

WATER RESOURCES GOVERNANCE: A STUDY OF THE STAKEHOLDER PERCEPTIONS IN THE STATE OF MINAS GERAIS

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Abstract

The world is preoccupied with the water quality, distribution and scarcity. The aim of this paper is to present the *stakeholders* perceptions and regulation involved in Water Management on the public governance mechanisms. The theoretical development of this work contemplated the public governance theory, specifically where it refers to the *stakeholders* participation in the Water Management. The research was performed as case studies on the state organization IGAM (Water Management Institute of Minas Gerais - Brazil) taking in consideration the public governance mechanisms defined by the Organization for Cooperation and Economical Development - OCDE (2005). By means of the use of a specialist panel and a focal group undertaken with representatives of *stakeholders* involved in the Water Management it was possible to evidence the necessities for adjustment of the legislation concerning the supplying of semi-arid areas and the integration of the hydrographical basins' public policies. The conflicts appear more clearly in the interaction between some *stakeholders*. Those are discourses that question the utilitarian acting of the water, the technical ignorance of the members of Hydrographical Basin Committees and the defense of the democratic format of these decision organs.

Keywords: Water Governance; Water Regulation; Governance as Strategy

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1. Introduction

As stated by Beltra (2006), according to the World Water Council, the current overview of the availability of water resources is catastrophic: only 40% of the world population has access to water. This scenario implies serious consequences for public health with indicators demonstrating 3,900 daily child deaths. The same paper reveals UN – United Nations – information for 2025 showing that a third of the countries will have their developments impaired by lack of water, when 2.8 million people will possibly be living in chronic drought regions.

Facing this scenario, one area that is arousing great concern from the academics is water resources management. In existing literature, while some researches emphasize the public policies related to Water Management (HAASE & CAMARGOS, 2001; FRANK, 2002 and PEREIRA & JOHNSON, 2003), others address the matter of social support (ABERS & KECK, 2002; GARJULLI, 2001; LEMOS & OLIVEIRA, 2003; VIEGA, 2007; GUTIÉRREZ, 2006; NOGUEIRA, 2002; DINO, 2003) and the challenges for strengthening the hydrographical basins committees (ROCHA, 2003; JACOBI & BARBI, 2007; CUNHA, 2004). There are yet too few

studies that emphasize the governance structure necessary to water resources management. So, with this work, our objective is to study the governance mechanisms used in water management, identifying the perceptions of the ones most interested (*stakeholders*) over these firm's actions.

The proposed methodological and theoretical model intends on identifying orientations and governance mechanisms that better tend to the involved parties in the use and management of water resources. Minas Gerais' territory represents a propitious medium for studying this theme. It is in Minas Gerais that are the headwaters of the rivers São Francisco, Doce, Paranaíba, Grande and other, which contribute to the development of many of the Union states. Further from this introduction, this paper contains topics on the study backgrounds and the research problem, the theoretical basis, the adopted methodological path, result analysis and the work conclusions.

2. Background and research problem

There are several motivations for studying the governance of water resources and its relation with the address to involved *stakeholders*. Hitt, Ireland,

Hoskisson (2003) conceive the stakeholders as all people influenced by the firm (directly or indirectly) or with concerns and resultant activities. They divide the *stakeholders* in the classical two greater groups of internal and external to the firm. That are subdivided in five sub groups: (i) the government agencies; (ii) The Capital Market *Stakeholders* that encompasses: *Shareholders*; Major suppliers of capital (Banks; Private lenders; Venture capitalists); (iii) Product Market *Stakeholders*: Primary Customers; Suppliers; Host communities; Unions; (iv) Organizational *Stakeholders*: Employees; Managers; Non-managers; (v) the general communities. They present the premise that “The firm must maintain performance at an adequate level in order to retain the participation of key *stakeholders*”. Therefore we are considering *stakeholders* all the people who, directly or indirectly, are influenced by firm on the moment that it initialized or finished the operations. Evidently that the benefits or problems remain after the extinctions of the firms in case the nature of the externalities (short or long range) produced, else, positive or negative. In the existing literature on this matter it is perceived that the better part of the research focus on the settlement experience of public policies directed to water management (FRANK, 2002 and PEREIRA & JOHNSON, 2003), in the working dynamic of the basin Committees (ABERS, 2007) and in social support (KECK & ABERS, 2007). On the other hand, few studies explore the relation culture/governance mechanisms and *stakeholder* perceptions, impacted by water resources management.

One of the intentions for this work is to understand the implications of the governance mechanisms for the *stakeholders*. It may be said that the presence of various actors in the water resources management arena also justifies the need for more studies in this subject. In this environment, it is possible to identify different *stakeholder* groups (public managers, consumers, owner’s waters basins and fluvial nets, ONGs, et cetera) with different interests related to water use. The Basin Committees, for example, aim, through institutional and population support, exercise their political role, turning this organism into a democratic and decentralized space for debate and negotiation around water use. The consumers aim to guarantee the water use as an input and raw material of production processes. The ONGs interest, on their part, is turned to mobilizing the society around the adequate use water resources.

Among the studies that deal with the social support in water resources management it we must highlight those that emphasize the use of public policies that favor greater involvement of the society (KECK & ABERS, 2006), and others that aim to understand the ways to mobilize the population for water management (GARJULLI, 2001). The attempts to address social support through a managerial focus are yet scarce. Thus, the *stakeholder* construct may contribute in identifying those most interested in water management.

In this present study, we intend on exploring in what manner these character – users, managers, organized social society and the State – perceive the public governance components used in the administration of this natural resource. In this direction, we seek to answer to the following research question: *In what way the mechanisms of water resources governance are perceived by the parties involved with this collective consumer good?*

It is appropriate to highlight also that today water resources management is a theme of interest for international organizations, as well as the Brazilian States. This research’s reflections will also be able to contribute to indicate possible paths to be taken by the water resources managers, specially in the relations with involved parties.

3. Water resources management and social support

Cardoso (2003) affirms that the access to quality water will be the crucial issue to be solved in the next decades, as to assure human survival. This basically hegemonic discourse has dominated the mass communication means, the academies and international politics. In consonance with this purpose, a water resources policy is being consolidated in Brazil in the last years, having as its mark the promulgation of the Federal Legislation number 9.433/97. This legislation has as a presupposition the decentralization of water management by means of the generation of the Basin Committees. These Committees are formed by representatives of the public authority, of civil society (legally constituted entities whose attention is related to the water resources – environmentalist entities, associations, teaching institutions, rural worker syndicates, among others) and water users (organizations that make use of superficial or water subterranean – sanitation companies, energy generation companies, mining, industry, irrigations, among others).

With the objective to propitiate a better understanding of the basic concepts in the water resources management, it is appropriate to recall some concepts. Rebouças *et al.* (2002) conceptualize water as the natural element unrelated to any use or utilization. The water resources would be associated to the goals of its use, so as to be an usable economic good for a determinate end. Bringing contribution in this direction, Brochi (2005) affirms that the water resources management means administration mediated by a group of activities and strategies that aims to rational employment of the public good. Water resources management also involves negotiations between institutions, establishing public policies and management and control devices.

The water policies in the union and state sphere establish some orientations that should be observed by the public manager, such as:

- 1) water must be recognized as a public, vulnerable and finite good, endowed with economical value;
- 2) water must be assured for its multiple uses;
- 3) water is a human consumption and animal thirst quenching priority;
- 4) the hydrographical basin will be adopted as a planning and management territorial unit;
- 5) the management must be performed in a decentralized and supportive manner.

Commenting the relevance of the various aspects of Brazilian legislation on water resources, Thame (2003) states that in the water management policy the Basin Committees must be reputed. The argument here is that water protection walk should walk side by side with economical growth, avoiding damages to the population and future generations. In the same line of argument, Pereira (2003) adds that the Committees' attributions should not be confused with the constitutionally defined responsibilities of the public sector. One of the great challenges for the Committees is conflict administration and reduction of divergences between the parties interested in water use.

Garjulli (2001) affirms that the procedures and practices in the water resources management system have yet a long way to travel. It is important to observe that the channels made available by the supportive system, despite being most significant in the process of a major popular insertion, must be conducted in a manner to express the anxieties of the communities interested in water management. Social support in water resources management involves the democratic principal just as the needed sensibility building for the construction of a new way of managing the public good, by nature, expensive and scarce (MACHADO, 2004). Thus, it is a presupposition that the decision taking by public administration reflects the aspirations of local communities.

4. Public governance – concepts

Löffler (2003) understands public governance as a new generation of State administrative reforms, which have as objective the joint action, taken into effect in an effective, transparent and shared way by the Government, companies and civil society. Araújo (2002) also associates governance with the State's capabilities in formulating and implementing their policies. In order to achieve the proposed collective goals, public administration makes use of their financial, managerial and technical competencies. The governance is understood also as a strengthening mechanism for the relations between government and local communities motivated by cooperation processes, which involve the group of public, communitarian and private actors. In the process of making this management format viable the structuring of modern forms of services transference to private and communitarian groups is essential (JANN, 2006).

To Slomsk (2008), public governance is not only a matter of increasing effectiveness and efficiency. It involves also issues associated to legality and legitimacy. It is up to the government to support and propose public actions observing the principles of social justice, equality and legitimacy. This same author clarifies that public governance incorporates meaningful activities involving direction of complex networks in public sectors of society. In the understanding of Streit & Klering (2005), public governance is the government aiming collective objectives of a society, with focus on autonomous, interdependent and responsible coordination of separate institutions, networks and social actors, using structures, mechanisms and regulations that are just, coherent, consistent and accepted by society.

Jacobi & Barbi (2007), addressing the challenges and perspectives of water resources governance in Brazil, affirm that it is not enough to only assure the population the right to take part in water resources management; there must be governance mechanisms destined to make citizen support viable. Despite the advances in the decentralization of natural resources administration, still prevails a mismatch in the implementation of governance models turned to water resources management. Good governance must count on a normative system that guarantees sustainability and management decentralization, integration with those responsible for environmental management, efficiency in the execution of administrative measures and implantation of management devices in the matter of, specially, charging for water use (SOARES, 2005).

5. Governance mechanisms in the sphere of public management

In a manner to develop a group of orientations on the best governance practices in public companies, the Organization for Cooperation and Economical Development – OCDE produced a document establishing six conducts for effective governance (OCDE, 2005): 1) actions that assure an effective juridical and regulatory structure for the state companies, 2) actions that back up the State role as proprietary, 3) egalitarian addressing to *stockholders*, 4) *stakeholder* relationship policies, 5) transparency and information divulging, 6) definition of the Councils responsibilities.

In the matter of Brazilian legal structure of water resources, Filho e Bondarovsky (2000) consider that the existing legislation are more than enough for the development of water management in Brazil but, due to their complexity, it will certainly take some time until it is in fact implemented. Oliveira (2004) affirms that State interference is fundamental in the direction of containing indiscriminate use of water, incentivizing mechanisms to make the population sensible to hydro-environmental revitalization, recovering and conservation.

The second conduct proposed by OCDE refers to the actions of the State as proprietary. This orientation refers to the government role as to define a consistent property policy, which assures that the governance is conducted in a transparent and responsible manner, with the needed level of professionalism and efficiency. This includes also the guarantee of autonomy for the public company, in terms of non-involvement in their daily activities and respect to the council's independency.

The third OCDE mechanism refers to the egalitarian addressing to all those involved in the government activities, recognizing equal rights to information access. It should be emphasized the importance of developing a communication policy, exercising a high degree of transparence, envisioning a relationship of proximity to construct credibility and confidence. Another important aspect is propitiating participation of those involved, so that they take part in the construction of decisions over the activities of the public company.

The fourth orientation emphasizes the public companies' responsibility in the relationship with the *stakeholders*. Ashley (2002) points that those organizations that seek sustainability on a long term basis needs to be competent manager of the relationship networks among the *stakeholders*. The presentation of reports on the *stakeholder* relations is strategic in order to demonstrate the will to act in a transparent manner. This way, it is shown the compromise and cooperation with those interested and, in turn, promotes confidence and improves the reputation of the public company.

The fifth mechanism refers to transparency and divulging of the public companies activities, considering the use of financial and non-financial reports and the elaboration of informative material on issues of significant interest for the State as proprietary and for the general public. Oliveira (2003) clarifies that the organizations are focused on management policies that recognize in knowledge, people and communication fundamental elements for consolidating an organizational dynamic. The internal auditing system contributes for control and governance processes of the public company, being recommendable the elaboration of an internal control yearly report addressing the financial demonstrations.

The sixth conduct proposed by OCDE is about the responsibilities of the public companies' councils, in what refers to authority, competence and objectivity of their organisms. They have a role of strategic orientation and final responsibility for the organization performance. The strengthening and improvement of the quality of the roles performed by the councils constitute fundamental characteristics for governance improvement in public companies. It is important that the public companies have efficient councils that are able to act on their interest and monitor the management in an efficient manner, without presence of political interference. In the case of water resources management, it is understood that

the Basin Committees, in their respective acting areas, are organisms analogous to the Councils in public companies.

6. Methodology

To analyze the *stakeholders'* manifestations on the water management in the State of Minas Gerais, we adopted a qualitative methodology, of descriptive nature. We took as parameters the public governance orientations of the Organization for Cooperation and Economical Development (OCDE), based by other researched authors (SLOMSKY, 2008; BARRET, 2005). Four orientations and respective public governance mechanisms were utilized in the direction of investigating the structure of the water resources management organ of Minas Gerais: 1) Juridical and regulatory structuring of the water resources management, 2) Actions of the State role as proprietary of the collective good, 3) Relationship with the *stakeholders*, transparency and information diffusion, 4) The Councils role.

Two research methods helped to uncover in what manner the water resources management mechanisms are perceived by the actors involved in its management. On a first step, we used the specialist panel to identify with eight hydro resources experts different opinions on the relevance and use of determinate actions on water management. On a second moment, we structured a focus group constituted o ten *stakeholders* – representatives of the organized civil society, water users, public authority and Basin Committees – with the purpose to evidence the perceptions on the structure of governance of the management organ. The association of the two methods had as objective to produce differentiated information to enrich scientific knowledge on this theme.

To analyze and treat the data we sought, specially through the interviews of the Focus group, to put together a group of perceptions from each representative of the *stakeholders*, with the objective to build a scenario the reveals the strong and weak points of the public governance orientations on water resources management. As the questionnaires were answered to, the results were input on a table, grouping the answers and comments related to each assertive. Next, these results were used for a comparison with the manifested *stakeholders'* perceptions on the focus group.

7. Public governance in IGAM: perceptions from specialists and *stakeholders* involved in water management

In this topic we will analyze the perceptions from specialists and *stakeholders* of the water resources management of Minas Gerais, taking as reference the orientations and public governance mechanisms

addressed in the literature (OCDE, 2005; BARRET, 2005; SLOMSK, 2008).

7.1 Juridical and regulatory structure on the water resources management

One of the issues mentioned by the specialists and stakeholders in the focus group refers to the problem of how to deal with water scarcity in determined regions and situations. There are not specific devices established for the semi-arid regions, for example, where superficial and subterranean springs do not exist. In the cases of lack of water, the legislation also is unclear on defining priorities on who or what will be addressed.

Another factor which contributes to the lack of effective government action is the insufficiency of technical and academical studies destined to solve issues related to the use of water resources. One of the representatives in the Basin Committees, participant of the focus group, reveals the importance of interaction among the State and academic institutions from developed countries in the search for alternatives for semi-arid regions:

[...] *“I thought it to be interesting when I was in Spain some time ago. Spain is a very dry climate country, with a third of the rainfall in Minas' semi-arid. In Minas it is around 600mm and there it is 150mm, in southern Spain. How they live with this? There is a teacher in University of Madrid that told me this: each square meter of the Spanish territory was a target for, at least, two Masters or Doctorate thesis. So this shows the inductor aspect of governmental agencies and universities themselves in the direction of knowing this potency” (Basin Committee Representative I*)*

The detailed knowledge of the potentialities and deficiencies of water availability may come to make viable solutions that address the human supply needs. In this issue, the partnerships between academy and public administration make possible the implementation of researches and studies of water use that indicate possible actions that diminish the effects of water shortage. These are measures that justify the inclusion of specific legal devices for these geographic locations.

Despite the fact that Brazilian legislation doesn't contemplate specific matter for regions with scarcity of water resources, some strong points were evidenced by the participants of the focus group. Among the positive aspects of the legislation was highlighted the decision decentralization, that makes viable the effective representation and participation of the various sectors of society, and the systemic planning of the water resources management, having

as reference the hydrographical basins. As to the aspect of considering the hydrographical basin as unit of planning and management, and what this means in practice, the opinions of some interviews in the focal group were registered:

“City integration on the basin is the great play, but we have to see how to do this. This is the solution, because nowadays the focus falls too much over the city. For example, the city does something of water resources, makes a city water resources city plan , a sanitation city plan , but makes it focused, he doesn't have integration with the basin. Many times we even see a clash of director water management plans between the hydrographical basin and the city” (City public authority representative).

“The strong points would be the novelty of the management being done by planning unit which is the basin. So the basin must be had in sight to do the management, which is a big difference from environmental legislation, because the permits are done in a punctual manner, without having in sight the basin to do the management. I think this is the great differential. As a weak point, I see that it lacked the clarity of not introducing a bigger city support in the management. The city does not feel integrated to the management.” (State public authority representative 1).

By the statements above it is perceived the first clash between the managers of the city and state spheres in what concerns governance of the hydrographical basin area. Despite the consensus around the conceptual vision that the basin planning model provides, the integration and participation of the cities are contested by the public managers. For the city manager, as much as the city exercises its role structuring the Director Plan (citywide), the integration problem comes from conciliation with the water resources Director Plan for the hydrographical basin. As for the state management representative, the critical point of the absence of integration resides in the legislation, itself that, refrained from stating over the means of city participation in the water resources management. Cardoso (2003) confirms that the adoption of the hydrographical basin concept imported from the French model of water management presents itself, beforehand, as a potential conflict generator, particularly at a country like Brazil, where the cities are strong units in administrative and political terms, and where the hydrographical basin is a territory over which does not exist any kind of social identity.

Other questions associated to the management difficulties imposed by the legislation were manifested in the specialist panel and focus group. In the public policy directives level, for example, it does not prevail integration among the three planning spheres (hydrographical basin, State and Union). This

* All transcripts from interviews are free translations.

may be ensued by the absence of clarity as to the harmonization of the competences previewed in the state and federal legislation, existing a need for better understanding on management integration over rivers of Union domain and rivers of State domain. It is worthy to detail that the Federal Constitution, from 1988, established only two domains for the water bodies in Brazil – the Union domain and the State domain, for superficial or subterranean waters (MMA, 2001). Therefore, the legislation does not contemplate the role to be exercised by cities on water management.

It is evidenced in the focus group that there is a lack of directives for application of the water resources management. The following manifestations from the participants of the focus group evidence the difficulties for the application of water resources management. The statements address issues of legal, administrative and participative nature. For the industry representative the legislation problems come from the lack of investments on the public governance structure:

[...] *“the point that remained weak was this: the legislation does not prescribe or demonstrate the resource sources or how we will make it move, out of inertia. I assemble the committee; once it has been assembled, I have three basic obligations and the first is the basin plan, than the registration, but it does not say how to get these resources out of this thing. That’s why the committee does not get off, gets stuck in this process.”* (Industry Representative).

The legal and administrative aspects evidenced by the enterprise representative give place to the representation problems cited by the ONGs representatives:

“In this aspect, another fact that I find a little harmful is that we lack representation in the civil society area, organized or not, and that the representation that exists does not have a structure that allows efficiency of this representation before the structures both governmental as production sector. So that brings a imbalance in the policy effectivity.” (ONG Representative 1).

[...] *“a first aspect is the application of the legislation, that clashes with this support aspect. The second is the operational aspect. There is this support side, but we need devices, the director plan, the basin agency. Without all these devices, the a councilman with no management devices is in the same situation as a mechanic with no toolbox. So, along with this lack of a supportive culture, the region sometimes does not have enough of a bulk of critical people to operate these committees. [...] The public organs themselves have a lack*

of agents, of representatives, to fill all these chairs. Lacks quantity and quality, a critical bulk. It’s this mismatch between the beauty of the legislation and social, economical, reality, that do not match up. The legislation were inspired, mainly, in European countries, mainly in France. Europe has a culture of support and 85% of the population has the habit of joining organizations, associate, develop the citizenship, civility, through participation in organizations. In Brazil, this rating is 15%. (ONG representative 2).

If on one hand the environmentalists’ view privileges aspects associated to social representation in the competent organs of water management, for the industry representative the pointed legal deficiency lays on the lack of prescription on the origin of resources to be destined to operationalize the Hydrographical Basin Committees. On the contrary of the industry *stakeholder* that does not present a difficulty on assigning a representative for this segment, the choice of agents to represent the organized civil society lacks criteria and qualified personnel to form the Management Councils. Though the discourses of both *stakeholders* present distortions, they may be considered relevant points to be addressed by public management. Both the investments on structuring the Basin Committees, and the mobilization processes that stimulate effective representation of the society in water management, translate into relevant demonstrations on the qualification of the public governance, or even in the construction of social capital (FUKUYAMA, 1999) that promotes cooperation among these *stakeholders*.

In what relates to the second governance mechanism – penalties prescribed by legislation – there is almost unanimity of the specialists as to the deficiencies related to its execution. One of the main pleas addresses the differences between the penalties imposed by the environmental management and water resources management. While the first emphasizes the command and control connotation, the second focus on the negotiation connotation. The penal rigidity prescribed in the environmental legislation, be it on the non-compliment of the conditionings of environmental licensing, be it on the imposed penalties and infractions committed against Brazilian fauna themselves, opposes itself to the lack of more severe penalties on the cases of misuse of water. Beyond that, as related by one of the specialists, it still rules a lack of harmony in the legal procedures a criteria on the federal and state spheres. The penalty, by itself, doesn’t motivate a conscious use of waters, thus existing a demand for educational policies or orientation and explanation of the effects of committed infractions.

It is highlighted by the statements that the specific issue of water resources management is still a low attention object if compared to the relevance given to environmental issues. One of the points defended by the private initiative representatives is on

the strategic connotation that must be taken on account by water resources management. They are points that reinforce the differences on the treatment of issues associated to the water to other general environmental issues. Public goods of collective interest as water may not have only a utilitarian view. Tridimensional aspects, of social, environmental and economical nature, must be concomitantly taken on account by the integrated management that aims to its multiple uses (CARDOSO, 2003).

The fact that IGAM does not count yet with due recognition of its attributions contributes to difficult the *stakeholders* comprehension on its responsibilities. The guarantee of information to the *stakeholders*, one of the mechanisms highlighted on the juridical and regulatory structure, shows itself to be quite incipient. One of the possible reasons for the lack of transparency on information divulging refers to “the confusion and shadowing of the obligations and responsibilities of the management organs”. These ambiguities, according to the specialists, come from both the complexity of the water resources management structure, that contemplates various instances as grantor organs, state and federal coordinator organs, deliberative organs, and the changes introduced on the water resources legislation. Beyond the impediments of bureaucratic nature, the maintenance and operationalization of the attributions of the management organ depend much on financial resources of the state and Union.

7.2 Actions of the State as proprietary of the collective good water

According to OCDE (2005), this dimension of analysis refers to the professional role of the government in defining a consistent property policy in order to assure that the governance is conducted in a transparent and responsible manner with the necessary level of professionalism and efficiency. In relation to the state policy of waters, first mechanism of conduct of the State proprietary, the opinion of most of the specialists and *stakeholders* is that the government establishes a clear and coherent frame of its water-related policy.

For some specialists, however, there is a need for advance in rules and regulation procedures in water resources management, be it through the “approval of the State Plan for Water Resources”, or through mechanisms that seek to assure the financial resources necessary to the autonomy of the management organ. According to one of the specialists, the State establishes the autonomy of the management organ, but gives priority to infrastructure works in disadvantage to investments which could be done in qualifying the public water management.

On the focus group, the *stakeholder* representatives commented on the interaction with the Legislative Power on the discussion on water resources management with Minas Gerais society:

“From the point of view of Minas Gerais’ Legislative Power, I think that the Legislative has done already two seminars on this issue of water resources, “Águas de Minas 1 and 2”; and has done also two seminars on sanitation. And in the Legislative Assembly they have a very interesting methodology to stimulate participation. The problem later is how these collected suggestions are applied in order to become public policies and also legal devices. This process does not always has due continuity” (Basin Committee Representative 1).

“It is interesting that the companions here know how it works in the Assembly. After the seminar ends, there is a Following Commission. The implementation of these seminar decisions needs action from this Following Commission, what does not always happen. So it is in fact a situation of constructing a democratic process, really. There is good will, but still lacks some action” (Basin Committee Representative 1).

The Legislative Power, as much as it translates itself into a debate and social support locus, does not necessarily make viable the implementation of the discussed public policies. The discussions of the states bathed by São Francisco river on the river transposition demonstrate that, even if the mobilization of organized groups contrary to the transposition are made easier, prevailed the actions of the Executive Power. On the other hand, the debates favor the structuring of public policies to be later appreciated and promulgated by the State.

7.3 Relationship with the stakeholders, transparency and information divulging

For OCDE (2005), Slomsk (2008) and Barret (2005) it is a fundamental presupposition the egalitarian treatment to all involved in the activities of the government, recognizing their rights, so that they have the same access to information. Some specialists said that the management organ assures equal rights to its *stakeholders* but, however, prevails the force correlation due to political pressures, and some interested parties end up being privileged. Nevertheless, the difficulties of access to information and participation in the meetings do not provide the socialization of these rights.

On the focus group it was verified that, in general, the interaction of the management organ with its *stakeholders* needs to progress, being also perceived that IGAM should model itself increasingly by sensibility and negotiation with their *stakeholders*. Equity on the treatment of *stakeholders* is questioned by some of the representatives:

“There is a very prejudicial look from the management organ with relation to the

production sector or the water user. Not just from the management organ, but from civil society too. Normally, the user statement is interpreted as being an escape from legal obligation. Every time he opens his mouth everyone says he is escaping the legal obligation. I think this: this relation fighting with its strategic public, the stakeholders, is too much tenuous, as the management organ goes to talk with the user and he understands that is a user obligation.. so here the command and control is much stronger than orientation, the search for cooperation” (Industry Representative).

“In the part of the State with its interested parties, I think that there are some things that don't work. When it is given priority to something in the State, like Linha Verde, this has a dynamic, a speed that makes it happen; and there are others that seem to be taken in “Slow cooking” . I can't say it here with much propriety, but sometimes it is really a question of priority, and it ends reflecting on the others, on the interested, on the stakeholders” (City Public Authority Representative).

“There are too many governance levels to work, conciliate everyone's interest... Then I think that it's too hard to work as a team in the direction of addressing to the interests of everyone, because there is really a selfish view, a selfish interest. And I see that when the company acts in the licensing process, what we hear the most is this company's social responsibility. “We will generate employment, generate income, et cetera, the company's social responsibility”. But this is not social responsibility, in my way of seeing it, it's company investment. A company has to see itself this way. I think that the leveling of this governance is that I think is hard to happen. We are moving, but I think it is hard to happen.” (ONG Representative 1).

The issues pointed by the industry representative puts into play the relations between the management organ and the organizations of the production sector, much due to their legal obligations and the different treatment alleged by the one interviewed, what denotes a position more of control than of orientation by part of IGAM. For the city representative the address to the *stakeholder* interests passes through the work of the State in giving priority to water resources management for the interested parties. The ONG representative, on the other hand, recognizes the difficulty of the management organ to exercise the impartial administration of their *stakeholders* and questions the “selfish” action of the organizations by occasion of the licensing pleas for the use of water.

The relationship with the *stakeholders* may be aggravated by their own clashes among their own representatives. Already mentioned the prejudice over the actions of the production sector perceived by the industry representative results eminent conflicts provided by the critical posture of the ONG representatives about water user industries and the questions of the organizations over the paths traveled in the Basin Committees for grant. These constitute examples of the unsettled interaction of the interested components:

“In this issue of these involvement conflicts of stakeholders, there is from the point of view of a great part of the environmentalists the idea that the private initiative is a “thing of the devil”, in other words, the gang that really wants to break the Law. On the other hand, many companies do not care to change this image. So it prevails this conflict that is always unresolved” (Basin Committee Representative 1).

“How will I place a device that depends on an extremely sophisticated analysis on the hands of people that are not from the technical-scientific medium? There were cases of a grant being in the hands of someone who asked “what is this?” “What is this enterprise?” “It is a barren pile? I want to know what is a barren pile” It was the person that was there to give technical report on the grant for the barren pile. A committee has to deliberate, yes, over the hydrographical basin, what we want for this basin, what we wish, fight for the plan, fight for the zoning, fight for an integration of plans. The management devices that demand a specialization for their development, their understanding, cannot be discussed as democratic issues. It is not that, they are technical issues, deeply specialized.” (Company representative).

The matter of grant concession for major enterprises with polluting potential was an issue also highlighted on the interviews, for the tarry of the management organ on analyzing and providing the concession and for being a device that, as prescribed by the legislation, must be forwarded to the Committee, for approval. It was observed that there are questions over this procedure in what relates to the Committee's qualification to rule over technical issues. However, generally, the understanding is that the Committee is the organ most indicated to the representational expose of the stakeholders' interests. The contests of the application of the Committee are around the administrative difficulties to coordinate the various interests and of the composition and necessary abilities of their participants itself:

“Participative water management is this; it is for the civil society representative to enter, the

geologist, the hydro geologist and the paper collector. It's this that I think it is a participative management of participation inside these spheres, because these people have life technical knowledge that needs to be shared, in the same way that the technician by work will share his technical knowledge. Theoretically what we are not prepared, in the beginning, is to be democratic" (ONG Representative 1).

"I think that there is a lack of preparation by all to make the machine work, including the public organ. So we have a training process for the civil society, the company many times needs to enter. It has more operation capability, maybe, of having technicians, but I think this does not exclude the process. So why Laws, why a committee, why opening spots for the civil society? To watch? So we need to see the process of moving and I concur that many people that are part of the committees are not technical, but something the others learn from them in this parliament. Surely!" (City Public Authority Representative).

For the ONG representative, regardless of the technical information, the Committee has to represent all the interested parties on water management. In the opinion of the city representative it is general the unpreparedness of the Committee components. The learning of the dynamic of functioning of these councils will consolidate itself with practice and the execution of the generated proposals.

In regard to the transparency mechanism in the provided information to the *stakeholders*, it was commented by some specialists that the management organ does not have a command, neither an adequate policy to attain a higher level of transparency. Questioned on the mechanism of periodically informing, through reports, the relations of the management organ with the *stakeholders*, the specialists indicated the inexistence of these actions.

7.4 Role of the Councils (IGAM Administration Council, State Council of Water Resources and Hydrographical Basin Committees)

OCDE (2005) gives orientation on the importance of responsible Councils on the depth of public companies, highlighting the authority, competence and objectivity of these organisms. They have a role of strategic orientation and final responsibility over the organization performance. About the mechanism assuring independence to the Council in the exercise of their activities, in the opinion of the specialist, the IGAM Administration Council, the State Council of Water Resources and the Hydrographical Basin Committees do not act independently on all their attributions. Due to this, they suffer influence by both the management organ and the State Secretary for the

Environment and Sustainable Development. Some specialists highlighted also that there is on the sphere of these Councils the exercise of political action so that matters are put on schedule and forwarded by diverse interests.

On the focus group it was consensual among those interviewed the accordance over the form of composition of the state council and the committees. It was stressed that the legislation prescribes that the number of state public authority organs must be equal to the city public authority and the sum of the user segments and civil society must be equal to the sum of the public authorities, on the composition of the Committees. However, with the objective to equalize and harmonize the participation of the segments, there is a tendency on most of these organisms of adopting the following composition: a quarter to the state public authority, a quarter to the city public authority. A quarter to the production sector (users) and a quarter to civil society. As for representation, those interviewed were unanimous manifesting that it is not exercised, which is well put on the statement of the ONG representative:

"The councilman, when is given tenure on the council becomes a representative of himself. This is very common. There is not inside the entity which he represents a dynamic of interacting internally in the entity to give feedback, pass on the things that are being discussed, taking the interest of that segment which he represents. When it is about the environment and water, represents, also, animals and plants, and he has great responsibility, but in the moment he sat there, he is himself. That is one of the bottlenecks" (ONG Representative 2).

Silva *et al* (2005) point that one of the encountered difficulties on the Water Resources Management Systems is the exercise of representation and recommend specially the strengthening of the cooperation capability among the social structures, thus promoting social capital and the preparation of the Committees' members for a qualified participation.

In the opinion of the state public authority representative there is a lack of commitment with representation on the water resources management, because the representative members of the city and state public authorities are assigned only to fulfill a formality ritual.

"The matter is who represents these segments on this collegiate. Sometimes it is not the people who will have the better representation on that segment. We have problems with the segment city public authority, for example. Around the time of the election, specially in the State Council of Water Resources, all the cities dispute and want to have a seat, but then, when it's time to participate in the meetings, they

don't show up and it is the same thing with the state public authority. Representation is lacking, there people assigned that do not have decision power and representation to take various decision. In the committees this is also happening, it's the same thing" (State Public Authority Representative 1).

In the opinion of the Industry representative the renovation of representation is very low in the Councils, which generates a continuous participation of the same people.

"The problem that I see of the collegiate, representation, is at first with very good intention, but then comes that joke about hell being full of good intentions. But it loses itself there. I said it already on my first intervention, I think: we have few people, few renovation, I won't say even of leadership, but of representation; we have few renovation of representation. Usually it's the same ones" (Industry Representative).

Contributing on the discussion on the participation of the same people on this process, Cardoso (2003) emphasizes that the same individuals end up participation on many collective instances, due to the difficulty on forming new leaderships to follow the new political moment of participative management.

In what relates to the existence of an environment of directives relationship among the National Council for Water Resources - CNRH and the State Councils for Water Resources, specialists stated that the mechanisms to apply this interaction are precarious. In practice the directives of CNRH are unknown both in the State Council For Water Resources of Minas Gerais and in the Hydrographical Basin Committees.

8. Conclusions

This study had the objective to identify and analyze the perceptions of the *stakeholders* as to the governance mechanisms of water resources management of the State of Minas Gerais, considering the orientations from OCDE (2005). The combined use of the specialist panel and the focus group methods allowed a sequence of methodological actions divided, in a first moment, by an assessment of the specialists' opinion on the structure of water resources governance proposed by OCDE (2005) and, on a second moment, by the perceptions of a group of *stakeholders* involved in the water management. By the analysis of the results it was possible to deduce some conclusions on the four proposed dimensions.

In the legislation on water resources point of view, despite the clarity manifested by the specialists and *stakeholders* of the normative content and benefits provided by greater participation on water management, the Law still stays silent over the situation of supplying the semi-arid regions. The amplification of technical and academic studies that

subside the decisions on better use of water is recommended to bypass the impacts of the lack of water supply.

One of the questions surveyed with the deponents refers to the lack of integration between the city Director Plans and the Director Plan for Water Resources approved by the Committee with IGAM supervision, which ends up compromising the planning and the actions on the hydrographical basins. As much as the representatives from the State and city public authorities recognize the need for integration of the Director Plans the reasons fall onto the action of the other authority. The same might be said of the disharmony existing between the public policies of the hydrographical basin, of the State and Union and of the absence of integration among the legislations that address the environment and water resources.

This disarticulation between the environmental and water Laws ends up reflecting on the unbalance of penalties imposed by the environmental management (more rigid) and the water resources management (more lenient). If on one side still predominates the view that water management is part of environmental management, what is perceived from the statements is the need to amplify the focus over the water resources administration by the strategic aspect of water itself.

In relation to the role of the State while proprietary of the collective good water, the State Policy of Water Resources, even being clearly, coherently and transparently perceived, demands still more rules and regulatory procedures that makes possible to turn its operationalization viable. The exercise of interaction with the Legislative Power illustrates the absence of actions destined to implement the legal devices discusses with the organized civil society. As much as the promoted debates on the depth of the Legislative point to participative alternatives on water management, the means for its implantation are still not explored enough.

In the interaction of the management organ with its *stakeholders* it is perceived a series of manifestations that difficult the impartial treatment of the representatives of interested parties. For the industry representative the relations with the proprietary State become full of conflict due to the prejudiced vision of the management organ which imposes the observance to the legal obligations exercising a behavior that privileges command and control over orientation and cooperation. The environmentalists also question the actions of the organizations from the production sector when the issue is the grant over water use. In these situations the discourse of social responsibility ends up superimposing itself over the real intentions of productive utilization of water resources. The interest of the city representative resides in actions of the State government that in fact give priority to the development of water management.

For the fact that the Hydrographical Basin Committee translates onto a debate, discussion and decision organism for the *stakeholders*, distinct statements are evidenced on aspects of operational and representational character. The absence of an effective administrative structure ends up compromising the divulging of information, auditing procedures and a policy of communication with the other *stakeholders*. In the case of the participative management process, one of the clashes on the choice of the representatives of the community on the Committees, and even on the Councils, refers to matters of cultural nature (due to the yet small practice of participative management in Brazil) and political nature (most times the choices fall on the same persons). As to the matters of political nature it is fit to highlight that the selection for the representatives of the State Council of Water Resources and the Basin Committees are still greatly influenced by elective criteria, which politicizes the action of these deliberative organs and compromises their effective action.

This study contributes to amplify the knowledge over the public governance of water resources in Brazil by uncovering important aspects of the juridical and regulatory structure in the federal and State spheres, as also as the dynamics of the mechanisms used by the management organ on its interaction with the *stakeholders* and the deliberative councils of decision of the water resources management. It is hoped that the results discussed here serve as motivation for amplifying and enhancing the debates over water management models, specially in what relates to governance structures and social support on the management of the collective natural and strategic good for human survival.

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