

GOVERNANCE OF WATER: market and non market institutions

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Presentation Plan

- Governance
- Governance of Water
- Emerging Models of Water Governance
- Emerging Issues in alternative institutional designs
- Concluding Remarks

Governance

- ❑ Governance refers to manner of governing
- ❑ The framework of rules, institutions and established practices that sets limits and gives incentives for behavior of individuals, organisations and firm (UNDP 1999).

Good Governance

“Good governance is an essential complement to sound economic policies. Efficient and accountable management by the private sector and a predictable and transparent policy framework are critical to the efficiency of markets and governments, and hence to economic development”.

World Bank (1992)

Governance (OHCHR)

“Governance is the process whereby public institutions conduct public affairs, manage public resources and guarantee the realisation of human rights”.

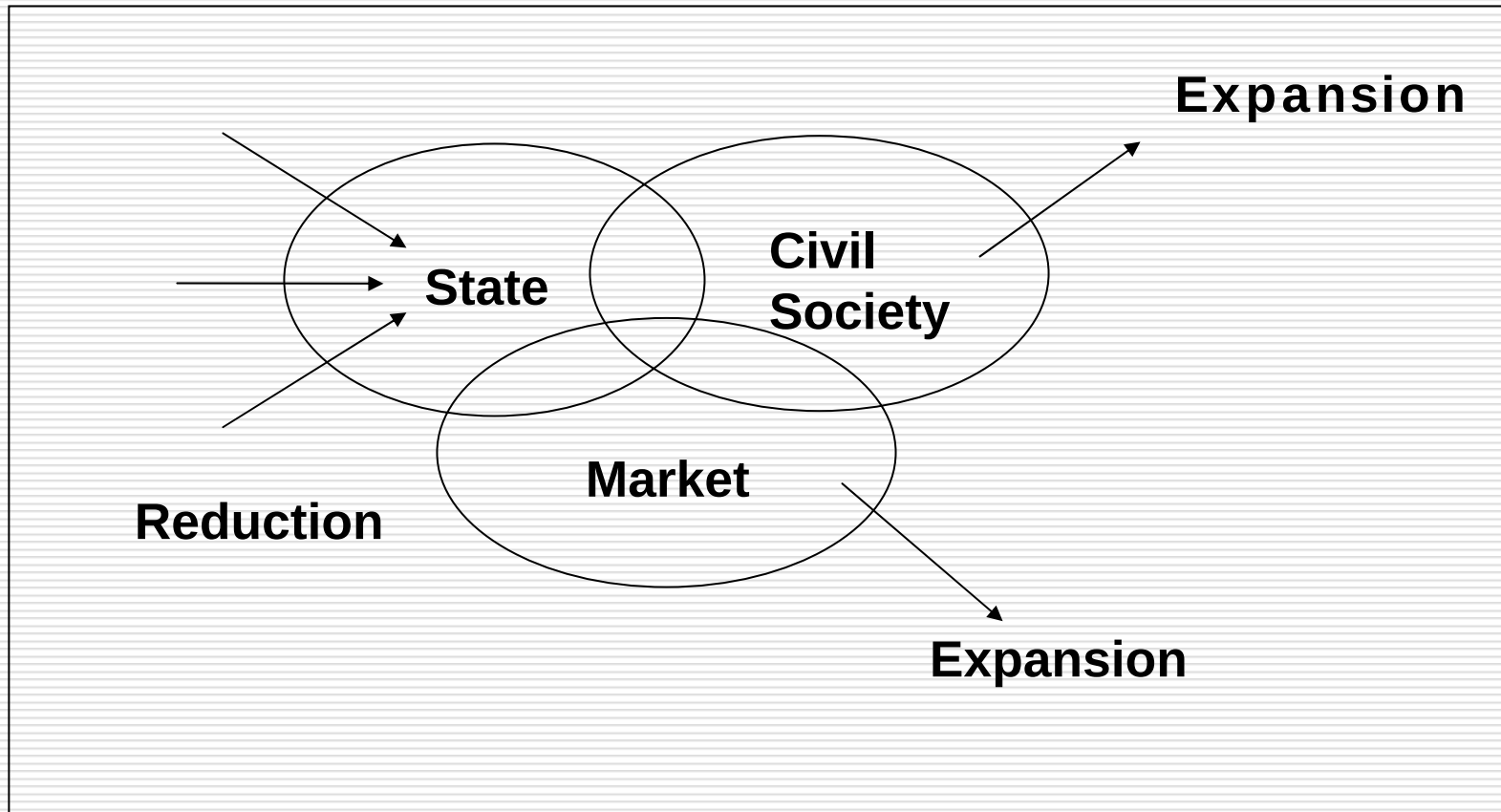
The key question is: Are the institutions of governance effectively guaranteeing the right of health, adequate housing and sufficient food, quality of education, fair justice and personal security .

Governance (GOI)

“Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, provide opportunities to realise their potential levels and enlarge the set of available choices. These processes, covering opportunities to realise their potential and the political, social and economic aspects of life impact every level of human enterprise, be it the individual, the household, the village, the region or the national level”

It covers the State, civil society and the market, each of which is critical for sustaining human development.

Changing Face of Governance



Source : GOI 2002

Expectations

- **The State** — create a conducive political legal and economic environment for building individual capabilities and encouraging private initiative.
- **The Market** — create economic opportunities for people
- **Civil Society** — mobilise public opinion and people's participation in economic, social and political activities

Governance

- To bring about 'good governance' 10th five year plan has advocated specific operational strategies for all sectors which includes among other things:
 - Improve peoples' participation through effective decentralisation
 - Involving civil society organisations
 - Reforming civil services and developmental departments
 - Improving information, transparency and accountability
 - Empowering marginal sections and democratisation of overall development process etc.

Governance Concept

- Not a new terms of meaning & goal
- New is about the approach and structure
- It has both descriptive and prescriptive meaning
- The meaning of Governance can be seen at two levels:
 - Paradigm level
 - Agency / institution / programme level

Governance at Paradigm Level

- ‘Government to Governance’
- Pluralisation of the State for development
- Multiple agencies to overcome the limitations of the State
- Pre-eminence of State is lost
- Plurality of Agencies:
 - State, Market and Civil Society

Governance of Water

Includes not just physical and ecological process but also complex socio-economic and institutional relationships (Shah,2004)

Experiences and perceptions that people have from day to day of the functioning of the whole range of governmental and related institutions and services are as important as the nature of the prevailing political system and economic policies. (Iyer, 2004)

Water Governance

Legal Centric

Users have use right not the ownership right. The State's authority to regulate its use and the manner and ability of State in which this authority is to be exercised is highly questionable (Vaidyanathan, 2004).

Varied definitions- legal, public administration/ management and institutional perspectives

Water Governance at Paradigm Level

1. 'Government to Governance'

- Pluralisation of the State for development
- Multiple agencies to overcome the limitations of the State

2. Water as economic or public good or both

- Adequate access of safe water must be considered as a human right because water is the essence of all life form and cannot be replaced with anything else.
- Market cannot even be expected to allocate water efficiently hence competing claims have necessarily to be mediated by the society through public institutions and is an essentially political process.

Water governance at paradigm level

3. Technical scarcity in terms of quantity of water vs. relative assessment of quantity, distribution and institutional aspects.

Water scarcity may arise due to water monopoly by few and thus increased water supply does not mean, more water availability to those who are suffering from water scarcity today.

To the extent there is precarious balance between demand and supply, the focus on supply side management is unlikely to solve the water problem.

Substantial improvement is required for efficiency of water use in all uses and by all sectors, a paradigm shift is required from water resources development to 'water resource management' and supply constraint need to be explicitly recognised.

Water Governance

- ❑ Vesting `eminent domain' in the State, without setting any limits to exercise of discretionary power, leaves the State with far too much room for arbitrariness.
- ❑ Danger - all the relevant functions like development and management, implementing regulatory function, redressal of grievances and conflict resolutions are taken over directly by the executive arm of the government.
- ❑ Conflation and blurring of the role has serious implications for good governance.

Emerging models of water governance

1. Roll back of the state (PIM/IMT etc)
2. Contestation of state projects, practices and discourses and arguing for a radical participatory democratic politics in water resources management.
3. Governance expressed in the phenomenon of NGO, as it seeks to either take on water developmental and management functions in ways that are imitative of state initiatives in this field or else takes on the work of implementing state policies and programmes as a franchisee or PSC.

Emerging models of water governance

4. Bringing together state and community, sometimes in partnership, though with varying degrees of emphasis on one or the other
5. Decentralising the state (involving PRI's in water management)
6. Privatisation of water related services and decentralisation of Government

Emerging Issues in Alternative Institutional Design

- ☐ Cohesive and homogenous water community
- ☐ Participatory Water/irrigation vs. larger agrarian relationship
- ☐ Transaction cost of collective mobilisation
- ☐ Diffused and scattered benefits
- ☐ Impasse related to scale
- ☐ Changing power relations
- ☐ Resistance against change
- ☐ Perverse incentives
- ☐ High cost of self enforcement

Concluding Remarks

Resilience and inertia within water bureaucracy (Reform in Indian Water Sector is `stuckup')

Link between and among large economic structure, water bureaucracy and democratic polity need to be understood more clearly.

Democratic governance has yet not penetrated water bureaucracy and collaborative approach between civil society organisations and state have not been able to change it.

Concluding Remarks

Water governance is facing challenges that cannot be addressed in the current policy and political framework. Systematic research has to be conducted to grapple with these challenges.

Reform is not only to include a re-orientation of policy priorities and approaches, but also the restructuring of institutional frameworks away from the state-village dichotomy, which is argued to be a central feature of the present predicament.

New 'intermediate' institutions are required that allow a negotiated approach to water resources governance. In this context multi-stake holders platform have promise potential to break the dead lock.