

What transitions?

- From planned to market-driven
- From water abundance to water scarcity
- From informal to formal water economies
- From agriculture to urban
- Subsistence to commercial farming

Question: where are we now and where do we want to be in X years time?

Informal – Formal: essentially about how or if governments should be involved in transitions.

PRESENT SITUATION (ABCDE)

Crisis as a driver of change (real versus perceived)

Similarities among water scarce countries

- Accounting: ideas (that are disputed)
- Bargaining: ongoing
- Codification: there are often some rules but these tend to give way to Bargaining (politics) in times of crisis

Governments are thinking about transitions (but they need assistance)

- Thailand – market-oriented
- China – recognize over-extraction is an issue, no bargaining with stakeholders
- Cambodia – explicit move towards more irrigation
- India – generally crisis driven but Maharashtra is an exceptional example

...but they have a rhetoric that is disconnected from reality

Main Actors

- Farmers
- Government (political and bureaucracy)
- Private sector
- NGOs
- International Financial Institutions

What is known about the future?

- Farm sizes will increase and become more commercial – implications for system design and productivity
- Farming per unit area can become more productive
- Productivity tends to go up as non-agricultural incomes are increasingly combined with farming (leaving successful farmers with more land, concentrating on livestock)

Managing Transitions: things to consider

1. Be honest about what can be done reasonably well and set priorities in order to focus on those areas (pollution control, aquifer depletion control, providing roads and power, ensuring O&M is properly funded)
2. Ask what the reality is – is there actually a structured functioning management system or is it management crisis driven?
3. Review regulatory systems and government interventions with transitions in mind – are there any obstacles that can be removed (preventing renting and transfer of land in Sri Lanka for example)
4. Be explicit about policy choices: allow aquifers to run dry or painful transitions now in order to save them?
5. Accept that water use in agriculture is residual and it will always be necessary to adapt to the impacts of decisions made outside the sector (eg: macroeconomic policies) and,
6. ...think about the water implications of non-water policies
7. Make clear linkages with other policies if possible

8. Beware of the complexity of multiple interventions in the agriculture sector (taxes, subsidies, controls, land tenure, etc)
9. Policies will always have unintended impacts (MDB, Jaimakou) management needs to be adaptive so it can respond
10. Education can help –
 - transition from subsistence to commercial or
 - facilitate exits from agriculture
11. Work within the market-driven system if possible (eg. minimize price distortions)
12. Try and introduce some order into naturally occurring and inevitable transition processes (facilitated consolidation in Malaysia)
13. Consider Plan B

- Rely on markets where possible but admit that food security is a public good that cannot be left only to market forces
- Be careful of underestimating the role of government – it brought about the situation we are in (deliberately?) We can help govts use powers of influence better in the future (Ian)
- Need to get our own (irrigation) discourse in order first
- Lessons from countries further ahead on the transition trajectory (EU, etc)?
- The inevitability of transitions (and inability of policy to prevent them – EU eg)
- Accepting the future helps bolster arguments for policy change (removing subsidies for small farmers that will no longer exist)
- Clear definition of ‘managing’
- Closing the gap between rhetoric and reality is critical – we are starting from chaos
- Accurate and targeted policy making to account for diversity of situations
- Interface moving upstream - Govts can take a step back by focusing on bulk allocation and let (progressively bigger) farmers groups manage themselves. - Gujarat
- Irrigation agencies transferring management to farmers to cope with rising staffing costs
- Increasing economic integration – driver, threat or opportunity?
- Technology has a key role
- Broad economic transitions and ability of non-ag sector to absorb labour
- Govts are also in their own transition – China eg