



Private Infrastructure and Urban Government: How Vélib' Veered Off Course in Paris

Maxime Huré

Translated from the French by Oliver Waine

When the city of Paris entrusted its decade-old bike-share service, Vélib', to a new provider in January 2018, multiple problems ensued. Maxime Huré looks back on the opportunities and pitfalls presented by the changes of scale and operator that this switchover entailed, and sheds light on public authorities' mistakes, misgivings, and above all their growing dependence on large, globalized firms.

The Vélib' bicycle-sharing system, launched in 2007 in partnership with French outdoor-advertising firm JCDecaux, has become an international showcase for the city of Paris. Vélib' was then the largest such system in the world, with 20,600 bicycles across 1,431 docking stations. In 2017, in Paris as in many European cities (including Lyon, Stockholm, and Barcelona), the contract for this system came up for renewal. In Paris, the procedure went hand in hand with major changes in terms of the scale of the network, the operator, and the governance of the system more generally.

However, more than a year after the new contract was signed with the Smovengo consortium,¹ it was clear that the successor system had a number of failings: while the new Vélib' was supposed to be available in all 131 municipalities of the Greater Paris metropolitan authority (the “Métropole du Grand Paris”, or MGP), via 1,400 stations and some 20,000 bicycles, the system was instead accumulating delays and dysfunctions—amply documented in the local and national press.² In this context, this article proposes to identify and analyze the difficulties associated with the changeover. By studying urban-services markets, it will seek to demonstrate the extent to which disruption in the management of a transportation infrastructure can upset both the balance and the interplay of (inter)dependencies between public institutions and private operators in the French capital.³

¹ The Smovengo consortium includes four private companies: Smoove, Indigo, Mobivia, and Moventia. In recent years, these companies have been seeking to improve their position in the urban-services market in global cities.

² See, for example (in French): O. Razemon “Faux départ pour le nouveau Vélib' en Île-de-France” (“False start for the new Vélib' in the Paris region”, *Le Monde*, January 11, 2018, URL: www.lemonde.fr/planete/article/2018/01/11/faux-depart-pour-le-nouveau-velib-en-ile-de-france_5240132_3244.html); T. Thirault, “Vélib' 2 : tripatouille la bornette et la bicyclette cherra” (“Press the docking-station button and the bicycle will come free”—a somewhat labored pun on a well-known expression used in Charles Perrault’s version of the fairy tale *Little Red Riding Hood*), *Libération*, July 17, 2018, URL: www.liberation.fr/france/2018/07/16/velib-2-tripatouille-la-bornette-et-la-bicyclette-cherra_1666897.

³ This article is based in part on a presentation titled “Nouveau contrat Vélib' : la ville de Paris peut-elle se passer de JCDecaux ?” (“New Vélib' contract: can the city of Paris do without JCDecaux?”), given at the IAE (Institut d'Administration des Entreprises – Institute of Business Administration) in Paris on February 17, 2016.

A growing dependence on large, globalized private companies

In the case of shared-mobility policies, services have been structured as an urban market at the initiative of public institutions (Lorrain 2002): a few large private groups, in particular JCDecaux and Clear Channel Outdoor, have not only acquired dominant positions and specific expertise, but also established interdependencies—economic, physical and symbolic—with public institutions (Huré 2012). The presence and place of these major groups within cities has been strengthened by the local authorities themselves (Huré 2017): many cities are now in a situation of interdependence with large companies to which urban services are delegated. In this context, how can the model be changed?

Academic fields such as the sociology of sociotechnical networks (Dupuy 2011) and the history of mobility (Flonneau and Guigueno 2009) have extensively described the difficulties of developments related to infrastructure, the design of which is supposed to guarantee continuity of service over the long term. To a large extent, these difficulties are linked to the immutable nature of physical infrastructure and the need to build expertise over time in order to guarantee its operation. In a similar fashion, the field of political science has analyzed institutional resistance to public policy changes, particularly through the notion of path dependence (Pierson 1993).⁴ A third resistance factor must now also be taken into account: dependence on private globalized firms.

Municipalities' decisions to entrust their bike-share services to large private groups are based on a series of factors: the possibility of making use of their investment capacities; the advantages of economies of scale and time when setting up systems; and their ability to raise funds on an emergency basis in the event of temporary difficulties or system failures. In addition, other interdependencies are built around the jobs created by the service in the urban area—jobs whose sustainability must be ensured in the event of a change of operator, not just for the obvious social and political reasons, but also to ensure continuity in technical and urban expertise.

Breaking links of interdependence with unpredictable consequences

In 2017, after 10 years of Vélib' being managed by JCDecaux and Paris City Hall, the city council decided to radically transform the Parisian shared bicycle system, despite the fact that, with an average of 108,000 uses per day (Mairie de Paris 2016), or more than a third of all bicycle users in the city (École d'Urbanisme de Paris and Forum Vies Mobiles 2018), Vélib' was considered a success in terms of both cycle use and the city's image.

However, a number of criticisms had been leveled against the existing system, in particular regarding its relatively limited coverage—the city of Paris proper and 29 municipalities in the immediate suburbs—and additional costs generated as a result of vandalism. The need to provide answers to these problems was at the heart of the new call for tenders, which was also designed in a different political context, marked by the creation on January 1, 2016, of the new Greater Paris metropolitan authority. One of the key objectives was to extend the scheme to all MGP municipalities that wished to benefit from Vélib' (67 out of 131 in 2018). This project conforms to the traditional evolution of urban-services markets, particularly those related to shared mobility, since the 1960s (Huré 2017): networks are first established in urban centers, and are then gradually extended to the suburbs as intermunicipal structures between towns have developed. The new specifications also provided for technological developments, in particular by providing electric assistance on a certain proportion of the fleet, and by installing a new anti-theft system on all bikes—a request that is also quite typical of exchanges between operators and public authorities when renewing this type of contract.

⁴ The notion of path dependence has contributed to the debate on the difficulties of change within institutions (Boussaguet, Jacquot and Ravinet 2006).

In reality, the real break brought about by the new Vélib' concerned the change of operator, in a market where infrastructure and expertise are held, to a large extent, by private service providers. Reconsidering the contract with JCDecaux in fact goes far beyond the issue of self-service bicycles and involves a whole range of long-standing relations between the city of Paris and the company, which has been present in the city in one way or another since 1971. This includes the omnipresence of JCDecaux street furniture in Parisian public spaces. Accordingly, the company had to dismantle all the existing Vélib' stations so as to enable the new service provider to install its system. The prospect of such large-scale works, which would necessarily have a citywide impact for many months, often discourages elected officials from changing operators, and explains to some extent the small number of municipalities that have challenged JCDecaux's position in France.⁵

Moreover, the change of operator always implies a break, at least temporarily, in the service offered to users and, more generally, in the mobility practices of city dwellers: during the transition period between operators, Vélib's 300,000 subscribers saw the fleet of available bikes reduced from 10,000 in October 2017 to just 600 in January 2018! Consequently, the number of trips made each day on Vélib' bikes fell to less than 6,000, compared to an average of 108,000 before the start of the transition (Mairie de Paris 2016).⁶ In addition to the discomfort caused to users, the city's entire cycling strategy—based on the prospect of an increase in modal share from 4% today to 15% in 2020—was jeopardized by this difficult transition.

A change of economic model: a leap into the unknown

In 2007, Vélib's business model was simply the model proposed by JCDecaux: the service was financed by outdoor-advertising revenues. In fact, Vélib' was just one part of a larger single contract between the city of Paris and JCDecaux, making it impossible to say precisely how much the system was costing. To ensure better political regulation of the system, the city of Paris therefore wanted to separate the bike-share contract from the contract for street furniture and outdoor advertising, following the example of Barcelona.⁷ Managing the costs of the new Vélib' service—the figures suggested in the press stood at around €600 million over 15 years⁸—is therefore a completely new challenge for the public authorities. Indeed, in Barcelona, the budget allocated to the bicycle-sharing system was one of the major issues in the 2007 and 2011 municipal elections, as the costs were considered too high by the opposition.⁹

However, for shared mobility operators, profitability is difficult to achieve unless companies make other indirect profits: advertising for JCDecaux, batteries and electric charging stations for Bolloré (in the case of the Autolib' car-sharing service), and mobile applications or software for certain companies offering fleets of free-floating bikes. Smovengo, by contrast, plans to derive its revenues exclusively from the use of the system. In September 2018, however, it was still unclear who would bear the costs of the delays and malfunctions that have plagued the new Vélib' system—much less what changes would be made to the service in the event of major losses for Smovengo.

⁵ The only significant change of operator observed in recent years with regard to street furniture and outdoor advertising occurred in the city of Rennes in Brittany, in 1998, when it decided to replace JCDecaux with its American competitor Clear Channel Outdoor. This change gave rise to a legal dispute that ended only in 2005, in the city of Rennes' favor. More recently, in 2014, the city of Grenoble, in southeastern France, did not renew one of the advertising contracts held by JCDecaux in an effort to reduce the amount of advertising in the city.

⁶ See: J.-Y. Guérin, "Le fiasco monumental du nouveau Vélib'" (in French), *Le Figaro*, February 4, 2018.

⁷ In 2006, the city of Barcelona separated the management of its Bicing bike-share system from its partnership with Clear Channel Outdoor.

⁸ See: J.-Y. Guérin, "Smooove va signer le contrat Vélib'" (in French), *Le Figaro*, May 4, 2017, URL: www.lefigaro.fr/societes/2017/05/04/20005-20170504ARTFIG00355-smooove-va-signer-le-contrat-velib.php.

⁹ In Barcelona, the annual cost of the Bicing system to the city in 2007 amounted to €10 million, rising to €16.7 million and then €18 million from 2010.

Public institutions' credibility in question

To support the roll-out of the new Vélib' system, Parisian elected officials had actually anticipated the need to organize the change in scale of the system, in particular by gradually increasing the number of public-sector employees from the city's highways department who would be allocated to "Mission Vélib'," and then, in 2017, transferring skills to a joint agency with its own resources, called Autolib' Vélib' Métropole.¹⁰ While this growth in public-sector expertise in the field of shared mobility no doubt encouraged public authorities to move away from JCDecaux, the change of operator in Paris has in fact only served to highlight the city's dependence on the company: the infrastructure was wholly owned by JCDecaux; the fact that the company set up and managed the system for 10 years has given it unique technical knowledge of the networks that run below the city's streets, which Smovengo claims to have discovered only when it sought to roll out its system;¹¹ and, throughout its decade of managing the Vélib' system, JCDecaux has accumulated data on the users and uses of shared bicycles, but no one knows whether this information will ever be used for any practical purpose... Accordingly, the failure of the changeover is also a failure of public expertise and political choices in preparing the transition from one operator to another.

Ultimately, and somewhat paradoxically, the initial teething problems encountered by Vélib's new operator have strengthened JCDecaux and given greater credibility to its bike-share offerings. It has recently won renewed contracts in Lyon and Nantes, as well as a new contract to take over Stockholm's system. So should we expect to see JCDecaux managing Vélib' again at some point in the future? An old adage, theorized in the Sicilian novel *The Leopard* (Giuseppe Tomasi di Lampedusa, 1958) and often used in public-policy analysis (Fontaine and Hassenteufel 2002; Jouve 2003), could well sum up the situation in Paris: "everything needs to change, so everything can stay the same." But will this also apply to the opinion of Parisian voters, less than a year before municipal elections in France?

Bibliography

- Boussaguet, L., Jacquot, S. and Ravinet, P. 2006. *Dictionnaire des politiques publiques*, Paris: Presses de Sciences Po.
- Dupuy, G. 2011. "Fracture et dépendance : l'enfer des réseaux ?", *Flux*, no. 83, pp. 6–23. Available online at the following URL: www.cairn.info/revue-flux1-2011-1-page-6.htm.
- École d'Urbanisme de Paris and the Mobile Lives Forum. 2018. *Le Vélib' : usages, pratiques et modes de vie, rapport de master 1*, "Services, innovations, mobilités" workshop.
- Flonneau, M. and Guigueno, V. 2009. *De l'histoire des transports à l'histoire de la mobilité ?*, Rennes: Presses Universitaires de Rennes.
- Fontaine, J. and Hassenteufel, P. (eds.). 2002. *To change or not to change? Les changements de l'action publique à l'épreuve du terrain*, Rennes: Presses Universitaires de Rennes.
- Huré, M. 2012. "Une action publique hybride ? L'institutionnalisation d'un partenariat public-privé. JCDecaux à Lyon (1965–2005)", *Sociologie du travail*, vol. 54, no. 2, pp. 233–253.
- Huré, M. 2017. *Les Mobilités partagées. Nouveau capitalisme urbain*, Paris: Publications de la Sorbonne.
- Jouve, B. 2003. *Les Politiques de déplacements urbains en Europe : l'innovation en question dans cinq villes européennes*, Paris: L'Harmattan.

¹⁰ Website (in French): <https://autolibmetropole.fr>.

¹¹ See (in French): "« Électrification et qualité de la terre » : Smovengo justifie les retards du Vélib'", *L'Express*, January 19, 2018, URL: https://lexpansion.lexpress.fr/actualite-economique/electrification-et-qualite-de-la-terre-smovengo-justifie-les-retards-du-velib_1977528.html.

Lorrain, D. 2002. “Capitalismes urbains. La montée des firmes d’infrastructures”, *Entreprises et Histoire*, no. 30, pp. 5–31. Available online at the following URL: www.cairn.info/revue-entreprises-et-histoire-2002-3-page-7.htm.

Mairie de Paris (Inspection Générale). 2016. *Rapport définitif. Audit du contrat Vélib’*.

Pierson, P. 1993. “When Effects Becomes Cause. Policy Feedback and Political Change”, *World Politics*, vol. 45, no. 4, pp. 595–628.

Maxime Huré is an assistant professor in political science at the University of Perpignan Via Domitia, a researcher at the CDED (Centre de Droit Économique et du Développement – Centre for Economic Law and Development; EA 4216) in Perpignan, and an associate researcher within the Triangle laboratory (Sciences Po Lyon; UMR CNRS 5206). He is also the president of the association VIGS (Villes Innovantes et Gestion des Savoirs – Innovative Cities and Knowledge Management). In 2017, he published *Les Mobilités partagées. Nouveau capitalisme urbain* (Paris, Publications de la Sorbonne).

To cite this article:

Maxime Huré, translated by Oliver Waine, “Private Infrastructure and Urban Government: How Vélib’ Veered Off Course in Paris”, *Metropolitiques*, 17 May 2019. URL: <https://www.metropolitiques.eu/Private-Infrastructure-and-Urban-Government-How-Velib-Veered-Off-Course-in.html>.