

# THE PRACTICE OF WATER REFORMS

## PARTICIPATORY APPROACHES IN BRAZIL AND INDIA

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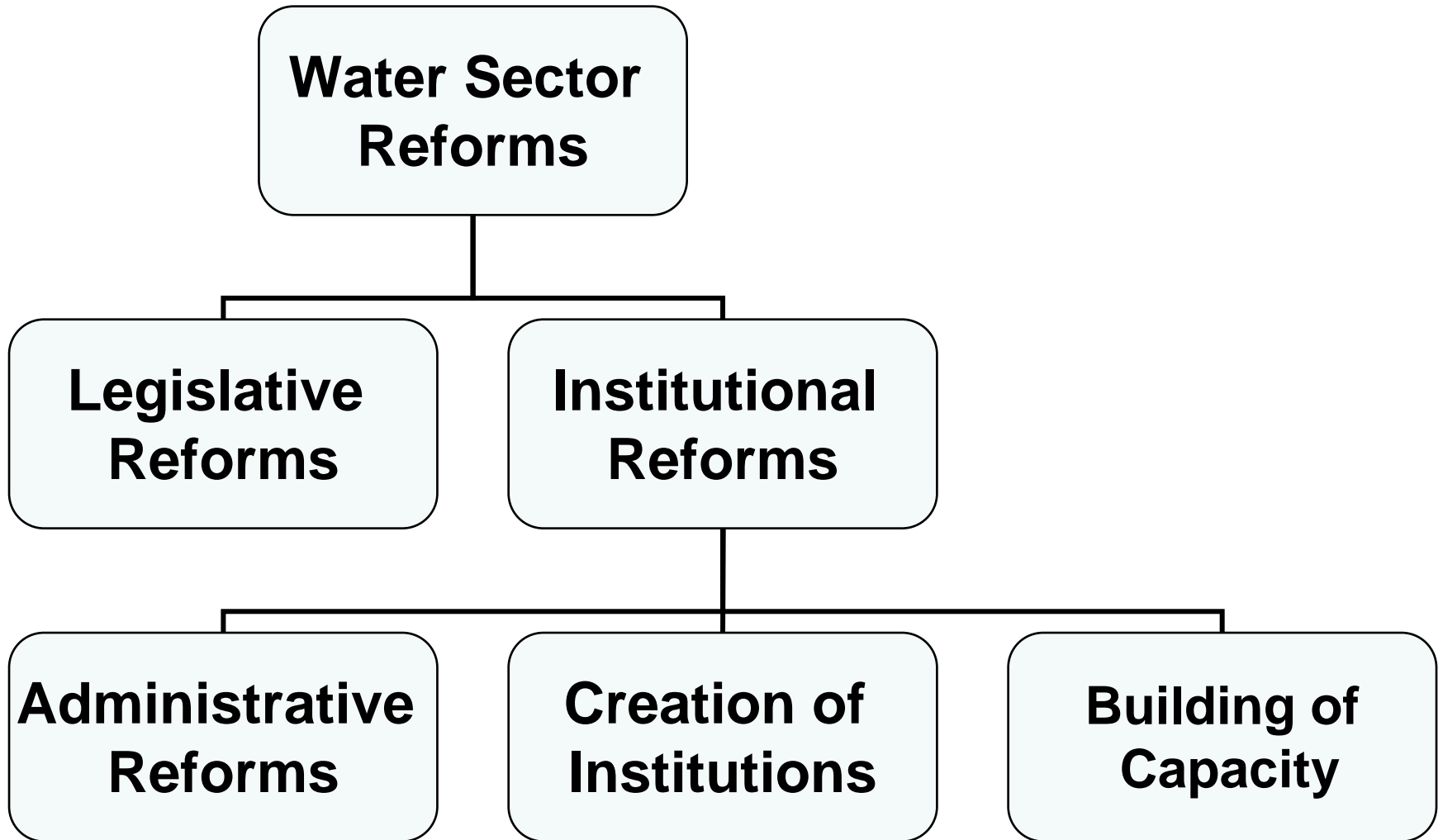
# A study in similarities and contrasts:

- Similarities:
  - Continental scale.
  - Federal system.
  - Administrative and political corruption and fragmentation (Brazil 80<sup>th</sup> and India 85<sup>th</sup> in TI's 2008 rankings).
- Differences:
  - Brazil is water-rich (~30k m<sup>3</sup> per capita), India is water-poor (~1.2k m<sup>3</sup> per capita).
  - Brazil is middle-income (\$ 6,850 – 53<sup>rd</sup>), India is poor (\$ 1,042 – 122<sup>nd</sup>).

# 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



# 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

- Adopts new Water Law in 1997, replacing 1934 Water Code.
- 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

- Adopts new Water Policy in 1987, re-adopts it in 2002.
- 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

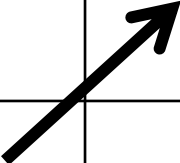
- There is a marked **lack of capacity in civil society** for assuming responsibilities implied by decentralized and participatory management.
  - The task is huge...one minor (an irrigation canal whose discharge is less than 20 cusec) in Uttar Pradesh requires about 20 person-months of community organizing.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

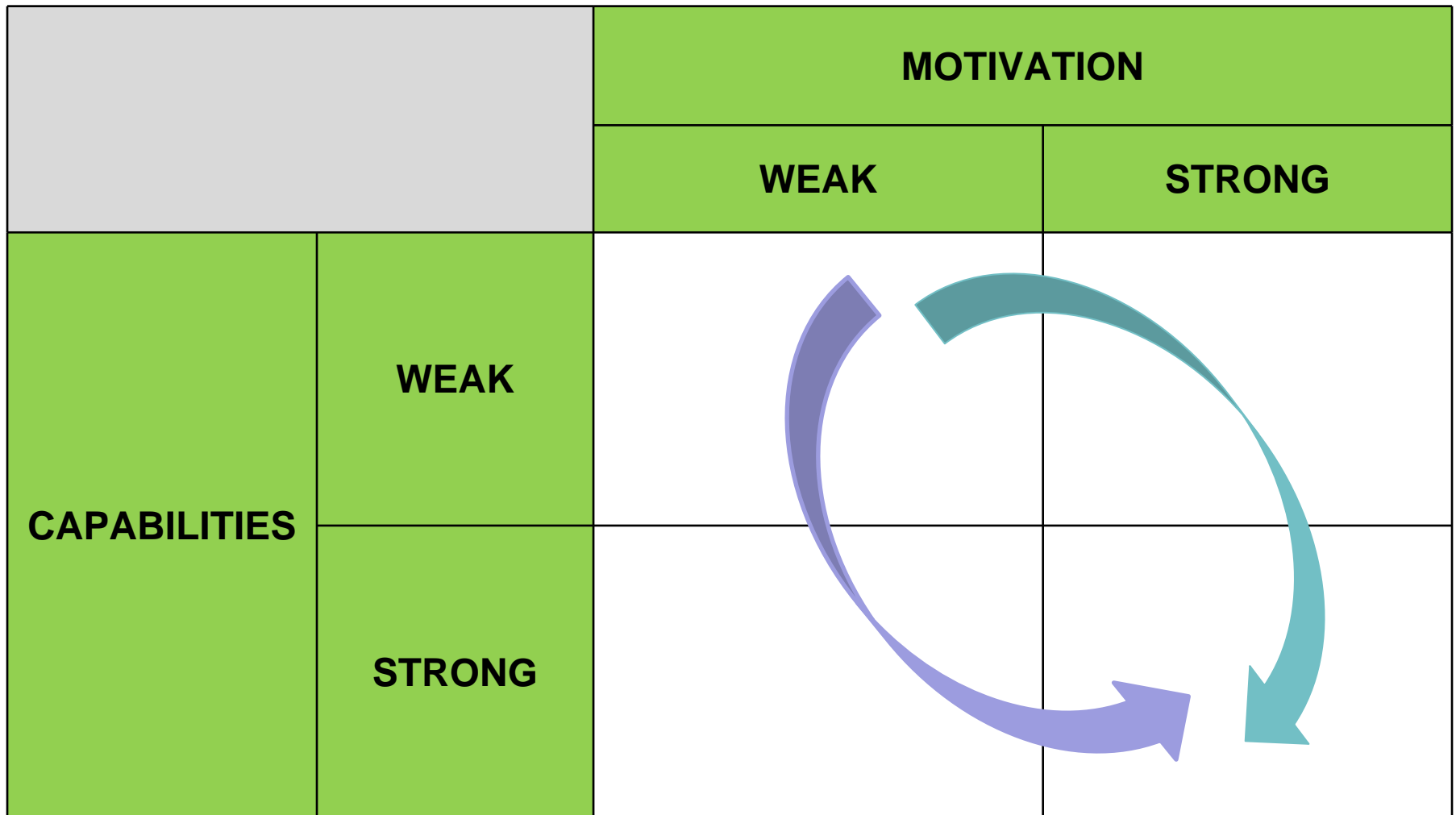
# The Politics of Reform

|       |              | BENEFITS                |                          |
|-------|--------------|-------------------------|--------------------------|
|       |              | CONCENTRATED            | DISPERSED                |
| COSTS | CONCENTRATED | INTEREST GROUP POLITICS | ENTREPRENEURIAL POLITICS |
|       | DISPERSED    | CLIENT POLITICS         | MAJORITARIAN POLITICS    |





# Dynamics of Reform: The Bureaucratic and the Entrepreneurial Path



# 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.