

Poverty and water supply and sanitation services

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Introduction

This workshop is undoubtedly the last one of the 20th-century. During the past 30 to 40 years countless such meetings have been held throughout the world in an effort to improve the lives and well-being of the many millions of people who do not enjoy even the most basic of services. During the course of this time a great many lessons have been learned in the water supply and sanitation sector, new ideas have been tried and there is certainly a better understanding of the problems now than even five or ten years ago.

However, in some respects we are no closer to the answer than we were twenty years ago. Coverage levels remain a disgrace and the burden on the poor remains. In fact, given the impact of ever increasing populations, the burden is increasing. Using the terminology of being "closer to the answer" however, is something of a giveaway. All through the course of the past few decades the search has been for "the answer". There have been champions of different "answers" regularly through this period. In the 1960s and early '70s the solution was thought to be appropriate technology. Then greater understanding grew of the importance of community involvement. It became clear, however, that involvement alone was not enough. Community based development was necessary. This required capacity building which was the next answer. This was followed by the understanding that development needed to be demand driven. With the sustainability of services still remaining elusive, in more recent years the involvement of the private sector has been seen as the solution in some quarters. Another realisation has been the importance of institutional arrangements including investigating the question of centralised versus decentralised services provision. Today we are here to look at the issues of financing of services in the light of new models such as the use of social funds. The current wisdom is that there is no single solution, no "silver bullet". The solution lies in getting all of the different components together. However, if we were to

get the perfect mix of these issues, would we really be able to move towards universal coverage?

Gaining perspective – the problem of poverty

Occasionally one needs to step back from one's own work and from the sector as a whole and take a good look at what has really been achieved. I believe a great deal has been achieved and that a great many people have worked very hard but yet the goal remains very elusive. If one takes account of dereliction rates I would guess that the real proportion of people in developing countries served with water supply remains between 30 and 40% and those with effective sanitation even less. Hundreds of millions of dollars have been spent and the "silver bullet" has not been found.

Where does the problem lie? I would propose that the problem lies with the overriding conditions of poverty which has become a defining characteristic of developing nations. Developed nations are rich and developing nations, by definition, are poor. One of the problems in the water supply and sanitation sector is the tendency to work in isolation both from other sectors and from the broad economic, political and social realities which exist in the countries where we work. What are some of the implications of these factors?

Poverty effects all levels and all aspects of society

The first element of the nature of poverty which needs to be understood is that poverty effects all aspects of society. An understanding of the all pervasive nature of poverty is important when assessing its impact on any particular individual sector.

Public to individual

Poverty effects the whole range of institutional life from the public institutions of government to the individual level.

Institutional poverty has the following characteristics:-

- Public institutions are not able, because of the poverty of individuals and the corporate private environment, to raise funds from taxes and revenues.
- Public sector conditions of service are therefore very poor with extremely low salaries and inadequate working conditions,
- public spending on basic necessities such as education and health care are very low,
- it is difficult to attract and keep good calibre public servants and capacity building programs are often tickets to leave public service for more attractive opportunities,
- the capacity and experience of officials is consequently often inadequate,
- fertile grounds are laid for corruption and graft,
- systems of patronage and nepotism often result in political interference,
- mounting foreign debt is accompanied with an inability to compete on international markets,
- and the gap of technological advancement, particularly in information technology, is ever widening.

Individual poverty is characterised by:-

- Very low levels of formal employment, particularly in rural areas and poor urban fringes.
- Access to basic services is very difficult and is often comparatively very expensive.
- For the vast numbers of people surviving below the poverty line each day requires enormous skill and creativity in order to survive.
- Disease and poor health are constant realities.

- Even minimal costs for basic services represent a large proportion of disposable income.
- Education, if available, is of a very low standard and literacy levels are very low.

All of these factors contribute towards the "poverty cycle" where each element is both a cause and an effect. For example, the lack of adequate education is an indicator of poverty and a cause of poverty. The same is the case for water supply and sanitation. Thus the vast populations which find themselves trapped within the cycle of poverty are unable to escape. In order to break the cycle effective measures are necessary at all levels from national government to the individual. It is extremely unlikely that any single element such as health care, education or the provision of basic water services will be able to transcend the constraints of the poverty cycle whilst the rest remain constrained. One does not find a country with a 97% literacy rate together with very low rates of access to basic services or poor health services. Equally, one does not find a country with 95% coverage levels for water supply alongside very low employment, large proportions of the population living below the poverty line and very low GDP levels.

Fundamental reality – no fuel for the vehicle

This leads us to an uncomfortable but fundamental reality. The primary reason for the lack of success in the face of the enormous effort which has been made to achieve universal coverage of basic water supply and sanitation services, has more to do with the economic fundamentals of a country than with the water supply and sanitation sector itself.

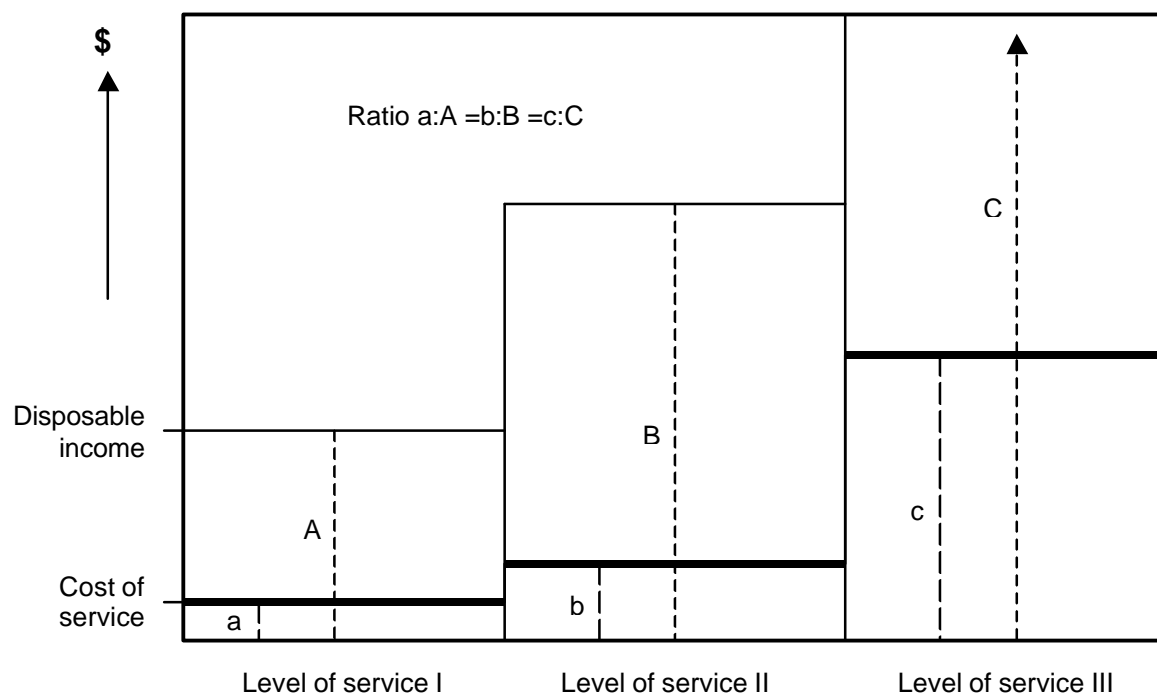
To illustrate this point, what the water sector has been doing over the past three or four decades has been a process of fine tuning the variety of mechanisms which are necessary components of a sustainable service. We have been constructing and improving upon the vehicle to the point where virtually all there is to be learned has been learned at this stage. The problem is that although we may have finally designed the proper vehicle, there is no fuel on which it can run.

The dilemma may be represented in graphical format. Although the following figures are generic, they provide an illustration. Clearly the actual figures will vary from country to country and community to community.

Disposable income

One of the primary constraints in poverty affected areas is the proportion of disposable income which is available to be spent on basic services provision. Disposable income is the cash available in the household for expenditure on food, clothing, medicines, schooling, fuel, water, soap, utensils etc. Within families which are functioning below the poverty line (whatever that may be in a particular environment) survival strategies require that every cent is carefully used. Where there are alternatives such as alternative sources of water, even if they are at long distances, or where control is possible on the precise amount expended on services such as purchasing water from vendors, these are often preferred to monthly rates. Issues such as affordability and willingness to pay are thus directly related to disposable income.

In most moderately well-off households the cost of water supply is an all but insignificant proportion of the household budget, but in poor households the proportion is much higher. The use of monies to buy water must be traded against other urgent demands. "Do we buy the child a second-hand pair of shoes or do we pay for water?" There comes a point where the proportion is too high and the services is considered too expensive. Higher levels of services consequently require proportionately higher levels of disposable income.



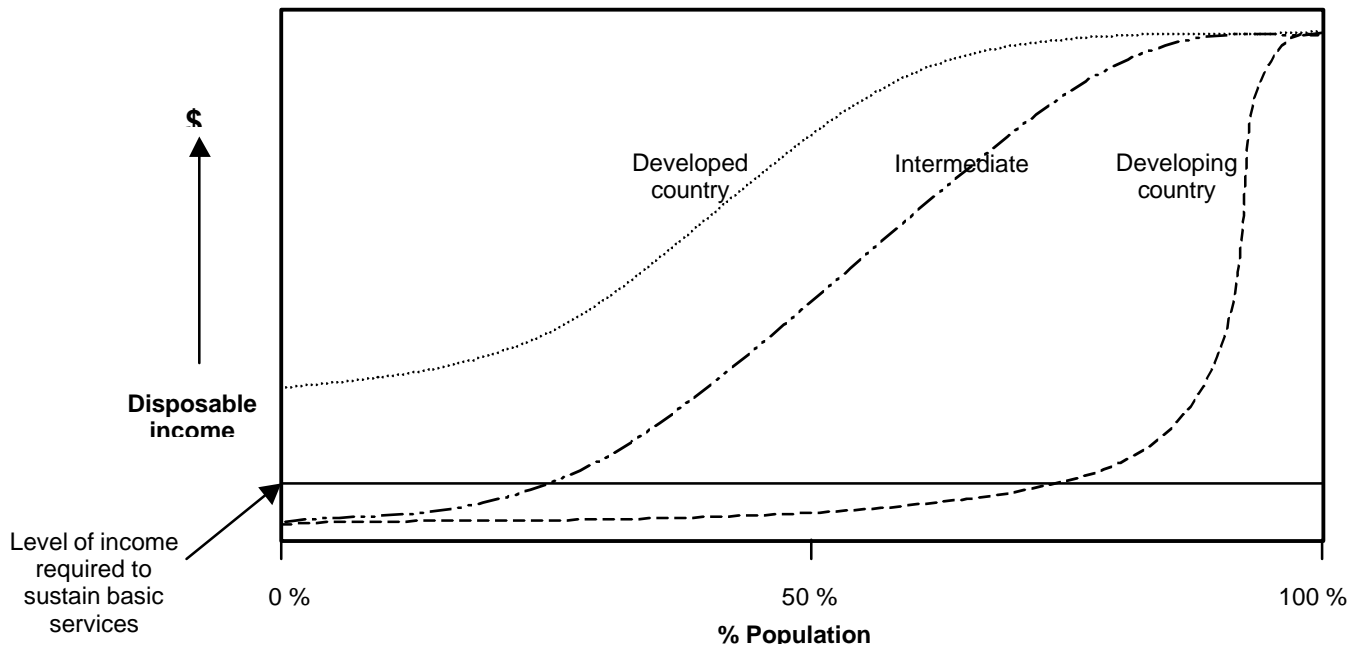
Graph 1: Cost of Service as a ratio of disposable income

National Economic profile

Disposable income at household level can be related to the broad economic profile of a country. As discussed above, poverty affects the entire range of institutional and public life right down to individual level. It is not simply a matter of disposable income but the full range of issues such as administrative and technical capacity, education, conditions of service in public institutions, revenue levels, the state of legislation etc. which, for the purposes of this discussion, will be termed "institutional poverty". With a given set of circumstances in a developing country, therefore, there will be a considerable proportion of the population whose income is below the threshold for possible financial sustainability of basic services. (See Graph 2) This factor, coupled with the consequences of institutional poverty, result in a situation where it is not possible to develop sustainable services.

This situation is well illustrated in countries where, for a variety of reasons usually unrelated to the water sector, the economic fundamentals have changed, resulting in increased employment and significant increases in household disposable income. With the increase in revenue at all levels through rates and taxes, institutional poverty has also been able to be progressively addressed. In these situations water supply and sanitation services have been sustainably supplied to a large proportion of the population **because they can afford it, and because there is the institutional capacity to do it** – water services have become a non-issue.

It is not that the water supply and sanitation "silver bullet" was found - the difference is that fuel has been found for the vehicle - wealth. Wealth, whilst being the opposite of poverty, is far more than merely liquidity - the availability of money. Wealth is the full range of services, administrative and technical capacity, literacy, public health, employment, democracy, human rights etc.



Graph 2: National disposable income profiles

Solution does not lie in the water sector

The hard reality, it is argued, therefore, is that notwithstanding the application of all the good practices of appropriate technology, community based development, capacity building, private sector engagement, demand responsive approached etc., water supply and sanitation services will not be sustainable in the long term under conditions of poverty. The solution lies outside of the water sector - it lies in the eradication of poverty. No matter how dedicated we are or to what extent we refine all our approaches and practices, whilst there is large scale poverty at national, institutional, and individual levels, we will not achieve universal coverage.

Policy Implications

If these are the realities, how to we proceed from here? Do we give up and wait for the dawning of a new age where there is no poverty? Do we wait until the benefits of wealth creation 'trickle down' to the poor? No, for two reasons – the first is that, as stated above, wealth is much more than money – it incorporates development; and secondly because basic services, education, health, equity etc are both indicators of poverty where they do not exist and indicators of wealth where they do exist. They are both causes and effects of poverty. We say that if a community does not have adequate sanitation it is poor and also if a community is poor, it is very likely to have inadequate sanitation. Therefore we must continue to work for improved, sustainable sanitation and water supply services because this contributes towards development and the eradication of poverty – we must just not kid ourselves that we can succeed in one isolated sector whilst all around us all the other factors of individual and institutional poverty continue to exist.

Given these observations, therefore, what are some of the policy issues and implications for the sector – how can we adjust our activities to account for these realities?

Look the devil in the face

There is a need to be brutally realistic and honest about the situation. We must understand the nature of poverty, its causes and its impact. We must gain a clear understanding of how the effects of poverty pervade and usually eclipse or dwarf all other influences. Whilst we must continue the development of best practice, we must be under no illusions that we can find a magical sector based solution to solve all our problems – there is no silver bullet.

We need to recognise that all activities which contribute to eradicating poverty ultimately contribute to sustainable sanitation and water supply services. Debt relief, for example, will involve the redirection of a proportion of debt service finances directly into the water sector in many countries. We need to be actively advocating and participating in as wide a range of activities as possible, professionally and personally, that are targeted at poverty and its causes.

Integrate

Because poverty is so all pervading and because the poverty cycle includes all elements and sectors, it is not possible to either achieve success in isolated sectors or to break the cycle through a single sector intervention. It is therefore necessary to approach development holistically and to integrate activities as much as possible, particularly at local level. This is not a call for us to stop doing water supply and sanitation or for us to get involved in a whole lot of other areas – it is a call for integration and to avoid isolated sectors all working in their own little corners.

Even greater need to apply best practice

We have learned a great deal over the past few decades about the provision of water supply and sanitation services. All of this has contributed to the empowerment of many communities and improving the prospects of achieving sustainability. Even though poverty tends to eclipse our best efforts this is not cause for us to abandon best practice or what we have learned, but precisely the opposite – we must become even more rigorous in the application of best practice so that we know that we are making our contribution to pushing back the frontiers of poverty.

Appropriate services – incremental development

Whilst many millions of people die each year from water related disease (especially children), only very rarely in cases of extreme drought do people die of thirst – everyone has a water supply. In this respect we have 100% coverage! If we ask what is an adequate water supply, we may only have 30 – 40% coverage. The problem is often that we want to move from existing water supplies to a pre-determined standard in one step which is impossible to achieve under the constraints of individual and institutional poverty. In trying to achieve this and failing, a great deal of time, money and effort is spent with very limited impact. The process of incrementally improving existing services is more likely to be sustainable, would cost less and at least the poor would see some improvement and would have some benefit.

Lower the expectations

The problem is that many people have come to expect high levels of service because they have been encouraged with promises to do so. This, as we postulate above, is not possible because of the constraints of poverty and leads to disillusionment, fatalism, the rejection of incremental development options and deeper entrapment in the poverty cycle. This makes it

very important to lower expectations, to avoid the stipulation of standards and to work with each community to establish what incremental development means in each case. Goals should be set, however, to set an ultimate target. The suggestion therefore, is to move from standards to goals and to practice incremental development.

Subsidy inevitable?

The question of subsidies remains a difficulty and will not be extensively addressed here. Subsidies may undermine successful incremental development but may be inevitable. Development may be better served through redirecting monies which would have gone into subsidising service delivery (given that a lot of this money is wasted anyway because of the very high dereliction rates which exist in most countries) into addressing some of the problems of institutional poverty – improving conditions of service of public servants and thereby strengthening the support which sustainability requires. Whatever the policy regarding subsidies, it needs to be applied rationally with a full understanding of its impacts and developmentally so that it decreases peoples' entrapment rather than increases it.

Conclusions

The central call of this paper is for a paradigm shift. It is a call to identify the overriding problem as that of poverty, which eclipses all other issues. Moving from a single sector, services provision perspective to an appreciation of the broader realities of our economies, societies and politics helps to explain some of our difficulties and failures, and hopefully helps to reorient our activities to improve our impact and the daily lives of many millions of people.

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