

## **Governance of Water: Institutional Alternatives and Political Economy<sup>1</sup>**

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V.S. Vyas

Professor Emeritus, Institute of Development Studies, Jaipur, India

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In the current discussion on water sector reforms one can discern wide and growing consensus on key issues. It is generally agreed that water is a finite commodity; it has to be looked at in a holistic manner; it has characteristics of social as well as economic good; need to conserve water is as important as the desirability of containing demand yet, at the ground level these principles are hardly respected. In this context one would like to identify the reasons for this gap between what is professed and what is implemented. One of the important reasons, obviously, is the failure of governance at various levels. The book under review discusses different facets of governance in the water sector. The contributors to this volume are well known scholars in this area and many of them, additionally, have rich administrative and field experience. The book is organised in four parts, sections dealing respectively with (i) governance, (ii) pricing and subsidies in surface water, (iii) ground water governance, and the concluding section, (iv) the way forward. As should be expected in a book, which is a collection of papers contributed by different writers, there is large degree of overlap of themes and presentations.

The issues in governance are examined from three perspectives: legal, public administration and institutional. The definition of governance used in many of the papers is very broad. In his insightful paper Ramaswami Iyer warns against too much preoccupation with definition of 'governance' and lists serious issues in the water sector. e.g. rural water supply, canal water irrigation, ground water management, issue of large projects, etc., and makes a plea to discuss these and other relevant issues from financial, economic and management points of view, from users' as much as from the point of view of the delivering agencies. Equally important is his discussion on whether water should be treated as a tradable commodity or it should be considered a natural good. His conclusion, endorsed by many other contributors, is that access to minimum necessary supply of water to each household should be treated in the 'right mode', and only when water is used as an input in economic activities it acquires an economic value.

Two neglected aspects of water management, viz., risk reduction and survival needs of water are discussed in two insightful papers. It is pointed out that risk reduction and coping with drought cannot be discussed meaningfully without taking into account the access to and control of scarce water resources. On similar ground, need to look into water management from women's perspective is emphasized in another paper. Water scarcity and access to water affect women in a critical manner. If one takes into account women's perspective, approach to water allocation cannot be based purely on market-oriented policy (Kulkarni).

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Other important messages on governance issues coming out of the papers are: the present system is overly concerned with supply-side management, it is dominated by bureaucracy and is largely indifferent to social reality, unequal distribution of assets tilts the access to water in favour of the more powerful sections of society, and at each societal level there are dominant groups who influence the political economy of water in their favour. It is recognised by the authors that without taking a stand on normative grounds challenges in water sector cannot be appreciated, much less resolved.

In the second section papers on Pricing and Subsidies, bring out clearly the inadequacy of the water charges to meet even Operation and Maintenance costs. The case for raising water charges is further strengthened when it is pointed out that water charges constitute an insignificant part of the total cost of production while irrigation substantially enhances the yield of the crop. These facts are known but needed some concrete numbers to bring home the lessons, and that is provided in the presentation of the authors (Raju and Gulati).

A difficult question is how to increase the water charges? According to the authors in the volume following steps will be helpful: greater autonomy to irrigation authority; involvement of farmers in the management; establishment of independent regulatory body; making the system more transparent. The authors emphasize the need for decentralization and for proper accountability to be built into the system. Other measures suggested include organization of Water Users Associations (WUA), public private partnership and, in special cases, privatisation. It is repeatedly emphasised that any such raise should be accompanied with distinct improvement in the quality of services. The authors are sceptical about the efficacy of bringing about social change through formal associations. Such change occurs through negotiations that take place at informal and legally undefined space. (Esha Shah)

In one of the papers (Thomas and Ballabh) a neglected aspect of raising revenue from irrigation is highlighted. It is contended that importance of the positive and the negative incentives for the cost collecting agencies cannot be ignored. The question of collection of irrigation charges becomes more complicated, as Parthasarathi has shown in his paper, when there is a possibility of access to ground water (from tube well operators) for supplementing surface water. It should be recognized that such inter dependencies between various sources of water for irrigation will be more common in future.

Another important issue discussed by several authors of the volume is the paradigm of Participatory Irrigation Management (PIM) particularly the organization and functioning of Water Users Associations. PIM has come to be seen as *mantra* for removing all the ills of irrigation system. As it is, WUAs are being created simply as an aid to bureaucracy and not as mechanism for securing a fundamental change in control relations. The other set of problems vis-à-vis WUA are because of multiplicity of institutions at the local level, and possibilities of conflicts among them. Such difficulties are exacerbated, as the hydrological boundaries do not coincide with administrative boundaries.

Ground water management and regulation are the most ticklish issues in the water sector. The discussion on these issues in the third section of the book is mostly conducted in the context of water scarce regions where the problems of groundwater regulation are most acute. There are, however, some regions especially in the eastern India, where ground water is abundant and its systematic exploitations can help cultivators including the small holders. A study of groundwater expansion in few 'surplus' states' suggests that several factors contribute to ensure success in this regard. The most important among these being positive approach of the Government, availability of institutional finance to support the program, competitive market for pump sets, and the helpful role of Panchayats (Vishwa Ballabh et al).

However, major difficulties in the regulation and management of groundwater resources are faced in the water scarce regions where exploitations of ground water is confronted with serious problems including, mining of under ground water, iniquitous control over the water, "bagger the neighbour"

approach of the resourceful tube wells owners, and inconsistent policies of the government particularly in subsidising energy for water lifting in water scarce regions. Clearly the present approach of ground water development is not only iniquitous but also unsustainable. However, to regulate groundwater extraction is not an easy task. Tushar Shah in his paper sheds lights on some of the aspects of regulation of groundwater in a comparative study of South Asia, China and Mexico, the regions where agriculture is heavily dependent on ground water.

Major findings of the study are that success of regulatory regime largely depends on the number of people dependent on ground water; smaller the number easier it is to regulate. With innumerable well owners it is difficult to enumerate wells and register groundwater exploitation much less to regulate it. The countries, which have attempted such tasks, e.g. Mexico, have achieved only limited success. The implicit conclusion is that the private sector transactions in water through water markets would be a better approach to enable access to water by small landowners who do not own wells. The discussion on water mining linked with the key issue of the common ownership of the land and water is largely absent in this otherwise interesting paper. Similarly, the role, which decentralised institutions can play, as illustrated in the case of China and also in West Bengal, has not been sufficiently highlighted.

The concluding section is titled “Way Forward” which gives rise to the expectations that some implementable recommendations will be emerging from the earlier discussions. This expectation is only partially fulfilled. Some of the authors have emphasised what is called “multi-stakeholders process” (MSP) for resolving water related disputes by bringing together the contending parties and initiating a dialogue. However, they are aware of the fact that negotiations based on this approach can also be captured by the elite, who may dominate the process, although it is called a participatory process. It is suggested that for MSP to succeed certain prior conditions have to be met; heterogeneity of the stakeholders should be recognized; there should be knowledge about prior rights; an innovative approach to resolve the problem should be introduced; reliable data should be available, and; a committed resource agency should be present. The key is to turn situation of conflict and distrust into opportunity for mutual aid and cooperation’.

Contributors in this section find that the route of water markets is not the right one to ensure equitable access to water. In fact, water markets could turn out to be very exploitative, mainly, because the initial ownership of ground water is unequal. Yet one of the authors, Tushar Shah, emphasises the market-induced solutions introduced by what he calls *Swayambhu* institutions, i.e., institutions created by people themselves. On the other hand the institutional arrangements for regulation and management of water introduced by the government agencies in our country have resulted into high transaction costs and low pay off. He concludes that induced institutional change can succeed, when participants clearly benefit; when there is a rule enforcement mechanism in place, and; overall institutional environment is helpful for the change. It is suggested that no institutional mechanism can be copied from one environment to other.

The concluding paper by Peter Mollinga gives clear guidance on the agenda for further research. As he rightly says, “we should generate knowledge for understanding but also knowledge for doing”. As far as agenda for research is concerned he has classified policy research in (a) research for policy; (b) research on policy processes and; (c) research in policies. Three major areas for research suggested by him are, the rationale, resilience and dynamism of water sector bureaucracy; inclusive water resource governance at intermediate level and; policies and processes due to which intervention are captured and transformed at the local level by interest groups.

From the above discussion it would be clear that the authors have raised pertinent questions, shed light on alternative approaches and recognised decisive importance of the context and the environment prevailing in different regions. On many water-related issues they have enriched our understanding. However, they are certain key areas on which the discussion is either incomplete or totally absent. One of the most important areas is that of the organisational arrangements and

incentive structure of bureaucracy managing and regulating water in the states. Similarly, though there is a mention about a regulatory authority for water on the lines of power regulatory authority, in a few papers, its role has not been spelled out, nor the reasons why it has not been constituted in majority of the states despite the insistence of the aid giving agencies elaborated. Another unresolved issue in the governance of water sector is the management of water at the meso level. There is good deal of discussion on ground level water management, i.e., on Water Users' Associations. It is recognised in one or two contributions that WUA will not be effective unless at a higher level i.e., at the meso level, there are supportive organisations. However, none has provided a convincing explanation for the failure of this idea to catch up. The most ticklish problem of proprietary rights in the ground water has gone largely unnoticed. With several acts on ground water regulation and management proposed in a number of state assemblies, this aspect should have drawn attention of the contributors and some discussion ought to have been there to resolve this issue.

The approach to the organisations of surface water users, i.e. Water Users Association, has been discussed with all its ramifications. But there is no such discussion as far as groundwater users are concerned. Admittedly, organization of ground water users is more difficult as the number of beneficiaries from an aquifer is not easily discernable. But now with the help of technology, i.e. with GIS, it is not only possible to map out the aquifer, but also to bring out the quantum of extraction of water at different levels. Neglect of the role of technology is very glaring in this impressive array of discussion by highly knowledgeable persons. Despite very commendable efforts by the authors of this volume there are areas that still require deeper understanding and more realistic solutions to manage water sector in sustainable and equitable ways.