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

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<td>Workers reacting positively to change</td>
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- 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

- 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**