

# Social Equity:

## The Need for an Integrated Approach



### Key messages

- Social equity in water management is primarily about people, not water
- Water may be allocated equitably, distributed equitably, and even accessed equitably, but if people are unable to derive benefits from it, the end result is not social equity
- The process of water allocation is as important as the results. Is it inclusive, impartial and credible? Is information accessible? Are all segments of society treated with respect?
- It is not enough to consider only policies and processes in the water sector; rather, it is the effect of these when combined with other policies in other sectors, and with national development and economic policies, that determines social equity
- Although trade-offs are sometimes required between the goals of social equity and economic efficiency, well-designed policies that look at benefits and costs holistically, rather than piecemeal, can often advance both goals
- A loss of economic efficiency is acceptable if it leads to greater equity
- Social equity requires a judicial system that facilitates access by all and that provides for considerations of equity
- There is a need for an integrated approach to water resources management – one that views water management as a means to advance a society's equity goals and not as an end in itself.

### Social Equity and Integrated Water Resources Management

IWRM's social equity goal is 'to ensure equitable access to water, and to the benefits from water use, between women and men, rich people and poor, across different social and economic groups both within and across countries, which involves issues of entitlement, access and control.'

R. Lenton and M. Muller (eds.) (2009). *Integrated Water Resources Management in Practice: Better Water Management for Development*. GWP/Earthscan.

Social equity, economic efficiency and environmental sustainability constitute the three pillars of Integrated Water Resources Management (IWRM). Equity features frequently in arguments that promote, or object to, reforms in the water sector. It also features high on the agenda in the fight against poverty.

Equity is, however, multi-dimensional. Different fields define it differently, and it has remained a vague concept, making it difficult for policy makers to clarify the relationship between water and social equity in their national or local context. As a result, inequities abound – sometimes glaring, spurring protest at national or global level, and sometimes hidden and silent, left to play out their harmful effects on people's daily lives – unnoticed by the wider world. To resolve these, the relationship between water management and social equity should be analysed in a local context and tackled using an integrated approach. This brief provides an analytical framework that policy-makers and water professionals can use to clarify and resolve social equity issues in water management.

To achieve social equity in water management requires recognising the vast range of benefits and beneficiaries associated with it, because direct benefits and beneficiaries reflect only a small part of the real results of water management. Besides people who benefit directly from use of the resource (irrigation, drinking water, hydroelectric energy, etc.), or are affected by the impacts of its use (return flows, pollution, etc.), we should consider those who benefit from its universal access as a public good (recreation, navigation, environmental services, etc.); those who benefit from State actions or services that are funded by resources obtained from water-related economic activity; and those who benefit indirectly from these activities due to their participation in the productive process (employments, payments, productive chains with other sectors).

### ► First things first: Basic needs and ethical principles

Societies tend to set minimum standards that are supposed to govern people's access to goods and services. For indispensable goods like water, these standards are discussed in the context of human rights. Water policies must take into account the provision of water to:

- Meet basic human needs, such as quenching thirst, keeping clean, and cooking food
- Observe and protect cultural and religious values, especially among indigenous peoples
- Ensure food security at a family, community or national level (water for crops and livestock)
- Maintain a healthy human environment – for example, a clean home, clean city streets,
- Preserve the environment, ecosystem services and biodiversity
- Enhance the livelihoods of local populations.

If these needs are to be balanced and met fairly, in ways agreed by local communities, policy-makers need to define criteria and standards, and move on to design policies that allocate water accordingly. Throughout the policy process, consultation with local communities is essential.

### ► Allocation of water: Acceptable and unacceptable trade-offs

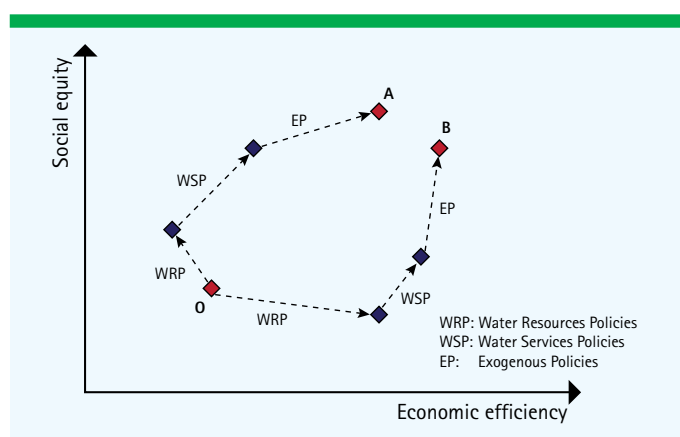
The current widely accepted view is that water resources should fall under the State, which should be responsible for controlling, regulating and allocating water resources. However, assessing the economic efficiency of different allocation systems needs to go beyond strictly economic criteria – such as production value per unit and opportunity cost – to include criteria such as flexibility,



legal security, predictability of supplies, equitable distribution, public acceptance, political systems and their effects, efficacy in meeting social and environmental objectives, and administrative feasibility.

An assessment by economists (Dinar et al, 1997) of four allocation systems – marginal cost pricing, public allocation, user-managed allocation and water markets – came to the conclusion that there is no one type of allocation/reallocation that is best in every context; each presents advantages and disadvantages. Equity must be evaluated in the light of historical processes as well as current outcomes. Systems need to be relatively stable – rules of the game cannot constantly change to level out the playing field – so a certain amount of inequality may have to be accepted, at least for a while.

Different combinations of water allocation policies, water services policies and general policies yield outcomes with different relative levels of social equity and economic efficiency:



In the diagram, point O represents the initial situation. The arrows to the second points illustrate contrasting outcomes in terms of the balance between equity and economic efficiency, using two different approaches to the allocation process. The third points show the same balance, once water services policies are added, while the fourth points (A and B) show the final outcome, once the effects of wider economic policies outside the water sector are considered. Clearly, trade-offs are sometimes required between the two goals of social equity and economic efficiency. However, well-designed policies that look at benefits and costs holistically, rather than piecemeal, can often advance both goals simultaneously.

In water resources management, there is relatively little scope for trade-offs, which should not be considered where:

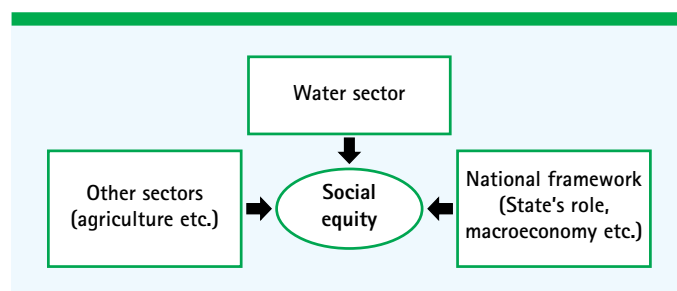
- Uses are associated with basic human demands and minimum requirements
- Uses are not beneficial, for example, those that are wasteful, harmful or unsustainable, according to defined water resource development strategy or goals. These uses should be eliminated
- Losses in equity do not contribute to greater economic benefits (lose-lose)

- Gains for different groups also benefit the poorest (win-win).

### ► Policy areas influencing social equity outcomes

Water-related activities take place in three different, but related, institutional and management spaces:

- The water sector
- Other related sectors, such as agriculture
- General social and economic frameworks, such as poverty alleviation strategies.



Social equity pursued only through water institutions is not sufficient to guarantee equitable results. Equity in water resources management will not solve broader equity problems, such as land tenure, that have their roots in different aspects and at different levels of society. In other words, equity in allocations, uses and benefits of water will be influenced by equity in society as a whole.

### ► How do we assess equity in water management?

Social equity vis-à-vis water must be understood in the context of equity for society as a whole, to be enjoyed by people, in all its dimensions, and not just as water users. Six general principles offer a framework for analysing and promoting equity in water management. The framework should:

1. Focus on satisfying the basic needs and rights of everyone, including all groups however poor or marginalised
2. Consider all the benefits derived from water (that is, indirect benefits, such as enjoyment of biodiversity sustained by water; and direct benefits, such as domestic use for drinking, cooking or cleaning)
3. Pay attention to decision-making processes, ensuring that these encompass equal opportunities, fair play and justice as fundamental components
4. Prioritise the needs and principles recognised as basic and ethical by society
5. Investigate current situations and their dynamics according to the historical contexts that have shaped them
6. Accept that, sometimes, trade-offs against economic efficiency are necessary.



### ▷ Why is equity so elusive?

In light of this criteria, it is clear why equity in water management is so elusive. Water management is often delinked from the other factors that make a society more or less equitable. It has to be understood that social equity in water institutions alone cannot guarantee socially equitable results, and equity in water resources management cannot solve problems that have their roots elsewhere.

### Obstacles to equitable processes

Factors that compromise fair decision-making and trigger complaints from water users include:

- Nominal presence or actual absence of effective institutional systems for delivering social equity
- Unequal access to, and use of, information due to lack of:
  - Effective communication tools and processes
  - Training for stakeholders in the proper use of the valid legal and institutional system and its guarantees
  - Specialised technical knowledge, which is often couched in language unfamiliar to participants
- Corruption and lack of transparency: those with money and political clout win the day
- Discrimination (due to gender, social, racial and political differences)
- Difficulties in organising collective action.

### ▷ Policy recommendations: The case for an integrated view

Social equity through IWRM is a challenge for society as a whole, not just the water sector. In addition to the water sector's policies and institutions, general ones that relate to, or influence, water management should also be considered. A multi-focus approach of this kind is particularly important where water shortage constitutes a major obstacle to the fulfilment of national goals of food and energy security.

Specifically, policy makers and analysts should:

- Formulate policies that allow simultaneous progress towards the goals of social equity and economic efficiency
- Develop programmes that can increase economic efficiency in the weakest sectors
- Use public instruments (for example, taxes and subsidies) to redistribute income, so that benefits are transferred towards weaker sectors
- Ensure that the State's legal and macro-economic policy framework promotes the equitable allocation of benefits as well as the control or repayment of costs. This is especially important where water resources development requires large investments
- Set up national and local institutions to ensure the effective participation of all interested groups in water-related decision-making. This will require expert knowledge of both local environments and the people(s) associated with them
- Recognise initial inequality of different social groups, which leads to different levels of benefits and access to benefits, and design programmes to overcome it. In some cases this may mean the application of subsidies on behalf of poorer sectors
- Support negotiation between stakeholders by conducting research and providing data that indicate the impacts of different management alternatives
- Enlist technical support to reduce the productivity gap in weaker sectors, especially agriculture, and to minimise trade-offs between equity and efficiency
- Promote other sector policies, and general economic and social policies, that complement equity-oriented water sector policies.

The Global Water Partnership is an intergovernmental organisation of 13 Regional Water Partnerships, 80 Country Water Partnerships and more than 2,500 Partner Organisations in 161 countries. Our vision is a water secure world. Our mission is to support the sustainable development and management of water resources at all levels through Integrated Water Resources Management (IWRM). IWRM is a process that promotes the coordinated development and management of water, land and related resources in order to maximise economic and social welfare in an equitable manner, without compromising the sustainability of vital ecosystems and the environment.

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