

Time to make the bureaucrats accountable

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We need proper incentives and accountability if we expect managers to deliver on the new water development goal

By David Zetland*

The UN has descended from the mountain with 17 'thou shalt's' inscribed upon e-tablets. Among these, the 6th goal calls on all nations to "achieve universal and equitable access to safe and affordable drinking water, sanitation and hygiene... end open defecation... improve water quality by reducing pollution, eliminate dumping ...increase water-use efficiency across all sectors...[and] protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes".

I think that all that can happen by 2030. Seriously.

You and I and every water professional reading this know we possess the technology and skills to secure water. We also have the funds. Billions already pay obscene costs in terms of lost time, money, risk and sickness from poor or missing services. Governments, aid agencies, banks, and multilateral organisations can afford loans and grants.

It would appear everything is in place to ensure the moral imperative of universal coverage, on time, within budgets. The UN's Special Rapporteur on the human right to safe drinking water and sanitation, Léo Heller, has made exactly this case. "The Sustainable Development Goals [SDGs] will provide an opportunity to reach this reality in the coming 15 years," he argued. Yet Heller emphasised one ingredient missing from our clean water recipe: "strong political will."

He's not only right, but also has considerable authority to speak on this matter. After all, Heller is a member of that same political class upon whose will all water outcomes depend.

Incentives matter

Political economists separate political and economic interactions according to choice, power and information. In political situations, consumers get little information about actions taken on their behalf. In market situations, customers with many choices consider abundant information before taking action.

Many water sector interactions are political. So it is fair to worry that the elite technocrats setting SDG targets for water—as well as the elected officials and mid-level managers implementing them—may not be suitably concerned about delivering results. Who, after all, need they fear if they fail? Consumers have nowhere else to go.

This is not to single out bureaucrats for blame. We are all subject to bouts of sloth and selfishness. The trouble is that those in charge of water can be lazy without real repercussions. To get the job done right, they must face consequences for indifferent progress, or failure.

Rethinking hydro-philanthropy

Is this rigorous call for accountability too harsh? Ask the citizens living without safe water. They are the ones suffering with worse health, lower productivity and less happiness. Better yet, ask the NGOs who strive to serve them.

Yes, the water sector is 'special', given its overlapping presence in the monopolistic, governmental, and basic needs sectors. It cannot be left to the market alone. Yet innovation and success is certainly possible, even with the toughest cases such as bringing drinkable water to the world's poorest.

Non-profit service organisations like Water for People make progress by linking political and economic interactions. They set goals based on local priorities, ensure stakeholders invest capital and labour at the front end, and engage communities to share risks and rewards of outcomes.

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Finally, they measure performance to focus on what matters, so "people can be better served everywhere".

Market interactions meet water needs in rural Africa, Asia, and Latin America because they incentivise and reward performance. Why not apply them to bureaucratic performance as well?

Replace global goals with local action

Organisations devoted to solving the water problems tend to be located in key cities like Geneva, Paris, London, Washington DC, Addis Ababa, or Manila. In such centres of humanitarianism, bureaucrats are well paid, well meaning and well educated, but they have little idea how local water services are working or failing in the thousands of cities they 'oversee'.

Why is this? For starters, it is hard to solve local problems from 1,000 kilometres away. But a bigger problem is that they face no penalty for failure of the programmes they design, fund or manage.

International and multilateral agencies can surely help, but their current method—talking in five-star hotels over custom-made omelettes—does little for local water services. By lowering their eyes from overarching global Goals, employees of the African Union in Addis, or Asian Development Bank in Manila could see water emergencies in their own cities.

Leveraging status

"But surely all those high-powered, qualified men and women with eager-to-help sponsoring countries deserve some role," you might say, "It's not as if they've been totally useless in the last 70 years". You're right. They have experience, money and desire; let's help them get things done.

We know local water managers with 'skin in the game' will be careful about setting goals and diligent in trying to reach them. Yet international bureaucrats hover too far away, or above, to experience the 'drink (other people's) water' test.

The complexity of big, federal or multilateral entities makes it hard to tie results to wages. If we could find something they value, that would make it easier to incentivise meaningful outcomes.

At the most trivial level, failure might mean losing a parking place, chauffeured car, or access to the (subsidised) canteen. On a more serious level, failure might result in a temporary loss of voting rights, seat on a committee, or even the right to host an international conference.

Bureaucrats set realistic goals and expend real effort when they, or their institutions, face real penalties for failure. The absence of such

motivation explains why the Millennium Development Goals were simultaneously overambitious and underachieved. Where, now, is the incentive to succeed with the growing list of SDGs (17, up from 8) and targets (169, up from 21)?

A restaurant that messes up your order will pay for your meal. A company that sells you a defective phone will replace it. Even diet companies have 'money back guarantees' for clients who stay fat. What will happen to Léo Heller if the UN cannot deliver his promise?

Water's Better Samaritans

It may sound unfair even to pose such questions. Critics may retort that the very nature and social value of securing water, sanitation, health and hygiene for billions excuses anyone pursuing SDG #6 from incentives and accountability.

Indeed, tens of thousands of good souls like Heller tirelessly commit time and energy to improve the lives of less fortunate people (instead of, say, trading hedge funds). Shouldn't they be protected from the risks of failure, since they are doing their very best to help?

We need accountability tools for bureaucrats if we expect the Sustainable Development Goals to be achieved © United Nations

Let's consider this view. Many countries have so-called Good Samaritan laws that protect well-meaning people from liability if their attempt to help someone in trouble fails or makes matters worse. These laws encourage people to help those in need rather than walk away. Good Samaritans deserve protection because they are volunteering when better qualified people are not around.

But Good Samaritan laws do not protect experts who try, and fail, to do their jobs. Salespeople are fired for weak results. Lawyers lose cases to better opponents. Athletes are benched for dropping the ball. Customers abandon businesses that overpromise and underperform.

To be sure, water is a different beast. It is hard to trace the impact of a water professional's actions on outcomes. It is hard for outsiders to know if their 'diligent' manager is stymied by bad luck, natural forces, or laziness. And it is hard to convert citizens from 'consumers without options' into 'customers with power, choices and results'. These complications must be incorporated into incentives, but they do not excuse inaction.

Indeed, given their job titles, their dominion over the source of life, and their six-figure salaries at the nexus of political and market interactions, water professionals should be held to a higher standard than a Good Samaritan—a standard that many of us strive to meet every working day.

Let the Tail WAG The Dog

Unlike competitive markets in the private and non-profit sector, water services involve government monopolies. Monopolies are filled with managers, technicians, hydrologists, and bureaucrats who have been given the heavy responsibility to take care of others, yet who lack

incentives to improve that care, and who enjoy the opportunity to fail without penalty.

Backed by good governance, they deliver positive outcomes; where governance fails, due to corruption or incompetence, they waste money on worthless results. The easiest way to change this system is to set local, measurable, Water Accountability Goals (WAGs).

Managers and bureaucrats will be essential in terms of setting goals, communicating progress in their communities, and enjoying the spoils of success (or failure). How can they be motivated to use a WAG system? Since managers depend on taxes, transfers or tariffs for their salaries and budgets, officials who control those sources can decide which WAGs are worth pursuing and whether they are reached.

Angels vs Instincts

In 1788, James Madison wrote: "If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary". Lacking angels in power, Madison sought governance "not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part".

Water cries out for an equally accountable system of checks and balances. We would prefer selfless professionals searching out the best water policies and working diligently to implement them on behalf of thirsty citizens. Alas, such angels are rarer than we'd like. Water professionals are subject to the same instincts, status aspirations, fears and insecurities as the rest of us.

These familiar characteristics mean that they, like us, will work smarter when they have skin in the game of Other People's Water. Water professionals working in a UN agency or Nairobi slum will have a strong motive to perform if they are accountable for the risks their customers face. Maybe they get sick if the water is bad; maybe they lose their parking place. In either case, they will move beyond avoiding responsibility to doggedly pursue success. We need not call for angels or set lofty goals when people have skin in the game.

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