Abstract

This paper argues that in the processes of global water governance, transnational policy networks play a significant role in defining spaces of engagement that privilege certain voices and versions. These networks produce narratives that not only convey storylines of sustainable water practices but also often have embedded within them the advocacy of a particular policy instrument that they intend to promote. What appears as knowledge is often structured towards the goal at which it is directed. Using application of private sector participation in water as an example from India, the paper explores how these power/knowledge regimes are established and supported and how transnational policy networks contribute to the change.
Introduction

Knowledge of public policy is socially relevant and forms an important agenda for the democratic functioning of a nation. In order to understand policy that so greatly affects and touches the daily lives of millions of people, it is important not just to know about public policy in theory but also to understand (a) the processes of policy-making and how, specifically, policies are negotiated and (b) why particular types of knowledge, practices, and values are established in policy. While the predominant area of theorization in public policy and water governance has focused on the linear model of planned intervention, there has been little theorization regarding the overlap of policy pressures associated with the sorts of complex, multi-scalar policy production processes and networks that have resulted from globalization and the rescaling of the state (Asthana, 2009). These policy-networks are bound by their discourses that highlight the ways in which particular uses of water come to gain legitimacy. My purpose in examining these networks is not to adjudicate or draw conclusions about how diverse objectives of market efficiency in water and justice can be best achieved. Rather, I aim to emphasize the contingency and mutability of positioning of actors, not as an outcome of unfettered individual choice, but as it is configured within the continuous interplay of culture, history and power.

The privatization of water is a keenly contested issue in an economically liberalizing India. Since the 1990s, large social groups across India’s diverse and disparate communities have been re-negotiating their cultural relationship with each other according to whether they support or oppose privatization water policy reforms affecting the urban water supply. It is therefore imperative to understand how particular ways of thinking about water gained ascendancy and came to determine the frame through which water is defined, measured, and tackled. The task here is to understand how political interests, policy entrepreneurs, and external factors led India to retreat from the implementation of vast bodies of regulatory controls and public management policies that have prevailed for decades and move toward a fundamentally different way of perceiving the role that government should play in the critical task of providing water to its population. This paper analyzes the role of transnational policy networks in determining the way water is positioned amongst these networks and how knowledge produced in the process became constituted as useful, hegemonic and legitimate.

Transnational Policy Networks

There is a growing convergence within the discipline of political science on the role and importance of transnational policy networks (TPNs) in global public policy. A variety of terms are used to address the actors that form the umbrella term TPNs including “international civil servants” (Weiss, 1982); “supranational bureaucrats” (Held & Keoning, 2004, p. 128); lateral bureaucrats (Shastri, 1991); epistemic communities (Haas, 1992); and transnational advocacy coalitions (Keck-Sikkink, 1987). TPNs form one of the mechanisms of global public policy whether they are addressed as partnerships or alliances or whether they refer simply to a forum within which to achieve a common goal (Stone, 2008). Global policy processes may look distinguishable from national and intergovernmental processes, but they remain deeply interconnected through these networks. Risse-Kappen (1995, p. 3) defines transnational policy networks as a group of public and/or private organizations in which at least one organization does not operate on behalf of a national government or intergovernmental entity. These networks have become an attractive approach for solving a number of public policy challenges in the context of globalization. They are the carriers of ideas, standards, and
policy practices. These actors within these networks are connected by significant levels of interactions across national boundaries and participate in policy design and implementation. Says Stone (2008), “Actors within transnational policy networks include various types of public and private organizations, including interest groups, subnational governments, state agencies, and international secretariats. Networks generally are grouped for a certain issue-area but may vary in their saliency during different phases of the policy process” (p. 6). This paper reviews those network processes that construct rationalities of how relations of dominance are structured and reproduced in implementing urban water reform. Water is the lens through which this examination takes place in a globalizing country like India, which serves as a microcosm for many developing countries in which neoclassical economics and liberalization policies are dominating planning and development issues.

**Theoretical Framework**

This paper draws on Foucault’s understanding of power/knowledge and discourse. According to Foucault, power is everywhere, embodied in discourse, knowledge, and “regimes of truth” (Foucault, 1991). These regimes of truth result from scientific understanding and institutions and are reinforced by political and economic ideologies, forms of media, and education systems. As such, power is constituted through forms of knowledge, scientific discourse, and truth. In turn, knowledge of “Policy” is informed by ideological considerations and often codifies morality by functioning as a Foucauldian “political technology,”[1] which masks the political origins of power and the relations of power that it helps to reproduce (Shore & Wright, 1997, p. 29). Political technologies, according to Dreyfus and Rainbow (1982, p. 196), are “[advanced] by taking what is essentially a political problem, removing it from the realm of political discourse, and recasting it in the neutral language of science.” This has important implications for the ways in which information and knowledge about water come to be represented in the global water governance process, which relies on the versions of experts, institutional networks, and techniques that create and define the category “water.” Drawing on this approach, this paper looks at how networks of power create and perpetuate a discourse about urban water policy and how this discourse is normalized in practice.

**Global Water Governance and TPNs**

Although the concept of global governance[2] is still being negotiated, there is general acceptance of the fact that global domains require governance—or the formulation and applications of rules applied by political institutions that aim to coordinate and control independent and interdependent relations. Such governance may be formal, informal, strict, loose, permanent, transitory, public or private. The recognition of water as an issue of governance was first stated at the Second World Water Forum in the Hague, in 2000. Water governance refers to the range of political, social, economic and administrative systems that are in place to regulate the development and management of water resources and provisions of water services delivery at different levels of society. One of the first efforts to internationalize water issues began with the Mar del Plata UN conference in 1977. This was followed by the Dublin Principles that set up an agenda for water to be governed on a global scale and where water was recognized for the first time as an economic good. The Global Water Partnership (GWP) Framework for Action stated that the water crisis is often a crisis of governance (emphasis added) that is characterized by a failure to value[3] water properly and by a lack of transparency and accountability in the management of water. The 2000 Hague Ministerial Declaration reinforced the view and called for the wise governing of water to ensure good governance and so that the
involvement of the public and the interests of all stakeholders are included in the management of water resources. At the 2001 Fresh Water Conference in Bonn, the ministers proposed that each country should (a) have in place applicable arrangements for governance of water at all levels and, where appropriate, should (b) prioritize and accelerate water sector reforms. The World Summit on Sustainable Development in 2002 endorsed the development of water management strategies at regional, national, and local levels that promote both equitable access to water and adequate supplies of water. It also mentioned that water privatization is the best way to tackle the developing worlds’ poverty and water delivery problems.

The process of the privatization of water began during the international debt crisis of the 1980s, during which structural adjustment programs of the World Bank (WB) and International Monetary Fund (IMF) forced developing countries to denationalize their public enterprises. By the 1990s, even the most essential public services like the provision of water and sanitation were brought under the purview of the neoliberal logic of privatization (Goldman, 2007). An era of global water networks began in the 1990s with the formation of the World Water Council, the World Business Council for Sustainable Development, and The Global Water Partnership in the 21st century. With the addition of the World Commission for Water, the goal of these networks became the integration of water into the new world economy. These water organizations or think tanks have a phenomenal degree of private sector participation in the creation, financing, and management of water. However, the multiplicity of these institutions masks the reality that water effectively remains controlled by a very small handful of influential corporations and the World Bank. Key officials of the Bank participate in these networks. European firms like Suez, one of the world’s largest water companies, the UN, and well-connected heads of think tanks and NGOs (like Water–Aid and IUCN, which share the Bank’s ideology) also form part of the network (Goldman 2007). The World Bank has played an important role in sustaining and constituting these networks at global policy forums. Training, seminars, workshops, education, and media dissemination of knowledge are key to the global water policy network in order to build a consensus on water policy reform. Some of the themes emanating out of these networks include (a) the agreement that there is a crisis in water availability and that the poor are the greatest sufferers; (b) the understanding that the lack of access to adequate water is often a result of poor management practices that must be corrected through efficient public private partnerships, with pricing and cost recovery as a key goal (c) the understanding that water is a public good, with social and economic value in all its competing uses and should be recognized as such, (d) an agreement that water development and management should be based on a participatory approach, involving users, planners, stakeholders and policy-makers at all levels; and, finally, (e) a consensus that integrated water resources management is based on the equitable and efficient management and sustainable use of water.

TPNs, Knowledge Production and Transformation of Water Policy in India

The pace at which neoliberalism circulated at a global level in the 1990s and the dominance that neoliberal ideology demonstrated over global markets had important consequences for water at the national level in India. The discourse of globalization asserted that water was to be distributed by mechanisms of the market. Wolf (2003) notes, “Over the last 20 years, no global water policy meeting has neglected to pass a resolution which, among other things, defines water as an ‘economic good’” (p. 174). While policy shifts towards the privatization and commercialization of water services in developed economies are often based on national decisions and regulations, developing countries are increasingly subject to international commitments compelling the implementation of privatization
measures. The IMF, the World Bank, and the regional development banks have played a key role in the restructuring of public-owned services, including the privatization of the water sector in low-income countries as a condition of loan granting and debt relief. For example, the IMF in India, for its part, wanted India, during its financial crisis in 1991, to undertake fiscal consolidation by agreeing to a set of terms that would go along with its stabilization and structural adjustment program, including the reduction of fiscal deficits, balancing of the national budget, cutting subsidies, and increasing food and fertilizer prices. In fact, the Indian national budget of 1991-1992 had to cut expenditures drastically, and the axe fell on both social sectors and capital expenditures (Nayar, 2001).

Until the late 1980s, the Central Government of India had allocated state support for water governance and considered urban water management and delivery to be solely the responsibility of individual states. Since the 1990s, as economic liberalization gained momentum, there has been a shift in the understanding of water management; water and its governance have become part of the national infrastructure, and the reform in water management practices with the help of the private sector is considered an essential component for national development and growth. This shift in policy has been a consequence of the multiscalar pressures exerted by TPNs. The following section discusses some of the major policy-networks and their role in the transformation of urban water policy.

The World Bank and other International Financial Institutions (IFIs)

With an extensive knowledge network in and outside of India, the World Bank emphasizes three strategic principles that underpin its work in the country: “(a) focusing on outcomes (b) applying selectivity and (c) acting as a knowledge provider (WB Country Strategy for India 2005-2008 in Dharmadhikary, 2008, p. 6). The Bank’s India Country Assistance Strategy, 2001 mentioned: The Bank Group will employ various tools to develop and disseminate knowledge: from short pieces of sector work to formal pieces of analytical and advisory work, technical assistance, conferences and workshops. Workshops and conferences, to be organized in collaboration with the World Bank Institute, will be used to facilitate the national debate on economic reform and to disseminate domestic and international experience. (World Bank, 2001, p. 44)

As a result of the Bank’s thematic and sectoral studies, conducted officially as Analytical and Advisory Activities (AAA), the World Bank, which had been the largest donor to India since the 1950s on different water projects, produced two reports on water use in India: the Irrigation Sector Review (1991) and the Water Resources Management Policy (1993). The reports highlighted that severe organizational and instructional problems persisted in India’s management of water despite the country having adopted the National Water Policy (1987). Realizing that project-by-project assistance did not work and that project-based loans had become simply an exercise in monetary disbursement, the Bank decided to switch from providing project-based loans to sector-based loans to help India better and more effectively manage the distribution of its water. The reports emphasized that water in India is a “scarce commodity” and argued that “the scarcity value of water” must be reflected in water policy charges. The 1993 report advocated for the reduced role of the government in water management and recommended that the government shift from being the sole provider and financier of water to acting as a facilitator, enabler, or regulator of water usage. The past failures of the state governments to adequately deal with the challenges of quality and quantity of available water only further highlighted the need for the very sort of new thinking that the Bank was prescribing: the implementation of “sustainable water resources management.” Proposing institutional strengthening and reorganization, the reports advocated a shift from a supply-driven approach to a demand-driven approach with an
appropriate framework to separate policy and regulatory functions from operations. The Bank advocated the need for change based on “poverty alleviation,” claiming that “the poor are much better off when water is managed as an economic good” (Briscoe, 1996, p. 3).

Another report Water Resource Management Sector Review was undertaken in 1998 and was the result of a partnership between the Government of India and the World Bank, along with the governments of the United Kingdom, Denmark, and the Netherlands (World Bank, 1999a, p. ix). Although called a “partnership effort,” it was an initiative of the World Bank as the synthesis report pointed out:

The review was commenced and sustained under the leadership of Heinz Vergin (Department Director), Robert Drysdale (subsequent department Director), and Edwin Lim (India Country Director); John Williamson (South Asia Chief Economist); Shawki Bargouti (Division Chief), succeeded by Michael Baxter and Ridwan Ali (Sector Managers-Rural Development) and Frannie Humplick. (World Bank, 1999a, p. x)

All the people mentioned above were World Bank officials. The overall team leaders for the mission and report preparation were also from the World Bank. The 1998 report recommended that the Indian government oversee water resource management, address current and future inter-sectoral needs, and provide support for the institutional development and reform of water management in a way that was consistent with the Bank’s policy. The Bank also put out a series of publications in 1990s that stressed the development of capital markets for resource mobilization, facilitating private-and joint-sector projects using Public Private Partnerships (PPPs) to enhance efficiency (“Reducing Poverty in India,” 1998; “India: Urban Infrastructure,” 1996, 1997; “Urban Water Supply,” 1998). The goal of the Bank was thus to reduce monopolies while supporting infrastructure development, particularly water market mechanisms.

In its assessment, the World Bank advocated for the “unbundling” (a term first used by neoclassical economists) of certain segments of Indian industry so as to permit authentic competition from alternative sources. The Bank endorsed the idea, saying, “By isolating the natural monopoly segments of an industry, unbundling promotes new entry and competition in segments that are potentially competitive” (World Bank, 1994, p. 53). All three reports compiled by the World Bank regarding India’s water management emphasized the need for reforms in the water sector to fill deficiencies, provide services, and improve the overall management and performance of the sector (Singh, 2004, p. 60). The experts who conducted these reviews were World Bank Officials, Bureaucratic officials from the Ministry of Urban Development and Ministry of Water Resources, or transnational consultants from different parts of the world that drew on their international experiences to justify a program that was, in essence, about the commodification of water.

Bilateral agencies like Department for International Development (DFID) of the UK, United States Agency for International Development (USAID) of the USA, Federal Ministry for Economic Cooperation and Development (BMZ) of Germany, and (OECF) Overseas Economic Cooperation Fund of Japan also moved into various water management projects and policy issues relating to the management of drinking water, sanitation, and irrigation in India at the national and subnational level. Couching their bids for involvement in the language of offers of technological assistance, these agencies continue to make inroads into Indian policy space to generate markets for the entry of their own multinational corporations under public-private partnerships. These agencies have worked toward providing market access for their domestic corporations to carry out studies to construct and operate water treatment plants (Shiva 2005). Most also provided consultants to assess the “efficiency” and “cost-effectiveness” of various water management schemes.
In 2001, another player, the Asian Development Bank another external agency (ADB), announced its water policy, which focused on expanding water services delivery through autonomous and accountable service providers, private-sector participation, and public-private partnerships. The policy aimed to reallocate water through “markets of transferable water rights” and stressed that the state governments needs to modify its role from “one of service provider to regulator” (ADB, 2001). Under its broad aim of “poverty reduction in urban areas,” ADB moved into the Indian states of Karnataka, Rajasthan, Kerala, Madhya Pradesh, and Sikkim through its country assistance plans, which intensified private sector participation. The process of introducing the state governments to the role of the private sector in water management continues at an unprecedented pace. Already some thirty cities in Maharashtra, Karnataka, Andhra Pradesh, and Rajasthan are bidding the management, treatment or distribution of their respective municipal water supplies to a handful of multinational corporations (MNCs) among civil society protests.

The Role of Public Private Infrastructure Advisory Facility

Another actor in the networks is the Public-Private Infrastructure Advisory Facility (PPIAF), a multi-donor agency managed by the World Bank that aims to help developing countries improve the quality of their infrastructure through private sector involvement. Among the different forms of assistance provided by the PPIAF, a category of assistance that it has provided for India has been “consensus building” (Dharmadhikary, 2008, p. 33), or the intentional spreading of a particular notion among local populations regarding management of water. The information was presented in a manner so as to build a form agreement amongst the populace of private sector involvement in water as a best practices case. Consensus building was to be achieved by (a) organizing workshops and other training programs for journalists in the environment, (b) creating PPPs, and (c) conducting public-sector reform, all of which was done in order to disseminate information about the relevance of the policies of the international financial agencies or other actors. One of the ways consensus building worked was through the launch of the Water Policy Reform Initiative, a major initiative where consultative workshop of policymakers and stakeholders were held on October 31, 2000, with a grant of US$ 520,000 by the PPIAF and US$ 430,000 from co-donors like the World Bank and the Swedish Assistance International (SAIN). The objective of the Water Policy Reform Initiative was to alleviate poverty by building consensus among the different networks in the national and state governments on water sector reform in India and to strengthen the capacity of decision makers and stakeholders to prepare and implement reforms leading to increased private sector participation in the water sector. The initiative also intended to (a) promote knowledge sharing on reform and institutional development for improved sector performance and, ultimately, (b) better meet the needs of the urban poor—through greater awareness of the rationale as a best practices case in such reform (PPIAF Report 2003).

To achieve these objectives, the initiative relied on three key elements:

1. Policy dialogue: This dialogue consisted of policy seminars for state-level decision makers and stakeholders focusing on the main barriers to reform. The goal was to promote consensus at the state level for policy reform, as indicated by the outputs and declarations produced by workshops, seminars, and presentations (Urban Water and Sanitation Sector Reform Workshop—Piloting Private Sector Participation in Mega Cities; Twelfth Urban Think Tank on Tariffs, Subsidies, and the Poor in the Indian Water Sector; International Conference on New Perspectives on Water for Urban and Rural India; Private Sector Participation in Urban Water and Sanitation Services: Managing the Process and Regulating the Sector).
2. Public Awareness: This awareness was generated as a result of information seminars for journalists and members of civil society, which were organized to influence public opinion, as measured by the number and quality of articles and other media reports following journalist workshops and the advocacy efforts undertaken by think tanks and nongovernmental organizations. The initiative organized “Running Water: A Dialogue for Journalists” to build an informed press to improve coverage of the water sector. A seminar organized on February 7-8, 2000 resulted in the publication of only success stories, presented from international experiences. Moreover, the report stated:

More than 200 delegates from Centre, States, municipal authorities, private sector and bilateral and multilateral agencies attended the seminar to discuss presentations on the international and Indian experience on the use of private sector to assist in the financing and managing of water supply and sanitation investments. Nearly 40 experts of international agencies/private operators attended the seminar. In fact, out of the total 134 participants, 44 were from state governments and municipalities, 27 from central government, 41 international and 22 from the World Bank. The program showed that over half the presentations were made by the private water industry and the World Bank. (Dharmadhikary, 2008, p. 35)

3. Knowledge product production and dissemination of knowledge products: To support the initiative, “knowledge product” was developed in the form of a series of tariff and subsidy papers and household surveys in selected cities. The papers were distributed to relevant policy makers, service providers, and other stakeholders in India and the rest of the region. These reports were posted on the Ministry of Urban Development websites for like-minded states and local utilities to have easy access to the information (PPIAF Report, October, 2003).

Through these workshops, dialogues, and publication of reports, the international financial agencies backing the Water Policy Reform Initiative were able to disseminate a particular form of knowledge that was targeted towards a specific goal, thereby feeding into the state environmentality and promoting a hegemonic form of knowledge about water. The most important achievement of the Bank during this period was the way in which it deepened its institutional understanding of the bureaucracy, polity, and biases that plague the political economy of water management at the national and sub-national levels. Understanding the political, socio-psychological, and cultural dimension of water in India, the Bank began to champion the cause of private-sector participation, albeit couched in the discourses of “crisis, scarcity, poverty alleviation, and statistics.” These discourses and internal liberalization measures in India led to the official publication of important policy documents regarding private-sector participation in the management of water reflecting a shift in the government agenda in the early years of the twenty-first century.

The Role of International Consultants

The other piece of the network in water knowledge production has been the role of international consultants on whom a lot of these external agencies, corporations and donors depend. These are highly paid people based on their “superior expertise but without any grounded knowledge of the local conditions.” These are groups of experts living in Geneva, Sweden, Washington, etc. Consultants hired by these international financial agencies conduct water sector reviews in India’s water sector, including project preparation studies, implementation studies, and research studies and
“surveys.” Consultants are used by the bank and other external agencies at every step of the knowledge creation process. Consultants generate the numbers and statistics to strengthen data to gain legitimacy for the approach of donor agencies and the state. “The [World Bank] thought that the important knowledge was ‘the brain on the plane’: the bank officer or consultant who flew into a country to give locals the benefit of their superior expertise” (Wolfensohn, 2003, cited in Dharmadhikary, 2008, p. 43). Major consultants working in the water sector in India include Price Waterhouse Coopers, (GKW), and Halcrow. Specifically, GKW, Trilegal, and Cure were hired by the Delhi Water Board for the Delhi Water Supply and Sewerage Project to draw up specific terms of contracts for private players and do a social and environmental assessment of the water supply in the city (Parivartan, 2004.) The Bank and the other donors have supported the justification of private sector participation by “research studies” and “surveys” conducted by these consultants who are commissioned by them and are highly paid by these agencies. For example in India, the reports conducted by consultants reaffirm water scarcity, inefficiency, cost recovery, poverty alleviation through private sector participation, and the effective implementation of water solutions at the local level in the state-backed consultancy-based projects. For example, in the case of the Madhya Pradesh Water Restructuring Project and the Delhi Water Supply and Sewerage Project, the Asian Development Bank (ADB) and the WB ensured that the consultants chosen by the states were those whose reports were in line with the Bank’s ideology.

**Actors on the National Scale**

The structural adjustment program of the World Bank and IMF as well as the political leadership’s questioning some of the earlier assumptions of economic development, initiated a process of critical thinking that led to an influential—even transformative—debate on development policy in India (Shastri, 1997, p. 3). While the transformation was not achieved under one administration, ideas, once introduced, assume power of their own, and find the conduits through which they can flow and gain momentum lasting longer than any one administration (Shastri, 1997; Nayar, 2001). Key constituents of the process of transformation constituted the so-called “lateral agents” in the economic process. The political environment in the mid-1980s provided the policy space for these “laterals” to come in and recommend that political incumbents adopt new ideas about different policy options. The laterals were primarily educated in the United Kingdom or the United States, had diverse career backgrounds, and maintained international networks. In spite of acting in an advisory capacity in India, they were and are constantly in touch with the international networks and institutions from which the discourses of liberalization evolved. In between their stints as advisors to the government, they attend workshops, trainings, and/or occupy positions in networks of neoliberal organizations like the World Bank, the IMF, the World Trade Organization (WTO), and Washington DC think tanks. These advisors were mainly appointed from outside the bureaucracy and brought with them a set of ideas from their own experience and from the neoliberal thinking that pervaded the networks in which they operated. These individuals forged the link between the space of the conference rooms of globalist entities/free-market think tanks in which these new ideas and interests were incubated and the space within the government where their ideas could shape the policy-making process and ultimately be implemented.

These policy advisors—also known as the “Change Team” (Waterbury, 1990, p. 191) and the “policy entrepreneurs” (Keely & Scoones, 1999, p. 21)—foraged the link between the adoption of new ideas and interests and the policy process through which such ideas could be implemented. Essentially, the members of this pivotal “Change Team” were able to see policy spaces opening up and respond to
“trigger” events or “focusing events” when they arose (Cobb & Elder, 1972; Kingdon, 1984); their role was critical to the process of knowledge production that actually began in the 1990s.

The Role of Change Team

The Change Team in India comprised both political and bureaucratic members, most of whom were either educated in the West or had gone on deputation posting and trainings and were exposed to Western ideas of liberalism and the market process (Shastri, 1997). Both the career politicians and lateral bureaucratic elites played a crucial role in the early phase of the liberalization process in India. The bureaucrats are generally politically insulated and not directly accountable to the electorate. Politicians and members of politics must normally face their electorates and, therefore, often claim to base policy announcements on controversial issues on the “expert opinions” of the lateral bureaucratic elites or “policy entrepreneurs.” Therefore, the bureaucrats were in a better position than the politicians to push policy reforms without direct confrontation from the electorate.

From their protected position, these elites were able to continue their work from Rajiv Gandhi’s administration: writing policy papers and committee reports detailing the sequence of the liberalization process, while political actors came and went in the aftermath of Rajiv Gandhi’s assassination in 1991. When Narsimha Rao became prime minister in July 1991, India was in desperate need of financial help, and a substantial loan was a matter of necessity rather than choice. In a strategic move, Rao appointed Man Mohan Singh, an outsider to the ruling Congress Party and a long-term critic of India’s export pessimism, as finance minister. His appointment was part of Rao’s strategy to demonstrate continuity with previous policy, as well as to inspire IMF confidence regarding India’s willingness and commitment to undertake structural adjustment programs (Dash 1999, 900). Singh’s reputation as a neutral and effective financial manager during his previous appointment as governor of Reserve Bank of India and secretary of Ministry of Finance had earned him respect from all political parties. Thus, in Rao’s calculation, Singh’s initiatives for economic reform would not be subject to immediate partisan pressure, giving the minority government a critical breathing space to mobilize support for the reform. Singh was also well acquainted with Michael Camdessus (Director General of the IMF), with which the Rao government was negotiating. Singh inducted prominent lateral Montek Singh Ahluwalia as his finance secretary. Both Singh and Ahluwalia planted “their men,” all of whom had extensive World Bank or IMF experience, in most ministries (Dash 1999, 900), and this move helped establish a technocratic alignment between Indian bureaucracy and international financial agencies—a crucial nexus in the network of liberalization advocates.

Prominent among the bureaucrats of the civil services who played a major role in the reform process were A.N. Verma, Abid Hussain, Gopi Arora, S. Venkataramanan, S. Ganeshan, and others. The foreign experiences and exposures of the bureaucrats in top positions in the West enabled them to critically compare India to other nations rather than comparing India’s present-day achievements to those of earlier decades. On the basis of their experiences abroad, they were able to apply a global perspective to the policy recommendations and frame new policies that arose out of a critical exploration of the process of economic development (Shastri, 1997). As a result, a consensus began to emerge within the bureaucracy that a liberalization agenda was imperative.

While there were many lateral advisors to the reform process, two prominent figures, Montek Singh Ahluwalia and Rakesh Mohan, are especially important in the context of economic liberalization processes and infrastructure development. Both held key positions in the World Bank and the IMF as well as in the finance ministries, planning commission, and the prime minister’s office and have
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chaired several committees since 1979. Rakesh Mohan chaired the Expert Committee on Commercialization of Infrastructure: For Growth and Welfare, whose scope included water supply and sanitation (1994–1996). This committee made strong recommendations for private-sector participation in water supply and sanitation due to inefficiency, lack of economic recovery, and poverty alleviation. Mr. Ahluwalia worked at the IMF before being invited by the Finance Minister, Man Mohan Singh (current prime minister) to join as Finance Secretary in his department. He currently retains the position of the Deputy Chairman of the Planning Commission under Prime Minister Man Mohan Singh, who is its chairman. It was during these developments that the National Water Resources Council in the Ministry of Water Resources met to review the National Water Policy of 1987 and adopted a new water policy for India in 2002 in view of the larger changes in the Indian economy. The 2002 water policy marked a departure from the 1987 policy in that it laid emphasis on the socio-economic aspects of water policy planning and the needs of the states. Changes in water policy reform seemed to be imperative. Narsalay (2003, p. 3) sums up the state of this reform process, saying, “Internationally, as ‘economies’ started eating into the space of societies and as different elements of the structural adjustment programs started gaining political acceptance as the only macroeconomic answer to achieve developmental goals, a strong political pitch started being made even in India with respect to issues in realm of ownership and rights, over natural resources including water.”

Role of Institutions in the State

With the National Water Policy in place, institutional networks like the Ministry of Urban Development (2002) went ahead in making major changes to allow 100 percent Foreign Direct Investment (FDI) in urban infrastructure projects. This investment included development of water supply sources, water distribution, billing, sewage reclamation and reuse, management of unaccounted-for water, manufacture of water supply equipment, and privatization of solid-waste management systems. The central government offered special incentives for investments such as exemption from customs and excise duties on imported machinery and exemption from all taxes for the first five years of water and sewerage projects (Rajamani, 2004). The government provided these fiscal incentives to encourage partnership with the private sector and attract foreign investment in urban water supply and sanitation projects. It further amended the municipal acts to enable urban local bodies to partner with the private sector and improve governance and management (Rajamani, 2004).

A series of reports, presentations, and bureaucratic trips to Washington DC followed, pursuing and advocating policies for public-private partnerships in water supplies and sanitation. India’s commitment to reaching the UN’s Millennium Development Goals by 2015 shows that estimated investments in water supplies would be approximately Rs. 96 billion (2015) and 258 billion (2025) (IAR 2002, 54). These statistics constitute part of the Planning Commission’s Report on India Assessment Water, funded by the WHO–UNICEF. That stated:

If India’s aspirations for continued economic growth and improved social and environmental conditions are to be met, fundamental changes in how water is allocated, planned and managed must occur. The currently ongoing reform process in Rural Water Supply and Sanitation and Urban water Supply and Sanitation and New National Water and Health Policies are important steps in the right directions. These should be sustained, and where necessary, augmented by further reform measures. (IA 2002, 11)

The report mentioned that the supply-side approach to water has resulted in major economic, social, and environmental costs and emphasized a demand-management policy. Highlighting the policy objectives of the urban water supplies sector, including universal coverage, adequacy and regularity of
water supply, and avoidance of excessive withdrawal leading to depletion, the report detailed the urban water problems that relate to cities in India. Poor quality of transmission and distribution networks, physical losses of water ranging from 25 to 50 percent, low pressures leading to back siphoning, which result in contamination, and water availability ranging from two to eight hours a day find mention in the report.\(^{15}\) The report’s recommended policy strategies included (a) decentralization, (b) corporatization and commercialization of existing institutions, (c) enhancement of technical and managerial capabilities, (d) the unbundling of functions of ULBs, (e) Institutional restructuring, (f) the changing the role of government from provider to regulator and facilitator, (g) appropriate forms of private participation and (h) public-private partnership in the form of service contracts, leases, and concessions, like Build Own and Operate (BOO), and Build Own, Operate and Transfer (BOOT), etc., to be facilitated, (i) water pricing based on volumetric pricing, and (j) the transition from state monopolies to competition (IA 2002, p. 56).

From global policy networks to national networks, a consensus emerged by 1998 among the political and bureaucratic elite for the need for Public Private Partnerships (PPPs). A working group with representations from select ministries and the Planning Commission was first set up in the prime minister’s office in January 2002. This group brought out a concept paper on PPPs in June 2003, leading to the Planning Commission’s report in November 2004. The report conceded that PPP is a relevant business model but maintained that such a model should be introduced in different sectors with adequate understanding (Report on PPP in Social Sector, November 2004, p. i). The report also emphasized that PPPs lead to improvement in both “efficiency” and “effectiveness” in services.

The Role of Businesses

Apart from policy entrepreneurs, a major actor in the network that supported a market mechanism in infrastructure development (in this case water) was the involvement and the support of the Indian business industry. At the Indian Economic Summit in New Delhi, held from November 27 to 29, 2005, the Indian Business Alliance on Water (IBAW) was launched with the support and partnership of the Confederation of Indian Industry (CII), the United Nation Development Project (UNDP), the United States Agency for International Development (USAID), the World Economic Forum, and Prem Durai Exports-Switcher. The alliance was intended to facilitate the development of PPPs in water projects, broaden business-sector engagement in the commercial water projects, and promote corporate best practices in water. CII, with the collaboration of the World Economic Forum Water Initiative, hosted the water summit for PPPs in water and watershed management with the aim of bringing the latest trends, technologies, and best practices to Indian industry (CII Water Summit, Press Release, November 26-27, 2005 Delhi). In the words of Richard Samans, MD, of the World Economic Forum:

India is facing significant challenges regarding water access and quality, and the business community can be an important part of the solution by improving water management, efficiency, and working in closer partnerships with communities and municipalities. The Indian Business Alliance with communities has the potential to make contributions in this respect and the WEF is pleased to support it. (Press Release, WEF November 29, 2005)

The assessment reports of the government of India, the business alliance in the water initiative, and the policies of international financial institutions like the World Bank and the Asian Development Bank reiterated their commitment to private-sector participation in water resources. The World Bank Water Resources Sector Strategy (WRSS) (2003) claimed that
water utility reform usually means substantial benefits for the poor and makes the water sector attractive to private investors. The Asian Development Bank’s Water Policy, approved in 2001, seeks to promote water as a socially vital economic good that needs careful management to sustain equitable economic growth and reduce poverty (Asian Development Bank, 2001). Vigorously advocating the entry of private players into the water supply chain in India, the World Bank’s report on “India’s Water Economy: Bracing for a Turbulent Future” (November, 2005) also argued that the presence of private players is essential, as there existed no civic body in the country that could provide water supply 24 hours a day.

The terms “decentralization,” “unbundling,” “management,” “technology, “economic efficiency,” “poverty alleviation,” and “sustainability” recurred consistently in almost every actor’s report and also signify an apparent link between the reports produced by international and financial agencies, government policy documents, and the ideas and discourse of the elite and of external support agencies. A careful reading of the various policy documents of the multiscalar networks revealed a fairly coherent and interconnected set of ideas that seem to transcend national political boundaries. These were

1. India was facing a serious water crisis that needed to be urgently managed within a historic timeframe.
2. Water policy reform is essential for development, economic growth, good governance, and access to water for the poor, who suffer the consequences of poor water management, the most.
3. Poorly designed fiscal policies and governance constraints have further lessened access to urban water supplies by the people.
4. The economic value of water needs to be recognized as the failure to charge people the use cost to reflect the true cost of water has inculcated a culture of wastefulness, leading to crisis and scarcity of water.
5. Consequently, ensuring universal coverage and regularity of water supplies in a developing country like India not only requires economic instruments and private-sector participation but devolution of administrative responsibilities (decentralization) and public-private partnerships.

The Planning Commission, the Ministry of Water Resources, and the Ministry of Urban Development all endorsed and continue to endorse the increased participation of the private sector in India’s water management. All these agencies focused on a policy design that recommended private-sector participation, technological innovation, economic and institutional reform for universal coverage, and efficiency and sustainability of water resources. These design recommendations also expose the influence that the concept of “economic efficiency” has come to occupy in developmentalist thinking in India and the manner in which policies have been formulated to achieve water sector reforms.

In India, this process of implementing these recommendations was facilitated gradually, at a time when the key challenge for the government was balancing the domestic interests of the constituencies with the conditions of the external agencies. The structural linkages between bureaucrats, politicians, external forces, and well-qualified economists (some of them with extensive work experience and a thorough grasp of the structural power of international financial institutions like the IMF and the World Bank) created the opportunities to push forward these reforms through private sector participation. This idea of reform gained ascendency in the national agenda through the authority exercised by the key circle of policymakers with strong political support and the political and economic imperatives managed by the Bank. Under a neoliberal vision of poverty alleviation and ecological sustainability, a consensus emerged in the corridors of the government that the new political
rationale of development promoted by external financial agencies in which private-sector participation in water issues is essential, was the approach best able to serve India and resolve its issues of water management. An overall climate was conducive to allowing these agencies and the MNCs to pressure states to liberalize, privatize, and globalize in their facilitation and implementation of water management (LPG).

The states proceeded to incorporate changes in the state water provisions because of the developments that occurred on the national scene and enhance state capacities to sustain the nationally-backed approaches and programs. These approaches included the heightened role of international agencies, the resolving of states’ financial problems (mainly as a result of cuts in social spending by the national governments) and the political interests of state politicians (who wished to demonstrate their “progressiveness” with respect to the development of new state run projects). Politicians in Maharashtra, Karnataka, Andhra Pradesh, Rajasthan, Tamil Nadu, and Madhya Pradesh added the clause of private-sector participation in some form in their water policy documents.

**Conclusion**

In the post-reform era, water began to be seen as part of the new economy and access to water and effective management of water was constructed as the essential commodity necessary for a good life, sustainable development, and poverty alleviation. Framing water as a development problem allowed the solution (i.e. development through economic growth facilitated by capital investment in technological expertise in water infrastructure) to be presented as a self-evident truth defined in purely technical, politically neutral terms. The promotion of particular technical approaches functioning in essence as a Foucauldian “political technology” lent further persuasiveness to an “expert science” policy discourse that left less room for opposition and hid the political intent of leaders and politicians. These changing constructions of water framed by TPNs, business-science elite, shaped India’s water reform policy in terms of an essentially economic and technological discourse. By promulgating stories that invite specific intervention, those in power had the ability to create frames of reference that defined what forms of knowledge count and whose versions, claims, and interests are legitimate. These legitimized forms of knowledge often act as drivers of advocacy of particular policy instruments.

An elite network of policymakers dominates the post-reform era. As the power of the expertise of the elites came to underpin development policies, knowledge of some groups of development actors (e.g., the PWC consultants and the World Bank) came to be defined as fundamentally more valid than the knowledge of others. The continuity in the ideologies of the policy networks was evident from the way water was ultimately framed in narratives and taken up in discourses surrounding it. An effort has been made by the government to replicate the global ideologies in India’s local practices. Different narratives about science, technology, and public-private partnerships emerged out of particular contexts and conditions. In the case of India, these narratives emerged from networks of globalized connections, multinational corporations, and the political positioning of the central government and the Congress coalition, which operate outside of the realm of democratic politics.

Constructed narratives, which often define both the assumed problem and the proposed solutions in neat, appealing story lines (cf. Roe, 1991), were promulgated through key actors and their proposed networks. In discerning the complexity and tracking of the dynamics of policy processes, this paper highlighted the institutional, global, political, and business connections at work in the formulation of urban water policy in India and revealed the interchange between local settings and global processes. The dominance of the World Bank’s knowledge was accomplished through these professionals and networks that it draws upon from research institutions, think tanks, and academia.
The TPNs exerted pressure on the states environmentality in a way that promotes role of market mechanism in water management. The partnership between the state, IFIs, and the private sector with the backing of experts was hailed as the new model for policymaking, opening up a scientifically supported, economically sound set of polices by those who knew best.

The global to local policy process has been strongly resented in democratic societies, as the voices of the people that produce alternative policy networks become “lost in the corridors of power.” The reform process in India regarding its water management relied on production of knowledge by elite networks of power. It was through these transnational networks that water discourse was normalized and adopted using knowledge production policies that govern water distribution and management in the cities of India. Consultants, corporate interests, external agencies, and the bureaucracy penetrated into the state system in India with respect to its water management, and knowledge produced by these elite networks acquired legitimacy, excluding and marginalizing other forms of knowledge.

1 This term by Foucault relates to the way policy is often “depoliticized” if such depoliticization is in the interest of the dominant group. A political problem is removed from the realm of political discourse and recast in the neutral language of science and is represented as objective, neutral, and value-free. This depoliticization reflects the “technology of politics” by which various means are used to work within a political agenda; in this way, the “masking of the political under the cloak of neutrality is a key feature of modern power” (Shore & Wright, 1997).

2 The term global governance is used to designate all regulations intended for organization and centralization of human societies on a global scale.

3 There are competing values attached to water based on differing interests and perspectives. However, “Over the last 20 years no global water policy meeting has neglected to pass a resolution which, among others, defined water as an ‘economic good’” (Wolf, 2003, 174).

4 In the 1980s, highly indebted developing regions were unable to repay their debts. To counter this, macroeconomic tightening and "structural adjustment" (liberalization and privatization) were administered, often through the conditionality of the IMF and the World Bank. This resolution of this crisis involved long-term commercial bank debt, which the governments of developing countries were unable to repay, making financial rescue operations necessary.

5 However, it is also argued that this recognition of water as a public good with only social value has led to a culture of wastefulness of water which needs to be corrected through cost recovery and economic pricing of water.

6 Neoliberalism is the defining political and economic paradigm of contemporary times. It refers to a set of policies and processes that emphasize deregulation and reduction of state control and highlights that notion that economic growth and social justice are best maintained by minimal government interference and free market forces.

7 India suffered a balance of payment crisis in 1991. The trade deficit resulted due to the Gulf War with India’s import bill increasing, decreasing exports and lack of credit leading to fiscal imbalance and trade deficits. India’s foreign exchange reserves were reduced a few weeks of imports and its gold was airlifted for collateral International Monetary Fund Loan. India was close to a default.

8 Country Assistance Strategy is a comprehensive document drawn by external agencies like the World Bank or Asian Development Bank and or/other partners that details the development challenges faced by a country and identifies the key areas of intervention where these agencies can make a difference through assistance. These CAS take into account the country’s creditworthiness, its institutional development and governance capacity and other sectors. The agencies then determine the level of technical, advisory or financial support the country needs.

9 ADB is an organization founded in 1966 that aims in its mission to improve people’s lives in Asia and the Pacific. It works through investment in infrastructure, health care services, financial and public administration systems through loans, policy dialogue and technical assistance.

10 Protests have arisen as there is a belief in civil society that the involvement of the private sector compromises the social value of water making it a commodity and it compromises issues of equity and social justice. Another reason for resistance to such projects is the lack of transparency and accountability when dealing with MNCs and external agencies.

11 Environmentality is about government agencies that work with producers of expert knowledge to construct the environment—in this case water. By internalization of knowledge/power among the different actors a decentered network is created whose interests are integrated with the state.
The DJB approached the World Bank (WB) in 1998 for a loan. The Bank’s team visited the Board in July 1998, and the Bank suggested they hire a consultant who would "suggest" basic reforms for the DJB to carry out. The Bank offered a US$2.5 million loan to DJB to hire a consultant. The loan carried an interest rate of twice the amount the government would have to pay if it raised the money from the internal market. (Parivartan, 2004). The process of awarding the contract was finalized in complete secrecy when reports appeared in the media of the WB’s intervention in ensuring that the contract was finally awarded to Pricewaterhouse Cooper (PwC) a Rs 7 crore (US$ 1.6 million) consultancy contract in November 2001.

Singh was economic advisor to the National Front government in 1990 when the IMF loan to India was sanctioned and conditionalities initiated.

In Singh’s term as secretary general of the South Commission in Geneva in the late 1980s, Singh and Michael Camdessus (director general of the IMF) participated in several meetings in which they shared a similar philosophy about the positive impact of pro-market strategies on India’s economy.

These are relevant issues needing attention but their solutions are contested.

Networks of resistance also emerged to contest the policy reform. They are not discussed here as the focus is on networks of power.
References


