THE PRACTICE OF WATER REFORMS

PARTICIPATORY APPROACHES IN BRAZIL AND INDIA

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A study in similarities and contrasts:

• **Similarities:**
  – Continental scale.
  – Federal system.
  – Administrative and political corruption and fragmentation (Brazil 80th and India 85th in TI’s 2008 rankings).

• **Differences:**
  – Brazil is water-rich (~30k m3 per capita), India is water-poor (~1.2k m3 per capita).
  – Brazil is middle-income ($ 6,850 – 53rd), India is poor ($ 1,042 – 122nd).
Methodology

• 2 states: Rio de Janeiro (RJ) in Brazil, Uttar Pradesh (UP) in India.

• Convenience sampling.

• Focus group sessions with users and bureaucrats.

• Interviews with key resource persons and informants.

• Observation of practice.

• Archival research.
Facets of Water Sector Reforms

Water Sector Reforms

- Legislative Reforms
- Institutional Reforms

Administrative Reforms
Creation of Institutions
Building of Capacity
Outline of Presentation:

• Part I: Legislative reforms comparing India and Brazil
• Part II: Institutional reforms: the practice.
• Part III: Analysis and recommendations.
PART I

LEGISLATIVE REFORMS
Legislative Approaches - Brazil

- Establishes independent water regulatory agency (ANA).
- Requires establishment of River Basin Committees.
- Greater emphasis (lip service?) on economic approaches to water management.
Legislative Approaches - India

- Recommends increased water-use charges.
- Emphasizes participation through Water Users Associations.
Similarities in Legislative Approaches

• Decentralization.
• Participation.
• Increased use of economic instruments and water use charges.
• Integrated approaches to water resources management.
### Differences in Legislative Approaches

**BRAZIL**
- Hydro-politics.
- National control to basin control.
- Driven by local epistemic communities.
- Detailed instructions regarding River Basin Committees.

**INDIA**
- Administrative and financial reforms.
- Combat populism and rent-seeking.
- Continued state control
- International aid agencies driving agenda.
- General policy guidelines on Water Users Associations.
PART II

INSTITUTIONAL REFORMS
...as Administrative Reforms

- Absence of a concurrent and successful program of administrative reforms handicaps all other reforms.
- Brazil: NPM
  - Independent regulatory agencies.
  - Cascading chains of principal-agent relationships difficult to implement.
  - Limited utility for most developing countries
- India: RTI
  - Promising but limited by supply of social entrepreneurs.
  - The cost-benefit equation works in limited cases.
...as the Creation of Institutions

- Invited, not popular spaces:
  - BRAZIL: River Basin Committees: over 100 already established.
  - INDIA: Water Users Associations: over 50,000 estd. on 12m ha.

- The role of nodal agencies:
  - Participation involves costs “users” are often unwilling to pay.
  - Create supply as well as demand.

- Factors driving nodal agency behavior:
  - Belief
  - Professionalization
  - Careerism
  - Pragmatism
...as the Building of Capacity

- There is a marked **lack of capacity in civil society** for assuming responsibilities implied by decentralized and participatory management.
  - The task is huge...one minor (an irrigation canal whose discharge is less than 20 cusec) in Uttar Pradesh requires about 20 person-months of community organizing.
  - Needs are technical as well as organizational.

- Capacity is also needed in nodal agencies
  - RJ: flexible civil service rules for hiring consultants to work within the state water agency.
  - UP: outsource to NGOs.
  - Participation and capacity building is often considered organizational ghetto.
PART III

ANALYZING REFORMS AND THE WAY FORWARD
# The Politics of Reform

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<th>COSTS</th>
<th>BENEFITS</th>
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<td><strong>CONCENTRATED</strong></td>
<td><strong>INTEREST GROUP POLITICS</strong></td>
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<td><strong>DISPERSED</strong></td>
<td><strong>CLIENT POLITICS</strong></td>
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- **Concentrated Costs**: The concentrated benefits are more susceptible to interest group politics and entrepreneurial politics, whereas dispersed costs are more aligned with client politics and majoritarian politics.
### Dynamics of Reform: The Bureaucratic and the Entrepreneurial Path

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<tr>
<th>CAPABILITIES</th>
<th>MOTIVATION</th>
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The figure illustrates the interaction between motivation and capabilities, showing how weak and strong states can transition in a dynamic process.
Pushing the Agenda Forwards

• Re-emphasize public sector reforms.
• Increase supply of social and bureaucratic entrepreneurs
  – Increase points of access.
    • Use of flexible institutional boundaries.
  – Reduce transactions costs?
• Increase demand for participation and accountability.
Conclusions

• Legislative mandates are pushing often-reluctant nodal agencies to create a supply of participation opportunities.
• Thus far, progress is mostly in terms of process rather than outcomes.
• Three strands of institutional reforms are apparent:
  – Administrative reforms are creating opportunities.
  – Creation of institutions is providing spaces, but these are under-utilized.
  – Capacity building is trying to address utilization.
• More attention needs to be paid to administrative reforms and capacity building. It is here that the bottlenecks are arising.