

Political economy, water and the MDGs



Simon O'Meally

'current approaches to water resources management are devoid of politics – the missing piece of the water puzzle'

Water and its management contribute directly and indirectly to the achievement of the Millennium Development Goals (MDGs). There is an acute need to increase and improve water services to meet MDG 1 (eradicate extreme poverty and hunger) and MDG 7 (ensure environmental sustainability). But without much greater attention to the management of water resources – the water as it occurs naturally in lakes, rivers and underground – it will be very difficult to maintain these services and achieve the broader MDGs.

As the world prepares to review MDG progress in 2010, are current approaches to water resources management working? Not entirely. To date, most development practitioners have promoted technical, institutional and economic solutions that, while 'rational', have generated mixed results. Sustaining services continues to be a problem, and integrated water resources management (IWRM) remains an aspiration rather than a reality. One reason for this is that current approaches to water resources management are devoid of politics – the missing piece of the water puzzle. Drawing on a recent Lake Victoria case study, I suggest that a political economy approach has the analytical power and operational potential to improve water resources management.

Political economy

Political economy focuses on the interaction between political and economic processes, examining how power and resources are distributed and contested in different contexts. It should look beneath surface appearances to uncover the underlying incentives, formal and informal institutions, and economic structures that drive, or constrain, change.

In recent years, the donor community has started to take an interest in political economy, resulting in various analytical frameworks and studies (e.g. DFID 2009). Yet there is some way to go in integrating these frameworks into everyday donor programming. More importantly,

very little is still known about the application of political economy to specific water problems. The Lake Victoria case study is one contribution to the filling of this gap

The World Bank and Lake Victoria

The World Bank, with the Global Environment Facility, is financing a long-term project for the integrated management of the world's largest tropical lake – Lake Victoria. The lake is governed by Kenya, Tanzania and Uganda and supports a population of roughly 30 million people. The Lake Victoria Environmental Management Project (LVEMP) aims to solve the types of problems threatening many of the world's water resources, including: overfishing; water pollution; land degradation and excessive run-off; and, high levels of poverty linked to limited or degraded natural resource stocks.

Field research has revealed various insights about the political economic barriers to LVEMP implementation – a snapshot of three of the lessons learned is outlined here.

Power and vested interests in water resources management. The project introduced a range of institutional and legal reforms such as: policies and standards to conserve resources and limit water pollution; legal limits on the size of harvested fish; and a pilot levy to recover the cost of environmental management. These measures were, however, enforced only patchily. One reason was a lack of government capacity, but notable political economic factors were also at play. Vested interests hindered change: various lake-shore industries opposed stringent regulations on water pollution, calling instead for 'voluntary' standards; and many fish processing factories, for instance in Uganda, lobbied against environmental cost-recovery 'taxes'.

Enforcement problems were also linked to systems of political patronage. Patronage explains, partly, why the bulk of public resources were channelled towards the lucrative fisheries export industry – instead of, for example, wide-

Overseas Development Institute

ODI is the UK's leading independent think tank on international development and humanitarian issues.

ODI Opinions are signed pieces by ODI researchers on current development and humanitarian topics.

This and other ODI Opinions are available from www.odi.org.uk

scale environmental protection – and why growth in the already overcrowded export industry was not more significantly curtailed. There were also cases of corruption at local government level, with some officials bribed to allow factories to process ‘under-sized’ fish.

Such political economy insights can help practitioners to pinpoint the processes that hinder water reform and to devise strategic entry points to address these barriers. In this case, one entry point should be the support of mechanisms to involve a wider range of Lake Victoria ‘stakeholders’ in public financial planning. This could strengthen government accountability to a broader constituency and help increase the flow of public funds to other areas, such as environmental enforcement. Of course, the way in which political economy findings are acted upon will depend on the strategic choices of practitioners and the responses of powerful actors.

Political contestation of ‘sustainable water management’. A second lesson concerns LVEMP’s ‘sustainable water management’ schemes, which included community-based management (e.g. beach ‘co-management’) or soil and water conservation. These schemes also faced political economic obstacles – one of which was that ‘sustainable water management’ was highly contested.

Political economy is interested in the impact of values and political ideologies on behaviour. Contrary to some donor narratives, ‘sustainable development’ can mean different things to different actors, depending on their interests, values and ideology. Indeed, some blockages in LVEMP can be attributed to disagreements over what it meant to operationalise ‘sustainable water management’. Certain reforms were stalled because elites in Ministries of Finance prioritised economic growth and macro-economic stabilisation, which conflicted with the goals of the more ‘conservationist’ elites in Ministries of Water. Equally, various community organisations and front-line fishing communities resisted LVEMP schemes, arguing that there should be a major redistribution of water resource ownership before ‘sustainable’ resource use could be achieved.

This contestation has important operational implications. It helps explain why collective action was hampered – the various groups did not have a shared goal to work towards. It also highlights the political risk associated with ‘sustainable’ water development. Practitioners should be aware that their approach is not politically neutral and may well be contested and resisted. By better appreciating this, practitioners can identify the actors who are likely to support, or

oppose, their understanding of water management, and can promote consensus-building that goes ‘with the grain’ of political reality.

Knowledge: for whom and for what? The final lesson relates to the type of knowledge that water practitioners seek to generate. Like many donors, the World Bank sees itself as a ‘technical’ agency (rather than a political actor) so it commissions scientific and economic water resource analyses. For LVEMP, most studies focused on ‘cataloguing’ natural resources, mapping pollution ‘hotspots’, cost-benefit analyses and value-addition strategies. This knowledge can, to a degree, tell us where problems are and what (in theory) could be done to solve them. For example: ‘we should reduce levels of water pollution to level X’ or ‘we can optimise resource use by doing X, Y and Z’.

However this type of knowledge tells us very little about how to make these recommendations a reality. Systematic political and socio-economic analysis is also needed to understand, for instance, why many of LVEMP’s findings were shelved and not integrated into political and policymaking processes, or why it is that many community groups resisted the co-management initiatives. Technical ‘soundness’ alone does not, it seems, guarantee political uptake.

Towards better water resources management

This case suggests that astute political economy analysis has the potential to help donors improve the effectiveness of their water management assistance. Political economy is not, however, a panacea and should complement, rather than replace, the more conventional development tools. But it is indispensable for identifying viable – even ‘second best’ – entry points for assistance, reducing the risk of doing harm and increasing the chances of success. In this way, political economy could be used to improve water resources management in different contexts, which will contribute to progress towards the MDGs. In particular, it could help address the political barriers to increased water access for food security – key for MDG 1 – or unpick the political economic constraints on ‘sustainable’ water use, which is vital for meeting MDG 7.

Written by Simon O’Meally, ODI Research Officer (s.omeally@odi.org.uk). The findings in this paper are adapted from research conducted for the following study: O’Meally, S. (2009) The World Bank and the Concept of Sustainable Development: the Case of Lake Victoria, PhD manuscript.



Overseas Development Institute

111 Westminster Bridge Road, London SE1 7JD

Tel +44 (0)20 7922 0300

Fax +44 (0)20 7922 0399

Email publications@odi.org.uk

Readers are encouraged to quote or reproduce material from ODI Opinions for their own publications, but as copyright holder, ODI requests due acknowledgement and a copy of the publication.

© Overseas Development Institute 2009

ISSN 1756-7629

Reference

Department for International Development (DFID) (2009) Political Economy Analysis: How To Note (DFID: London).