

Public participation in water management: what is known and what needs to be done / **evidence from privatization cases**

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Scientific question - **Why privatization of local public services has increased in the last quarter of the 20th century?**

This research line started (in Spain) with:

Martínez Rodríguez, J. (2003) – water services
Bel & Miralles (2003) – waster collection serv.

Bel (2006)

Bel & Costas (2006)

(**) Bel & Fageda (2007, 2009) – surveys

Methodological innovations: to consider the **temporal dimension** or **different variables to capture ideological attitudes.**

Theoretical framework

- (*) Theories of public vs private interests
- (*) Industrial organization
 - Property rights
 - Transaction costs
 - Incomplete contracts
 - Agency Theory

Empirical models have tested

- (*) Fiscal restrictions
- (*) Economic efficiency (cost reduction)
- (*) Political processes
- (*) Ideological attitudes

Mildred Warner's thesis: the social choice theory

Privatization wave of public services in the last quarter on the 20th century had a previous theoretical influence – **the Public Choice Theory**.

After more than 25 years of local public services privatization experiments it seems that the results have not met expectations ([González-Gómez et al 2009](#); [Ruiz Villaverde et al, 2015](#)):

- impact on water prices;
- questionable potential cost savings after privatization;
- deterioration on quality;
- and also the questionable *part-privatization* as a solution of the above limitations.

According to [Warner \(2008\)](#) for the particular case of the US, privatization peaked in 1997 and today there are more instances of remunicipalization than new cases of outsourcing.

Mildred Warner's thesis: the social choice theory

Likewise the Public Choice theory could have a significant influence on the privatizations occurred since 1980s, [Hefetz & Warner \(2007\)](#) and [Warner \(2008\)](#) have proposed that behind the remunicipalization cases it may have been theoretical paradigm shift – the **Social Choice theory**.

- (*) competitive market orientation alone is not enough for efficiency and equity.
- (*) this approach transcends of the dichotomy between markets vs. planning
- (*) therefore, is based on **the importance of deliberation**, especially in situations where there are significant conflicts of interests.

The main challenge of this theory **is creating the right context in order to take into account citizens' opinions** while developing the political capacity to detect possible differences of interest and identify solutions that do not divide the community.

~~Thus, this is the **research line**: how can we introduce effective Public Participation into water services management?~~

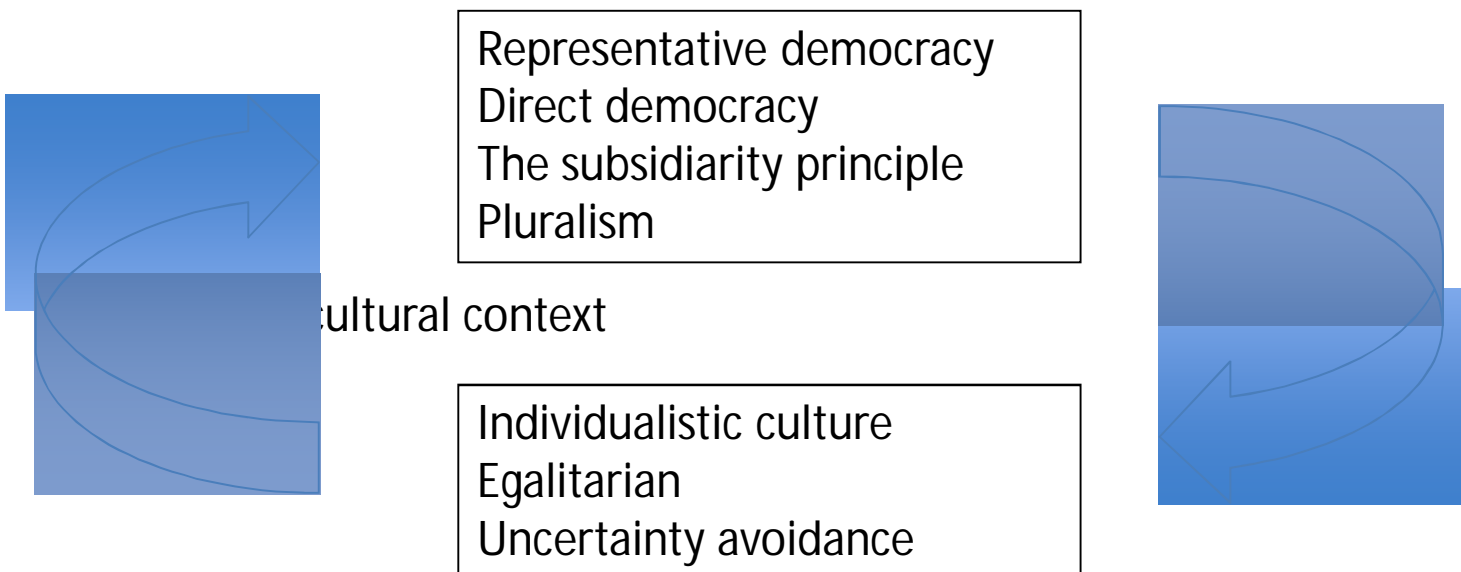
Public Participation: a theoretical approach

In this section we have followed [Mostert \(2003\)](#) – for theoretical aspects.

Definition

Levels of Public Participation (PP)

The type of democracy



Representative democracy
Direct democracy
The subsidiarity principle
Pluralism

Cultural context

Individualistic culture
Egalitarian
Uncertainty avoidance

Review of international studies on Public Participation

The **European Water Framework Directive (WFD)** has revolutionised water management and opened the door to a tendency of democratic intensification by including varying degrees of public participation.

The main idea of this section: to get important lessons from published studies on this issue.

- (-) The intention is not so much an exhaustive record of the experiences of participation.
- (-) It is rather to select cases from those available, those which can be paradigmatic and allow us to build a certain type of experiences.
- (-) This makes it possible to see the prevailing trends and characterise their strengths and weaknesses, in order to draw some important lessons in this regard.

Review of international studies on Public Participation

Some important lessons from the review

(*) For example for the case of Sweden – Citizens perceived that their contribution to the process of deliberation was not very relevant. They believed that experts in the field should better address environmental problems related to water management ([Josson 2005](#));

In this vein, successfully promoting management participation is dependent not only on the existence of viable local initiatives elsewhere, but also on the degree and scope of local participation in relation to WFD implementation by Swedish authorities ([Andersson et al 2008](#)).

(*) A very interesting case is England and Wales (privatized model) – although there are many forms of participation (i.e. voting, WaterVoice, annual meetings...etc.). Water users are not powerful at all ([Page & Bakker 2005](#)). Providing public participation is limited to 'back room' lobbying or mere consultation then users will remain on the side lines of decision making.

Etc.

Evidence for the Spanish case

We are working on that now – following two considerations:

- (1) The experience of Public Participation on river basin management under the WFD.
- (2) The experience of Public Participation at the local level – in particular with privatization and remunicipalization cases.

Future research lines

From my personal point of view, Public Participation can be addressed by two different approaches:

- (1) Multicriteria analysis methods – e.g. AHP or ANP.
- (2) **Behavioural economics** – experiments in order to find out the main incentives to participate in water management.

Thank you very much for your
attention!