

## Chapter 16

Anne Le Strat

# A DEMOCRACY STRESS TEST: EAU DE PARIS AND THE COVID-19 CRISIS

**A**ccompanying the remunicipalization of its water services in 2010, Paris set up a new democratic governance model with the aim of including workers, civil society and other stakeholders in the decision-making process. This participatory approach continues to influence the way that *Eau de Paris* (Paris Water) is managed today and has helped to shape the ways in which this publicly owned water company has handled the Covid-19 crisis. Building a more water-secure world must go hand-in-hand with robust democratic systems.

## INTRODUCTION

The Covid-19 pandemic has demonstrated how essential water services are for health and socio-economic development, shining a harsh spotlight on the inequalities and hardships that result from a failure to uphold the human right to safe drinking water and sanitation. One of the lessons drawn from this crisis is the need to build a more water-secure world with robust democratic systems. Water services must be managed as a common good rather than guided by profit maximization. Good public management is the key, with publicly owned utilities able to take a long-term perspective and

integrate wider social and environmental considerations. Many governments, even the most economically liberal ones, are (re) discovering the advantages of public agencies and regulations for economic recovery.

Nevertheless, and paradoxically, public institutions face a strong trust deficit. It is essential therefore to strengthen public services by building open and more inclusive governance, building trust with citizens. Covid-19 provides an opportunity for public water operators to experiment with more democratic management by taking the demands and points of views of civil society, staff and other actors into account. The experience of Paris' remunicipalized public water provider can offer some insights in this regard.

In January 2010, a complete overhaul of Paris's water services was realized with a new publicly owned operator, Eau de Paris (EDP), which took over all water operations from private water companies. The remunicipalization of the Paris water utility was accompanied by a complete redefinition of municipal water policy and by new governance. The aim was to establish new governance structures under the aegis of elected representatives to allow the active engagement of all water service stakeholders. There are three particularly important components to this restructuring, outlined below, which help to shed light on why EDP has managed the Covid-19 crisis in a relatively progressive manner.

## THE PARIS WATER OBSERVATORY

In 2006, the municipality created the Paris Water Observatory (OPE), a participatory decision-making body. At first it was merely a means of communication, aimed at civil society associations, but it was soon transformed into a platform for information, discussion and debates on water issues, including oversight functions in the defining and implementation of water policy. The idea was to make elected representatives of the City of Paris, its administration, and the employees of Eau de Paris accountable to citizens. It is also a

place where citizens can raise concerns and transmit their requests to the municipality regarding water issues (resource protection, water production, wastewater treatment, rainwater management and so on). The Observatory prepares an annual work program covering all water-related issues on which the Paris Council makes decisions.

The Observatory acts as an advisor and can present new items for the city council to debate and decide. It organizes at least four public meetings a year, open to all, preceded by online posting of documents and, as far as possible, by visits to projects or installations to inform debate. The municipality can also ask the Observatory to work on specific issues to provide input to municipal debate and decision-making.

The Observatory is open to everyone. Its members are drawn from civil society associations, trade unions, academia, elected officials and others. Any interested Parisian can participate, with the president of the Observatory elected by its members. The Observatory exists by virtue of an official order from the Mayor, as an extra-municipal committee on water policy, voted by the Paris City Council.

The Observatory is not just another committee that rubber-stamps decisions already made. All acts, reports and official proceedings related to water management must be submitted to the Observatory before they are considered by the Paris Council. Even if the members of the Observatory do not have the right to vote like the city councillors, they put forward an opinion which is taken into consideration. Since its creation, the Observatory has participated in various activities and given its opinion on many topics. Most importantly, all information is made available in an accessible way, enabling people to build knowledge on water issues. One of the most relevant aspects is the joint work it does on how new water policy encompasses socio-economic and environmental issues.

One of the challenges the Parisian municipality is facing is the gap between the demand for more democracy and the reality of democratic participation. In the case of the Water Observatory, peo-

ple want it to exist, but they do not necessarily want to be involved in its operations. One of the consequences is a relative homogeneity of participants within the Observatory, with a high proportion of retirees from specialized socio-professional categories. Less privileged communities and young people tend not to attend the meetings. The question is how to reach out to a broader demographic.

## **BOARD OF DIRECTORS OPEN TO ALL STAKEHOLDERS**

A major political decision was also made to expand the Eau de Paris board of directors to include representatives of civil society and EDP's workers. Previously, only elected officials have had seats on the board. There are now 20 seats with a more balanced composition: nine city councillors appointed by the municipal majority party, four city councillors appointed by the municipal minority, three representatives from civil society (the consumers' association UFC Que Choisir, the environmental association France Nature Environnement, and the Paris Water Observatory), and two representatives from Eau de Paris staff. All have the right to vote. Two additional members are experts – a scientist and a local participatory methods specialist – with consultative rights but no vote. No member of the board receives financial compensation. The president is nominated by the mayor, subject to approval by city council. The president can cast the deciding vote in the case of a tie.

The workers' representatives are elected within the company's workers council: they represent all the employees, not just trade union members. Initially, Que Choisir and France Nature Environnement - influential organizations with national scope – were not willing to be accountable for decisions taken by Eau De Paris, which they felt could undermine their independence with respect to the municipality of Paris and its water operator. They eventually accepted seats on the condition of being non-voting members with consultative power. However, it is interesting to note that they ultimately requested the same voting rights as the workers and political

representatives. The board position allows them access to all the information they need to carry out their mandate of independent administrators.

The core democratic principle that underpins the new governance of Eau de Paris is to associate workers and civil society with long-term and strategic decisions. Specifically, it means that the business plan, investment programming and strategic policies like safeguarding water resources are discussed and decided by the Board. Hence the workers' representatives, the citizens and the associations all play a role in the major issues faced by the company. The representative of the Paris Water Observatory on the board also informs the Observatory about EDP's activities. Any director of the board can request that any item, be it very specific or more widely strategic, be discussed. All employees of EDP must implement decisions taken by the board.

## CHECKS AND BALANCES

The principle of “checks and balances” guides the governance of water policy in Paris insofar as different stakeholder opinions do not always converge. A telling example is the 2010 debate about the commitment taken by the municipality to decrease the price of water by 8% after remunicipalization. Representatives of civil society were in favour, but representatives of staff were opposed as they thought that lower revenue for EDP would damage the employees' interests. Most Board members voted in favour of the decrease, and the decision did not have any impact on the wage negotiations within EDP. In 2020, the price is still much lower than it was before 2010.

Another example concerns the decision to insource customer service. There were disagreements among senior management about the capacity of the public company to manage this service. In July 2011, all board members voted unanimously in favour, even if the top management remained unconvinced. This decision marked an important milestone in the governance structure, as the board

overruled management. Bringing the service in-house allowed EDP to establish a new relationship with its users. The new service ended up winning the award for Best Customer Service of the Year (for water distribution) for seven years in a row, with 97% customer satisfaction.

The new organization of the water system also allows for a more transparent evaluation of service quality by the municipality and by citizens. The main evaluation tool is a performance contract between the city and EDP. It has several fixed objectives, is reviewed every five years, and is publicly available. The main principles are to provide the best water at a fair cost and to place users at the heart of the service. Ten main social, environmental, economic and technical goals are defined and backed by forty more detailed performance indicators, ranging from “Ensure the supply of good quality water in any circumstances and a transparent management,” to “Users are placed at the heart of the water service.” In June 2017, Eau de Paris was awarded the United Nations Public Services Award in the category “Promoting transparency, accountability and integrity in public services.”

## **RESPONDING TO COVID-19**

How have these reforms affected Eau de Paris’ response to Covid-19? Although the crisis is far from over, three lessons can be drawn from the experience thus far. The first is EDP’s commitment to protecting its workforce from exposure to the virus. Employees with critical roles or skills were swiftly identified, and on-site work was organized to avoid any risk of contamination by staff members at all levels in the organization. When national confinement began in France in March 2020, it was also decided, in full accordance with the chair and the elected members of the board, to maintain full wages of all staff members. Those who could not work from home also retained full pay and were put in a “reserve” position (task-free at home but available to come on-site if needed). This was in stark

contrast with the decision by private utilities in France to resort to part-time unemployment. The rationale behind this decision was not only to preserve the staff members' economic status but also – because the duration of the crisis could not be foreseen – to sustain commitment and capacity in the long run. When the confinement was lifted eight weeks later, all staff members went back to their “new normal” ways of working without hesitation, and perhaps with an extra feeling of commitment to the organization. This was illustrated by a survey taken among the staff members shortly after the end of the confinement, which showed an 83% rate of approval of the measures taken to protect the workers' health.

The second lesson is that Eau de Paris's governance allows it to contribute to a wide array of public policies, not just water (e.g. climate change adaptation, ecological transition, social inclusion, etc.). During the Covid-19 crisis, these contributions to the general welfare were continued in spite of confinement. Access to water was ensured for all, even to the poorest and most marginal areas. For example, Eau de Paris, in coordination with the city of Paris, installed water taps close to migrant camps in the northern districts of the city. Also, to ensure access to water for the homeless, Eau de Paris kept 110 public fountains operational all winter. Moreover, in the early days of the confinement, the company donated 7000 reusable water bottles to associations in charge of helping migrants and homeless people to guarantee everyone could individually access water. This represents an integrated approach to public service that characterizes Eau de Paris and its open governance model.

Finally, Eau de Paris has become a scientific leader in addressing Covid-19, with its own research laboratory and R&D team. These researchers, doctors and engineers boast cutting-edge expertise in virology. When the pandemic first began to spread in Europe, the team started developing a technique to identify the virus in waste water, working with other public research institutions to form a research group named OBEPINE (*OBservatoire EPIdémiologique daNs les Eaux usées*). Together with water and sanitation utilities, they

used the analytical technique perfected by Eau de Paris to monitor the pandemic through the presence of the virus in wastewater in Paris and other cities. What is striking in this initiative is that it was conceived and launched by public institutions, showing that creativity and inventiveness are also defining traits of public research. The group also made their research available to decision makers, especially local elected officials, as soon as they were scientifically vetted. This would not have been the case if a privately owned entity had been in control.

These lessons illustrate how the open, democratically controlled governance of Eau de Paris has deeply influenced the decisions made by the public utility's management during the crisis. Far from suspending their integrated approach to public service, the pandemic has reinforced its commitment, with the support of all stakeholders. This is another sign that 11 years after Eau de Paris's inception, its innovative model of governance is deeply rooted in the way the organization works and its staff members' ethics – from top management to frontline workers.

## CONCLUSION

Covid-19 has demonstrated the need for strong public entities. Their strengthening can be achieved only by accelerating their shift towards more democratic, collaborative, horizontal and transparent management models. Even if the Paris experience is not perfect in terms of citizen empowerment, its participatory governance experience represents a positive model in the water sector.

Initially, many people were reluctant to set up this governance model. The municipal administration and the Eau De Paris staff were worried, at the beginning, about the extra work generated by the creation of the water Observatory and by the new composition of the board. Some of these frictions remain. Indeed, it is difficult to build genuine democratic participation. The asymmetry of information between stakeholders is always in favour of management,



giving them greater power. To compensate, there must be clear political will to address the partial lack of knowledge and technical skills of some parties – users, citizens, associations – who need appropriate financial and technical training. Democratic consultation is time-consuming, and if there is not a strong political will to foster it, the temptation is to give up.

However, this new public governance model implemented for the Parisian water service demonstrated its effectiveness during Covid-19. True democratic management requires that citizens and users be well-informed and able to participate in the decision-making process. The cornerstone of democratic participation lies in adequately considering all concerned parties' interests. It can generate frictions, but it is the only way to guarantee sustainability and prepare us for future crises.

