

## 3rd SWITCH Scientific Meeting

**Keynote speech:**

**“The politics of water governance:  
a sociological contribution”**

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### Plan

- The empirical reference
- Conceptualizing water governance
- Water governance regimes in historical perspective
- The politics of water governance in the 21<sup>st</sup> century

## Empirical reference

Recent and ongoing research on urban water governance, especially

- **Water, Power and Citizenship: Social Struggle in the Basin of Mexico** (Palgrave-Macmillan, 2006) - <http://www.palgrave.com/products/Catalogue.aspx?is=1403948798>
- Project on “Barriers and Conditions for the Involvement of Private Capital and Enterprise in Water Supply and Sanitation in Latin America and Africa: Seeking Economic, Social, and Environmental Sustainability” (PRINWASS)  
Project’s web site: <http://www.prinwass.org>

Reports and articles available

- Ongoing Projects
  - Governance and citizenship in the interface between basin management, water and sanitation services and public health (GOBACIT network: <http://www.gobacit.org>)
- Forthcoming publications:
  - J E Castro and L Heller (eds.), **Water and Sanitation Services: Public Policy and Management** (Earthscan, 2009)
  - J E Castro, **Against Water Privatization: Critiquing of Neoliberal Water Policy** (Palgrave-Ma, 2009)

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## Water and Sanitation Services

Public Policy and Management



Edited by José Esteban Castro and Léo Heller

- (Earthscan, 2009)
- Product of collaboration with Prof. Léo Heller from UFMG in the context of the GOBACIT-POLISAN networks
- Portuguese and (probably) Spanish versions

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## Key points

- Conflicts over water and water services (the topic of next session) have become an important component of public life in many countries
- These struggles reflect
  - deeper confrontations between rival models of governance and citizenship
  - the internal contradictions of citizenship (e.g. formal vs substantive citizenship)

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## Conceptualizing water governance?

**“There is a enough water for everyone. The problem we face today is largely one of governance: equitably sharing this water while ensuring the sustainability of natural ecosystems. At this point in time, we have not yet achieved this balance.”**

UNESCO, 2006

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## The notion of governance

- The notion of “governance” as a relatively new concept, developed first for the study of corporations
- Later adopted by political scientists for
  - acknowledging the **changing power balance** between key power holders (especially between the nation state and supra- and subnational actors such as transnational companies, international financial institutions, NGOs, social movements, etc.)
  - capturing the **transition** from traditional state monopoly and hierarchical coordination to what some have called “pragmatic pluralism”
    - (e.g. ad hoc combinations of hierarchical, horizontal, and emergent structures for environmental management)
  - recognizing that most management regimes (e.g. environmental management) are **multi-layered, multi-sector**

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## Structural and conceptual change

- a) Actual processes of interwoven socio-economic, political, and environmental change – mainly from 1960s
  - Changing role and relative weight of the “nation state”
  - Increasing social “complexity”
  - Emergence of original socio-ecological challenges

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## Structural and conceptual change

### ■ b) The conceptualization of these processes

#### ○ WEBERIAN TRADITION

- The state and the capitalist enterprise as hierarchical, monocratic, top-down power structures
- Meritocratic and stable bureaucracy in charge of implementing political decisions
- Scientific expertise
- Rule-bound administration (based on rational basis)

#### ○ FOUCAULT'S CRITIQUE

- Power as fluid, not fixed, non-place based (multi-point), micro capillary
- Agency as relevant as structure
- Internalization of power effects (rules, norms)

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## The governance debate in relation to the water "crisis"

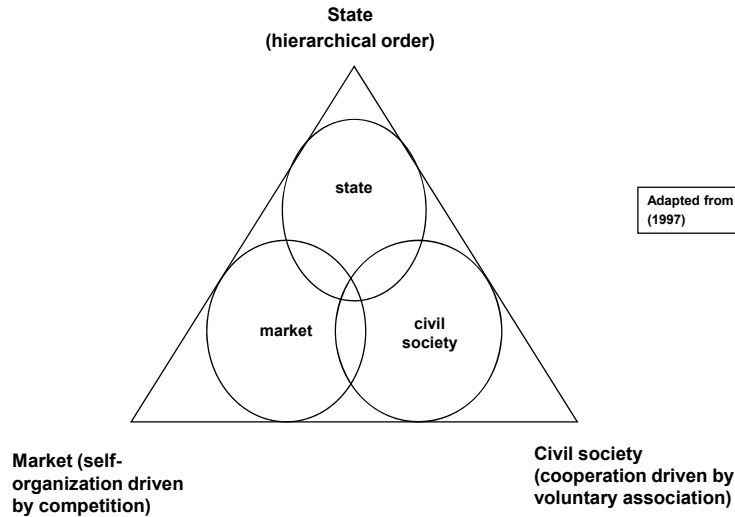
### ■ In the mainstream literature, "governance" is presented as the **articulation of management regimes and their institutional frameworks**:

- the classic forms of authority embodied in the state (**hierarchical coordination**; or, as the critics would prefer it, "command and control")
- private-management (self-organization driven by **market competition**)
- co-operation (the realm of civil society structured on the basis of **voluntary or reciprocal action**)

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## The idealised model of governance ...



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## Governance: some definitions

- Refers to 'the **processes** through which collective affairs are managed. Governance involves the **articulation of rules of behaviour** with respect to the collective affairs of a political community; and of **principles for allocating resources** among community members'.

Healey

- Has to do with shaping and sustaining the **arrangements of authority and power** within which actors make decisions and frame policies that are binding on individual and collective actors within different territorial bounds (state, county, municipality, etc.)

□ Includes activities such as

- efforts to influence the social construction of shared beliefs about reality
- Creation of identities and institutions
- Allocation and regulation of rights and obligations
- Distribution of economic means and welfare services

Hanf and Jansen

- Water governance: the "range of political, social, economic and administrative systems that are in place to develop and manage water resources, and the delivery of water services"

Global Water Partnership

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## Some conceptual clarification

- The mainstream use of concepts such as “governance”, “citizenship” or “civil society” assumes a shared understanding
- However, the meaning of these concepts is:
  - historically determined
  - subject to socio-cultural and political specificities

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## Conceptual clarification ...

- For instance, “civil society” or “citizenship” emerged from specific historical processes that took place in developed countries
- The empirical reference of these concepts is often weak or altogether absent in many “less developed” countries
- Even in “developed countries”, there exist significant differences in the understanding of these concepts between:
  - rival intellectual and political traditions
  - different political cultures (e.g. Anglo-Saxon vs. “continental” or European vs. US-American)

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## “Civil society” ...

- For instance, in the free-market Anglo-Saxon tradition (“privatism”), it is assumed that
  - the private sector is inherently dynamic, productive, and dependable
  - private institutions are intrinsically superior to public institutions for the delivery of goods and services
  - market efficiency is the appropriate criterion of social performance in virtually all spheres of community activity

Barnekov *et. al.* (1989)

- Civil society = market

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## “civil society” ...

- The concept has been revised and updated
  - its current popularity derives from its use in the struggles against communist regimes and dictatorships throughout the 1980s
  - In these battles, “civil society” came to represent **the space of public life that could be organized outside the state’s sphere of influence**
- Development organizations, NGOs, practitioners, and other actors understand civil society as the realm of “voluntary action”, as opposed to the realms of “competition” (the market) and “hierarchy” (the state)

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## Water governance

- The interrelationship between governance of the social system and sector governance can adopt very **different forms**:
  - Sound and efficient water governance can perfectly be achieved in the context of highly authoritarian and undemocratic political systems
  - And highly democratic and participative models do not guarantee effective water governance (Global Water Partnership, 2003).
- The policy consensus around “good governance” practices such as promoting citizen participation is not the result of an empirically proven model
- It is derived from a complex array of factors including **normative preferences** and **social struggles** for the democratization of decision-making processes

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## Conflicting governance regimes

- Current water policy debates reflect a long-term struggle between competing intellectual traditions
- In long-term perspective: recurrent historical shifts between
  - “autonomy of the market (disembedded from the social and political sphere)”
  - and “public” or “social” regulation of market processes

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## The historical cycles of governance regimes

- The “**privatist**” **water governance regime** (roughly between late 18<sup>th</sup> to late 19<sup>th</sup> century, mainly Anglo-Saxon centred)
  - Water supply as a commodity; unregulated private monopolies
- The water governance regime of “**administrative rationalism**” (late 19<sup>th</sup> century to date)
  - Bureaucratic expertise and scientific knowledge as core elements
  - Central public sector role (hierarchical – “command and control” models); dominated by “water experts”
  - Notions of public interest, public good, social good
- The water governance regime of “**economic rationalism**” (some would say “**chrematistic rationalism**”) (1980s and onwards)
  - Decentralization, de (and re-)regulation, liberalization, “privatization”
  - Cancelling the notion that WSS are a public or social good
  - The public sector as facilitator of weakly (or un)regulated private water monopolies
  - Hence: “neoliberal” or “neoprivatist” water governance

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## Market-centred water governance (WSS)

- Private sector participation in WSS developed within the framework of classical free-market liberalism since the late 18<sup>th</sup> century
- Under the free-market model WSS were provided by **unregulated** private water monopolies in England, France, the US and exported elsewhere (e.g. Latin America), with different degrees of success
- The outcome was a proliferation of relatively **small private water monopolies**, normally operating in the largest and richest urban centres where —with rare exceptions— they served mainly the wealthiest neighbourhoods and were reluctant to invest in extending the services to the poorer sectors of the population
- In Europe and the US this free-market approach was challenged from the outset owing to its negative social and environmental consequences

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## Reorganizing water governance

- Since the mid-nineteenth century the “governance” of water and related services was increasingly organized around the principles that
  - these and other essential goods and services must be under **public control**
  - with strict **regulation** of private operations
  - or directly organized and provided by the **public sector**
- These principles were accepted across the political spectrum by the early twentieth century and informed the universalization of essential services after World War II
- Among other,
  - principles of “market failure” and protection of the “public interest”
  - principles of social rights (universalization of the basic conditions for “civilized life” (health, education, well being))

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## “Administrative rationalism”

- The development of ever stricter regulation of private water monopolies was intertwined with the growing intervention of national states in the water sector that accelerated after the First World War
- States became increasingly involved in the development of basic infrastructure, including roads, ports, dams, canals, public utilities (water, electricity, telecommunications), and provision of collective consumption goods
- States and municipalities took over most private concessions and assumed the development of WSS
- Consolidation of the tradition of “administrative rationalism” (Dryzek) (or, as its critics would prefer, “command and control”)
- Different results in developed and most developing countries...

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## ■ Neoliberal water governance reforms ...

- Evolved since the late 1970s, not on technical grounds or to respond to new challenges such as the environmental crisis, but in response to
  - the “crisis of democracy” - late 1960s
    - Social mobilization rising from the failure to develop substantive democracy and citizenship (e.g. the 1968 student movement; new social movements, etc.)
    - Critique of capitalist democracy as restricted, exclusionary

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## ■ The neo-liberal response to the 1960s “crisis”

- Marking point: the 1975 Trilateral Commission’s Report on the Crisis of Democracy (Crozier, Huntington and Watanuki - <http://www.trilateral.org/projwork/tfrsums/tfr08.htm> )
- Political instability as the result not of “little” but rather of “excessive” democracy
  - e.g. Samuel Huntington’s Political Order in Changing Societies (1968)

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## The Trilateral Commission's assessment

**“The more democratic a system is, indeed, the more likely it is to be endangered by intrinsic threats. Intrinsic challenges are, in this sense, more serious than extrinsic ones. [...]**

**There is deeper reason for pessimism if the threats to democracy arise ineluctably from the inherent workings of the democratic process itself. Yet, in recent years, the operations of the democratic process do indeed appear to have generated a breakdown of traditional means of social control, a delegitimation of political and other forms of authority, and an overload of demands on government, exceeding its capacity to respond.”**

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## The neoliberal response to the crisis of democracy

- Revival of the traditional liberal notion of civil society = market
  - Reduction of the state's influence (withdrawal from the economic sphere and from the provision of welfare services)
  - Decentralization (diverse strategies, not just the neoliberal one)
  - De- and re-regulation
    - reduction of trade barriers
    - enhanced capital mobility (but restricted mobility of labour)
    - weakening of workers unions (and consequences: lower salaries, no social protection, etc. )
  - Privatization
  - Depoliticization (civil society participation subordinated to or replaced by experts and technical approaches)
  - The market as the key social system and market rules as the prevailing mechanism of social organization

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## Neoliberal water policy reforms

- Since the 1980s, revival of free-market (neoliberal) principles
  - reforms seeking to change the governance regime in the water sector
- The main goals of the neoliberal reforms:
  - Changing the status of water from public to private good
    - Canceling the notion that WSS are a social right or a public sector duty
  - Reducing the role of the state to facilitator of private sector activities (little or no regulation, guaranteeing and protecting business sustainability)
  - Subordinating social and ecological concerns to the requirements of private sector profitability, especially and global financial interests
  - Reducing the role of citizens to that of consumers (from citizen rights to consumer rights)

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## Centering governance around market principles

### ■ Neoliberal water policy in a nutshell:

“Private participation offers enormous potential to improve the **efficiency** of infrastructure services, **extend their delivery to the poor**, and **relieve pressure on public budgets** that have long been the only source of finance. Encouraging more private involvement requires that governments change their role —no longer directly providing infrastructure services but **mastering the new business of fostering competition among private providers**, regulating where competition is weak, and supporting the private sector generally” (World Bank, 1998, p. 1)

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## The water governance of market extremism

- The World Bank's Private Sector Specialist Penelope Brook Cowen has argued in favour of “unregulated privatization”, “unregulated private monopolies”, and “laissez faire” where “the provision of services is regulated by market forces and economic incentives” to solve the situation of water services in developing countries (Brook Cowen and Cowen, 1998: 22, 28)
- Interestingly, this extreme proposal has only been applied in some developing countries in the absence of strong state institutions and skilled labour
- In the countries where the deregulation, liberalization, and privatization policies started, like in England and Wales regulation has actually been significantly strengthened after privatization

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## Water: from public to private good

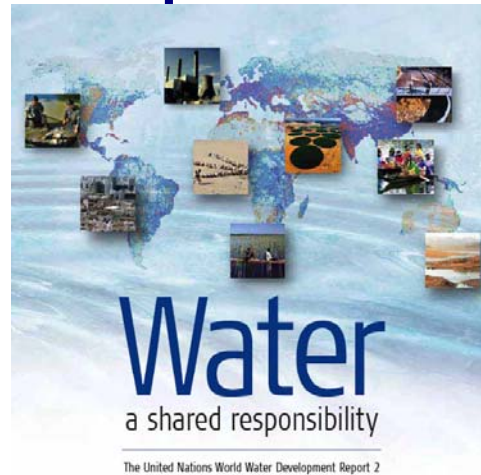
- Organizing water governance around market principles
  - The ambiguities of the 1992 Dublin Declaration's 4<sup>th</sup> Principle:
    - “water has an economic value in all its competing uses and should be recognized as an economic good” (UN, 1992)
  - A policy outcome of this principle (not a necessary one):
    - Economists interested in water resources management have long argued the necessity to recognize that water is an economic good and not to treat water as having “unique importance” but as one good among all others. [...] If water is an economic good then it should be possible to govern its allocation through the market (Lee and Jouravlev, 1998: 7).  
“value incommensurability”

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## A shocking example

A recent example of the ongoing confrontation between rival models of governance permeating the production of scientific knowledge about water and water policy



UNESCO, 2006

Tabla 12.2 - página 409



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**Table 12.2: Classifying goods and services provided by water**

Commodity (or Private) Goods		Non-Commodity (or Public) Goods	
Producers' Goods	Consumers' Goods	Use Values	Non-use Values (Existence and bequest values)
1. Agricultural Producers ■ Crop Irrigation ■ Aquaculture	1. Residential water supply	1. Enhancing beneficial effects ■ Ecosystem services ■ Recreation ■ Aesthetics ■ Wildlife habitat ■ Fish habitat	1. Protection of aquatic environment
2. Off-stream industries ■ Manufacturing ■ Commercial services	2. Residential sanitation	2. Reducing adverse effects ■ Pollution abatement ■ Flood risk reduction	2. Protection of wild lands
3. In-stream industries ■ Hydropower ■ Transportation ■ Fisheries			3. Protection of biodiversity and endangered species

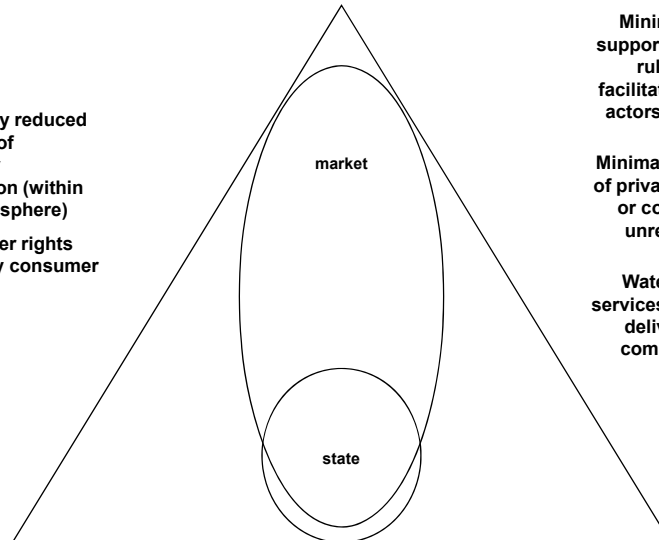
Source: Young, 2005.



## The neoliberal ideal of water governance

...

Civil society reduced to the role of commodity consumption (within the market sphere)  
Citizen water rights replaced by consumer rights



Minimal state supporting market rules and facilitating market actors' activities

Minimal regulation of private activities or completely unregulated

Water-based services and goods delivered as commodities

04/03/2009

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## Back to the notion of governance ... some reflections

- A crucial element in the power balance between the key actors is the capacity of the public and civil society sectors to exercise democratic control (preserve the public interest)
- Historically this has been done through regulation
  - Different models (e.g. the US regulatory system heavily reliant on the judicial system; the UK model based on negotiation)
  - Structure regulation; behaviour regulation; standards regulation

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## Internal contradictions of these policies

- Formal acknowledgement of the multi-scale and multi-polar character of the governance structure of complex systems
- But, actual justification of the pre-eminence of capitalist competition over the other governance realms such as the state or civil society, in the context of a technocratic model of development
- Contradictions arising from converting water and sanitation services in private for-profit businesses as the main driver of development in the sector
- Imbalance resulting in the weakening of state, local government, and civil society structures
- Dwindling or actual lack of capacity on the part of public and civil society actors to exercise democratic control and regulation over the running of public services in most developing countries

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## Challenging the hegemonic notion of governance

- The core of governance has to do with determining **what ends and values** should be chosen and the **means** by which those ends and values should be pursued, i.e. **the direction of the social unit**, e.g. society, community or organization.

Has to do with shaping and sustaining the **arrangements of authority and power** within which actors make decisions and frame policies that are binding on individual and collective actors within different territorial bounds (state, county, municipality, etc.)

□ Includes activities such as

- efforts to influence the social construction of shared beliefs about reality
- Creation of identities and institutions
- Allocation and regulation of rights and obligations
- Distribution of economic means and welfare services

Hanf and Jansen

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## Challenging ...

- Confrontation between rival values, principles, goals, and ends characterizing competing often irreconcilable governance regimes
- ¿What are the values and principles that structure our relationship with the environment and “nature” in general?
- ¿How are these principles and values expressed in the social, political and cultural processes that characterize human-environment relationships?
- ¿How do these values and principles shape/inform institutional, public policy and management in relation to the environment?

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## Between change and a rhetoric of change

- The World Bank has recently acknowledged that though publicly-delivered essential services are often marred by problems “it would be wrong to conclude that government should give up and leave everything to the private sector” as “private-sector participation in health, education, and infrastructure is not without problems - especially in reaching poor people” (World Bank, 2004)
- The same report states that “the only issue that really matters is whether the mechanism that delivers key services strengthens poor people’s ability to monitor and discipline providers, raises their voice in policymaking, and gets them the effective services they need for their families”
- This type of mechanism was not envisaged in the actual ways in which neoliberal water policy has been implemented worldwide

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## Changes ...?

However, this change in rhetoric raises several important issues worth considering

- These declarations come at a time when one of the main pillars of the neoliberal rhetoric has been exposed as flawed: the argument that private investors would provide the bulk of the **funding** needed to upgrade and expand infrastructure and services, especially to the poor
- As candidly stated by one of the bank branches in charge of promoting privatization, “The governments of most countries have put in place monopoly utilities to run urban water supply and sewerage systems. [...] The public has become used to this and perceives services of these utilities as a ‘**public service**’ or even a ‘**social good**’. However, publicly run utilities in developing countries have been singularly unsuccessful in providing reliable water supply and sanitation services. [...] A common reform measure is bringing in the private sector to provide specialized expertise, efficient management and **new sources of capital** (WSP & PPIAF, 2002 : 8-10).

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## ... inertial forces

- These policies have set in motion a number of processes including
  - Public sector reforms (e.g. water and sanitation utilities, health units, etc.) oriented at reorganizing governance and management on the basis of market-efficiency principles
  - Training of experts oriented at implementing the reforms and promoting these principles in developing countries
  - Weakening of the public sector and “civil society”
  - Cooptation / influence
  - Continuation of the policies under different names and with different tactics

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## The challenge: towards an ethics of water governance and management

- Need to recall the historical memory
  - ¿How was the universalization of WSS achieved in rich countries?
  - ¿Why should it be different in poorer countries?
- Recovering an ethic of the public good
  - The notions of public service, social good, and citizenship rights
  - The controversy over the human right to water
- Not a mechanical recovery of the past, but an effort to achieve a qualitative change in order to overcome the “crisis”
  - Recovering ethical values and principles
  - Superseding paternalistic (often antidemocratic and authoritarian) water governance and management practices
- Supporting the existing experiences of democratic, efficient and efficacious water management

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## Strategic dimensions

- Scientific-intellectual dimension
  - Role of scientific knowledge about water and health (necessarily interdisciplinary)
  - Conceptual clarification, confrontation of existing myths
    - e.g. the myth of private-sector excellence and market principles as the key to solving the crisis)
- Political-institutional dimension in water governance/management
  - the “Political” **not reducible** to partisan or electoral politics
    - the Political as the **realm of public, common affairs**
    - the **exercise of power** characterizing the Political **not reducible to the legal-institutional or administrative aspects**
  - Democratic governance and the substantive exercise of citizenship in relation to water and essential water services

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