

Institution: University of Hertfordshire
Unit of Assessment: Panel C (19): Business and Management Studies
Title of case study: Influencing international policy on improving access to water and sanitation services in the developing world
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>This case study describes a series of research projects undertaken by Professor Hulya Dagdeviren from 2004 to 2012 on issues related to the commercialisation and privatisation of water and sanitation services, which involved changes in the control and management of former public utilities. In particular, it focuses on the findings and impacts of the studies in relation to the access and affordability of these services for poor households in the developing countries. The results of these studies influenced the policy directions of international institutions, especially the UN agencies, which play an important role in funding projects and policy advocacy that ultimately shape the national policies of the developing countries.</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The first research project that contributes to this case study was related to the welfare consequences of neo-liberal reforms in the water and sanitation sector for the poor on the basis of several case studies from Zambia. This work was undertaken between 2004 and 2006 at the university, led by Professor Hulya Dagdeviren. Her research findings demonstrated that the dual goal of improving access to water and sanitation, and attaining financial viability of utilities, might be impossible to achieve through upward price adjustments in countries such as Zambia, where poverty is widespread. Instead, she argued that a reduction in unaccounted-for water (leakages, illegal connections, etc), which is usually considerable in many developing economies, would be more effective than price increases. The overall results showed how misdirected policies that emphasise tariff hikes rather than investment in rundown water networks led to a decline in access to water by poor households, without significantly improving the performance of water companies.</p> <p>The second research project (2008–11) focused on the conditions of access to water and sanitation services in the slums of sub-Saharan Africa. This study showed for first time the importance of the interface between market-oriented reforms in the water sector and urban development patterns. The findings demonstrated that a) over 70 per cent of the population in sub-Saharan Africa live in peri-urban zones (i.e., slums and squatter settlements); b) low access to water and sanitation is highly correlated with greater settlements in these areas; c) extension of water network in slums is difficult from a technical point of view; and d) the magnitude of poverty renders supply through privatised networks unprofitable in the slum areas. The conclusion from this research was that privatisation of water and sanitation services cannot be considered as an effective policy option to improve access to water and sanitation. The estimations in this study showed that if privatisation is used as the main policy response, over 65 per cent of sub-Saharan African countries are unlikely to meet the Millennium Development Goal for water.</p> <p>A further and more recent research investigation (2008–12) has focused on contractual disputes and renegotiations between states and multinational water companies that took over former public utilities as part of the privatisation process. This research focused on the cases of Ghana and Argentina (where eighteen urban water and sanitation utilities were privatised in the 1990s and renationalised in 2004–5 following protracted disputes and arbitration). The published findings of the Ghana case study (co-authored with Simon Robertson, Dagdeviren's former PhD student) demonstrated the capacity problems of developing countries in designing, implementing and monitoring long-term contracts awarded to private sector for the operation of water and sanitation utilities. The Argentina case study on the other hand highlighted the potential for the politicisation of the privatisation process in water supply, and raised doubts about the efficiency of the private relative to the public model in the long term.</p>

3. References to the research (indicative maximum of six references)

– References 3.1 and 3.4 are listed in REF2

(3.1) Dagdeviren, H. (2008) 'Waiting for miracles: The commercialization of urban water services in Zambia', *Development and Change*, 39 (1): 101–21. doi: 10.1111/j.1467-7660.2008.00470.x

(3.2) Dagdeviren, H. and Robertson, S. A. (2011) 'Access to water in the slums of sub Saharan Africa', *Development Policy Review*, 29 (4): 485–505. doi: 10.1111/j.1467-7679.2011.00543.x

– Note: Previously published as a working paper, listed in section 5 below as item 5.2.4.

(3.3) Dagdeviren, H. (2011) 'Political economy of contractual disputes in private water and sanitation: Lessons From Argentina', *Annals of Public and Co-operative Economics*, 82 (1): 25–44. doi: 10.1111/j.1467-8292.2010.00428.x

(3.4) Dagdeviren, H. and Robertson, S.A. (2013) 'A critical assessment of the incomplete contracts theory for private participation in public services: the case of the water sector in Ghana', *Cambridge Journal of Economics*, 37(5): 1057–75. doi: 10.1093/cje/bet007

Funding From Development Institutions

Funding received by Hulya Dagdeviren from the United Nations Development Programme in 2004 for the study of commercialisation in the Zambian water sector: **£13,000** (approx., including expenses for travel, etc).

4. Details of the impact (indicative maximum 750 words)

The numerous outputs associated with Dagdeviren's research, outlined above, have influenced the work and policy advice of a wide range of high-profile international and non-governmental organisations. This came about via the United Nations Development Programme (UNDP) and the International Policy Centre for Inclusive Growth (IPC-IG) (formerly the International Poverty Centre). Dr Degol Hailu, Senior Policy Advisor at the UNDP, has clarified the IPC-IG's role as a global think-tank for UNDP policy setting and implementation. Its reach is significantly extended, as other global development organisations – such as the World Bank, the OECD and the Third World Network – are informed by its publications, policies and advocacy (see Ref. 5.4.1, below). The impact described below occurred between 2008 and 2012, arising through Dagdeviren's connection with the UNDP and IPC-IG.

Impact on UNDP

Because of her expertise on privatisation, Dagdeviren was invited to work as a policy advisor for the UNDP, acting as consultant for two projects on the Macroeconomics of Poverty Reduction in Asia and Africa. In addition to the UNDP policy advisory reports that she produced, her report with Ben Fine on privatisation in Asia contributed to a chapter in a UNDP policy synthesis book, *Pro-Poor Macroeconomic Policy* (2008) (Ref 5.1.1, below). The book was used for policy advocacy, and as a dissemination tool, to influence the policies of developing nation governments and reach a wider audience via the UNDP's constituent networks of development agencies, charities, anti-poverty campaigners and lobbyists.

In 2012, she was invited to deliver a training session on the privatisation of water and sanitation services in connection with the Millennium Development Goals. For this session, delivered on 17 July 2012 jointly with Dr Hailu, Dagdeviren used the research findings detailed in her Zambia (Ref. 3.1, above), Slums (Ref. 3.2), Argentina (Ref. 3.3) and Ghana (Ref. 3.4) papers, while Dr Hailu covered issues arising from his Kenya and Bolivia research. Around twenty key UNDP staff (policy analysts, programme specialists, programme coordinators) from the Bureau for Development Policy attended this event. The response was positive: of 11 completed questionnaires, 8

respondents rated the workshop as very useful, with 9 confirming that the workshop content would directly or indirectly inform their professional practice (Ref 5.1.2, below).

Impact on the International Policy Centre for Inclusive Growth

In 2008, the IPC-IG noted the importance of the policy recommendations (i.e., to reduce unaccounted-for water rather than increase prices) in Dagdeviren's article on the commercialisation of Zambia's water sector (Ref 3.1, above). That same year, the IPC-IG requested her permission to reproduce the article's key findings in the form of short policy briefs for advocacy and dissemination to a wider, non-academic audience (Refs 5.2.1. and 5.2.2, below).

She was also invited to become an IPC-IG visiting research fellow in 2008. During her fellowship, she wrote a paper with Simon Robertson (one of her former PhD students) on water supply problems in squatter settlements (Ref. 3.3, above; see also Ref. 5.2.6 below). She also delivered a seminar to around twenty-five representatives of the Brazilian government, working at senior level, and the IPC staff. When IPC-IG interviewed her about slums and sanitation, the full interview was published and disseminated by direct emails to those in its contacts database. To increase its reach, the interview was made publicly available on the IPC-IG website (Ref. 5.2.3, below).

Moreover, Dagdeviren's research findings on contractual disputes in Argentina (see Ref. 3.4 above) were used by IPC-IG for its web-based training platform, 'South-South Learning on Social Protection' (Ref 5.2.5, below).

Other Impacts

Thanks to the IPC-IG's dissemination strategies and advocacy, the policy recommendations of the research published as 'Waiting for miracles' and 'Access to water' (Refs 3.1 and 3.2, above) were further taken up and exploited by other international organisations and NGOs. For example:

- Two global development NGOs, the Bretton Woods Project (2008) and Food & Water Watch (2011) included the main policy lessons in their campaign against water privatisation (Refs 5.3.2 and 5.3.3, below).
- The same material was used for training to improve policy-making capacity: UNICEF, for example, used 'Access to water' (Ref 3.2, above) in its e-learning programme on socio-economic policies for child rights (Module 4: 'Public finance and social budgeting'). The programme was designed for UNICEF's professional staff at all levels (Ref. 5.3.1, below).
- The World Bank's Water and Sanitation Programme used Dagdeviren's 2011 paper 'Access to water' (Ref. 3.2, above) in forming its policy for pro-poor units to improve service delivery in Africa (Ref. 5.3.4, below).

5. Sources to corroborate the impact (indicative maximum of 10 references)

5.1 Impact on UNDP

(5.1.1) UNDP (2008) *Pro-Poor Macroeconomic Policy: Lessons from the Asia-Pacific Region*, A Synthesis Paper. Available online: <www.snap-undp.org/elibrary/Publications/ProPoorMacroeconomicPolicy.pdf>

- *Based on country case studies on the macroeconomics of poverty reduction; pp. 40, 41 and 43 verify Dagdeviren's contribution to the privatisation chapter.*

(5.1.2) Training workshop on 'Privatization of water and sanitation services. Taking stock and looking ahead of the MDGs', UNDP, New York, 17 July 2012: documentation and questionnaires verifying the workshop, its content, participants and feedback.

- *PDF available on request.*

5.2 Impact on advocacy work of the International Policy Centre for Inclusive Growth (IPC-IG)

- (5.2.1) Hulya Dagdeviren and Degol Hailu (2008), 'Tariff hikes with low investment: the story of the urban water sector in Zambia', IPC-IG One Pager, International Poverty Centre, Brasilia. Available online: <www.ipc-undp.org/pub/IPCOnePager57.pdf>
- *Summarises the research findings from the Zambia paper (Ref 3.2 above).*
- (5.2.2) Hulya Dagdeviren and Simon A. Robertson (2008), 'Reforming without resourcing: Commercialisation of water supply in Zambia', IPC-IG Policy Research Brief, International Poverty Centre, Brasilia. Available online: <www.ipc-undp.org/pub/IPCPolicyResearchBrief8.pdf>
- *Also summarises the research findings from the Zambia paper (Ref 3.2 above).*
- (5.2.3) Interview with Pauline Cazaubon, International Poverty Centre, 'Water Supply in the Slums of the Developing World', November 2008. Available online: <www.ipc-undp.org/publications/PressRoom/Interviews/HULYADAGDERIVEN.pdf>
- (5.2.4) Dagdeviren, H and Robertson, S. A (2009), 'Access to water in the slums of the developing world', Working Paper No. 57, 2009, International Policy Centre for Inclusive Growth, Brasilia. Available online: <www.ipc-undp.org/pub/IPCWorkingPaper57.pdf>
- (5.2.5) IPC-IG South–South Learning On Social Protection (2011), 'Access to water and sanitation: Has privatization done any better? Lessons from the developing world'. Available online: <<http://south-south.ipc-undp.org/news/item/468-access-to-water-and-sanitation-has-privatization-done-any-better>>
- *Web-based training page outlining the findings of the Argentina case study (Ref. 3.3).*
- (5.2.6) IPC-IG Press Release on the publications of 'Access to Water in the Slums of the Developing World: Challenges and Perspectives', 22 June 2009. Available online: <<http://pressroom.ipc-undp.org/2012/access-to-water-in-the-slums-of-the-developing-world/>>

5.3 Other Impact: NGO training and campaigning use of water and sanitation research

- (5.3.1) Unicef, 'Module 4: Public Finance and Social Budgeting'. (Promoting Child Rights training material, which uses the Zambia research (Ref. 3.1) in one section; reference on p. 18.) Available online: <http://promotingchildrights.org/web/pdf/Module_4.pdf>
- (5.3.2) Bretton Woods Project (2008) 'The World Bank and water privatisation: Upfront investment needed'. (Includes the findings of the Zambia paper (Ref. 3.1.) Available online: <www.brettonwoodsproject.org/art-562458>
- (5.3.3) Food&Water Watch (2011), 'Water=Life: How privatisation undermines the human right to water'. (Campaign pamphlet drawing on the Zambia and Slum papers (Refs 3.2 and 3.3); reference on p. 4, endnote 34). Available online: <www.foodandwaterwatch.org/briefs/water-equals-life/>
- (5.3.4) WSP (2009), 'Setting up pro-poor units to improve service delivery', Field Note, Water and Sanitation Programme, September 2009 (pp. 4, 7 and 16 reference Dagdeviren's work): <www.wsp.org/sites/wsp.org/files/.../service_delivery_field_note.pdf>

5.4 Personal Corroboration

- (5.4.1) Written details are available about the remit and reach of the UNDP and the IPC-IG, and Dagdeviren's work within them. Further information is provided separately.