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India's Water Worries and the Ifs and Buts of Water Privatization

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Abstract

While examining the idea and practise of water privatisation, this paper focuses on India. Here, the core purpose is to comprehend how the notion of water privatisation is linked to the issue of ownership. The aim, further is to examine what are the main concerns of India, when it comes to water privatization, and why.

The aims and guiding principles of privatisation differ from those recommended and emphasised by constitution, hence a discussion on this topic is central for contemporary India. It is crucial to determine if India can afford to adopt privatisation in the process of water governance given that the country is a socialist democracy with a written constitution and has practically no experience with water privatisation practises. This paper insists that such questions are important because they strive to discover and comprehend potential obstacles to the idea's execution and the reasons India should be most worried about them.

Keywords: Water privatization, India, National water policy,

Background

In primitive social systems, when social groups and communities held political authority, water management was supervised by the entire society with common interests. However, with the rise of a politically organized system called the State, the power to make choices was shifted to the institutions representing the State. The new structure gave the state the power to govern, distribute and redistribute basic resources like water. Significantly, the component of accountability is added to the states, which chose to function democratically. Here, the elected governments are responsible for the equitable allocation and redistribution of water resources. Although unchallenged for ages, sovereign control over water resources came under scrutiny in the 1990s, when the notion of liberalization was introduced, globally. Actually, at this time, the market's monopoly over the state's supremacy in the administration of water was justified. Water efficiency was also considered to be more important than water justice.

India cannot be an exception given the global nature of the influence; its perspective on the matter is particularly intriguing given the country's willingness to experiment with water privatisation in the twenty-first century. After independence, India approved of a mixed economy with a strong emphasis on the socialist economic model. The government established the public sector in the First Industrial Policy Resolution Act of 1956 to encourage income and wealth redistribution and to provide the essential infrastructure for economic growth. With balanced regional growth, job prospects were given more attention. The numerous regimes continued the tradition

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of socialist policies, which was shattered in 1990 by the global wave of liberalisation¹. Globally, this became a movement against the dominance of the state and called neo-globalizers that has changed the very idea of ownership.

Water privatization: The dilemma of Ownership

The principles of authoritative allocation of natural resources are related to the issue of determining who is and may be granted the right to distribute, manage and preserve scarce and life-sustaining resources. Fundamentally, this focuses on the question, which concerns establishing and justifying ownership with legitimate means. It intends to outline who will be benefited from whose ownership, under what circumstances, and what the consequences of that ownership will be. These sorts of questions deserve consideration because, in circumstances when a state is an owner, it is expected to acknowledge the community's interest in the citizens and give answering their requests a top priority. Since the state is intended to function in accordance with the desires and needs of the populace, ownership of the state is frequently seen as public ownership, which denotes-

- Ownership of the state as the representative of the public interest.
- People's participation in decision-making is justified and encouraged.
- Property under state ownership is public property and hence it should be used for the public proposes.
- Unbiased and equal allocation of valuable resources.

Unlike public ownership, it is known as private ownership, which seeks to maximise surplus values and advocates for minimal state, in contrast to the notion of public ownership, where choices may be made for the benefit of a select few. The concepts and justifications for private ownership are referred to as privatisation in theoretical and institutional discourse. The Florida House of Representatives Committee on Governmental Operations has provided a clear definition of the term and idea of privatisation. Privatization was defined with multiple understandings, which include:

- Engaging the private sector to provide services or facilities that are usually regarded as public sector responsibilities. It includes all those functions which are otherwise supposed to be performed by the state as the highest power holder in society.
- It is a process of shifting ownership from publicly to privately produced goods and services.
- It involves all those activities that are transferring government functions or assets, or shifting government management and service delivery, to the private sector.
- Attempting to alleviate the disincentives toward efficiency in public organizations by subjecting them to the incentives of the private market. Using the private sector in government management and delivery of public services.

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Why question of water ownership is sensitive?

Concerns over water resource availability and accessibility are linked to the ownership question. It is realized that the only naturally occurring resource that is essential to existence but whose supply is unpredictable is water, significantly, the phenomenon is global. According to a World Bank study, 43 nations and 780 million people worldwide are experiencing water stress as a result of water shortage (see web.worldbank.org/website). Most regrettably, not everyone has access to clean water. According to the World Health Organisation (WHO), just slightly more than 50% of people on the planet have access to tap water in their homes or yards. Additionally, just 33% of them have "improved water supplies." U.S. Intelligence study warns of global water tensions that are transcending boundaries and might take a deadly form in international relations as a result of the unequal supply of water (The New York Times March 22, 2012). According to data provided by the US Geological Survey (www.usgs.gov/water/), there is only .77 cubic metres of freshwater that are readily available on Earth (including groundwater, lakes, rivers, etc.). With the development of new technologies, more water is being used in more industries, not just in municipal or agricultural settings. The following graph displays the typical water usage in a developing nation.ⁱⁱ

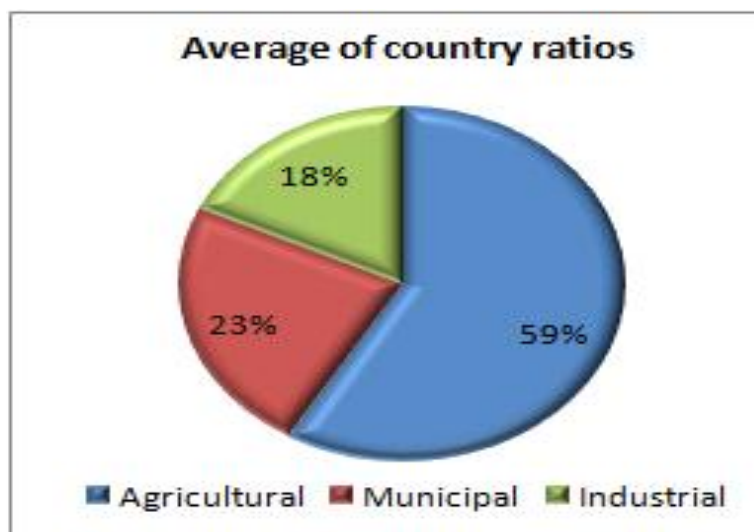


Figure 1: Source; google water uses map

Figure 1 shows that, although actual utilisation varies from nation to country, the water is mostly used for agricultural reasons. Since there are regional limitations on the supply of water, it is crucial to be aware of and take these variances into account when considering whether to privatise water resources. It is a reality that if this situation had not been handled with fairness, the lack of access to or supply of water may have resulted in societal unrest and perhaps a water war, as reported by Shiva (2002) and Iyer (2002 and 2007). Water pollution and the population's uncontrollable growth will certainly exacerbate the issue; thus, it is important to properly address the topic of who should be in charge of water administration.

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India's water situation and expectations

Alike other countries, the water situation is grimmer in India in 1951 the average water availability in India was 3450 cubic meters per person per year, which reduced to 1545 cubic meters as per the 2011 census. In the given reality, India has a bigger obligation and has to –

- Fulfill the biological, cultural, and developmental requirements of the various societies, the structure of which is different from state to state.
- Repair and prevent past water injustices that were practiced in some cases, in the absence of the commitment to water equality in all situations.
- Maintain water resources with the fact of population explosion.
- Stratify appropriate requirements of various sectors.
- Minimize the regional water differences and establish a water federation, where states are sharing and using water with equality and treating water as the right of the commons.

India's greatest challenge is figuring out what it can do in the given situation. India's state-administered water management systems are regularly criticised as being ineffective, hence there is a great possibility that India may go towards privatisation. The most recent national water policies, created in 2002 and 2012, show signs of the same problem.

India's Stand on Water Privatization: Initiatives of National Policies

The liberal economic policies in place at the time in India ignored the constitutional socialism that had been established at the time. Although the public sector began to be privatised in the mid-1990s, the privatisation of water was seriously explored under the 2002 New National Water Policy and again in the 2012 New National Water Policy. The National Water Policy of 2002 (hereinafter NWP) was the vision of the Atal Bihari administration, Iyer (2007), while assessing this policy document, insists that the presented plans and strategies are essentially the first step toward water privatization. He claimed that the notion of water management, as it is presented in the policy language, appears undecided over whether or not to treat water as a commodity. The policy prioritises market rights over water, which means that individuals who cannot afford to pay the market price for utilising water may not be allowed to possess or use it.

The UPA-3 administration, led by Manmohan Singh, has further cemented the concept. Since the main sections of this document urge for privatisation and private sector engagement, the NWP of 2012, as argued by Iyer (2013), has greatly promoted the private sector. In order to do this, the text specifies that wherever the State Governments or local governing bodies so determine, the private sector may be invited to join the public-private partnership model as a service provider in order to fulfill the agreed-upon requirements of service delivery, including any associated consequences for failure.

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Water Privatization in India: The major threats

Since India is a constitutional democracy, the union and state governments' concerns should be grounded on the principles of justice and equality. This calls on the governments to take into consideration the needs of the people while making and executing decisions and to do so as effectively as possible. The need for sensitivity in water governance procedures is greater since India's water diversity is problematic in many ways, creating an unintentional divide between those who have access to water and those who do not.

Giving the private sector control over water governance raises serious concerns that it may make matters worse for those who lack access to clean water. The sensible attempt to privatise urban water delivery systems in developing nations like the Philippines' Manila, Bolivia's Cochabamba, and Argentina's Buenos Aires has failed, warning the world's emerging nations of new, unidentified dangers. Water scarcity in these nations has become increasingly confusing and disorganised as a result of a mix of water deficit and privatised water service practises. Water experts worry that privatising water in India would have unintended repercussions that go against the spirit of the constitution, which guarantees justice for all under all circumstances.

Social activists, therefore, began to demand water democracy in stark contrast to water privatisation. According to them, privatising water has led to new tensions and the emergence of new class identities based on the amenities that individuals may use (mainly Shiva (2001), Bakker (2010), Asthana (2009)). Water availability has become a game as a result of water privatisation. It has two cultures living side by side, one with access to an abundance of water and the ability to abuse it, and the other forced to go miles or wait in queue for hours just to get a little pot of water, which is still not a peaceful situation. A fundamental question is how a person can feel treated equally as a member of society under these circumstances.

Water scarcity produces new power structures that endanger the lives of those who lack access to it. According to Vandana Shiva (2001), privatizing water would lead to a democracy where water rights are sold by the underprivileged (of their own volition) and purchased by the wealthy at their own expense. Against water privatization, her arguments are many, she insisted that -

- The private sector, which owns water privately, would establish a water bank where they could store water and lend it out at a profit. Water would then become a privilege rather than a right. By establishing private ownership in natural water resources, collective or state ownership is replaced with a collection of individual and district owners, which raises questions of equality regarding the equitable distribution of the resources. Placing each interest would be difficult and would cost more than the anticipated return if the group is larger and if the policy requires a wider agreement, as it does in a democracy (Griffenr, 2006). Privatization arguments have been based largely on the poor performance of public–sector utilities. Reasoning gets wrong conclusions as the full capacity of government is not calculated in the light of accountability.

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- The lack of appropriate accountability is giving people a false impression about the performances. Even by making the authority and responsibility more clear, water management in the public sector can be improved.
- As the authority allocation needs to be redefined, the government will have to deal with new issues that may be even worse than before. This will be extremely expensive.
- The battle for ownership would be won by the industrialist rather than the farmer. Without enough water, how will farmers be able to grow their crops?
- With the collapse of agriculture, more people go hungry. What parts of machinery made by large enterprises will India use? Household use is undoubtedly impacted.
- If rich, they would automatically own the rights to any positive health
- Water's quality won't be maintained for the general public, driving up costs
- Only those who are not have nots would have access to high-quality water services.
- Water profits will come at the expense of water rights. That will create a just society.

Since local governments have once again taken control of water services in many nations, including those in the global North, water scholars and activists appear to be concerned about how India's unorganised private sector will handle the idea of water privatisation.ⁱⁱⁱ The municipal system in India has weakened as a result of less public investment, but privatisation of the system is not the answer because it will be impossible to demonstrate the effectiveness of the move given the diversity of Indian society. This further contends that a public-private partnership is only valued when a subject is not immediately relevant to daily life. Water would no longer be considered common property as a result of its commodification; instead, it would become a "tragedy of the commons" that would be the tragedy of free access (Turner, David, & Ian, 1993). The interests of the poor are undermined by the 'Pay more, get more' mentality that is pushed by water privatization. This needs to be reorganised in line with the water democracy concept, which highlights that protecting water is essential for the public's benefit and not for profit..

Conclusive remarks

Privatisation, a component of liberalism, is a representation of the rights and freedoms of the person, which place restrictions on how far a state may function. Liberal principles are well received in developed nations because they promote economic prosperity. However, it is noted that the liberal management style fails to reduce the gap between wishes and necessities within the virtue of progress. A democratic state is the greatest representation since it is a truth that resources like water require public action. India should be more cautious when it comes to water privatisation since, as a constitutional democracy, it is required to uphold several commitments with few resources. Since water availability in India is unpredictable

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and its uses are highly varied, a prevalent concern is that water privatisation in India may reduce people's willingness to tolerate water consumption. Significantly, caste and class divisions may also result in harmful effects. Sadly, India has a long history of caste-based privatisation of water, if not for profit. Therefore, it is inappropriate to say that water privatization is occurring with the national water policies drafted respectively in 2002 or 2012.

Now is the moment to acknowledge that the incorrect water policies would separate "we" from "they". While "they" have amassed privileges, we have been treated unfairly (Shiva V. 2002). It is to think if India as a federal national with multiple diversities is ready to handle the new challenge.

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ⁱ The complexity of the state's operation has been seen to expand with the emergence of new social and economic systems. As a result, the necessity for collaborative management is now more apparent than ever. The start of privatisation was sparked by this disappointment with the state-controlled economy. The United States of America's privatisation in the early 1990s shows anticipation. It was suggested that in order for the government to operate effectively, some of its functions should be given to the private sector. It was stated that the private sector, aside from tax obligations, can even have a significant impact on public life.

ⁱⁱ Aggregate is shown as per the personal calculation given on different websites.

ⁱⁱⁱ Published in "The Hindu" as editorial on 4th Feb 2012, with title "Let Water, not profit flow".