

International EWUM Seminar

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Opening Up the Black Box of the Regulatory
Discourse: Exploring Subjectivities on Local Water
Services among Public Officers in China

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Outline

1. Introduction
2. The role of ideas and discourse in the regulatory process
3. Data collection and analysis
4. Discussion of the results
5. Conclusions

1. Introduction

The argument that “Water is what we make of it” (Linton 2010) suggests that ideational constructions are no less important in water resource management than geo-physical conditions and constraints.

Ideas on water resource management and regulation are important to shape regulatory institutions and practices: e.g. ideas on integrated water resource management, water sustainability, water scarcity and security, water privatization and re-regulation, etc.

What ideas about water utilities management and regulation do public officers hold, and how can we access these ideas?

2. The role of ideas and discourse in the regulatory process

Ideas are generally treated as epiphenomenal in theories of regulation, of both public interest and private interest (capture) approaches, while they are more seriously considered in post-positivist and constructionist perspectives.

In the study of public policy, several scholars grant an important role to ideas as basis for persuasive argumentations (Majone 1989), discursive performances (Schmidt 2002, 2010, 2011), and agency (Cohen 1999; Fisher and Gottweis 2013).

What ideas are, how we can collect evidence about them, and how they matter in the policy process are not too deeply theorized, however.

3. Data collection and analysis

We explore ideas on water utilities regulation held by public officers in China through combined questionnaire and Q method surveys.

China context includes the gradual and managed transition from centralized planned economy to a market-oriented economy, where public officers became increasingly exposed to neo-liberal ideas.

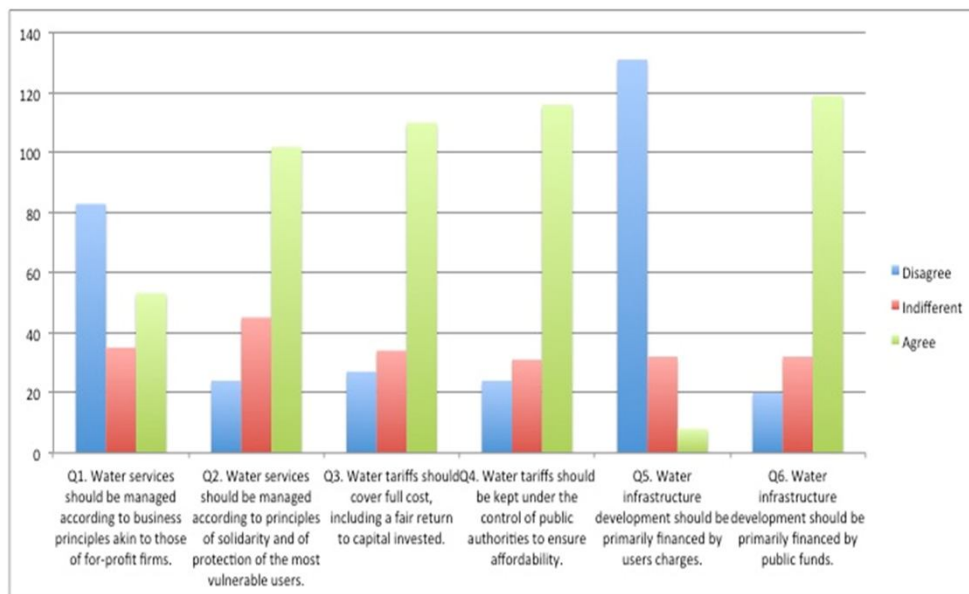
China context also includes growing concern with issues or rapid urbanization, industrialization, agricultural demand, environmental degradation, climate change threats, in different ways across the country.

3. Data collection and analysis

- Questionnaire survey (171 respondents) among local public officers in selected China provinces
- Online Q method survey (69 respondents) among local public officers in selected China provinces
- Q sample included 30 sentences about how water utilities are and should be managed and regulated
- Q sorts were subjected to centroid factor analysis and varimax rotation, resulting in 5 factors

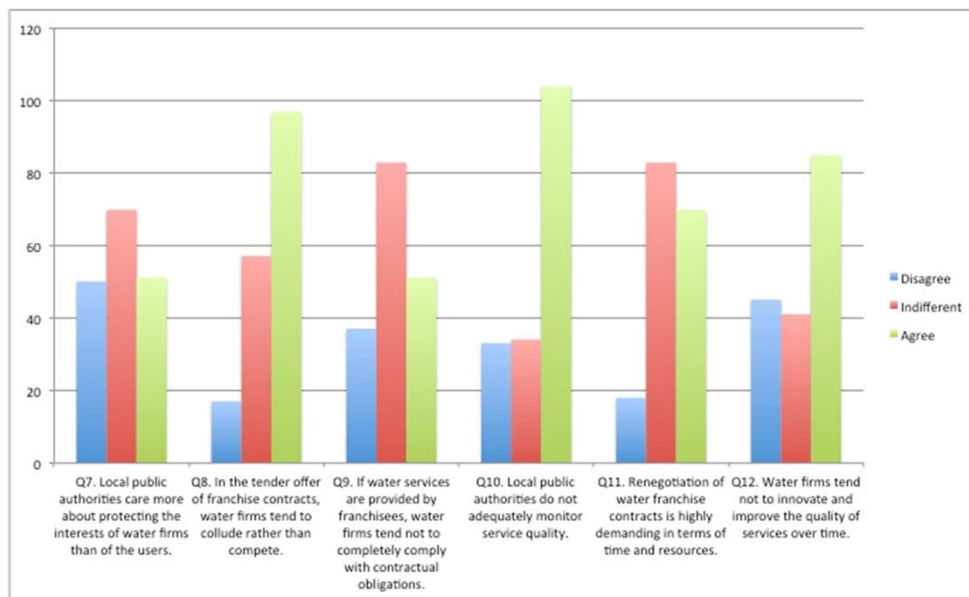
4. Discussion of the results: the questionnaire survey

Normative claims on water regulation



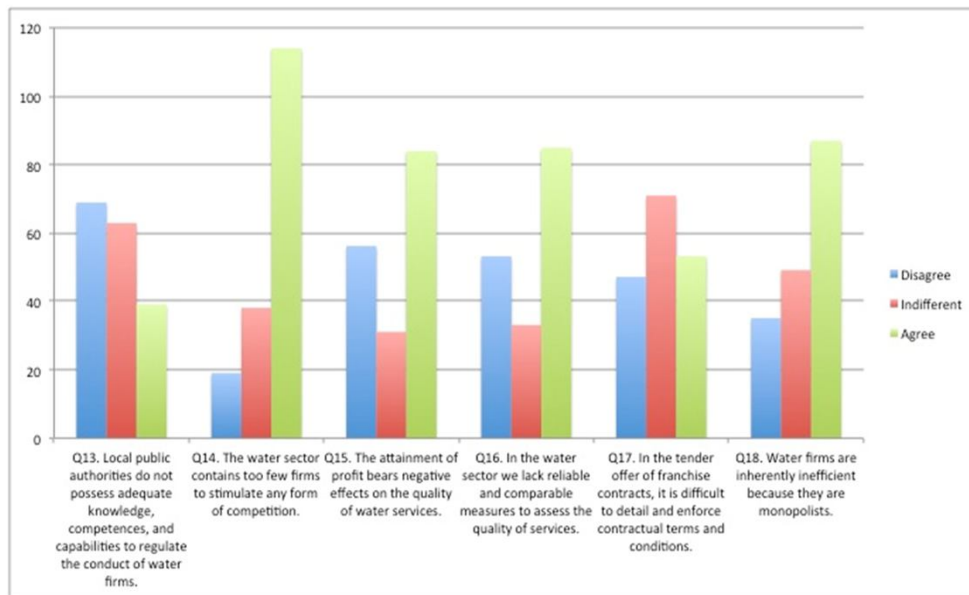
4. Discussion of the results: the questionnaire survey

Procedural features of present water regulation



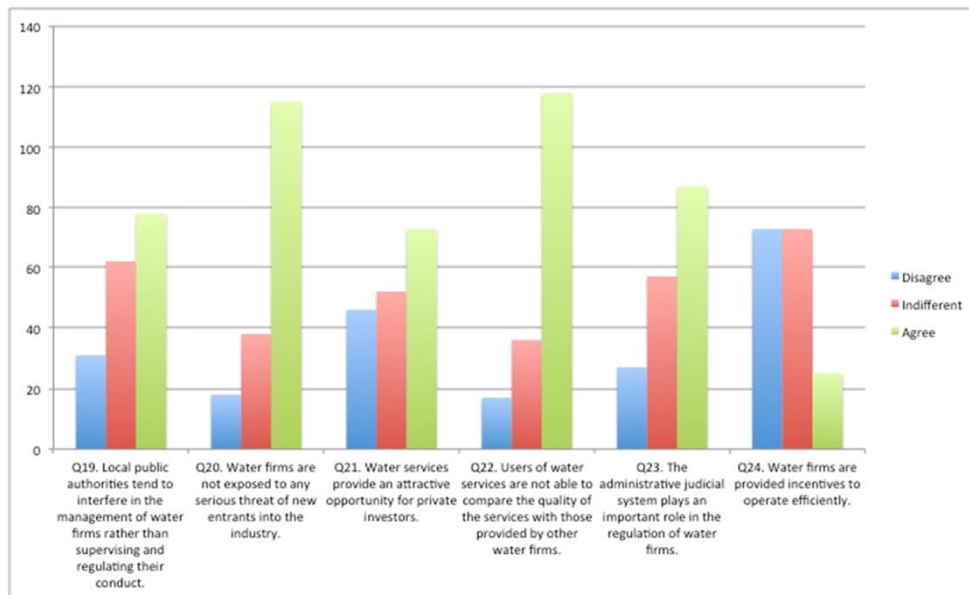
4. Discussion of the results: the questionnaire survey

Initial conditions of present water regulation



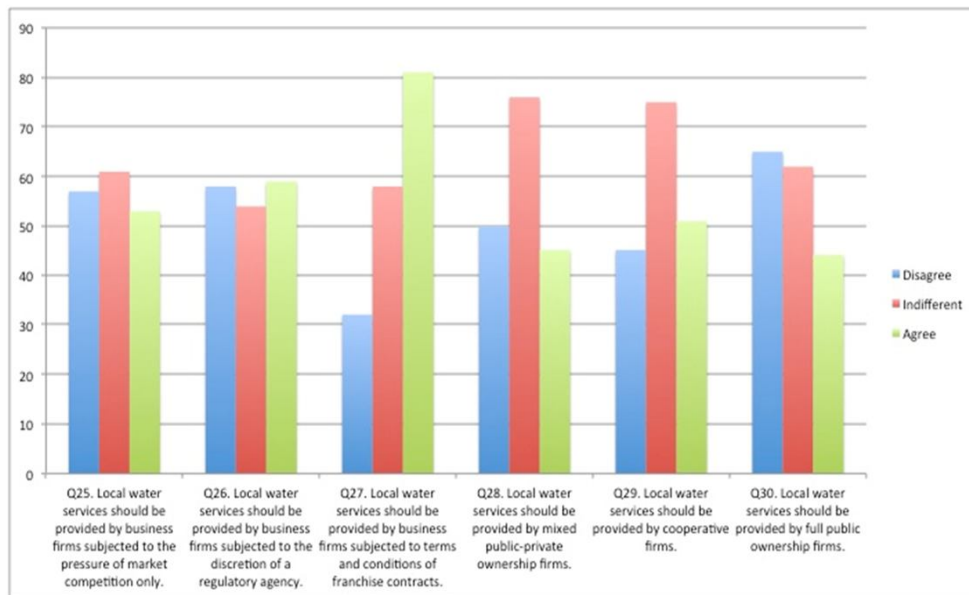
4. Discussion of the results: the questionnaire survey

Context conditions of present water regulation



4. Discussion of the results: the questionnaire survey

Design principles of water regulation



4. Discussion of the results: the Q methodology

Factor 2: A view in favor of public ownership and control

Water infrastructure development should be primarily financed by public funds (Q6) and local water services should be provided by full public ownership firms (Q30)

Water tariffs should be kept under the control of public authorities to ensure affordability (Q4)

Water services should be managed according to principles of solidarity and protection of the most vulnerable users (Q2)

Water tariffs should cover full cost, including a fair return to capital invested (Q3)

4. Discussion of the results: the Q methodology

Factor 3: A view in favor of business and market orientation

Water services should be managed according to business principles akin to those of for-profit firms (Q1) and water tariffs should cover full cost, including a fair return to capital invested (Q3)

Water sector contains too few firms to stimulate any form of competition (Q14)
In the water sector we lack reliable and comparable measures to assess the quality of services (Q16)

Water services should be managed according to principles of solidarity and of protection of the most vulnerable users (Q2).

4. Discussion of the results: the Q methodology

Factor 1: A view critical of business and market orientation

Water infrastructure development should be primarily financed by public funds (Q6)

The water sector contains too few firms to stimulate any form of competition (Q14)

The attainment of profit bears negative effects on the quality of water services (Q15)

Local water services should not be provided by business firms subjected to the pressure of market competition only (Q25)

Water firms are not provided incentives to operate efficiently (Q24)

Water services should not be managed according to business principles akin to those of for-profit firms (Q1)

Water infrastructure development should not be primarily financed by user charges (Q5)

4. Discussion of the results: the Q methodology

Factor 4: A view critical of public authorities

The attainment of profit bears negative effects on the quality of water services (Q15)

Local public authorities do not possess adequate knowledge, competences, and capabilities to regulate the conduct of water firms (Q13) and they do not adequately monitor service quality (Q10)

Local water utilities should be owned by public authorities completely (Q30) or together with private investors in mixed public-private ownership firms (Q28).

4. Discussion of the results: the Q methodology

Factor 5: A view skeptical towards business and the market

Water tariffs should cover full cost, including a fair return to capital invested (Q3)

Water tariffs should be kept under the control of public authorities to ensure affordability (Q4).

In the water sector we lack reliable and comparable measures to assess the quality of services (Q16)

The water sector contains too few firms to stimulate any form of competition (Q14)

Users of water services are not able to compare the quality of the services with those provided by other water firms (Q22)

Water firms are not exposed to any serious threat of new entrants into the industry (Q20).

5. Conclusions

Evidence on ideas from local public officers suggest a very fragmented and nuanced understanding of water utilities management and regulation in China.

Affordability of water tariffs, full cost coverage, comparability of service quality, and measurement of service quality are prominent ideas among local public officers.

Open issue: can EU's experience with the implementation of the Water Framework Directive provide a source of policy tools and methods to assist China's reconfiguration of water utilities regulation and management?