital is a question answered by employees and which involves the company's ability to overcome the recent challenges in the sector, pressured by privatization movements. The methodology used was the mixed approach, with the case study method, which has considered the internal scenario of the state CASAN, with the participation of 345 employees classified into three functional categories on which the survey technique has been applied, taking as a tool the questionnaire, which is added to the bibliographic review technique. The investigation presents the advance of the phenomenon of privatization in the sector, which has impacted the mission of the state sanitation companies, demanding restructuring that does not deviate from their social and public mission, not associated with the eminent perspective on the profit from the perspective of employees.

Theoretical framework: The article presents support in the specialized literature on the sanitation policy and market in Brazil, and on the position of the sanitation service as a human right.

Method/design/approach: The survey technique was used, with the questionnaire tool applied to 345 employees of the target Company, compared with the bibliographic review.

Results and conclusion: The State Basic Sanitation Companies (CESBs) were launched, especially after Federal Law No. 14,026/2020, to a competitive market, with the requirement of participation in bidding, without resolution of their social charges. However, the majority position of the employees is refractory to privatization or private control of the management of services to overcome the imposed challenges.

Research implications: It presents managers and society with the importance of preserving public capital in sanitation management as a human right, and ways for CESBs to overcome the challenges of the sector based on the perception of employees.

Originality/value: Expands the discussions related to the new legislative framework for sanitation in Brazil (Federal Law No. 14,026/2020) presenting implications that risk the existence of the CESBs and a solidarity management model, from the perspective of the employees of the Water and Sanitation Catarinense Company (CASAN) stratified between operational, administrative and bosses/directors employees.

Keywords: Sanitation Policy, Sanitation Market, Employee Perception, Privatization.

1 Universidad César Vallejo, San Juan de Lurigancho, Lima, Peru.  
E-mail: haneron@casan.com.br Orcid: https://orcid.org/0000-0003-2299-4694
2 Universidad César Vallejo, San Juan de Lurigancho, Lima, Peru.  
E-mail: mcastillo@ucv.edu.pe Orcid: https://orcid.org/0000-0001-5320-4005
PERCEPCIÓN DE LOS EMPLEADOS DE UNA ESTATAL SOBRE EL CAPITAL PRIVADO COMO SOLUCIÓN A LOS RETOS DEL NUEVO MARCO LEGISLATIVO DEL SANEAMIENTO

RESUMEN

Objetivo: Analizar la percepción de los empleados de la sociedad de economía mixta CASAN sobre los retos relacionados entre la existencia de un mercado competitivo en el sector de saneamiento brasileño y la preservación de una gestión mayoritariamente pública. El presente artículo se fundamenta en la percepción de los empleados de una sociedad de economía mixta estadual brasileña sobre un ambiente de mercado competitivo impuesto por la nueva legislación. Por lo que enfoca a seguir mayoritariamente una gestión pública o apostar en una mayor introducción del capital privado, es una interrogante respondida por los empleados y que involucra la capacidad de superación de la empresa delante los recientes retos del sector, presionado por movimientos privatistas. La metodología empleada fue el enfoque mixto, con el método de estudio de caso, que ha considerado el escenario interno de la estatal CASAN, con la participación de 345 empleados clasificados en tres categorías funcionales sobre los cuales se ha aplicado la técnica de encuesta, teniendo el cuestionario como herramienta, que se suma a la técnica de revisión bibliográfica. La investigación presenta el avance del fenómeno de la privatización en el sector, que ha impactado en la misión de las compañías estaduales de saneamiento, exigiendo reestructuraciones que no devián de la misión social y pública de las mismas, no asociada a la óptica eminentemente sobre el lucro, en la perspectiva de los empleados.

Referencial teórico: Presenta apoyo en la literatura especializada sobre la política y mercado de saneamiento en Brasil, y sobre la posición del servicio de saneamiento en cuanto derecho humano.

Método: Utilizada la técnica de encuesta, con la herramienta cuestionario aplicada sobre 345 empleados de la Compañía objeto, confrontada con la revisión bibliográfica.

Resultados y conclusión: Las Compañías Estaduales de Saneamiento Básico (CESBs) fueron lanzadas, especialmente después de la Ley Federal No. 14.026/2020, a un mercado competitivo, con exigencia de participación en licitación, sin resolución de sus encargos sociales. Sin embargo, la posición mayoritaria de los empleados es refractaria a la privatización o al control privado de la gestión de los servicios hacía la superación de los retos impuestos.

Implicaciones de la investigación: Presenta a los gestores y a la sociedad la importancia de preservación del capital público en la gestión del saneamiento en cuanto derecho humano, y caminos para las CESBs superar los retos del sector desde la percepción de los empleados.

Originalidad/valor: Amplía las discusiones relacionadas con el nuevo marco legislativo del saneamiento en Brasil (Ley Federal No. 14.026/2020) presentando implicaciones que arriesgan la existencia de las CESBs y de un modelo de gestión solidario, desde una mirada de los empleados de la Compañía Catarinense de Agua y Saneamiento (CASAN) estratificada entre empleados operacionales, administrativos y jefes/directores.

Palabras clave: Política de Saneamiento, Mercado de Saneamiento, Percepción de los Empleados, Privatización.

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1 INTRODUCTION

The sanitation service is inscribed in the UN Agenda 2030 as Sustainable Development Goal No. 6, and since 2010 has been consolidated in the international order as a human right (Carvalho, Rosa & Miranda, 2020; Brown, Neves-Silva & Heller, 2016; UN, 2015; UN, 2013; UN, 2010a; UN, 2010b). In line with this recognition, the renationalization is presented as a trend for the moment (Orta, 2018).

However, Brazil, especially after the approval of Federal Law No. 14.026/2020, presents a reverse trend, even from the constitutional experiences of South American countries,
which prevent the privatization of a service with human rights status (Carvalho et al., 2020; García Vásquez, 2020; Bertazzo, 2015).

Sanitation services in Brazil, which are generally municipal competence, are marked by a majority position of the State Companies of Basic Sanitation (CESBs), in the form of mixed economy companies, mostly created in the beginning of the seventies with the National Plan of Basic Sanitation (PLANASA), as support to municipalities, and as a connecting instrument with the federal government for the receipt of investments (Almeida & Hungarian, 2021; Bonemer, 2019; Cabral et al., 2022).

With the exhaustion of the federal sources of investments (especially with the end of PLANASA) (Cabral et al., 2022), and with the end of the term of the thirty-year concessions, the years 2000 present to the state companies the challenge of the loss of countless concessions, being the Catalan Water and Sanitation Company (CASAN) deeply impacted (Maciel, 2019).

Until Federal Law No. 14,026/2020, CESBs could be contracted for a tender waiver, in a legislative juncture between the Federal Constitution (art. 241), the National Law on Basic Sanitation - LNSB (Federal Law No. 11,445/2007), and the Law on Public Consortia (Law No. 11,107/2005). Now, under the rhetoric that they need to improve their efficiency and effectiveness, they were forced by law to compete with the private sector in tenders (Brazil, 2020; Brazil, 2007; Brazil, 2005; Brazil, 1988). However, the state institutions are in a big dilemma: to continue prioritizing their social mission, of solidarity management by tariff and cross subsidies, with investment in deficit systems respecting a public administration model, or to prioritize the focus on results and, consequently, only on surplus systems, moving towards privatization or a majority private position in their capital. Currently, loss-making contracts, which require cross-subsidization to guarantee the human right to sanitation, account for approximately 34% of the contracts, which justifies the research (Cruz & Ramos, 2016).

To analyze how the employees of CASAN perceive the dilemma imposed is the objective of this article, which, with a mixed approach, and with the case study method, and application of the survey technique with the questionnaire tool, has obtained information from 345 employees stratified between operational, administrative and managers, representing about 13% of the total functional category.

The results have shown the importance of maintaining the social mission and the majority position of the State in the shareholding composition of CASAN in the way of overcoming the challenges imposed by the new legislation.

With that, the research contributed in a theoretical and practical way, expanding the discussions related to the new legislative framework of sanitation in Brazil (Federal Law No. 14.026/2020), presenting implications that risk the existence of state companies and a model of management solidarity, from a view of the very functional body of a CESB.

2 THEORETICAL REFERENCE

On the way to the discovery of the vision of the employees of the target state company on the participation of private capital, the need for market maintenance and its social mission, and aware that a direct relationship between commitment of human capital and results is increasingly evident (Ohemeng, Obuobisa Darko & Amoako-Asiedu, 2020), it was necessary to pave it with the theory and background that recognize the scenario applicable to public sanitation services.

Orta (2018) presents his conclusion that until the middle of the nineteenth century there was the predominance of a privatist model, supplanted by the phenomenon of nationalization between the end of the nineteenth century and the beginning of the twentieth century, which in Latin America occurs with delay. However, Oliveira et al. (2021) and Correa-Para, Vergara-Perucich and Aguirre-Nuñez (2020) conclude that privatization at the international level has
new expansion since the 1970s, under the exported neoliberal conception of Estado Minimó. Souza (2022) has concluded that the return of a privatist logic in the 90s comes by force and influence of the International Monetary Fund (IMF). Reports report that this has deepened inequalities in access with an impact on citizens (Orta, 2018 and Fontecha, 2012). Although perceived as a trend of re-nationalization, it has been time to implement regulations of attractive rules to private capital, preparatory to the water market (Casa, 2013).

Research by Hanna and McDonald (2021), Varma (2021), Pempetzoglou and Patergiannaki (2017), and Jaffee (2020) have shown the negative impacts on access and price increases as a reason for changing from the private to the state model. The results of the neoliberal model have influenced a new South American constitutional position.

This new constitutional position of the continent is marked by the consideration of sanitation as a human right whose status is incompatible with privatization, as the nations of Bolivia, Ecuador and Uruguay have considered (Carvalho et al., 2020; García Vazquez, 2020; Bertazzo, 2015).

There is sufficient scientific evidence of the disastrous impact on the populations with the most economic and financial weaknesses when sanitation services suffer a capitalist approach in essence, and not as a social or human right; the relationship between capital and sanitation is worthy of all kinds of precautions (Ayala & Gonçalves, 2021; Encarnación Tadem, 2020; Borja-Vega & Kloewe, 2018).

It is precisely the result of the impacts of an eminently capitalist vision in the sector that has resulted, throughout history, the dissatisfaction of the affected society and the granting governments themselves, reintroducing or introducing (depending on the region or country) the phenomenon of the re-nationalization of services (Bel, 2020; McDonald & Swyngedouw, 2019). This conclusion does not imply a diminishing role for private capital; it continues to play an important synergistic role, although the nature of the public service involved cannot respond in isolation on the abyssal public gaps, especially related to sewage (Rahmannasab Amiri & Pourrezzat, 2022; Machete & Marques, 2021).

The Brazilian legal system, in another vertex, has gone in reverse to that of the new regional constitutionalism, with a clearly timid position when we talk about security mechanisms against the commodification of the human right to sanitation, especially when confronted with Federal Law No. 14.026/2020 (Brazil, 2020; Carvalho et al., 2020).

From the research of Sousa (2020) and Oliveira (2015) it can be concluded that the Brazilian model is not endowed with authenticity, but a “ready-to-wear” model representing negative experiences already out of date that have not considered the national and regional idiosyncrasies of the social, legal and organizational scenario. It also disregards the fact that this import of overcoming trends in the European scenario - fundamentally - ignores the bad experiences in Latin America that have resulted in significant and contrary social movements, as in Argentina, Bolivia, Ecuador, Mexico, Nicaragua, Uruguay and Venezuela (Souza & Heller, 2019). The need for respect for idiosyncrasies or contextualization for the import of privatization models, as well as consideration of negative experiences and related problems, can be drawn from the conclusions of Heinz, Moreno and Hein (2021), Rocha (2020), and Oliveira and Lima (2015).

Brazil, for its most recent legislative milestone of sanitation (Brazil, 2020), has radically changed the position of the state-owned companies of the sector in the market. CESBs, while mixed economy companies own to the inaugural environment of PLANASA, are born within a corporate-public philosophy, escaping the rational administrative logic traditional, with a proposal of joint management, applying important subsidies, such as between consumers, tariff scales, and between surplus and deficit municipalities, which are incompatible with the government pressure of a “free market” model (Joshi, 2021; Victor Marcos & Santa María, 2021; Santos, Kuwajima & Santana, 2020; Bonemer, 2019; Maciel, 2019).
Until Federal Law No. 14.026/2020 (Brazil, 2020), municipalities were allowed three options for the administration of sanitation services: own municipal management (by decentralization or decentralization), privatization by tender of the concession, or by establishment of an agreement with their respective state of the federation, with the contracting of CESBs by dispensation of tender (Brazil, 2020; Brazil, 2007; Brazil, 2005). However, it has excluded this third option, launching the CESBs to the need for competition in the form of tenders with the private sector, without responding to the need to adapt or maintain its social missions, and to support the vast majority of deficit systems dependent on cross-subsidy (Roland, 2022). Although it has presented models of regionalization that could scale for an ambition of the private sector to occur in small municipalities, so far it has not found any practical effectiveness.

A tendency of “privatization by force” can be perceived, considering that in the previous legal scenario was possible the option of privatization of the concession by mayors. The assumption of private capital in public services is intensified in the nineties, in a neoliberal environment that prestiged - and continues to prestige - the Minimum State, and that strengthened the dichotomy between the public and the private (Turri, 2022; Oliveira, Palassi & Paula, 2021). However, even in the besieged environment and with the constant privatist lobby, the presence of public management - especially by CESBs - remained and remains majority (Pereira, Magalhães Filho & Tabak, 2022).

A step forward was needed, even with past bad experiences. Experiences such as those of the States of São Paulo and Minas Gerais, with their CESBs, show, just before the advent of Federal Law No. 14.026/2020 (Brazil, 2020), the introduction of already delayed models of privatization or increased influence of private capital. Likewise, the public offer of shares, as in the case of the sanitation company of Minas Gerais (COPASA), with which they promised great operational and economic advantages, has not presented the expected result from a benchmarking with other corresponding CESBs (Silva Junior, Assato, Akinaga & Olivo, 2021; Oliveira & Lima, 2015). Another outstanding experience has been the state of Amazonas, in its capital. A model accused of profit privileges related to the most economically attractive areas, without effective response to peripheral areas, with coverage rates worse than in the vast majority of systems administered by state-run authorities (Rocha, 2020).

In the State of Santa Catarina, investigations such as those of Paludo and Borba (2013) have shown an impact on tariffs without corresponding reversal in the system, and less citizen participation. Likewise significantly impacted by the retrograde phenomenon of the privatization of these essential public services - exit of the PLANASA model with the local CEB, CASAN - the State continues with a majority presence of the model of public administration, or corporate-public, through state or municipal companies, still before the new legislative framework.

Meanwhile, for the private sector, and for a federal government (2019-2022) guided by violent neoliberalism, even stronger central pressure - up-down - was needed. The force of the state-centrism, of great influence in the Brazilian public management, gives space, and as a source of the new legislative framework (Brazil, 2020), more strongly after the impeachment of 2016, to an openly and proudly neoliberal model, which has directly affected the sanitation market (Silva & Santos, 2022; Peres, Boulosa & Bessa, 2021).

It is important to note that the Federal Law (Brazil, 2020) does not imply in the privatization of CESBs; it launches the same in the competitive market, by competition in tenders and other restrictions, without giving resolution to the dilemmas related to its social mission that remains absolutely necessary. A competition that in today's molds was stillborn.

Positively, it is under the corporate-public logic adopted from PLANASA, with the creation of state companies in the form of public corporations, embracing what Andrade (2019)
calls of "entrepreneurship" of public entities, most recently updated by the Law of State (Brazil, 2016), that can come solutions to the dilemma imposed by the legislation that has revolutionized the sector, although more by ideological influence than by technical merit.

Solutions come from people; people, with their intellectual capital, are the most precious asset of organizations, directly related to results (Ohemeng et al., 2020; Smrit & Das, 2018; Drucker, 1998). Intellectual capital is knowledge that can be converted into value, which can be structured in the organization in favor of results or productivity (Nadeem & Cuong Nguyen, 2007; Barchielli, 2000; Edvinsson & Malone, 1998; Sveiby, 1998).

When in a favorable environment, contrary to common sense, public employees present commitment or engagement in their organizations, and can be the vector towards overcoming the challenges imposed by internal and external environments (Andrade, 2019). For this, a democratic environment is essential, in which employees find a dialectical environment, accessible to information and knowledge change (Paim Soares, Almeida dos Santos, Flores Ferreira & Flores Costa, 2021; Alexandra, 1993), and that they know the social responsibility of their organization and its impact (Ferreira Neto et al., 2021).

The challenge imposed on the intellectual capital of CESBs is evident: in general, it is necessary, by force of the current Federal Law No. 14.026/2020 (Brazil, 2020), to compete in tenders with the private sector to conquer the market of municipal sanitation concessions, without the possibility of immediate resolution to the model of solidarity management in which cross subsidies are applied.

A direct and practical solution is also evident: giving space to private capital in management and to the logic of the emphasis on profit to acquire competitiveness. But how does the intellectual capital of a CESB - in the chosen case, the CASAN - think about that? Investigations have presented conclusions that in decisions dealing with privatization, the political weight of the public employees involved has been considered (Demuth, Friederiszick & Reinhold, 2022), although few investigations have dedicated efforts to discuss the psychosocial aspects, or on the organizational and political consciousness of public employees in the privatization environment (Oliveira et al., 2021).

Since international investigations, such as Nelson's, Cooper's and Jackson's (2011) have shown different perceptions about operational, administrative and managerial employees on the subject of privatization, and national investigation, Oliveira et al. (2021), incident on CESB, have presented unanimous position against privatization, although it is not always enough to overcome the lobby of the private sector in the final decisions.

We will get to know how the intellectual capital of CASAN is positioned on the dilemma of competitiveness legally imposed and the prospects of privatization or greater influence of private capital.

3 METHOD

The article is the result of a broader research, and with its mixed approach has advanced towards the collection and analysis of data and information in its quantitative aspect, seeking greater objectivity for an analytical construction in qualitative environment (Hernández, 2018).

The method of case study is applied with the survey technique, as recommended in Sánchez (2003), through the tool of a questionnaire that was available in a link in the platform SurveyMonkey (http:// surveymonkey.com) to all CASAN employees in the internal corporate network, as well as by sending in the WhatsApp groups of the majority syndicate.

The research population was the functional body of CASAN, with approximately 2700 employees divided into 194 cities in the State of Santa Catarina, for which three links with identical questions were presented, to know in a stratified way the perception of the operational,
administrative employees, and the heads / directors. A total of 345 employees, representing about 13 per cent of the total functional category, have voluntarily joined.

The questionnaire was available between 26 June 2022 and 11 July 2022, with responses from 168 operational staff, 133 administrative staff, and 44 managers/managers. The responses were supported by documentary analysis and literature review.

4 RESULTS AND DISCUSSION

The proposal consisted of knowing whether there would be a distinction or a similarity in the perception, in these three bands, of employees on the position of continuing to prioritize the social mission of the state from a public, solidarity and cross-subsidy management (with investment in deficit systems), or walking towards privatization or greater interference of private capital, prioritizing the focus on results and, consequently, only on surplus systems in an environment that is now increasingly competitive.

The questionnaire, which was prepared in the context of a wider investigation, presented, on the Likert scale, a list of the actions they considered necessary for the competitiveness of the State company in the market and for the fulfillment of its obligations. A list indicating thirteen options (solutions). On the scale, grades 1 to 5 were chosen, with 5 being the most influential, and 1 being no influence, in addition to the option “I don't know”.

The following options were presented: (1) organizational restructuring; (2) change or increased training of managers; (3) regional model performance; (4) implementation of public-private partnership; (5) more public procurement; (6) better qualification of the cadre of employees; (7) reduction of outsourcing; (8) incorporation of a strategic private shareholder; (9) clear establishment of a performance evaluation policy; (10) abandonment of the cross-subsidy policy; (11) discontinuation of deficit municipalities; (12) more investments and support from the State government; (13) privatization of the company.

Related to the issue of privatization, or greater prominence of the role of private capital as a solution for overcoming the challenges imposed by the new legislative framework, were the options “implementation of public-private collaboration”, “reduction of outsourcing”, “incorporation of a strategic private shareholder”, “privatization of the company”.

In the case of operational employees, as shown in Figure 1, the positions have been consolidated:
In the possibilities of introducing private capital, it was possible to infer that there is a strong opposition to privatization, with 62.50% stating that a majority shareholding of private capital in CASAN does not represent any positive influence towards overcoming the challenges of the sector. 20.83% of operational employees have indicated not knowing the influence, and only 7.74% have considered privatization as the maximum influence for an improvement of the cadre.

Similarly, but without so much impact, there is a position against the incorporation of a strategic private shareholder without the loss of the majority position of the State (currently, CASAN is 99.99% public). 30.35% indicated that they did not have any influence, 22.02% did not know the effects, and only 9.52% as maximum influence.

A significant refractory position in relation to outsourcing - which is a transverse form of introduction of private capital in management - was even detected, with 43.45% indicating its decrease as of utmost importance. Already with regard to the possibility of public-private agreements the result has been pulverized, without any more significant position, which can occur by the nature of the model.

Figure 2 represents the position of workers in the administrative sector:

**Figure 1.** Perception of operational employees.  
**Source:** Prepared by the authors (2022).

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As with workers in the operational sector, the majority of administrative workers (58.65%) also respond that privatization is not a solution for overcoming the challenges imposed by the market and legislative scenario. Even fewer informants have pointed to privatization as being of the utmost importance (3.76%). 28.57%, the second most significant band, reported not knowing their effective impacts.

On the incorporation of a strategic private shareholder, although with a little less degree, most have indicated as of no influence, same that a significant fraction has signed as of little or half influence; the option no influence is followed, however, by the option “I do not know”. The 8.27 was the lowest percentile, just the one that treated the consideration as of maximum influence.

Although administrative employees have a refractory majority position in relation to outsourcing, a smaller percentile - when in relation to operational - has considered its decrease as of utmost importance for overcoming the challenges of the sector. Even lower, the 30.83% percentile is still practically double those who understand the progress of outsourcing as something not negative (15.79%). The figure of the public-private agreement is also presented as pulverized, as a legal figure that does not impact too much on the structure of the Company, as its social mission, which is justified more acceptable.

Finally, the perceptions of the chiefs and directors were known, as shown in Figure 3:
It was at the top of the Administration that the position against privatization was stronger, with the election of 68.18% of the heads and / or directors pointing out as of no importance, followed by the ignorance of the effects, with 20.45%. Even more shockingly, only 2.27% of bosses and/or directors have noted privatization as having the greatest influence towards overcoming the stage.

Following the trend of the other two categories, the incorporation of a private shareholder continues as a way, in the perception of employees, that does not motivate adoption. In the meantime, unlike the other categories, they consider - for the most part - that the decrease in outsourcing has no influence, which indicate, instead, that outsourcing is an introduction of private capital into management that does not “corrupt” to the point of privatization or diversion of purpose. They even look favorably on the concept of public-private agreements, with the majority pointing to the bet on this type of introduction of private capital as having the greatest influence.

The difference in perspective between operational, administrative employees and managers and/or managers, although with identity in some areas, has attracted attention. This difference in perception between the different functional categories was perceived in Nelson et al.’s (2001) research on the results of privatization in state services in Britain.

The operational employees have confirmed a great prominence, pointing out as of maximum and great influence the end of the outsourcing of the field work; with more median proportion, the administrative employees in the same sense. However, the chiefs and/or directors have not considered these issues as of maximum or great influence in the same proportion. While 43.45% of field workers, who have direct contact with the results of third-party services, pointed out the end of outsourcing as of maximum influence, the Administration, represented by managers and / or directors, has lowered the perception for the index of 18.18%. Even 34.09% of those stated that the end of outsourcing does not have any influence.
Identity occurs in relation to the privatization of the company; on average, 63.11% consider it of no importance for CASAN to have greater conditions to overcome the challenges of the sector, confirming the results obtained in the research of Oliveira et al. (2021). This reflects a concern with the social mission of the Company, with the impacts on the citizenry (Fontecha, 2012), and the other negative results resulting from the commodification of water (Berge, Boelens & Vos, 2020; Encarnacion Tadem, 2020; Jaffee, 2020). There is a common position that certifies the risks pointed out by Vargas and Lima (2004) that it could be a path in which sanitation would no longer be based on the logic of social (or human) rights, but rather subordinated to the economic logic of the market, imposing severe effects mainly on the most vulnerable, risking the social factor in ESG (Environmental, Social and Governance) practices, once quality, security and accessibility to the consumption of services are even.

5 FINAL CONSIDERATIONS

This study aimed to analyze the perception of employees of the mixed economy society CASAN on the challenges related between the existence of a competitive market in the Brazilian sanitation sector and the preservation of a majority public management. Therefore, accompanied by a literature review, the opinions of 345 employees were considered divided into three functional categories, such as operational, administrative and managers and / or directors. At the end of the research, the following conclusions are presented:

The sanitation sector - or market - in Brazil was strongly impacted with Federal Law No. 14.026/2020 (Brazil, 2020), which has introduced even more neoliberal influences, generating a competitive environment between state and private companies, without an effective chain resolution that the former respond with their social missions, such as those involved with cross-subsidization, or respect for tariff modicity, as an example.

From the perspective of the perceptions of the employees of the chosen CASAN, who constitute the intellectual capital of the company and source of solutions to the challenges presented by the new legislative scenario, combined with the literature review, it is concluded that privatization is not compatible with the nature of essential public services (human rights) and do not respond as a solution to overcoming the challenges imposed by the new legislative milestone. However, for them, synergy with public and private capital, as by public-private agreements, or the same outsourcing (without consensus), may be acceptable or necessary solutions, considering that they do not change the axial position of the State as the driver of sanitation policies and their implementation.

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Perception of the Employees of a State Company About Private Capital as a Solution to the Challenges of the New Legislative Framework of Sanitation


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