



New management and organizational arrangements: A general framework

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Role of government in development

1940 – 1979

government as the prime driving force

too capital-intensive technology

too rapid rural-urban migration

urban wage >> rural income

urban unemployment and underemployment

getting prices right (reduction of subsidies)

1979 – 1996

government as low profile actor

general slowdown in the world economy

getting prices right

trade is enough (“export-led growth”)

evil government (problem rather than the solution)

1996 - ?

government as strategist

strong government

Role of public sector

1940 – 1979

government as prime driving force

public sector as engine of economic growth

1979 – 1996

government as low profile actor

public sector as enemy of free markets and private enterprise
let the managers manage

1996 - ?

government as strategist

creation of a framework for private enterprise and individual initiative

public sector undergoes

- deconcentration
- decentralization
- debureaucratization
- deregulation
- global cooperation

Role of governments and public sector

Weak States are
one of the main impediments to effective governance

governments must strengthen their institutions and
structures



capacity-building



institutional reforms



reinforcing the foundations of professionalization

**Strong Strategic States and Professional Public
Service**

Water in the world

Fresh water resources → uneven distribution in time and space

Rainfall



main source for natural ecosystems

Renewable fresh water runoff and groundwater recharge → main source for human withdrawals

40,000 km³ per year

Renewable fresh water

Total (fixed): 40,000 km³ per year

3,800 km³ (10%) → withdrawals for human uses

2,100 km³ (5%) → consumption

The problem: not all renewable water resources are usable

Reasons:

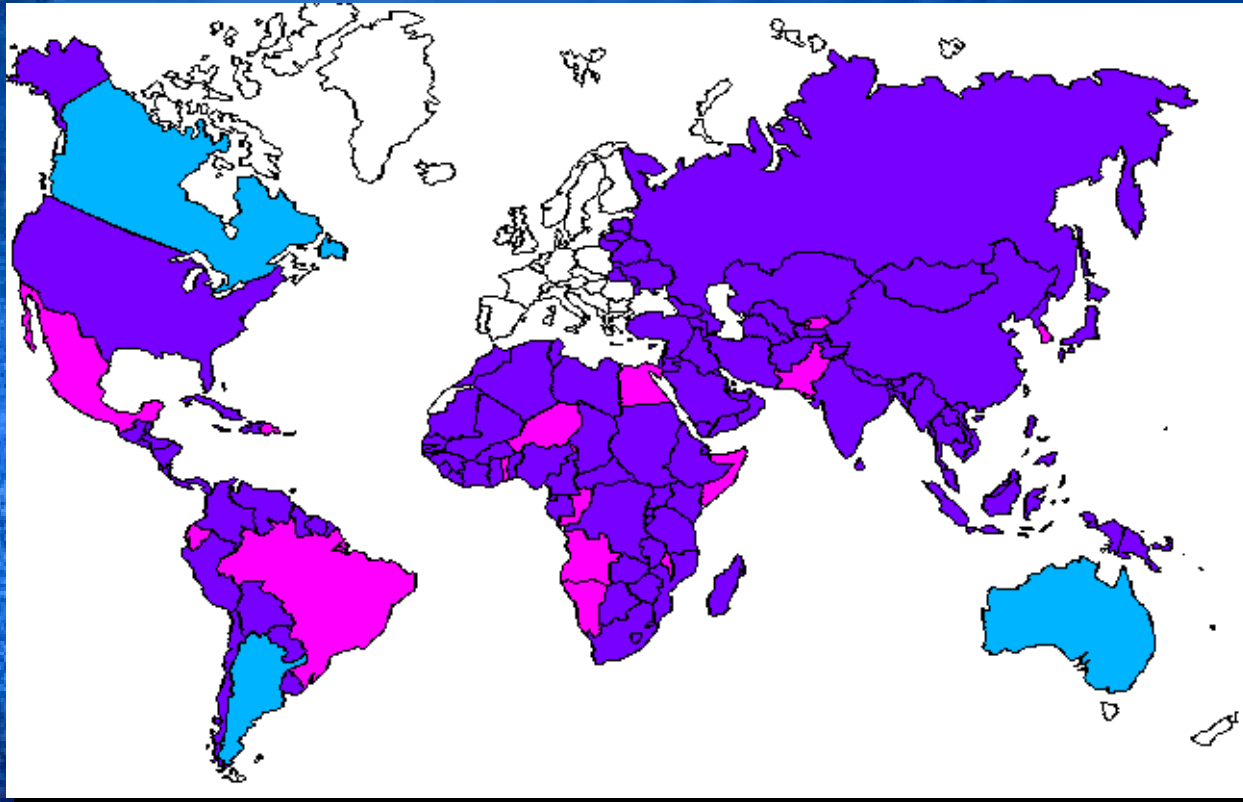
- Of global water resources, a large fraction is available where human demands are small
- Rainfall and river runoffs occur in large amounts during very short periods
- Withdrawal and consumption do not show the much larger share of water resources “used” through quality degradation
- Water not used by humans generally is used by aquatic and terrestrial ecosystems

Renewable fresh water

- During the 20th century the world population tripled and water use for human purposes multiplied by six
- Industry uses about twice as much water as households
- Far more water is needed to produce food and fiber and maintain the natural environment
- Providing **six** times more water now than a hundred years ago, has significant impacts on people and the environment

Today's water crisis is widespread

Water Institutions



 UNIQUE

 CENTRAL-PROVINCIAL

 SEVERAL

Water Institutions

- In most countries, water continues to be managed sector by sector by a highly fragmented set of institutions.
- This approach is not effective for allocating water across uses.
- It does not allow for the effective participation of stakeholders. Moreover, it is a major obstacle to integrated water resource management.
- Continuing current policies for managing water will only widen and deepen that crisis.

In fact, the biggest challenge in water resource management remains institutional.

Water Institutions

The main objectives of institutional initiatives are:

- **To address water as an economic good;**
- **To strengthen allocation capabilities;**
- **To increase the reliance on market forces; to revive the payment culture; to ensure financial self-sufficiency;**
- **To promote decentralized decision structure; and**
- **To encourage the adoption of modern technology and information inputs.**

The major thrust of institutional reforms within the water sector is to enhance the functional capabilities, operational strength, and institutional readiness to handle water challenges.

Water Institutions

- The key issue is no longer resource development and water quantity but resource allocation and water quality.
- The notion of water provision as a public good and welfare activity is giving its place to the concept of water as an economic good and production input in economic activity.
- The old development paradigm centered on centralized decision-making, administrative regulation and bureaucratic allocation, is fading fast to pave the way for a new paradigm rooted in decentralized allocation, economic instruments, and stakeholder participation.