

Towards a Public-Private Partnership Regime: An Analysis of Water-supply Systems in Urban India

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Summary

The institutional arrangements for supplying water to people living in urban conurbations in India is gradually being transformed from a conventional departmental arrangement to a new, rather fragmented structure of public-private partnerships with regulatory set-ups in a few cases. This article tracks the course of this development. It also identifies the prevailing patterns of public-private institutional settings that exist in specific urban areas. The study uses a comparative framework to identify the transition that occurred in the management structure of the states/cities over a specific period. The results suggest that despite efforts made to introduce private elements to operate water-supply systems in most of the urban conglomerations in India, the effects have actually been minimal, confined only to the top end of the supply chain, viz. operation and management (O & M). Instead, the old structure continues to be the dominant arrangement.

Manuscript received on 2010-10-18, accepted on 2010-12-15

Keywords: water management in urban India., institutional change, public-private partnership regime

1 Introduction

Water scarcity is increasingly being posed as a development challenge for many countries, particularly in urban areas (Saleth and Dinar, 2004). It is forecast that by 2050, the urban population of India will constitute 50 per cent of the country's entire population and will be confronted with serious water problems exacerbated by the effects of climate change (Singh, 2000). Consequently, planners and policy-makers are increasingly coming under pressure to optimise the current use of water and to develop innovative solutions for sustainable water augmentation and management in the long term. One of the solutions that has been proposed but only partially adopted is a public-private partnership arrangement regarding the administration and management of water resources. This article explores the changing situation in India's urban water-management system and identifies some weaknesses in the current structure, including a lack of coordination and cooperation between the public and private actors as well as between the central, state and municipal levels in regulating urban water systems.