

Workers in Partnerships and the Reform of Public Water Operations

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Analytical Framework

➤ **Focus on role of workers and trade unions, drawing from PSIRU's work on institutional and organisational development**

➤ **Workers as a cost to cut vs. workers as a resource for reform**

• **Workers and change:**

- **Workers at the forefront of reform**
- **Workers reacting positively to change**

• **Training and HR development:**

- **Training fundamental for empowering workers**
- **Training fundamental for sustainable operations**

➤ **Sources:**

Empirical evidence (mainly PSIRU database)
Secondary sources (for corroboration of findings)

Workers: Cost vs. Resource

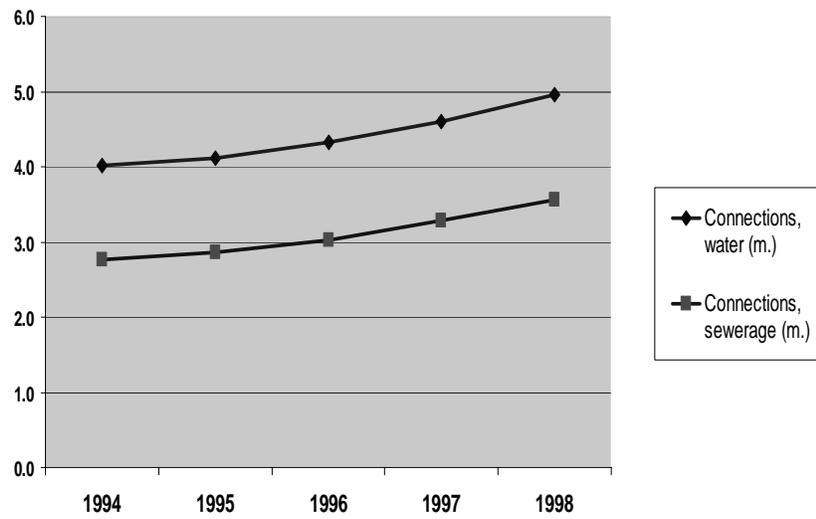
- **Much international policy in water and development in last 15-20 years has seen workers as a mere cost to cut**
- **Reassessing public sector workers' role:**
 - **Oxfam (2006) calls for central role of public sector workers to achieve MDGs;**
 - **Fukuyama (2004) acknowledges workers' dedication, not self-interest;**
 - **Bryan Matthew (2005) estimates 161,000 additional workers needed to achieve water MDGs.**

Safeguarded workforce, successful reform

- **First proposition: it is possible to reform systems with minor changes in workforce**
 - **Debrecen, Hungary: 300 jobs saved as compared to proposed deal and yet efficient and effective by national standards**
 - **São Paulo, Brazil: Financial situation restored with managerial autonomy and focus on financial viability, through improved collection and expansion of service (moderate reduction in workforce)**

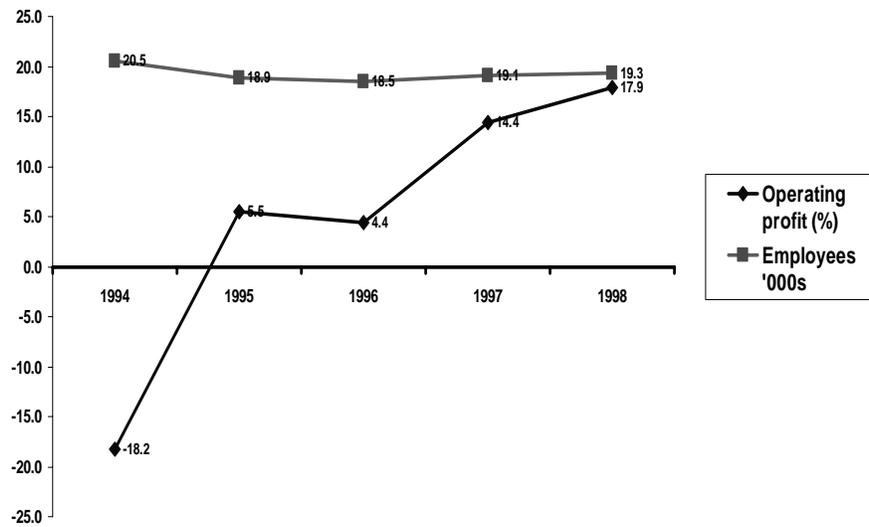
Extension of system connections

SABESP, Sao Paulo



Improved finances, no job loss

SABESP, Sao Paulo



Second proposition: Labour and change

- **Second proposition:**
 - **Labour can play a significant role in promoting, supporting and implementing institutional and organisational reform of public water operations (in the form of in-house restructuring and public-public partnerships);**
 - **It can do so both collectively, via trade unions (as an actor in reform process) and individually (engagement at frontline of service provision).**

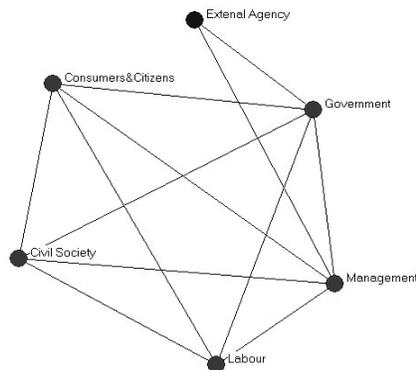
Uganda's NWSC: Partnership between management and trade union UPEU

- **Reform process started in 1999 (including decentralisation):**
 - **CBAs recognise union's involvement in all aspects of restructuring;**
 - **CBAs cover voluntary early retirement, new payment by results system and HR development;**
 - **Reduced workforce with increased remuneration and higher commitment, plus support of reform and contribution to success;**
 - **UPEU in contact with unions in other African countries willing to explore partnerships with respective management.**

Importance of labour as a resource for reform

- **Once empowered, labour might contribute significantly to successful restructuring of public water operations, e.g. by:**
 - **Supporting public management in in-house restructuring (NWSC, ABSA/“5 de setiembre”, SANAA, DMAE, Debreceni Vizmu); and/or,**
 - **Reacting positively to stimulus (NWSC in regional WOPs and Stockholm Vatten’s PUP in Kaunas, PPWSA, Ahmedabad, Azad and Jammu, see Davis (2004))**

Public operations, highly integrated accountability networks and efficient knowledge transfer (e.g. DMAE, 1961-2001)



Reform and workers' role: Discussion of findings

- **Formal and informal partnerships with other stakeholders (management, NGOs, community), based on communal objectives, lead to collaborative not confrontational approach**
- **Recognition of workers and unions as social partners in the reform of public water operations**
- **Workers' discipline and commitment to support change as a result of adequate pay, systematic HR development, clear responsibility in a more transparent institutional environment**
- **Workers' commitment as a result of direct contact with end beneficiaries and mutual recognition, enhancing self-esteem and organisational pride/public sector ethos**

Third proposition: Training as investment

- **Third proposition:**
 - **HRM not confined to reward management and employee relations, but including HR development (Morrison, 2006);**
 - **Training as key component of HR development and capacity building for reform and service provision, thus it is crucial that it attracts adequate investment levels.**

Importance of training and HR development

- **Training and HR development as key components of reform experiences: Stockholm Vatten's PUPs in Kaunas and Riga; NWSC; DMAE; Ho Chi Minh City**
- **Objectives of training and HR development:**
a) empower individual workers and enrich their professional experience; b) entrench knowledge and capacity within the organisation (e.g. via ToTs and multi-level Personnel Training Programmes)

Conclusions

- **Management and donors to ascertain the potential of labour's positive engagement as a social partner in reform: which implies abandoning the narrow view of labour as a mere cost to reduce or intrinsically inefficient and corrupt (e.g. public choice theory)**
- **Retaining workforce in numbers commensurate to developmental objectives and investing in their development is instrumental to sustainability**
- **Training has not been among donors' priorities in recent years but it should be seen as complementary and not supplementary to institutional and organisational change**