

V: PRINCIPLED PRAGMATISM AND “RULES FOR REFORMERS”

This Report (and many other documents) makes it clear that Pakistan is going to have to make major changes in the way in which it develops and manages its water resources, and that this process has to start soon. The experience of all countries shows that it is easy to articulate principles, but that translating principles into practice is essentially and necessarily a political task, which is very different in different historic, cultural and political environments. In his background paper, Imran Ali¹⁵² states the challenge very well: “We have seen above that in the institutionally complex environment of Pakistan, reform proposals are accompanied by variable, contradictory and even conflicting viewpoints. There is consequently much difficulty in implementing a reform agenda, since political realities and considerations continue to impinge on economic efficiency criteria. The decision-making environment has to contend with competing interests, differing perceptions, unequal power relationships, and imperfect information. Therefore the outcome of reform policies usually depends on the interaction between supporters and opponents. This scenario is quite different from the assumptions of economists who feel that society should move towards market oriented models, through institutional reform policies based on a rational process of objectives identification, options evaluation, and strategic choice. Such an approach can be too simplistic, or lead to strategic errors, if it fails to incorporate real world issues, and more specifically the role of interest groups, in devising a more pragmatic set of reform sequences.”

Reviews of water reform efforts throughout the world suggest that the guiding mantra must be “principled pragmatism”¹⁵³. “Principled”, because principles matter a lot. And “pragmatic”, because principles can only be translated into practice by following a step-by-step, persistent process, which “fits” with the local culture, people and environment. This section reflects on some of the lessons of “principled pragmatism” in water reform processes elsewhere¹⁵⁴, and from reform processes in other sectors in Pakistan. They are presented in the form of “rules” (really suggestions) which a reforming government might keep in mind.

Rule # 1: Water is different

There is much that aspiring water reformers can learn from reforms in other sectors – such as power and telecommunications and transport. But it is also true that water is, and is perceived to be, different from these other “created” sectors in many fundamental ways. The resource economist Kenneth Building’s ode to water¹⁵⁵ captures many of these distinctions very well.

Water is far from a simple commodity
Water’s a sociological oddity
Water’s a pasture for science to forage in
Water’s a mark of our dubious origin
Water’s a link with a distant futurity
Water’s a symbol of ritual purity
Water is politics, water’s religion
Water is just about anyone’s pigeon
Water is frightening, water’s endearing
Water’s a lot more than mere engineering
Water is tragical, water is comical
Water is far from the Pure Economical.

Rule # 2: Initiate reform where there is a powerful need and demonstrated demand for change

Habits of water management and use, and the organizations and practices involved, have evolved over time and have, at some time, “fitted” the particular prevalent economic, social and environmental circumstances. Change is not easy or welcomed, unless there is a very strong need for change. Abstract and idealized statements (such as “river basin management” or “integrated water resources management”, the mantra of the international community in recent years) have some resonance with professionals, but do not constitute a reason for organizations and people to change the way water is managed.

Because changes are difficult and often wrenching, they will be undertaken only when there is a powerful need and a demonstrated demand for change. Global experience¹⁵⁶ shows that the impetus for change is usually either a serious breakdown in services, or an environmental failure which affects large numbers of people, or a fiscal crisis which makes the status quo untenable.

In Pakistan today, there are a number of settings where there is a powerful need and demonstrated demand for change and which are, accordingly, the areas where reformers should put their initial efforts. These include:

- There is a strong demand from all quarters for clarity on entitlements and for transparent and impartial delivery of those entitlements. Predictably, this demand is strongest from tail-enders, be they provinces or farmers.
- Cities where individual households are facing greater and greater difficulties in making their “coping strategies” work, because the groundwater option is becoming a less and less tenable option, and because the breakdowns in regulation (such as in the tragic current case of Hyderabad) give rise to strong demands for change.
- For farmers, too, the “exit option” of self-providing groundwater is becoming more and more costly, increasing the pressure on the irrigation departments to improve the quality of service.
- Agrarian Pakistan is undergoing a quiet but rapid revolution – contract farming is increasing, high-value crops are displacing food grains, aquaculture is increasing. In each case the importance of a predictable supply of water becomes vital. There has been a rapid uptake of drip irrigation and other new technologies, but these “exit options” will not be sufficient, and there will be pressures to allow water to move more flexibly and voluntarily from low-value to high-value uses. Much of this now takes place in informal water markets but as agricultural production moves to scale there will be pressures to formalize such relationships. Again, this is an important area where there will be demand for changes in water management practices. It is striking how larger-scale “progressive farmers” are becoming an increasingly articulate voice for change in the delivery of irrigation services in Punjab, for example.
- The security risks of deferred maintenance are becoming apparent to planning and finance officials in the Federal and Provincial governments. In several instances, Secretaries and other officials in these departments are becoming strident voices demanding that public resources are used better, and that the irrigation departments be reformed to ensure this.

The key message is that there are many windows of opportunity opening up for water reforms which will constitute specific, practical solutions to local problems. It is these which will show what can be done, and will, by producing tangible results, constitute a pressure on, and example for, others to follow.

Rule #3: Involve those affected, and address their concerns with understandable information

People are, for good and not-so-good reasons, always apprehensive about changes which will be thrust upon them. And when it involves something as sensitive as water, communication, discussion and information become central elements for any reform process. What would this mean in Pakistan?

The case of construction of a new dam on the Indus is a case study in many of the do's and don'ts of communication¹⁵⁷. First, several times in the past the government has believed that a decision could simply be imposed as being "in the best interest of the people", without the extensive public discussion that such a massive and sensitive investment merited. More recently, the communication effort and political process has been much more appropriate and professional. It has included heavy involvement of Parliament, technicians and the media. And it has included some excellent material (partially summarized in Box 5 earlier and available in full on www.infopak.gov.pk/public/Kalabagh_Dam) which acknowledges that different provinces and groups have different views and concerns, and which disaggregates these and addresses many of them in simple and clear language.

In developing a political/communications process for reforms, it is important to understand that the present situation (of unclear entitlements, discretion and lack of transparency) suit important groups in society. The essence of the reforms outlined in this paper would be to reduce monopoly power, and introduce transparency, thus greatly reducing the space for discretion and corruption. Imran Ali has described why some groups would tend to oppose such changes, and outline strategies for neutralizing such opposition: "Larger landowners could be the most opposed to change, since they have been gaming the system for decades. Clearly, they do exercise political influence, and benefit most from the deinstitutionalized politics that are currently in vogue. However, the attraction of contracted, formalized water rights, with capacity to purchase additional demand through efficient water markets, could prove an adequate trade-off for the pressures of constant manipulative activity and threat of water conflict. Also, there is now, hopefully, a sufficient element of modernizing larger farmers who are making a transition to high value agriculture; and who approach agricultural production through capitalistic rather than feudalistic values. The engineers and staff of the PIDs could be against these reforms, fearing they would entail dissolution of their service, and a breakdown in existing rent relationships. Another disincentive could be leaving the relative security of service with the provincial government, for more novel contractual work with more transparent and accountable institutions." What is critical is that these fears are real and constitute major barriers to reform, and that they cannot be wished away. Reform strategies must devise mechanisms for addressing such fears. As described earlier, Irrigation Departments might draw on the model followed in Mexico City¹⁵⁸, where workers in the water utility were given privileged and in some cases sole access to contracts, provided they set up – with help – private companies to provide the hitherto publicly-provided services. The same could easily be done in irrigation departments, for example starting with some of the equipment and repair shops.

While there is widespread public dissatisfaction with the way in which water is managed, this does not mean that the public at large, or influential groups in particular, will necessarily welcome reform efforts (as is illustrated by the vehement opposition by some NGOs and political parties to private sector involvement in water supply in Karachi). Again Imran Ali ¹⁵⁹: "Fears and misgivings over the issue of water as an economic good should be removed, whether these are held by the public at large, or articulated by institutional players, advocacy groups or political elements. Those areas should be identified where continued perception of water as a public good might be actually harmful to the community, carrying various disguised costs such as high informal charges or health hazards. The distinction should be made with certain programs where water resources can continue to be regarded as a public good, such as in the management of the larger drainage and flood control systems."

Finally, such discussion is necessarily political and must necessarily take into account the political realities of each country. Again Imran Ali: “The fact that roughly half of Pakistan’s existence has been under military rule gives little clue as to which direction popular choice would take the country. The civilian regimes of the 1990s did maintain a steadfast commitment to market forces, and this could continue in the future with a more complete return to civilian politics, except if religious-oriented parties can succeed in stigmatizing Western influences. Therefore, a prerequisite for the success of the reform process will be continuity in the state’s strategic directions. The certainty of such continuity would have been more plausible had these issues been discussed more comprehensively in the nation’s parliament, or other representative forums.The World Bank should endeavor that such a discussion and debate does take place, so that the outcome is seen as the product of popular support, rather than an arbitrary imposition. Perfectly, rational and badly needed reforms can suffer if the process of adoption and decision-making is not transparent.”

Rule #4: Reform is dialectic not mechanical

Ideas like “river basin planning” and “integrated water resources management” have sound conceptual roots, and appeal to technicians, many of whom perceive implementation of these ideas as the path towards better water management. Useful as they are, in the words of the Operations Evaluations Department of the World Bank “progress takes place more through ‘unbalanced’ development than comprehensive planning approaches”¹⁶⁰. As Karl Marx (had he addressed the subject!) might have said it as follows: water reform is a dialectic, not mechanical process.

Improvements in water management occur when there are tensions (between users, between users and the environment, between the water agencies and the finance ministries) which can no longer be accommodated within the existing institutional arrangements. But reforms do not lead to nirvana – they simply mean that “lower-order tensions” are replaced by higher-order tensions. That is the yardstick by which reforms should be judged.

Rule # 5: It’s implementation, stupid

Lawrence Summers has observed¹⁶¹ that the great distinction between developing countries which have progressed over the last 30 years and those that have stagnated is not the ability to formulate perfect policies, but the ability to translate reasonable policies into actions on the ground. Paraphrasing Bill Clinton’s famous election mantra, “it’s implementation, stupid”.

And so it is with water in Pakistan and elsewhere – policies and recommendations abound, some very good. What matters is identifying improvements that can actually be implemented.

Rule #6: Develop a sequenced, prioritized list of reforms

Any journey requires a knowledge of the destination and a road map for getting there. However, the journey itself is taken step by step. And so it is with water reforms – there must be a long-term vision, but immediate attention must be on putting first things first – to sequencing and prioritization. The practice of (aborted) water reform by government agencies in Pakistan (reinforced by some of its external supporters) has often been to make everything (and therefore nothing) a priority, a criticism which has often been leveled at the “over-ambitious” National Drainage Project.

A relevant example of a principled but pragmatic approach to sequencing relates to that of “cost recovery” for irrigation services. Cost recovery is, of course, an appropriate aspiration, but it is almost never the place to start. Farmers will not and should not, pay for the costs of poor services which are delivered by inefficient and corrupt agencies. The first step must be to address the issues of

accountability and efficiency (as described earlier in this report). Once services are improved and there is trust in the service provider, then tariff increases to bring revenues in line with costs becomes possible. As described in the urban water supply example in Guinea, Africa (Figure 80), public funding will generally be necessary, on a declining basis, to “finance the transition”.

Rule #7: Be patient and persistent

Water reform processes are never short, decisive affairs. A review of the experience of rich countries by the OECD¹⁶² shows that progress in water reforms takes place over decades, not years, and that even the most advanced of countries is only about half way towards the ideal forms of water management described in declarations of intent by the countries themselves and by the international community¹⁶³. Moving from, say, “30% okay” to “40% okay” over the course of a decade is a reasonable aspiration.

Rule #8: Pick the low-hanging fruit first – nothing succeeds like success

The world over, citizens are either concerned or skeptical about announcements of “reform”, with some advocating abolition of the word from the public policy lexicon. “By casting their agendas as reforms, political advocates don't aim to stimulate debate and discussion. They aim to suppress it. They aim to stigmatize adversaries as nasty, wrong-headed, selfish or misinformed. The trouble is that as a society, we need debates over principles and practicality. All reforms are not desirable, at least not to everyone.”¹⁶⁴

The corollary is that public support will only build if there are visible, tangible results from the changes which are advocated. The key is “show me”.

It certainly can help to show opinion leaders that these changes have been affected in other countries. The formation of the famous French River Basin management system in the 1960s was strongly influenced by the successful experience of the Ruhrverband, established in neighboring Germany in 1916. And the political leaders of the water reform process in Brazil ascribe high importance to a study tour of Mexico and Colorado at a critical time. But there is nothing like demonstration on home territory. And since changes are always difficult, it is imperative to start changes where conditions are propitious – where there is a real demand for change, where there are champions, and where it is possible to show results.

Rule #9: Keep your eye on the ball – don't allow the best to become the enemy of the good

Almost any progress is progress worth making, whether or not it measures up to some abstract global notion of “excellent”. The idea that practice can go from terrible to perfect in one fell swoop is one that is attractive to outsiders and is sometimes adopted by financial agencies (so-called Volvo instead of Volkswagen standards¹⁶⁵). But it fits poorly with the one-step-at-a-time gradualism which characterizes water reforms, everywhere.

A good example of the “the best is the enemy of the good” rule at work is the justly-famous Indus Treaty, which has, since its inception, had its detractors in both Pakistan and India as “not fair”¹⁶⁶. Confronting the Pakistani detractors of the Treaty Ayub Khan gave advice which is relevant for all would-be water reformers: “very often the best is the enemy of the good and in this case we have accepted the good after careful and realistic appreciation of our entire overall situation..... the basis of this agreement is realism and pragmatism....”¹⁶⁷

Rule #10: There are no silver bullets

The challenges which Pakistan faces in water management are environmentally, socially, and technically complex. There is a justifiable, human fantasy that there is a single “silver bullet” which will “solve the problem”. In some parts of the Pakistan water establishment today there is still faith that the old remedy – more dams, and variants of this – will solve all water problems and should be given near-exclusive priority.

What is clear is that the most effective responses to the water challenges in Pakistan are going to vary very widely and are going to require a host of interventions, of all different scales. As suggested by the “Stages of water development” in Figure 19, the major instrument is not going to be infrastructure alone, but management supported by both old and new types of infrastructure, large and small. “Management” is going to mean systemic sets of legislation, capacity building, organizational change and the use of entitlement, pricing and regulatory instruments. And it is not going to be the task of government alone, but concerted and reinforcing actions by a host of stakeholders. But that there were a silver bullet!

Rule #11: Don’t throw the baby out with the bathwater

A corollary of the previous rule is that there is a tendency when the silver bullet does not work (mixing metaphors badly) to throw the baby out with the bathwater. Dams (or the NGO-preferred supply-side alternative, rainwater harvesting) are propagated with missionary zeal, and when they do not deliver communities to the promised land, they are stigmatized and it is argued that they should no longer be part of the “toolkit”.

Take the example of dams. There is an energetic and resourceful anti-dam lobby in Pakistan. Spurred by legitimate issues such as the lack of trust in administration of the Water Accord, and the effects of ever-greater water abstractions on the people of the Indus Delta, and pulling in a host of historic unrelated grievances¹⁶⁸, these groups (working together with international anti-dam groups) have identified a new dam on the Indus as the greatest curse that could befall the people of Pakistan in general and Sindh in particular.

Take another example, that of Water Users’ Associations. The idea of WUAs transforming irrigation services has been, and is, a powerful and persistent one, despite mounting and long-standing evidence that reality is a bit more complicated. Similar evidence from around the world notwithstanding, the idea has had remarkable staying power in the global water community, again, “because of their power as narrative, these accounts are rather invulnerable to empirical evidence”¹⁶⁹.

For some the case is clear: the idea of WUAs is partly a cruel trick played so that the more difficult issues – of real reform of the irrigation agencies and the ceding of enforceable water entitlements – can be avoided. But the fact is that organized farmers do play a role in all successful irrigation schemes throughout the world, but only as a part of a set of reinforcing instruments, which always include water entitlements and accountable service delivery agencies. The WUAs should not be thrown out with the bathwater but propagated as part of an overall reform package. The distinction between necessary and sufficient conditions for progress is a vital one.

Rule #12: Reforms must provide returns for the politicians who are willing to make changes

Politicians may not be the most revered figures in Pakistan (or elsewhere), but it is they who are “in the game”, who are elected to make crucial tradeoffs, and who have the critical role as judges and

champions of reform. A discussion with politicians who have led water-related reforms throughout the world¹⁷⁰ found general agreement in a “rule” that: “If it is to work, water reform must be good politics”.¹⁷¹

The bottom line is that an essential element of any reform program is that must be viewed as a “good thing” by sufficient numbers of people that they will consider voting for the politician who championed the reform.

There are two important riders to this “rule”. First, it is often quite difficult to judge how actions relating to water are being received by citizens. For example, consider the conclusions of a recent book on how environmental reporting is done in the English-language and vernacular press in India. Anyone reading the English language newspapers of India would perceive that the Sardar Sarovar Project on the Narmada River is almost universally opposed. However, a detailed analysis of press coverage by Sussex University¹⁷² showed that the picture was considerably more nuanced.

“Environmental debate in India is governed by the language in which it is presented and understood. The message coming out of India, most likely to be heard by the developed world, comes out of its English language media, representing just 2% of the population. This elite group has adapted a pro-environment stance and is more likely to protest against new dams.... But inside India, the far bigger local language media representing the vast majority and poorer sections of society are expressing the heart-felt cry for development”

Second, and related, is the fact that on any reform proposal there will be a cacophony of voices. “Sometimes I feel as if there’s a completely false assumption that if only you talk to everybody you will get an agreement. Only on a very boring issue or in a very boring country would you find that. To my mind the debate Does not eliminate the need for political risk... At the end the government has to take the risk”¹⁷³ In short, while all voices must be heard, much greater weight must be given to the voices of those who have responsibility and face the voters and less weight to those who are self-appointed or who represent small special interests.