The French model of water supply management challenged by users’ empowerment

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Abstract

Since the early 1990s, in France, the increase in water prices and the denunciation of public–private partnerships have encouraged the state, water companies and local authorities to enhance management transparency and develop their relationships with consumer groups. The opening to user representatives is challenging the French model of water supply management. These transformations are resulting in tensions between different representations of users as consumers or citizens. Between consumer and citizen, which representation is actually emerging and how is the user’s status affected?

At the national level, the state and consumer groups tend to develop a pro-consumerist policy involving reflection on price levels, the efficiency of utilities and consumer information. On the other hand, companies are trying to highlight the representation of the citizen concerned about the environment and water quality. At the local level, user status varies with context. The user can be perceived either as a simple consumer or as a citizen–consumer hybrid. The examples of Grenoble and Ardèche show that consumption issues can be open to debate about public choices, investment strategies or drinking water quality. This opening up of debate depends on local authorities’ competence and communication strategies, consumer groups’ agendas and specific local issues (e.g. resource scarcity, corruption).

Keywords: Citizen; Consumer; France; Governance; User; Water supply

1. Introduction

Whereas reflection and debate on the development of participation have been widespread in the local government sphere since the 1960s, urban networks and especially underground networks have mostly remained excluded from local democracy. Although water distribution is one of the oldest provinces of the
French municipal authorities, until now users have seemed unconcerned about the management of this abundant and inexpensive resource. At the same time, over the past three decades improvements in living conditions and neighborhoods, and development of social services have become regular topics of dialogue with local associations. Owing to its technicality, water distribution seems to be inaccessible to public debate, especially since the methods used to manage it are often complex and vary from one region to the next. Roughly speaking, either local authorities individually or collectively manage the service themselves through direct governance, or they delegate all or part of it, to varying degrees, to a privately owned utility (management of the service, investments and construction). In the 1980s public–private partnerships, outsourcing or concessions became the public authorities’ preferred management model.

Theoretically, in the French model of water supply management, consumers are represented by the elected authorities who defend their interests when negotiating contracts with privately owned utilities (Lorrain & Stoker, 1997). Since the early 1990s, however, price increases and the calling into question of public–private partnerships have encouraged local authorities and water companies to communicate with consumers. Relations between the water companies and public authorities have also changed. While local authorities have increased their role in managing water, the state is also moving back into this sector through legislation. To legitimize its action and find a solution to confrontation with private companies it has strengthened the role of a third actor: consumer groups. In this respect it is not alone. Private companies and certain local authorities are also enhancing the role of consumer groups in order to achieve a balance of power. These groups’ position may vary from arbiter to ally, but in any event all the protagonists seem to have an interest in strengthening their role. Owing to local conflicts and the new participatory apparatus set up, consumer groups and local protest groups have made themselves heard through the local and national media. The associative fabric, which barely existed in the early 1990s, has been boosted through the action of general interest groups and the creation of specialized local associations in the most conflicting cases.

In this paper we do not consider the weight of or how representative are these groups. Instead, we focus on the status of the user of water distribution as a service. Have the creation of participatory mechanisms, the enhancement of the role of consumer groups and the new customer policies adopted by companies affected the user’s status? We use the term ‘user’ in a generic sense but note that until the mid-1980s this term meant something entirely different. After World War II the user appeared at the intersection between the engineers’ supply rationale (economies of scale, standardization of the service offering, infrastructure), basic legal principles (equality, mutability, continuity) and the country’s industrial policies (Jeannot, 1998). Today, discourse tends to distinguish between different user statuses, mainly consumer and citizen. New categories are replacing the former vague and all-encompassing representation of a user. Each stakeholder, including consumer groups, has a particular and strategic approach to the user whom it claims to represent, defend or listen to. What representations currently guide the different stakeholders involved in water distribution, i.e. local authorities, the state, utilities and consumer groups? To analyze these categories we have defined two main representations1: the consumer and the citizen.

1 The definition of the categories of consumer, customer and citizen needs to be developed in more detail. The definitions proposed here are the result of PhD research (Pflieger, 2003). They are based on a study of different uses of the terms in the social sciences and in the actors’ discourse. I would like to thank the Laboratoire Techniques, Territoires, Sociétés and the Ecole Nationale des Ponts et Chaussées for their support during my PhD research and especially Bernard Barraqué, Sylvy Jaglin and Jean-Marc Offner for their advice and useful comments on a former version of this paper.
First, the consumer, a classic concept in economics, has been a focus of attention by the state and consumer groups since the 1950s (Pinto, 1990). The consumer model is characterized primarily by the ability to choose in a competitive market. In order to do so, consumers need as much information as possible so that they can compare (comparative trials, prices, performance, durability) and establish the best quality–price ratio. The role of the consumer movement is to help consumers to make those informed choices. In the case of water, the monopoly situation makes the consumer’s collective or individual voice (complaints) a substitute for competition and choice incentives. In France, the term “consumer” used in connection with water distribution appeared in the early 1990s only. Used by the state or consumer groups, it reflects expectations of transparency of costs and management, performances assessment and concerns about price increases.

Second, the representation of the citizen is traditionally used in political science. The dominant conception since the late 19th century is an individual capable of having an opinion and of using the ballot to express both political preferences and an interest in the public sphere (Lagroye, 1997; Gosewinkel, 2001). The way in which citizens express themselves can be subject to debate, depending on the model of democracy in question (representative or participatory), but the substance of the citizen’s intervention is nevertheless focused on public action. With regard water, the citizen takes an interest in the distribution service as an element of public action. In this case, participation or objection are focused on modes of production or public choices, or link the topic of drinking water to broader themes such as the environment, living conditions or local economic development.

In a context of opening up of the governance system to consumer groups, how does tension develop between the different user representations? Who has the main role in this movement: the consumer or the citizen? When the citizen is present, how is this representation articulated to that of the consumer? These questions are the main issues addressed by the French model of water management. Indeed, this “model” is currently facing a major crisis of legitimacy and transparency, related to management efficiency and the rise in prices on the one hand and to the improvement of environmental protection, on the other hand. Since the French model is one of the two main schemes of regulation exported worldwide, it is necessary to understand how France tried to solve the problem of user’s involvement and to assess this new participatory framework. I will argue that formal instruments of participation (e.g. commissions, panels, hearings) are not the key element in the democratization of public utilities management. As a matter of fact, this process mainly depends on consumer groups’ involvement and on the willingness of local authorities to open the debate to general interest issues and not only to problems of consumption.

A successive analysis of the national (Section 2) and local (Section 3) scales of water regulation highlights varied situations. Without claiming to describe the complexity of the changes under way, we show how the process of opening up water management to users has strengthened the consumer representation. The citizen, left to a large extent on the fringes of this movement, occasionally resists, depending on the local political context, local authorities’ strategies and the dynamism of local groups.

2. National regulation: consumerist consensus in question

In contrast with a purely local and fragmented governance system, the national level remains dynamic and even agitated by debate on water policy. At this level the water sector is organized around a small number of protagonists: the National Development and Environment Ministry (Ministère de
l’aménagement du territoire et de l’environnement); parliamentary commissions; the three water firms; and, on the consumer side, the Confederation for Consumption, Housing and Living Conditions (Confédération de la consommation, du logement et du cadre de vie – CLCV) and the Federal Union of Consumers (Union fédérale des consommateurs) UFC–Que choisir?. Few actors and 20 or so people at the most meet regularly in the form of task forces, hearings and bilateral negotiations. What is the user’s role and status in this context? In this section we present the consumer groups’ modes of action and then show how this system promotes the consumer representation nationally.

2.1. Pressure and negotiation: two associations at the heart of the national system

Of the 20 or so consumer associations approved by the French Government, only two are involved in the water sector: the CLCV and UFC–Que choisir?. The two water specialists, both members of their respective national boards, are considered by the water companies and the state to represent consumers in general.

Negotiation with the water companies is a recent development. Since the consumer groups had no formal agency for dialogue, they decided to press for the institution of regular negotiations. For the representative of the CLCV, the equation was simple: “we explained to them that if they didn’t want to listen to us we were going to cause a public scandal in the press or lay charges. It’s all a matter of a power struggle”. These negotiations have now been held for the past six years with the company Générale des Eaux and for the past three years with Lyonnaise des Eaux. The water companies would like to avoid conflict with the consumer groups by satisfying the demands expressed during dialogue. Yet, even if the entente can be considered cordiale, regulation is not necessarily consensual. For example, it was only after lengthy and sometimes conflict in negotiations that the CLCV managed to get Générale des Eaux to agree to scrap an €120 deposit to be paid by all new consumers. More generally, negotiations have concerned scrapping any fixed part or subscription fee.

Interfaces with the state vary. They depend on the institutions concerned and on phases of reflection on legislation. Four phases of negotiation can be distinguished.

First, the consumer groups are invited by the ministries to participate in work sessions involving drafting the bills. In the early 1990s the Ministry of the Interior involved them in drafting Law no 92–125 on Territorial Administration of the Republic (ATR) on 6 February 1992, while the Ministry of the Environment involved them in preparation of Law no 92–3 on 3 January 1992 on water. This

2 Lyonnaise des Eaux, Générale des Eaux and SAUR.
3 Interview on 14 November 2000.
4 The fixed part is an amount, set by the distributor and the local authorities, to be paid annually. It is intended to cover investment costs in the network as well as other fixed costs such as rental of the water meter, invoicing, etc. This set rate is therefore independent of consumption. The associations demanded its removal on the basis of the principle of reality of prices. This removal can result in certain financial difficulties, especially for local authorities with wide seasonal variations in population (coastal resorts or tourist areas) when equipment has to be calibrated on maximum use. In such cases a fixed part makes it possible to spread the investment costs between different categories of user: seasonal and permanent residents. Without the fixed part, the price of water per cubic meter can easily rise to €4.5 and investment costs are borne mostly by permanent residents. The case of southern Ardèche, presented in the second part of this article, illustrates the problems faced by local authorities who have to deal with a lack of understanding by users.
afforded them with the opportunity to negotiate the main lines of the bill from the outset. The CLCV recently involved itself in negotiations on water rates with two ministries:

- the Ministry of National Development and the Environment, in the framework of the bill on water, to argue for scrapping the fixed parts (in the invoicing of water) which did not reflect volumes consumed;
- the Ministry of Infrastructure, Housing and Transport, which granted them an article in the law on Solidarity and Urban Renewal (SRU)\(^5\) concerning individual meters in collective low-cost housing.

Second, the consumer groups may be heard by parliamentary commissions. Before certain debates the members of parliament (MPs) can set up working committees on certain issues.

Third, during parliamentary debates on bills, the associations lobby many MPs in order to obtain certain amendments. For example, during debate on the ATR bill in 1991, the CLCV obtained many MPs’ support for an amendment on the creation of consultative committees on water in local authorities. This was a victory for the consumer group since, in terms of the amendment passed, these committees are now mandatory for all communes of over 3,500 inhabitants.

Lastly, after a law has been passed, the CLCV and UFC again lobby the ministry concerned on details in the enforcement order.

The various participatory mechanisms allow consumer groups a key role in the microcosm of national regulation. The institutional actors endorse the legitimacy of these groups as consumers’ representatives. Even if interests do not converge, the increasing weight granted to the different interlocutors results in more efficient management of relations with a very small number of specialized and informed representatives. This lobbying action developed at the national level does not seem to be very original, compared to the USA example for instance. But, within the French context of a relatively closed to participation democracy, lobbying and consumer groups’ interventions remain recent and tend to increase greatly the role of state regulation and the weight of the national level of governance.

But the key role of the consumer groups is not sufficient to provide for consumer-driven regulation. The water companies and the state have other means for obtaining information on users’ expectations (surveys and opinion polls) and can adjust their discourse by introducing other themes of interest to users, such as water quality or environmental protection. The consumer groups themselves can moreover transcend usual consumer issues (price levels, pricing conditions) by taking other subjects of action into account. How does tension develop between the representations of the consumer and the citizen within the national context?

### 2.2. Domination of the consumer representation

#### 2.2.1. Univocal claims by consumer groups.

The consumer groups’ discourse is based on the classic and narrow principles of consumer action: first, transparency and fairness of prices and second, effectiveness of the procedures of competition and consumer participation.

In a monopoly context consumers have no power of exit and cannot choose a substitute product. Their only means of expressing their dissatisfaction is by voicing it (Hirschman, 1990: 92). Consumer groups

therefore consider it essential to establish participatory agencies or to take advantage of the pressure they can exert through the media. The UFC’s position is clear: “as regards competition, when consumers have to use a water service [...] they are faced with one distributor and no possibility of changing to another. [...] That is why we would like to see local committees of the water utilities effectively established so that consumers, with the local authorities, can express their opinions and so that those opinions can be taken into account”6. This claim, put to members of parliament and the National Assembly mission for evaluation and control, sums up the UFC’s expectations. The CLCV and the UFC lobbied on this subject for a long time. The main point concerned the creation of consultative committees for the utilities. Although the ATR law had made these committees compulsory, the consumer groups deplored the slowness of their creation and the lack of means at their disposal. During debate on the bill on water, tabled in parliament in June 2001, the CLCV proposed granting the committees the right to funds to commission expert assessments during any contract negotiations.

The other favorite theme of the consumer groups encompasses a series of claims around fair prices: the scrapping of fixed parts on invoices; the extension of individual invoicing in collective housing; and transparency of costs and rates. The UFC focuses on the issue of price transparency. In theory the organization does not seem opposed to price increases and claims to be prepared to accept higher rates to offset new purification constraints (sewage sludge processing or upgrading of existing facilities). However, it demands that the water companies, local authorities and legislators make provision for greater clarity and transparency regarding costs and rates.

2.2.2. The state: the significance of the consumerist frame of reference. The state cannot be approached uniformly as a regulator. Several authorities are involved in the water sector: the Ministry of the Interior, the Ministry of National Development and the Environment and the Ministry of the Economy and Finances. In addition, parliament launches inquiries and evaluations on the different water-related topics (pollution, management, financing, rates, etc.), through the National Assembly or Senate committees. Without going into the various strategies of these institutions, we shall refer to the broad lines of the bill on water, presented by the Environment Minister to the Cabinet on 26 June 20017, to show how the government mobilizes the consumer representation as a priority.

The bill can be divided into three parts: user information and fairness of prices; reform of pollution tax; and stricter supervision of the local authorities’ and water agencies’ action.

The first part covers a third of the proposals in the bill. It directly concerns the consumer and enhances the role of the consultative committees. Whereas the ATR law of 1992 set no objectives for these committees, the bill specifies their prerogatives. For example, rates, proposed rules for services, the planned maintenance schedule and annual reports on prices and quality have to be submitted to the committees before being presented to the town council or to the community of communes. Thus, in terms of the bill, the committees constitute information and consultation agencies for consumers. But only those dimensions relative to the service offering are taken into account. In their relations with users, local authorities are considered simply as service providers. As we shall see, however, certain local authorities have chosen to go further and to give the committees an additional role in debate on management

6 Interview with Bernard Schockaert, administrator of UFC–Que Choisir?, in the context of the National Assembly mission for the control and evaluation of financing and management of water, on 8 February 2001.
7 The bill passed by the National Assembly on its first reading on 10 January 2001 was not passed by the Senate before the next legislative elections. It therefore remained nothing more than a political sign by the outgoing government.
methods and environmental choices. User information is also enhanced. The selection of information provided represents the consumer representation: “the consumer does not necessarily wish to see the general organization of water management appear on his invoice; above all he expects to see information on costs and on his own consumption.” In parallel with invoices, annual reports on service rates and quality are to be displayed in the town hall. Lastly, the third set of measures intended for consumers concerns pricing in proportion to the volume of water consumed. The bill provides for limitation of the fixed part on bills to certain fixed costs (meters, billing) and to certain management constraints (seasonal population variations). The minister supported this new measure, requested by the consumer groups, with arguments that transcended the question of fair prices. These arguments were both social and environmental. The scrapping of charges for subscription to the service would facilitate poorer families’ access to water and would rationalize water consumption. These were the only arguments which, in the justification for the measure, articulated consumerist, social and environmental concerns.

Many measures have been taken on behalf of consumers to improve equity, transparency and competition. For example, the creation of the High Council for Water and Sanitation (Haut conseil de l’eau et de l’assainissement) strengthened the state’s role in water management. At that stage the aim of the State was not to create an additional body along the same lines as the Telecommunications Regulatory Authority (ART), which has regulatory powers, but to introduce real yardstick competition into the water sector through transparency. The creation of the High Council was to be an opportunity to increase the state’s weight by redefining standard clauses for partnership contracts, which had been scrapped in 1982. The relative recentralization of water regulation worked in favor of the consumer groups, which were given the authority to refer cases directly to the High Council. But the consumer groups were only half-satisfied because the bill failed to provide the High Council with regulatory competence.

2.2.3. The water companies: from marketing to public interest. Initially the water companies’ commercial approach seemed to be focused on satisfying and informing customers and on hearing their complaints. For the past two years, however, Lyonnaise des Eaux and Générale des Eaux have been implicitly or explicitly defending the representation of the citizen preoccupied by environmental conservation and the quality of domestic water.

Theoretically, marketing tools serve no purpose for monopolies since the main objective of operational marketing is to increase a firm’s market share. Yet the water companies have developed their own customer policies resembling those of the competitive sector. Whereas until recently their sales policy was limited to winning contracts from their main customer – local authorities, they now wish to satisfy and communicate with residential customers as well. The two groups have

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9 This project was proposed in the report by the Haut Conseil du Secteur Public (“Quelle régulation pour l’eau et les services urbains”) in December 1999 and subsequently introduced into the first draft of the bill on water by the Environment Ministry. From the outset the creation of this agency was supported by consumer organizations and by MPs from the mission for evaluation and control of water financing and management.
10 In the bill passed by the National Assembly on 10 January 2001, other modes of referral are proposed. A local consultative committee can refer a matter to the High Council if the decision is taken by a third of its members. Moreover, in terms of this final version of the bill, the High Council is an authority with extensive powers of investigation and policing, since it can demand negotiation of additional clauses to the concession contract if irregularities are raised.
developed a series of service quality standards: reconnection to the water supply within 24 hours, rapid replies to letters, set times for visits, customer service centers and so on. By improving the rate of satisfaction, this strategy enables them to gain a foothold in the towns in which they are present. A high level of customer satisfaction is an additional argument to use when renegotiating contracts with local authorities. In this case the group’s marketing focuses on the corporate image, communication and satisfaction of the end user. This communication strategy is fully deployed around the environmental theme.

To meet the expectations of its customers – whom Générale des Eaux clearly calls consumer–citizens11, the two groups have used their common information centre (CI Eau) to establish indicators based on regular customer satisfaction surveys. In addition, they each perform their own surveys and for the past five years Lyonnaise des Eaux has been developing tools to obtain information in real time on consumer expectations, as reflected in the media. These surveys and media studies have revealed a rising concern for health and environmental issues. From 1995 to 2000, most of the topics addressed by the media were based on local conflicts related to problems of invoicing, rates and, more generally, efficiency of water management. But during the past two years quality and the environment have moved to the top of the list of the most frequently cited issues. The vocabulary used is now related to health and food safety.

The emergence of environmental preoccupations endorses firms’ communication strategies. For example, Lyonnaise des Eaux would like to have the image of a model firm in terms of environmental protection. It therefore presents itself as a guarantor of water quality. In Lille, the joint subsidiary of Lyonnaise and Générale des Eaux, the Société des Eaux du Nord, publishes data from its own laboratory and multiplies site visits, open days and other forums that boost its local press image of an efficient firm. On the other hand, when the quality of water is unsatisfactory, Lyonnaise des Eaux refuses to consider itself responsible. At Guingamp, for example, the high level of agricultural pollution and the district’s refusal to build a purification plant prompted the water company to sue the state in the Administrative Court. In May 2001 it won its case when the court found the state guilty of a lack of vigilance regarding the regulation of agricultural pollution.

This strategy enables companies to present themselves as promoters of both consumer and citizen interests. During a hearing in the context of the National Assembly mission for evaluation and control of the financing and management of water, Lyonnaise des Eaux affirmed its attachment to the principle of quality: “I would like to bring to the attention of the Mission the fact that for consumers it is the price–quality ratio that is meaningful; there is not price on the one hand and quality on the other”12. This marketing strategy also seems to be a priority in the rationale of conquering and safeguarding markets. Since these companies want to stay world leaders in water distribution, conquering markets is important. In this context, reputation cannot be disregarded. In the Guingamp affair, the fact that negotiations for markets in Manila and Casablanca were under way prompted the firm to take the offensive. The safeguarding of markets is furthermore essential since price is a key element today in negotiations with local authorities. Any reduction in rates demanded by town councilors can be balanced against constraints of quality, purification and upgrading of equipment and facilities promoted by the firms. Quality is indispensable to justify a price level considered too high. Quality as a priority also corresponds to a rationale of corporate growth. According to the Deputy Customer Service

11 A term used in Les enjeux de l’eau, a brochure distributed by Générale des Eaux to local authorities in 2001.
Manager of Lyonnaise des Eaux, “the environmental theme is a development priority for Lyonnaise des Eaux because the domestic water market offers no prospects for growth. While our shares in purification and sludge processing are very small, this market is growing by more than 5–6% per annum in current expenses”\(^{13}\). Finally, discourse on quality and the environment is part of the role play between the Environment Ministry, consumer groups and water distributors. Whereas the ministry and consumer groups would like to reframe competitive practices and limit price increases, the water companies clearly wish to improve quality, above all.

Companies’ environmental discourse is situated in the articulation between marketing and defense of the public interest. It contrasts with the positioning of national consumer groups which have not yet grasped the environmental implications of water distribution. Most often they seem to react to crises. The major issues of hormones in veal in the 1970s and bone-meal in 2000 were taken up by these groups \textit{a posteriori}. With regard to water, as long as quality is a problem limited to Brittany, they see no need to add it to their most urgent demands.

At the national level, the role of registered consumer groups in water regulation is growing. The associations, through pressure and negotiation, and the state, as a legislator, give priority to the representation of the consumer. The principles defended are classic consumer claims: fairness of prices and consumer information. Water is considered to be a commercial good for which the absence of choice requires, \textit{a fortiori}, a strengthening of consumers’ capacity for control and expression. Only the water companies, for which the increase in environmental stakes is the main source of growth, try to qualify consumerist consensus. They take note of consumer expectations, revealed by surveys and make it known that apart from rates, water conservation and public health are now their dominant concerns.

At the local level, tension between the different user representations seems more ambiguous. What are the factors of fragmentation or hybridization of the representations of consumer and citizen at this level?

3. Local regulation: fragmentation or hybridization of the consumer and citizen representations

The relationship between elected representatives and users is rooted in the mechanisms of representative democracy. Users have the ballot to express their discontent (\textit{Lorrain, 1997}) and as complaints arise they can reveal problems in the system. On the other hand, silence is taken as a sign of satisfaction. Recent changes in the management of water services are challenging this model of pure representative democracy. Local authorities are in a phase of transition towards a hybrid model of representative democracy and user participation.

What are the implications of this transition? Between consumer and citizen, what user representations do these new participatory mechanisms highlight? In this section we consider the strategies of local authorities and local user associations (local branches of consumer groups and protest groups). The strategies of the subsidiaries of the water utilities are all relatively similar and standard. All have a consumer-focused commercial policy on which their corporate image is based. The emergence of the citizen representation depends on the action of municipal authorities and local associations.

\(^{13}\) See the published interview with Jean-Luc Trancart, Deputy Customer Service Manager of Lyonnaise des Eaux France, \textit{Pflieger, G. (2001a)}. 
3.1. Challenges and means of opening up to users

Either willingly or under pressure, municipal authorities have embarked on an overhaul of their water service management since the mid-1990s. This gradual transition towards more enlightened and transparent management of water is a response to two challenges: improving their image and acting responsibly by enhancing their control competencies.

With regard to control, it has been the “affairs” of corruption and new legislation of the past ten years, rather than decentralization, that have made municipal authorities aware of their responsibility. From 1982 they chose companies on the basis of the pure *intuitu personae* principle and negotiated contracts with complete freedom of action. In the early 1980s the scrapping of standard terms of reference, applied to all contracts, confirmed this principle and afforded them more flexibility. Negotiation and signing of contracts were highlighted in the governance process, opening up a period of partnership of 20 years or more during which control was marginal. Basically, in the context of development of delegated management, municipal authorities were seen as licensing rather than organizing authorities.

In the past decade, conflicts, corruption cases and the new legislative framework – the Sapin, Barnier and Mazeaud laws14 – have generated more widespread reflection and debate on the means available to municipal authorities to manage the service efficiently. Enhancing control competencies through expert regulation is becoming a challenge in local governance. To enhance their expertise, some municipal authorities have created their own financial control services; others use private auditors or the association Service Public 200015, or refer to such devolved state services as the regional infrastructure regulatory agency (DDE – *Directions départementales de l’équipement*) or the regional agriculture regulatory agency (DDA – *Directions départementales de l’agriculture*). Municipal councilors wish to reveal irregularities, test the efficiency of delegated management and empower themselves to negotiate improvements in contracts, on behalf of users.

As far as image is concerned, local conflicts and doubts about the integrity of relations between municipal authorities and the water companies have affected the former more than the latter. Owing to their weight as nationwide utilities and their public relations capacities, the water companies have been able to overcome these shocks by developing media plans on a national and local scale. Once the symbolic affairs of Grenoble and Saint-Étienne16 were over, the distributors gradually recovered a satisfactory image in the general public. By contrast, the municipal authorities were left to deal with the repercussions of these affairs, which transcended local borders. Local conflicts forced the authorities concerned to revise their management methods, but also called into question those authorities that had

15 The association Service Public 2000 was created in 1996 by the FNCCR (*Fédération nationale des collectivités concédantes et régie*) and the AMF (*Association des maires de France*), a national mayors’ association, to provide municipal authorities with an independent body to help them negotiate water or sanitation management contracts.
16 The concession contract signed in 1989 between the city of Grenoble and Lyonnaise des Eaux was cancelled after both the mayor and the company were sentenced in 1997 for corruption. The court proved that the concession contract had been obtained in exchange for financing the mayor’s (Alain Carignon’s) election campaign. In Saint Etienne, privatization of the service in 1990 was attended by steep increases in rates. A local consumer group took the case to court, with the result that in 1993 the Lyon Administrative Court judged the rates illegal. These conflicts spawned new protest groups operating mainly through legal proceedings and media lobbying.
been spared. Some were forced to develop strategies to adjust to a troubled situation, while others
conceived new methods to anticipate or avoid crises. User information and participatory apparatus
became crucial in the stabilization of regulation. For the past five or so years, most of the stakeholders in
water management (cities, communities of communes, urban communities or water distribution
syndicates) have been setting up agencies for dialogue (consultative committees, user committees) and
developing information tools (web sites, newsletters on water, publication of results in the municipal
press, etc.).

Municipal authorities are currently in a transitional phase, from largely unregulated joint management
to expert and transparent regulation. The terms and pace of this transition differ, depending on the local
context: while in times of crisis it may be forced and sudden, in stable situations it tends to be planned
and calculated. Small municipalities lack the technical and financial resources to establish regular
control of their proxies. When it comes to participation, these remain locked in a classical scheme of
representation. In this case the absence of openness towards users does not seem to be a handicap since
the small size of these communities has the advantage of allowing greater proximity between elected
representatives and citizens.

Without going into the effective role of users in these new systems – an analysis of which would be
premature – the question of the user’s status warrants further attention. Who are the municipal
authorities addressing: the water consumer or the citizen?

3.2. Between consumer and citizen: unstable scenarios

At the local level and unlike the national model described above, the citizen representation can in
certain instances complement that of the consumer. Based on four local cases – Grenoble, Lille, the
Syndicat des Eaux d’Ile-de-France and the Syndicat des Eaux de Basse-Ardèche – we have constructed
a typology of the different degrees of articulation between the categories of consumer and citizen. In
some areas, recent developments have prompted municipal authorities to organize a classical market
relationship by opening the debate to public choices: investment choices, resource management,
management methods and so on.

For a comprehensive understanding of the strategies of municipal authorities and consumer groups,
we analyzed different material including the publications of consumer groups and local authorities, the
reports or direct observations of consultative committees and interviews with the heads of the organizing
authorities, consumer groups and water companies. We then sorted the various topics addressed into two
categories – consumption and public action – and tested the ways in which the two issues are
articulated. These relations of interdependence can be limited a minima to water management when the
consumer groups or municipal authorities link price issues to investment choices or management
methods. Any other debate on water management can, in certain cases, be considered as part of a larger
issue of infrastructure, environmental protection or local economic development.

To grasp the importance of local context we first give details of four case studies and then present a
synthesis in the form of a synoptic table. This synthesis enables us to outline a typology of factors of
hybridization of the consumer and citizen representations.

3.2.1. Ile-de-France: the consumer is valorized. The Syndicat des Eaux d’Ile-de-France (SEDFI)
comprises about one hundred communes on the outskirts of Paris. It is responsible only for water
distribution since sanitation falls under the responsibility of the *communes*. This syndicate is furthermore characterized by the large part played by town councilors in water management. In the management contract system, in which the SEDIF (i.e. the municipalities) and Générale des Eaux are partners, the former retains responsibility for billing consumers and remunerating the contractor, while the latter actually manages the service.

For the past ten years the Syndicate has been engaged in a policy of dialogue with consumer groups. It was one of the first authorities to apply the ATR law from October 1992 when it created a user committee. The members of this committee were chosen by the chairman of the Syndicate, from the local consumer unions: UFC–*Que choisir?*, the CLCV and the UFCS (*Union féminine civique et sociale*). In essence, the user committee is similar to a consumer board. The SEDIF wishes to show consumer groups that it meets their expectations of transparency. The issues addressed are centered on consumer concerns: information on prices, complaints procedures and individual invoicing. The user committee studies annual reports on prices and service quality, planned rules for the service and new invoicing. In 1997 the new service rules submitted to the committee described appeal procedures that had been simplified for consumers. Likewise, the price reductions obtained after negotiation of an amendment are still seen, four years later, as a victory for users. Recently, the SEDIF presented an experiment in installing individual meters in collective housing, to the committee. This initiative, which was anterior to the enforcement order of the SRU law, satisfied consumer groups’ repeated requests for individual invoicing. When it comes to public relations, the SEDIF wants to be seen as an efficient service provider and communicates jointly with Générale des Eaux. The main topic is service quality: telephone reception, user information on water quality and service standards.

The Syndicate wants to project an image of openness. It displays its successes (price reductions, service improvements) and satisfies consumer representatives’ demands (trial individual invoicing). By playing on the consumer representation, it enhances its status as a service provider. On the other hand, the consumer groups simply reproduce, locally, the same arguments that are expressed nationally and that remain limited to the issues of invoicing and stability of rates. Water management is thus excluded *de facto* from the sphere of citizenship. This exclusion is reinforced by the fact that the Syndicate’s competence is limited to water distribution, thus providing no incentive for inter-organizational debate. Sanitation, for example, does not fall within the Syndicate’s province, even though it involves major economic and environmental stakes.

### 3.2.2. Grenoble and Basse-Ardèche: hybridization of consumer and citizen representations

Unlike the SEDIF, the two cases of hybridization of the consumer and citizen representations underscore strong interdependence between the service offering, local water policy and other related themes such as energy, the environment and development of tourism. In this case the user is considered as both a consumer and a citizen.

In Grenoble conflict in the 1990s focused primarily on management methods. As in all cases of conflict, the scene was dominated by protest groups spawned by the crisis and specialized in the field of water. The association Eau Secours, through lawsuits and political and media lobbying for nearly seven years, pressed for a return to direct management (*Pflieger, 2001b*). In 1989 former mayor Alain Carignon had unexpectedly decided to grant a license for water distribution to a subsidiary of Lyonnaise des Eaux, COGESE. An entry fee paid by the licensee was used to finance the municipal budget and municipal roads. Grenoble was subsequently the scene of a series of lawsuits concerning the validity of the license contract, rates and invoicing. Water had become a stake in local politics. The 1995 municipal elections...
took place around this issue and the new municipality’s position was undermined from 1996 to 1999 because it maintained delegated management.

The debates covered all topics relative to local water policy. From its inception in 1996, the user committee, operated by the consumer groups with full autonomy, chose to address the water issue as a whole: origin of price increases, management efficiency, rate of depreciation of water pipes and preservation of the Rochefort reservoir threatened by the construction of the A51 motorway. Even the group Eau Secours moved away from dissection of invoices and debates on rates to focus on all-encompassing claims for the scrapping of delegated management and the questioning of municipal authorities’ control competencies.

Since the decision in 2000 to put water back into municipal hands, the crisis seems to be over despite several lawsuits still under way. The new chairman of the new publicly owned utility (the Régie des Eaux de Grenoble) hopes to collaborate with the user committee in a spirit of calm co-production. His intention is to discuss plans for equipment renewal involving price increases. He also wants to extend the debate to the subject of purification managed by the community of communes of Grenoble and surrounding areas. Finally, the chairman of the Régie, an ecologist municipal councilor in charge of urban waste management and energy, would like to incorporate political debate on water into a broader reflection on water and energy savings and to involve the user committee in his work.

In the south of Ardèche, the municipality has to manage tension between the consumer and citizen representations. It has to both preserve the environment from the effects of developing tourism and try to meet the expectations of consumers dissatisfied about price increases.

Since the early 1980s the challenge has been to improve the quality of water in the Ardèche river and its tributaries. As part of the Ardèche Claire program, a production plant (Pont de Veyrières) was built in 1984 and its management entrusted to the SEBA (Syndicat des Eaux de Basse-Ardèche) in 1988. This plant limits the amounts of water drawn from rivers when levels are low, a practice which caused deterioration in the quality of bathing water. In parallel, for the past 15 years the SEBA has been financing a major infrastructure program for the domestic water supply. Topographical constraints and huge seasonal population increases owing to tourism have forced the SEBA to build inordinately large purification plants. Before the investment program, many small communes discharged wastewater directly into rivers. Today the SEBA’s purification capacity is 40,000 inhabitants for a user population of between 14,000 and 30,000 in summer. The improvement in water management, a challenge in environmental management and development of tourism, has led to price increases.

These investments have not been paid for entirely by users. The Pont de Veyrières program was financed by the State and the Département de l’Ardèche and until 1992 the communes’ water budgets were subsidized by the state in order to finance part of new investments through taxes. In 1992 the establishment of the M49 national accounting standard forced the Syndicate to finance the full-cost of water distribution by invoicing users and reduced public subsidies. Water rates consequently rose from €1.8 per m³ in 1992 to €2.71 in 1995 and €4.2 in 2001. The Fontaulière Consumers’ Association (ACF), created in 1993 and its 1,200 members protested against these increases. Seven hundred users put the amounts of their water bills onto a frozen account administered by a bailiff. They denounced over-investments (production plant, purification plants) which, in their view, were unnecessary, as well as the

17 The département is the first level above municipalities and inter-municipal authorities.
contract signed with the SAUR (Bouygues group), which they considered to be heavily weighted in the company’s favor.

The consumer group was sentenced in June 2000 by the Aubenas court in the Bouygues versus ACF case and the 700 users were ordered to pay their water bills. Despite this failure, ACF activists remain determined. They have now shifted the debate from the issue of price to that of management. According to them, direct management by the municipal authorities would allow healthier management of water.

For the past two years the Syndicat des Eaux de Basse-Ardèche has been trying to revive dialogue with the ACF. According to the chairman of the Syndicate, the financial stakes are huge. The total amount of unpaid bills is just under €1.6 million for the Syndicate (plus €1.2 million for the SAUR). Within the consultative committee, the chairman of the Syndicate is trying to adopt a more educative approach by making users aware of the problems related to tourism and environmental protection. To this end, he would like to involve the committee in the Syndicate’s activities: debate on the choice of a new board to control the SAUR and on an audit to be performed before renewal of the new contract with the company. This audit would allow an ex ante assessment of all alternatives, including that of a return to public management.

To solve the crisis, the chairman of the Syndicate tried, not without difficulty, to transform the consumer into a citizen by making her/him aware of broad issues: improvement of collective sanitation; environmental protection; and development of tourism.

3.2.3. Lille: fragmentation of the consumer and the citizen. In Lille water distribution and sanitation are the province of the Urban Community, the CUDL. The Société des Eaux du Nord\(^{18}\), the SEN, has a license for distribution, while sanitation is managed directly by the CUDL. This sharing of competencies results in two parallel systems of user information provided by the CUDL and the SEN, each with its own themes. On the one hand, the CUDL claims to be the guarantor of environmental protection through its mission of water purification; on the other, the SEN, through public relations and the contact it maintains with the CLCV du Nord, prides itself on its professionalism as a service provider. The firm highlights its certificates of quality, its high quality telephone reception and its guarantee of providing quality water. We thus witness a fragmentation of representations, corresponding to the division of competencies: the SEN, a service provider, promotes the representation of an informed and satisfied consumer, while the CUDL promotes that of a citizen concerned about environmental protection.

Although the CUDL has little to do with water distribution, it shows itself to be demanding in this respect. It clearly does not wish to leave the SEN with the monopoly on communication in this field. After strengthening its position in water management, through financial control of the SEN, it now wishes to project the image of a responsible organization. Loyal to its tradition of communication on the living environment theme (urban transport, sanitation), the Urban Community wants to make the population aware of the importance of conserving water resources. It has been working on this question for the past year within the extra-municipal environmental committee of Lille. This committee, also charged with the implementation of Agenda 21, groups together a set of actors and associations specializing in environmental issues. The CUDL presents its annual report on rates and quality of the water service to the extra-municipal committee and not, as in certain municipalities, to consumer groups represented by a user committee. Unlike the Syndicat des Eaux d’Ile-de-France, the CUDL considers the

\(^{18}\) SEN is a subsidiary of Lyonnaise des Eaux and Générale des Eaux.
service offering not to be negotiable. For example, it does not flaunt the price reductions it obtained in 1997 by negotiating an amendment to the SEN license contract. The Urban Community focuses primarily on environmental issues and leaves it up to the SEN to inform the consumer.

The case of Lille is an example of fragmentation of the consumer and citizen representations. Two scenes of specialized participation exist concurrently: one, defended by local consumer groups, is focused on the quality of the service delivered by the firm; the other, sustained by the Urban Community and ecologist groups, concerns the environmental and water protection theme. No articulation exists between the consumer and environmental themes.

3.3. Factors of hybridization or fragmentation of the consumer and citizen representations

The four local examples are strongly influenced by their specific contexts related to the local associative scene, to management methods and to the topics of debate focused on by the different stakeholders. Table 1 illustrates the main characteristics of the cases presented above. The contrast between the examples of the Paris region and southern Ardèche shows that organizing a commercial relationship and incorporating it into a perspective that refers to public responsibility is not automatic. In certain cases municipal authorities and associations debate service rules, investment choices or environmental protection in the same way as they do rate structures or the quality of customer reception. In others, user participation and information is limited to the sphere of commercial relations. What factors favour the hybridization of the consumer and citizen representations?

The comparison of the four cases described above enables us to identify four types of factor of hybridization or fragmentation of user representations:

- areas of competence of the organizing authorities;
- municipalities’ communication strategies;
- local economic and political characteristics which can make water management a priority;
- structure of the local associative scene and themes on which associations are mobilized.

First, the specialization of the water authorities’ competencies does not help to decompartmentalize issues – or user representations. The more water distribution competencies are compartmentalized, the more the consultative committee is likely simply to be an advisory agency for consumers. In the case of the SEDIF, its single mission does not enable it to incorporate water distribution into broader political challenges. In this context, it can only play the part of a service provider. By contrast, when a city like Grenoble organizes its water service itself, reflection and debate on water policy can be linked to environmental problems. Inter-communal structures can be designed to avoid the citizen representation. Everything depends on the area of competency granted to the organizing authority or on the ties between that authority and the other levels of local public responsibility. In Lille, the fact that the CUDL manages water as well as sanitation and public transport, enables it to incorporate water into a wide-ranging debate on the improvement of living conditions. In Ardèche, the Syndicat des Eaux, the guarantor of the quality of swimming water, plays a key part in the development of tourism in the south of the département.

Second, the municipalities’ communication strategies become one of the main factors of hybridization or fragmentation of user representations. Elected representatives can choose to display their favorite
Table 1. Management methods, relations with users and subjects of participation.

<table>
<thead>
<tr>
<th>Name of organizing authority</th>
<th>Île-de-France</th>
<th>Basse-Ardeche</th>
<th>Grenoble</th>
<th>Lille</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicat des Eaux d’Île-de-France (SEDIF)</td>
<td>Syndicat des Eaux de Basse-Ardèche (SEBA)</td>
<td>City of Grenoble</td>
<td>Communauté Urbaine de Lille (CUDL)</td>
<td></td>
</tr>
<tr>
<td>Area of competence of the authority</td>
<td>Water distribution</td>
<td>Water distribution and sanitation</td>
<td>Water distribution, urban heating, etc. (Sanitation and public transport managed on an inter-communal scale.)</td>
<td>Water distribution, sanitation, urban transport, management of household refuse, etc.</td>
</tr>
<tr>
<td>Management method</td>
<td>Public service concession</td>
<td>Leasing</td>
<td>Municipally owned utility</td>
<td>Concession for water distribution and direct management for sanitation Société des Eaux du Nord (SEN)</td>
</tr>
<tr>
<td>Water companies</td>
<td>Générale des Eaux</td>
<td>SAUR</td>
<td>–</td>
<td>Société des Eaux du Nord (SEN)</td>
</tr>
<tr>
<td>Date of creation and frequency of meetings of consultative committees</td>
<td>1992; two a year</td>
<td>1997; two a year</td>
<td>1996; about eight a year</td>
<td>None</td>
</tr>
<tr>
<td>Main interlocutors among associations</td>
<td>CLCV Île-de-France; Union Féminine Civique et Sociale</td>
<td>Association des Consommateurs de la Fontaulière (ACF)</td>
<td>Eau Secours; Confédération syndicale des familles (CSF), Indecosa-CGT, CLCV</td>
<td>Associations of inhabitants of the area; local ecologist groups; CLCV</td>
</tr>
<tr>
<td>Themes developed in 2001 By the municipal councillors</td>
<td>Quality of customer relations; experimentation with individual invoicing</td>
<td>Relations between price levels; environmental protection and development of tourism</td>
<td>Questioning on trade-offs to make between stable rates and renewal of equipment</td>
<td>Reflection and debate on medium-term resource management in the framework of Agenda 21</td>
</tr>
<tr>
<td>By the water company</td>
<td>Information on quality and customer relations</td>
<td>–</td>
<td>–</td>
<td>Information on quality of tap water and customer relations</td>
</tr>
<tr>
<td>By the associations</td>
<td>Individual invoicing in collective housing</td>
<td>Transparency of management and price levels</td>
<td>Management of the new municipal utility and service rules</td>
<td>–</td>
</tr>
</tbody>
</table>

themes: the environment in Lille and quality of the service offering for the SEDIF. This thematic trade-off changes the user’s status: the citizen in Lille or the consumer with the SEDIF. In Grenoble, once the climate has calmed down, the chairman of the water company would like to expand debate to encourage consumer groups to consider water from an all-encompassing point of view. This strategy works only if the consumer groups refrain from mobilizing their own discourse and remain reactive to the initiatives of their elected representatives. Moreover, in most cases elected representatives admit to having problems finding interested interlocutors among local associations. Apart from a few exceptions in Brittany,
Vendée, Alsace and Rhône-Alpes, local branches of the main consumer groups do not all seem to share the same dynamism or to be mobilized on the theme of water. This tendency is acknowledged by their national leaders.

Third, the particular characteristics of the area concerned are important. In France water is still a local service and the implications of its management are strongly territorialized. In Ardèche the development of tourism implies the need to preserve the environment, the département’s commercial base. Like any area with large seasonal population variations, price increases cannot be uncoupled from economic development issues. Likewise, in Brittany the question of domestic water quality is included in debates on agricultural practices. In both cases an understanding of the commercial relationship cannot be detached from reflection on the environmental externalities generated by tourism or agriculture. These questions are not raised when water is an abundant resource of a high quality.

Finally, the nature of the consumer groups present and active in the area modifies the content of relations with elected representatives or firms. As noted above, we witness no emergence of a rich associative fabric on the theme of water. The most active movements are created or revived in the context of crisis. For example, local conflicts and corruption cases usually induce the emergence of protest groups specializing in water. Their claims incorporate questions of rates and transparency into criticism of the public–private partnership system and they all demand the return to municipal management. While the subject of their mobilization may be questionable, this new approach to consumer activism is in sharp contrast to the discourse of registered national organizations. The local branches of the CLCV and the UFC, less dynamic than at national level, limit their intervention to consumerist claims: fixed part, individual meters and subscription. The presence of protest groups helps to broaden the debate.

From the point of view of environmental problems, partitioning of the associative scene between consumer groups and ecologist groups hardly encourages a mixture of the two concerns. No consumer group, whether registered or not, deals with the environment. In Grenoble this observation seems particularly surprising since many active members of Eau Secours are from the local ecologist party. But the quality and abundance of the resource is not a problem. Among the ecologist groups, Eaux et Rivières de Bretagne, for example, does not address consumption issues. Its interest is upstream, in the preservation of water and the quality of underground water by reducing agricultural pollution. For Eaux et Rivières, the Guingamp affair\textsuperscript{19} was the only opportunity to work in partnership with a consumer group to denounce the bad quality of “drinking” water. This marginalization of consumer issues shows that ecologists approach the problem upstream. The association considers that when Brittany has solved the problem of quality of the resource, water purification and its quality in the tap will no longer be an issue.

4. Conclusion

In some respects, the examples of southern Ardèche, Grenoble and Lille qualify the model of the dominant consumer representation. The commercial relationship is conceived in the framework of a citizen’s debate in which municipal authorities’ decisions can be discussed, debated and even opposed. Under the effect of various factors, the citizen representation combines with that of the consumer to form

\textsuperscript{19} For further details on this affair, see the interview with Jean-Luc Trancart, op.cit.
a hybrid. The degree of decompartmentalization of local policies, municipalities’ communication strategies, the themes mobilized by consumer groups or the extent of the local challenges relating to water distribution are the main factors breaking down the division between consumption and public action. Yet a question can be raised on the sustainability or reproducibility of these examples. Apart from conflict situations, the lack of dynamism of the local associative fabric does not allow the establishment of a citizen debate that goes further than the issue of rates. For the past five years many municipalities have formed water user committees and deplore the fact that they find very few interlocutors.

At the national level, the process of opening up water regulation to users has enhanced the consumer image. In water distribution, as in any utility, the relation with users can roughly be divided into two spheres: the market and citizenship. The main actors involved (the water companies, consumer groups and the state) tend to favor a commercial relationship: price levels, quality of the service, information or customer reception. By contrast, debate on issues relating to public authorities’ action (medium-term investment options, management and quality of water) seems to be secondary. From this point of view, water distribution becomes more a natural monopoly to regulate than the object of intervention by public authorities accountable to citizens. The creation of a High Council for Water, first proposed in the bill on water in 2001, was intended to increase the public authorities’ control over the water companies’ strategies. This bill satisfied consumer groups which saw it as paving the way for centralized regulation, similar to the UK.

In the UK, specialized consumer councils or committees have been instituted in most privatized utilities since the early 1990s. After lengthy debate on the independence of consumer councils vis-à-vis regulators (Vass, 1995), questions now focus on the effectiveness of councils compared to other forms of mobilization: pressure groups or local political system (Hall, 2002). Neither the French model of water supply management nor the English one succeeded in their process of democratization. These failures could be explained by (i) the lack of consumer groups’ expertise, (ii) by their low level of accountability and (iii) by the limitation of debate to rates, without taking into account broader and potentially issues of conflict, such as environmental protection, water quality, management transparency and social accessibility.

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