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Negotiating the public: Re-municipalization, water politics and social reproduction

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Abstract

In the context of the global wave of privatization of local public services, re-municipalization has emerged as a viable policy alternative, broadly understood as the return to public management and governance. The paper examines its transformative potential by analysing what 'public' means in practice with a particular focus on governance and decision-making.

To do so, the paper investigates the re-municipalization of urban water services in Naples (Italy) and Paris (France) by utilizing qualitative methods. Through a critical political economy approach, informed by social reproduction theory and political ecology, I argue that re-municipalization should be seen as a *process* that different social forces continuously try to shape.

The findings not only contribute to the specific literature on water services, but also to that on re-municipalization, within the debate about public versus private provision. More broadly, the research enhances the understanding of water through the lenses of critical political economy.

1. Introduction

Re-municipalization is broadly understood as the return to public management, as opposed to the privatization of public services that has taken place since the 1990s, which has led to political contestation in Europe and across the world, particularly concerning water (Bieler 2021; Muehlebach 2023 Sultana and Loftus 2020). Although the forms of re-municipalization are varied, the common rationale is to ensure that management and control of essential services are carried out in the public interest, rather than for private profit. However, it remains open to debate to what extent these reforms are transformative, with respect to the right to water (McDonald 2020:145), progressive change (Lobina 2017:159), or political relations (Clifton et al 2021:298).

In this paper, I assess this transformative potential by focusing on decision-making, decomposed in governance of the water operator and democratic participation within its management. Through a qualitative methodology centered on semi-structured interviews, I analyze the cases of water services in Naples and Paris, approximately ten years after their re-municipalization. Both cases provide a long-term time frame for investigating development of the transition over time and space, and in both cases, re-municipalization was promoted as an alternative to privatization. Building on a conjunctural approach (Cumbers and Paul 2022), and utilizing social reproduction theory, I take a critical political economy perspective, and look at re-municipalization as a *process* that different social forces continuously try to shape. The results shed light on the different unfolding of re-municipalization in the two cases, explained not only through the agency of the actors involved, but also through the structuring conditions of the economic sector.

The findings not only contribute to the specific literature on water services, but also to that on re-municipalization, within the debate about public versus private provision. More broadly, the research contributes to the growing literature understanding water through the lenses of political economy (Bieler and Moore 2023; Piletic 2023; Trommer 2019; Powell and Yurchenko 2020)

The paper is structured as follows. In the next section I outline the re-municipalization debate, to highlight the contribution of this paper, and building on it I outline a critical political economy perspective for studying the re-municipalization of water services. This theoretical and methodological framework is then applied in sections 3 and 4 to analyze the cases of Naples and Paris respectively. Section 5 then compares the two cases to identify similarities and differences, and the reasons behind them. Finally, some more general conclusions are drawn on re-municipalization – its features, challenges and positioning within structural conditions.

2. A critical political economy of remunicipalization

With number of cases rising over recent years[1], re-municipalization has emerged as a viable policy alternative to privatization of local public services. Reasons to re-municipalize include concerns over efficiency savings and consumer prices, ensuring the right to water, and the security of water supply. The literature has interrogated the relevance and incidence of re-municipalization, debating whether it is a trend (McDonald and Swyngedouw 2019; Clifton et al. 2021; Satoko at al. 2015). However, less attention has been paid to *long-term*, *in-depth* empirical analysis of specific cases. Where available, in-depth case studies focus either on the campaign for re-municipalization, identifying the actors' alliances that make it possible and other factors leading to re-municipalization (Carrozza and Fantini 2013; Lobina 2017; McDonald and Swyngedouw 2019; Popartan et al. 2020; Le Strat 2015, Valdovinos 2012; Mann and Warner 2019), or its immediate effects (Lobina et al. 2021; Lorrain 2016) and legal and economic consequences (Marotta 2016; Agovino et al. 2021).

Hence, re-municipalization has been analyzed mainly as an *outcome,* of water social movements across the globe together with coalitions of other progressive political actors, regardless of whether it is positively or negatively evaluated. However, less attention has been paid to what happens once re-municipalization has been implemented, and to what it implies in a practical sense in the long term. While the shared goal is to manage water as a public good or as a commons, it is not always clear what 'public' means in practice (McDonald 2023). This empirical gap has been partially addressed by Turri (2022), with a process tracing analysis of both the Naples and Paris re-municipalizations; however, the study lacks a conceptualization of re-municipalization within capitalist structuring conditions. The evaluation by indicators conducted neglects the broader context in which re-municipalization takes place, namely, the organization of the water sector at large (i.e. the other companies), and its consequences for re-municipalization. The 'conjunctural' approach, proposed by Cumbers and Paul (2022) and inspired by Gramsci, helps in addressing such shortcomings. In fact, the authors conceptualize remunicipalisation within the broader conjunctural crisis of neoliberalism and more specifically:

> Remunicipalisation, as a concrete phenomenon of reclaiming public organisations from privatised forms, does play a part in this imaginary as both a tool to relocate power and decision-making, as well as a potential starting point to envision related transformations, such as a politics of the commons or experiments with participatory democracy at local and regional scales (Cumbers and Paul 2022: 203).

[1] For an up-do-date mapping see https://publicfutures.org/en/cases

Building on this, I propose a critical political economy perspective on re-municipalization, which allows for its contextualization within the broader economic context in which it takes place. In fact, a political economy perspective is fundamental for understanding the state–society-capital nexus with regard to water services, in particular, 'we must study the role and locus of social forces in each case in order to identify the reasons for and essence of any change in the provision arrangements of urban water' (Powell and Yurchenko 2020: 97). In other words, a critical political economy perspective on water allows to examine the contested power relations that (re)produce it (Moore 2021). This implies departing from an institutionalist perspective to consider not only the structuring conditions in which re-municipalization takes place, but also the agency of the social actors shaping them. At the same time, taking a critical political economy approach to analyze empirically the long-term evolution cases of re-municipalization adds to the growing literature on alternatives to neoliberal capitalism (Bonfert et al. 2022; Bailey et al. 2018).

Therefore, I consider re-municipalization as an open-ended process, or a terrain of struggle (Cumbers and Paul 2022). More specifically, I argue that this struggle can be better understood through the lenses of social reproduction theory, hereafter SRT (Arruzza, Fraser, and Bhattacharya 2019). Social reproduction identifies as main contradiction of capitalism the separation of people-making and profit-making and the invisibilization of the former, that is, women in particular, but also rural workers and nature more generally (Arruzza, Fraser, and Bhattacharya 2019: 47–49). Such a theoretical standpoint leads SRT to consider that struggles for the provisions necessary for the reproduction of life, such as housing, food and water, also challenge capitalism in general (Bhattacharya 2017: 92). In other words, contested class relations go beyond the workplace; therefore, it is necessary to look at the implications of labour power being produced outside those circuits of commodities that are essential to it (Bhattacharya 2017: 92). Indeed, Bieler makes the important case that 'The sphere of social reproduction does not only cover unpaid work at home, but equally the expropriation of nature' (Bieler 2021: 18). Through the lens of SRT, I conceptualize the re-municipalization of urban water services as a boundary struggle, that is, one aimed at contesting and redefining the distinction between 'economy' and 'society', and 'production' and 'reproduction' (Fraser 2016:103). In fact, the re-municipalization of water services concerns these spheres: business, because the utilities are companies; public policy, because the goal is to return them to public control; society, because the social movement against water privatization played a key role in re-municipalization; and nature, because water is part of the natural environment. How these boundaries are negotiated will be examined throughout the empirical analysis. As we learn from political ecology, water services are not a technical policy issue with a non-contentious solution but, rather, an inherently political matter that is subject to negotiation and contestation (Swyngedouw 2018). Echoing environmental justice, the concept of water justice links the environmental and the social, shedding light

on the dimensions of distribution, recognition and participation in water reforms (Roth et al. 2018). Putting power and politics at the centre of *water justice* (Boelens, Vos, and Perreault 2018: 6) entails recognizing struggles for the decision-making authority. Hence, to investigate to what extent re-municipalization has been transformative in the cases under scrutiny, I will evaluate the evolution of governance of the re-municipalized water operator, that is who takes decisions, and democratic participation within its management, to enquire what 'public' means in practice.

Methodology

Drawing from the theoretical framework outlined above, the cases are analyzed through three analytical steps. First, the *context* in which re-municipalization takes place will be outlined, building on a conjunctural approach. This means considering the institutional framework, but taking a critical political economy perspective also implies an examination of structuring conditions, in this case, how the water sector is organized in terms of ownership and management of water utilities. Second, I will present re-municipalization as an *outcome*; through SRT, I focus on the agency of social actors driving the re-municipalization and how they articulate the contradiction between profit-making and people-making. Finally, I will analyse re-municipalization as a *process*; thus, I will investigate how these social actors then shaped the aftermath of re-municipalization. To assess its transformative potential, drawing on the concept of water justice, I focus on *decision-making* within the re-municipalized utility, and what obstacles were encountered, through an assessment over time of how the water operators enacted governance and the democratic decision-making within its management. In fact, such an assessment of these two categories is vital for deepening the understanding of what 'public' is, or how it is negotiated by the actors involved.

Empirically, the cases of Naples (Acqua Bene Comune Napoli (ABC Napoli)), translated as 'Water for the Common Good') and Paris (Eau de Paris (EdP)) are analyzed through a qualitative methodology, centered on 22 semi-structured interviews with key actors related to the water utility, that is management, but also workers, activists and local and national policy-makers. In order to determine the sample, I first traced the events related to the re-municipalization through secondary literature and newspaper articles. This allowed me to identify the most prominent actors within the process of re-municipalization, then I proceeded with snowballing. Fieldwork took place between 2021 and 2022, in Naples, Paris and online. The semi-structured interviews have been then interpreted through thematic analysis , in order to reconstruct the process analyzed but also allowing the actors' perspectives to emerge. The findings from the interviews have been also triangulated with the budget documents of the two operators, their press releases, news articles and other available secondary sources. The ethics approval was not required at my institution, however best practice guidelines were followed in relation to data collection and management.

After reconstructing the two cases in the process of the implementation of re-municipalization, they are then compared from a critical political economy perspective, which is outlined by Bruff (2021: 1284). Such a perspective uses juxtaposition as a disjunctural analytics of comparison and places the politics of comparison at the centre of the analysis by aiming to understand institutions in a socio-relational content and capitalism through its contradictions and crises. Here, the comparison is centred on the different positioning of the two water operators within their broader water sectors, and enables some similarities and differences with regard to the challenges that emerged in the implementation phase to be drawn. In order to do so, in the following two sections I will analyse the two cases of re-municipalization through the three steps explained above, before turning to the comparison and the conclusions.

3. Naples: From Arin SpA to ABC Napoli

In this section, I will examine the re-municipalization of water services in Naples. This occurred between the years 2011-2013 and entailed the transition from Arin SpA (that was a company under private law, hence for-profit, whose shares were owned by the municipality of Naples), to ABC Napoli (a non-for-profit company under public law). To explore the transition, first I will outline the economic and political *context* in which it took place, then I will describe it as an *outcome*, that is, I will look at the circumstances leading up to it and the immediate consequences. Finally, I will analyse it as a *process*, that is, what happened after the implementation up to time in which fieldwork took place.

3.1. The context: A fragmented reform process

The Italian water services sector has undergone a major transformation during the last 30 years. At the beginning of the 20th century, water services were under municipal control, and this phase of 'social municipalism' lasted until the 1990s, when a reform process was started through the *Legge Galli* (Galli Law) approved in 1994. The reform, which created a *national* discourse on the issue for the first time, framed water services as an industrial sector and had three goals: modernizing the sector, because it had been identified as lacking efficiency and economies of scale; introducing the principle of full cost recovery; and effecting a separation between management and regulation (Carrozza 2011). The implementation of the reform was left to local and regional authorities, and its progression was not linear. Whereas the political–administrative changes were slow and stagnated at times, the private actors took various initiatives, among which were the restructuring of municipal companies, and mergers and acquisitions, which resulted in corporatization and concentration (Citroni, Giannelli, and Lippi 2008). At the same time, a social movement against water privatization began at the local as well as the national level. This social movement promoted a referendum in 2011 that successfully abrogated the 2009 Ronchi Decree, which provided for mandatory remuneration of invested capital and mandatory competition for entrusting the service exclusively to companies with a degree of private sector participation, hence furthering privatization (Carrozza and Fantini 2013). However, the tendency towards liberalization of the

sector still continued in the following years through austerity policies, public sector administration reforms and the introduction of a national regulator, the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) (Galanti 2016). Cozzolino (2015) underlines the contradiction between the popular demands expressed by the referendum and the lack of implementation of its outcomes. However, at the local level, in the spirit of the referendum, some initiatives were taken towards re-municipalization, promoting water as a commons (Bieler 2021:73). In the following section, I describe the re-municipalization of water services in Naples, seen as an outcome of the historical unfolding of the sector reforms and of the social movements engaging with it, before turning to analyse re-municipalization as an open-ended process shaped by social forces.

3.2. The outcome: A coalition between the water movement and the local government for water as a common good

The company Arin SpA became ABC Napoli under the initiative of a newly elected leftist local government that built its electoral platform and social base on grassroots forces and local social movements, including the water movement. Although the company was already in public ownership, the transition in its mode of governance reflected the principle of de-corporatization. Arin SpA was a for profit company under private law ('Società per azioni'), whose shares were owned by the municipality, whereas ABC Napoli is a not-for-profit public company ('Azienda Speciale'). The claim of de-corporatization was at the core of the water social movement, because the private form of company implies the profit motive driving the company, seen as incompatible with the provision of an essential service. This reflects the contradiction between profit-making and people-making activities conceptualized by social reproduction theory. The related conceptualization of water as a commons, beyond state and market, was at the center of the water social movement and directly informed the creation of the re-municipalization of water services (Fattori 2013:385; Carrozza and Fantini 2016:113). Since then, the idea and practice of commons has informed local progressive politics also beyond water, including self-organized spaces (de Tullio 2022), and often involving legal and institutional experimentations (Micciarelli 2022). The statute that created ABC Napoli[2] was based on the concept of 'water as a common good', with driving principles of transparency, affordability and democratic participation by citizens, besides re-investing the revenues . In the following section, I will outline how this platform unfolded in practice in the following years.

[2] ABC, Acqua Bene Comune. 2013. «Statuto Azienda».
https://www.abc.napoli.it/allegato/Azienda/allegato_1191_Statuto.pdf.

3.3. The open-ended process: ABC Napoli through time and space

The re-municipalization of urban water services in Naples did not mean the end of conflict, as we will see in this section. In fact, I will outline the main events and changes in governance and democratic participation that took place in the years following the transition and the social actors that shaped them.

Governance and Democratic Participation

As mentioned above, in 2013, Arin SpA was transformed into ABC Napoli and, as a result, it gained the status of a 'special company'. Given that it was the first attempt at re-municipalization in Italy, it can be considered an institutional experiment, developed in close connection with the water movement (Marotta and Spina 2020). According to Italian law,[3] the definition of a 'special company' is an 'instrumental institutional body of the municipality, having a juridical personality, entrepreneurial autonomy and its own statute, approved by the municipality council'. Instrumental means that it pursues the same objective as the municipality, that is, the wellbeing of the population. However, its juridical personality guarantees that it is a separate entity, with some degree of autonomy in entrepreneurial management; however, its fundamental documents (statute, financial statements, plans) must be approved by the municipality. To outline the evolution of ABC Napoli's governance structure, I first look at the CdA or management board and then at the Surveillance Committee or participatory body. Both are outlined in the statute as key factors in the governance of the company; however, over time, both have been suppressed and substituted with different bodies. Analysing these governing bodies allows us to investigate decision-making within the company; as we have seen, this is a key dimension of the concept of *water justice*. and will allow us to draw some conclusions on the transformative potential of re-municipalization.

As mentioned, the key management governing body in the water company is the management board (the CdA). As well as having the task of developing strategies from the guidance provided by the city council, the CdA carries out administrative work and day-to-day management. According to its statute, it is comprised of five members without economic remuneration who are nominated by the mayor and has a three-year mandate (ABC 2013). In the following years, such governance provision was not applied without problems. In fact, the CdA ended its term before the formal end of its mandate five times, either because members resigned or they were fired; often, the CdA was substituted by an extraordinary commissioner. Most of the time, the governance body was in conflict with the city council and its mayor. Conflicts included the approval of budget documents by the municipality, the non-remuneration and voluntary nature of the members of the board[4], personal disagreements between the mayor and the

[3] Article 114.1 of the legislative decree nr. 267 (Testo Unico delle leggi sugli ordinamenti locali), own translation. Available at: https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2000-08-18;267~art114!vig=

[4] https://napoli.repubblica.it/cronaca/2017/08/10/news/il_ritorno_dell_ex_assessore_d_angelo_guidera_l_abc-172808918/

president of the CdA[5], and most notably different viewpoints on how to reinvest the revenues of the company. The latter refers in particular to the conflict around the re-appointment of 107 workers as part of the integration of the San Giovanni wastewater treatment plans. This decision by the mayor and the city council was in disagreement with the extraordinary commissioner at the time, who together with the local water movement developed a strategic plan of investment for the development of ABC in a sustainable direction (Interview 10). The recent acquisition and the re-appointment of workers made funds unavailable at the time for these investments in sustainability, and the disagreement ended up with the firing of the extraordinary commissioner, which was welcomed by ABC workers, while strongly contested by the local water movement.[6] Thus, the water movement and the workers were not aligned in this situation, with the workers supporting the municipality's stance.

I will now turn to the other main pillar of ABC governance according to its statute, that is the Surveillance Committee and its transformation over the years, before turning to the problems and obstacles encountered. As seen in the previous subsection, the statute creating ABC Napoli provided for a Surveillance Committee comprised of civil society member. In line with the practice of re-municipalization, this was supposed to provide a platform for participatory democracy and, thus, contribute substantially to the management of the water operator. However, the Surveillance Committee was never formally nominated by the municipality and never actually came into being (Interview 4). Therefore, it could not play a formal role in the management of the water company during its first years. Nonetheless, to provide for the principle of democratic participation, which was at the core of the concept of water as a common good and central to the establishment of ABC, the company's board instituted at the end of 2018 another participatory body, called the 'Civic Council' (Interview 4). This body is advertised through citizens' water bills, open to all interested parties, is a role without remuneration and elects its spokespeople who hold an institutional dialogue with the CdA (Interview 4). This means that the Civic Council has a consultative role, and no power of decision-making. Moreover, it was only able to hold a few assemblies before the Covid-19 outbreak, which obviously hindered participation (Interview 3). So far, overall, the principle of participatory democracy has proved hard to put into practice; however, the attempt continues, for example with the Civic Council being established. Indeed, one interviewee identifies the actual realization of participatory democracy as one of the major obstacles facing the re-municipalized company, at the same time as one of its major strengths (Interview 3).

[5] https://corrieredelmezzogiorno.corriere.it/napoli/notizie/politica/2014/29-ottobre-2014/blitz-comune-mandato-casapresidente-acqua-bene-comune--230434986524.shtml

[6] https://ricerca.repubblica.it/repubblica/archivio/repubblica/2016/02/29/abc-alta-tensione-si-torna-in-piazzaNapoli01.html?ref=search

Problems and obstacles

All results above considered, the water company has established itself over the years, both in political and economic terms (Agovino et al. 2020), as shown also by the 30 years contract it received in 2015 to operate the integrated water service,[7]adding sewerage to its portfolio. However, the company faced, and is still facing many obstacles. In this last paragraph, as has emerged from the analysis undertaken, I summarize the main problems encountered in ABC's years of management of the water services, before turning to the case of Paris.

As illustrated in the previous section, the governance structure has proved to be fragile, and has often been in conflict with the city council, to the extent that the former has been substantially modified from what was provided for in the statute. For several years, the CdA or management board did not operate and was substituted by the role of extraordinary commissioner. Moreover, in a parliamentary hearing concerning the proposed law on re-municipalization, the representatives of ABC's management[8] asked for more autonomy from the city council, in particular with regard to the annual budget. In fact, as we have seen above, in order to ensure political legitimacy, ABC's annual budget has to be approved by the city council. However, because of the request, the approval of the annual budget for the period 2015–2018 was delayed until the autumn of 2019,[9] and this had negative repercussions for the company's possibility of accessing credit. Although the budgets were finally approved, at the core of the problem outlined by the ABC management (parliamentary hearing quoted above, Interview 6) is the outdated character of the 'special company'. Although such a legal form, being fully public, has been used innovatively for urban water services, according to ABC management it needs updating, in particular with regard to budget approval, but also in relation to the absence of remuneration for members of the CdA. All in all, the functioning of the company is intimately intertwined with the city council and dependent on its decisions. Although this ensures political legitimacy, it raises questions about the future of the company if it were to become subject to the jurisdiction of a city council with different views to the current one.

Democratic participation in the decision-making of the company is in principle upheld by the company, and is an important factor in the concept of water as a common good as developed by the Italian water movement (Interview 3) . So far, however, it has been difficult to put into practice. Although the founding of the Civic Council is a move in this direction, yet the body does not hold decisional power, being a consultative and voluntary committee (Interview 4). The absence of remuneration for members of the

[7]https://napoli.repubblica.it/cronaca/2015/12/21/news/l_abc_gestira_l_intero_ciclo_delle_acque_del_comune_di_napoli-129948108/

[8] Available at: https://webtv.camera.it/evento/13197

[9] https://www.comune.napoli.it/comunicatistampa?id=22079

CdA has been identified as a major shortcoming in the legal provisions for the governance of ABC (Interview 11). In fact, the role of members of the board requires responsibility, continuity and commitment, which are hardly forthcoming when the role is voluntary. Moreover, there was also pressure from the national and regional level. Most notably, in 2015, a regional law reorganizing water services, as aimed by the national regulation authority ARERA, instituted a regional entity to manage water resources and, thus, limited the power of the municipal government.

4. Paris: From Suez and Veolia to EdP

In this section, I will examine the re-municipalization in Paris that occurred in 2009 and entailed the transition from a mixed management of the three companies SAGEP (Societé d'economie mixte), Suez and Veolia to the 'moral personality' management model (regie a personnalité morale) of EdP.[10] I will outline this transition and its aftermath, through the three steps derived from the analytical and methodological framework.

1.1. The context: Delegated management

Historically, the specific character of the French water sector, and of public services in general, is that it has been organized through *concessions* (ou gestion déléguée). The concession is a particular type of contract between a public authority and a private water operator that entails the public authority delegating the management of the service in all its parts, that is, investment, construction of infrastructure, maintenance, and remuneration directly from users, to a private company (Lorrain 2008: 70). Usually, the length of such a contract would be 20–30 years. However, as Lorrain (2008: 72) notes in his history of public services contracting, the concession was characterized as incomplete, in the sense that it was often defined by additional clauses. According to Lorrain (2008: 72), rather than being a weakness, the adaptability ensured the longevity of the concession. In fact, this type of contract developed over time into that of *affermage*, a French specificity not only with respect to Europe but also worldwide. Therefore, placing it in an international perspective helps to understand its nature. According to Lorraine (2008: 70), le *contrat d'affermage* can be understood as a form of concession, but with the particularity that the public sector takes charge of the first investments and, therefore, receives revenues from the tariffs. Hence, the public and the private sector cooperate with common objectives. According to Lorrain (2008: 67), 'ce passage de contracts de propriete a des contract de savoir-faire pose les bases de la conception modern de la societé de service dans le bien essentiels' ('The transition from contracts of property to contracts of know-how is the basis of the modern concept of a company that provides essential services', own translation). This type of contract stemmed from the failure of concessions, and in general the failures of

[10] https://www.eaudeparis.fr/lhistoire-de-leau-paris#:~:text=En%201860%2C%20Le%20Conseil%20de,du%20service%20de%20l'eau.

the private sector in Europe in the end of the 19th century, a period in which awareness of the importance of water and sanitation services for public health was heightened.

This particular way of organizing the sector in France coincided with the rise of the two largest world multinationals, Suez and Veolia. Founded in the 19th century, they flourished with a policy of delegated management and pursued an active internationalization strategy from the 1980s onwards. However, because of the rise in political contestation across the globe, and in the context of corruption scandals throughout France, municipalities started to take back water services, the forerunner being Grenoble in 2001. In fact, the responsibility for the provision of the services lies with the municipality, which can choose between delegating the management to a private company, or executing it in house, through a 'regie'. There are two types of regie: *autonomie financière* ('financial autonomy'), which is only residual nowadays; and *regie a personnalitè morale* ('moral personality'), which is the legal form chosen by the municipalities that decide to re-municipalize (Interview 20). In the first case, the water utility has a separate budget, but is still part of the municipality. In the second, the water utility has a 'moral personality', which means it not only has a separate budget, but also a separate administrative council and management structure that make it more independent from the city council in day-to-day management. This is the case of EdP, as will be outlined in the next section.

1.2. The outcome: A political project of the newly elected leftist government

The re-municipalization of the water services in Paris took place in 2009, but was preceded by a long preparatory phase starting in 2001 (Le Strat 2015), on account of the newly appointed leftist and green local government in Paris. In this period, scandals emerged with regard to the lack of transparency of concessions contracts to private companies, and when its own contract expired in 2001, Grenoble re-municipalized its water services[11]. Hence, the decision to re-municipalize the water services in Paris was taken in the context of the declining legitimacy of private companies, the opening up of the political possibility of insourcing by Grenoble, the rise of a global water movement against water privatization and the leadership of the red–green coalition, with particular reference to the political work of Anne le Strat, deputy mayor of Paris and chairwoman of the EdP board. In her book (Le Strat 2015), she documents several reasons that led to the decision to re-municipalize, both pragmatic, to reduce costs and improve the quality and transparency of the service, but also symbolic, in the sense of opening up political possibilities for public management. Although re-municipalization in the Parisian case was carried out by group of local policy-makers and representatives from non-governmental organizations

[11] https://corpwatchers.eu/en/investigations/cities-versus-multinationals/leaving-water-privatisation-behind-paris-grenoble-and-the-advent-of-the-water?lang=en

(NGOs) and is often said not to have relied on widespread mobilization, yet it can still be inscribed in the European – and global – water movement against water privatization. In effect, during the preparatory years, a local committee on water was established first in Paris (Interview 13), and then others were later established across France (Interview 12). At its outset, EdP featured a governing body in charge of taking decisions, and representing the different stakeholders, including the citizens, through a newly created 'water observatory'. Studies have already evaluated the economic, environmental and social performance of EdP in good terms (Lobina, et al. 2021). In the next paragraphs, I will rather focus on the unfolding of EdP through time and space, paying particular attention to the actors involved in governance and management.

1.3. The open-ended process: EdP through time and space

EdP was founded as a merger of the companies that were sharing the provision of Parisian water services, with the aim of implementing public integrated management, but also providing exemplary democratic open governance. In the next few paragraphs, I will explore how this governance model worked in practice.

Governance and Democratic Participation

The board of directors is composed of 20 members, 18 of whom have a say in the decisions; the remaining members are two experts who do not vote. Among the 18 members who vote, 13 are elected officials from the Council of Paris. Although this is not written in the statute, 10 of the latter are representative of the elected majority, including the president, who chairs the board (Interview 15). The remaining three elected officials are representatives of the municipal opposition, to make sure that other viewpoints of the council are represented on the board. In addition, there are three representatives of NGOs: one is the Parisian observatory for water, which is a municipal NGO in charge of consulting citizens and stakeholders on issues relating to water and sanitation, not only drinking water services; one is an environmental NGO; and the last is the consumers' association. The remaining two seats are for staff representatives.

The board of directors serves as an intermediary between the management, the city councils and the stakeholders of the city, in the spirit of an 'open governance' model (Interview 15). In practice, it is a tool for the city council to steer the direction of the company and for the management to update the city council on the company's activities. It is also used for mediating conflicts and as a means by which representatives of associations can check on the company's operations (Interview 15, Interview 22).

As mentioned above, to ensure democratic participation, a water observatory was founded and has a seat on the board. After an initial period of activities, conflicts emerged that led to its decline. In 2017, there

was a conflict over the extension of EdP to neighbouring municipalities. The observatory suggested exploring this possibility, but the board refused, which led to the resignation of the current members of the water observatory and the installation of a new one (Interview 17; Turri 2022). Since then, the water observatory has reduced its activities significantly. However, while at the onset of this fading was a conflict with the city council and management aligned, yet EdP board is aware of the resulted negative impact on democratic participation. Currently, EdP is exploring possibilities for alternative participation tools, for example, a participatory budget project, which will be launched in 2023.

Problems and obstacles

The key challenge in the aftermath of the re-municipalization, as identified by the management, the city council and even activists, was to rebuild and retain internal expertise (Interview 15, Interview 17, Interview 19), which was seen as essential for independent decision-making (Interview 15). In fact, many public operators still rely on external expertise and consultancy for knowledge and, therefore, decision-making, which, consequently, changes the meaning of 'public'. In one activist's view, 100% public never exists, there is always some private sector participation (Interview 12). The question then becomes what kind of private sector participation: performing all the tasks of the utility in what are called 'quasi regie' (Interview 12); or a small circumscribed performances as in the case of EdP (Interview 15). According to a representative of an environmental NGO, public operators tend to have a preventive rather than a curative approach, even when this is less profitable but more economically efficient and environmentally sustainable (Interview 16). Hence, building internal capacity is important also from a sustainability perspective. In fact, it is not only a question of how much budget is allocated to water services, but also how it is articulated (Interview 16). It is important to consider water as a whole, as an ecosystem (Interview 16); the distinction between water services and river is made by humans, not nature (Interview 20). Interestingly enough, internal capacity is not only that of the utility operator, but even the local government itself. With the concession model, there is a loss of power in the technostructure of the municipality (Interview 20).

With regard to democratic participation, in the case of Paris, as in the case of Naples, several obstacles emerged which led to its decline. According to management, this is a 'paradoxical tribute' to EdP, in the sense that when things work smoothly, there is no need or no incentive for democratic participation (Interview 15). However, this was not the stated goal of the democratic body (the water observatory) within the company that was supposed to participate actively in the decision-making process. In 2017, a conflict emerged that led to the resignation of the water observatory, and the water observatory has been less and less active ever since. The conflict was about the possibility of expansion of the EdP model to

neighbouring municipalities, a suggestion made by the water observatory, but refused by the board of directors. Although the current democratic participation is very low, the management and city council are aware of the problem and are trying to implement tools such as a participatory budget and user surveys. These might prove useful, because the literature has highlighted the absence of codified mechanisms as one of the reasons that leads to the failure of democratic experiments (Bianchi 2022).

Among the conflicts faced by the EdP board of directors, one was about the level of salary. Naturally, staff wanted an increase in salary, but the interests of management and users were aligned in keeping the tariffs low (Interview 15, Interview 19). In cases like this, it becomes evident that the tool of individual tariffs makes the interests of users more aligned to those of management than workers. Another issue concerned the renewal rate of pipes. Following specific studies on the network, the EdP management was convinced that the necessary rate was lower than the national guidelines, and succeeded in convincing the board as well (Interview 15). This issue is linked with the concept of *sobriété* ('sobriety'), which in this case means carrying out only the technological interventions that are really necessary (Interview 16).

2. Different outcomes, similar challenges? Re-municipalization as a boundary struggle

In the previous two sections, I outlined the re-municipalization of urban water services in the cases of Naples and Paris both in their context, as an outcome and as a process. In this section, I compare the two cases through *juxtaposition*, therefore identifying and interpreting similarities and differences (Bruff 2021).

From the analysis undertaken, it emerges that the first key difference is the economic context in which the re-municipalization took place: whereas in Paris, re-municipalization meant insourcing, taking back public management and governance from the two multinationals Suez and Veolia, in Naples, the transition to re-municipalization was intended as a return to public in *content*, because Arin SpA was already publicly owned, but was in the form of a private company with a profit motive driving its action. The difference in the structural context might also explain the differences in the performance according to evaluations by indicators; simply put, because initial conditions were different. Whereas in Paris the re-municipalization was in effect taking away private management, in Naples it was about the change from a private-logic company, therefore more nuanced. However, in these different contexts, in both cases, re-municipalization meant not only a return to the public, but also a negotiation of what 'public' is and should be – that means not limited to ownership, but also taking into account management and governance. In fact, there are different models of public management that can fit the specificities of local situations (Interview 15). With a platform of open governance and democratic participation, both cases qualify as possible practical alternatives to neoliberal policies. In fact, in both cases, re-municipalization was a policy choice taken by the local government in opposition to national policy-making, and in countertendency with respect to the organization of the sector. In Naples, it was de-corporatization,

because the main outcome of the reform process that started in the 1990s was indeed corporatization of local utilities. In Paris, it was reverse privatization, revoking the concession to Suez and Veolia and insourcing water services to the municipality. Therefore, both cases show the same trend of return to the public (Kishimoto et al. 2015), albeit in different forms. Drawing from McDonald's (2018) categorization of re-municipalization(s), the reverse privatization can be traced back to a social democratic model, with a commitment to equity and to ensure the right to water, while the de-corporatization hints at the anti-capitalist one, as the very logic of functioning of a company was put in question; moreover grassroots movements were involved in the setting up of the operator and the stature was centered on the notion of water as a commons.

As well as the initial economic conditions being different, the reaction of the sector at large also varied. In Italy, Naples remained an isolated case, which proved to be a key obstacle in day-to-day management, especially with regard to access to national funding and resources from a national federation. In France, the re-municipalization in Paris was followed a wave of re-municipalizations across the country; a national federation of public water operators was founded, and even a European association (Interview 17). There is a trend in France of a rising number of public operators, and also a rising number of people served by them (Interview 15). Having a network to rely on can make a difference with regard to the chances of success and stability, access to shared knowledge production, lobbying at the national level and administrative facilities.

However, in both cases, re-municipalization did not mean the end of conflict; several obstacles emerged, which hold perhaps surprising similarities in such different contexts. As well as the practical issue of harmonization of employment contracts in the transition from the private to public sector, which made the workers suspicious of re-municipalization, there was also the issue of salary in the case of Paris and of re-appointment of workers in the case of Naples. In both cases, workers' interests were not aligned with the water movement and resulted in conflict; however, this is a fundamental alliance for re-municipalization to succeed, as we learn from the concept of environmental justice. Moreover, in both cases, the democratic participation of civil society was hindered by conflicts between the water movement and the city council; notably, this was the alliance that made re-municipalization possible in the first place.

In addition, in both cases, the principles of participatory democracy within the management of the re-municipalized water operators were at the core of its foundations; however, these proved difficult to implement in practice, and diminished over time due to conflicts (e.g. in Naples, of workers, management and council opposing the. movement, in Paris, of the movement opposing the city council and management opposing city council and management). However, in both cases, attempts are made to revive democratic participation through other tools. In Naples, although the movement is now formally outside the company, it continues to communicate with and influence the operator (Interview 7,

Interview 9). In Paris, new democratic tools, such as a participatory budget, are being launched (Interview 15). This situation warns re-municipalization scholars to beware of 'quick' normative evaluations, because the cases are not 'finished', but still unfolding and changing (Bruff 2021). Indeed, the concept of 'boundary struggle' fits the cases well because it is *dynamic*, and captures the idea of pushing the boundaries between what is considered economic (i.e. a water company) and what is considered social (i.e. water as essential to life), between production and reproduction. It is not about 'finishing', but about 'negotiating the boundaries' of falsely dichotomous categories. In one activist's words, the battle between public and private is never-ending, and there are no winners or losers (Interview 12).

In both cases, internal expertise played a key role in the implementation of re-municipalization. In Paris, this was because it was deemed necessary to rebuild capacity and importantly to be retained within the re-municipalized operator; in Naples, it was because through all the turbulence caused by changes in governance a small group of engineers who had worked at the company for a long time ensured its continued smooth working (Interview 8; Interview 11). In this sense, the empirical material sustains my argument that the question is not only about returning to the public, but also what kind of public is implemented, or negotiated by the social actors involved, and ultimately that this struggle also plays out in the terrain of expertise, knowledge and technology. Multi-scalar politics played an important role in shaping both re-municipalizations, the regional law in the case of Naples (Interview 3) and the intercommunalitè law in the case of Paris (Interview 19). This leads us to the key conflict in both cases: the expansion of the company. This is something that is vital for ABC Napoli at the moment, because its size does not allow it to access national funds and, indeed, local social movements are trying to work out the legal way to keep the public legal form of *azienda speciale* (special company), but for more than one municipality as *azienda speciale consortile*. In the case of Paris, this was a key conflict within its board that led to a decline in public participation, which was never taken up again, but is of considerable relevance because EdP covers only part of the Parisian metropolitan area. Moreover, sectoral expansion is seen as a key factor in the future of the company (Interview 15). The importance of the enlargement of the company stems from how the water sector is organized nowadays: it might be for 'technical' reasons of economies of scale, but the political reality is that if the sector is organized in a certain way, it is difficult for a single operator to do things differently, because it is still subject to regional and national regulation.

To sum up, through the *juxtaposition* of the cases of Naples and Paris, and by putting politics at the centre of the comparison, I argue that the re-municipalized water operators as we observe them today are the result of the interplay between the water movement, the local government, water company workers and national policy-makers. However, it is also important to take into account how the water sector at large is organized in economic and structural terms.

5. Conclusions

In this paper, from a critical political economy perspective, I analysed the re-municipalization of water services in Naples and Paris. Such an analysis presents both a theoretical contribution in that it advances a critical political economy understanding of re-municipalization of water services, and an empirical contribution, because it considers the long-term analysis of re-municipalization as an open-ended process.

Through interviews with key actors and document analysis, I first traced the context in which re-municipalization took place, leading to it as an outcome. Then, I analysed re-municipalization as a process, paying particular attention to the agency of social actors who shaped it. The findings show that the-municipalization has been transformative as it effectively changed the decision-making within the water operators, analyzed through governance and democratic participation, but also that obstacles to realizing this emerged in the implementation phase - hence through the concept of boundary struggle we explored what were these obstacles and how they could be addressed and overcome, to inform current and future processes of re-municipalization.

From the analysis undertaken, three sets of conclusions emerge. First, public ownership is only the first step towards public control. This is in line with previous studies on re-municipalization (McDonald 2023, Cumbers and Paul 2022), but also existing research on new municipalism and the commons (Thompson 2021; Bianchi 2022) and the democratization of local public services (Le Strat and Menser 2022). In both our cases, a coalition of social actors actively tried to 're-invent' or 'negotiate' the category of public, to ensure not only public ownership, but also public governance and management. Second, internal expertise plays a key role in the definition of what 'public' means as negotiated by the actors. In both cases, retaining or rebuilding expertise and knowledge – both engineering and managerial – was crucial in defining the very nature of the operator as public. Third, the major conflicts that emerged in the implementation phase resulted in the break up of alliances that made re-municipalization possible: namely, that of the city council and the water movement. Tightening this relation, and bringing in workers, emerges as vital challenges for re-municipalization processes. This conclusion matters to inform current and future attempts at re-municipalization: to ensure functioning of the water operator in accordance with the principles according to which it is set up, the findings highlight the importance of envisioning and establishing mechanisms of conflict management and distribution of decision-making power. Finally, I emphasized the importance of analyzing re-municipalization as an open-ended process, or in my theoretical terms, as a boundary struggle, to highlight how it is shaped by social forces, but also how it is constrained by the structuring conditions of the sector, in other words, how the boundaries between the falsely dichotomous categories of 'production' and 'reproduction' are challenged. In fact, although re-municipalization in the two cases considered has a similar social content, it took different

forms because of the different organization of the sector in the Italian and French political economy. which ultimately impacted also its unfolding

6. References

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