

Strategic management tools and governance structures in urban water services – a research proposal for Mexico

Urban waters: Resource or Risk?
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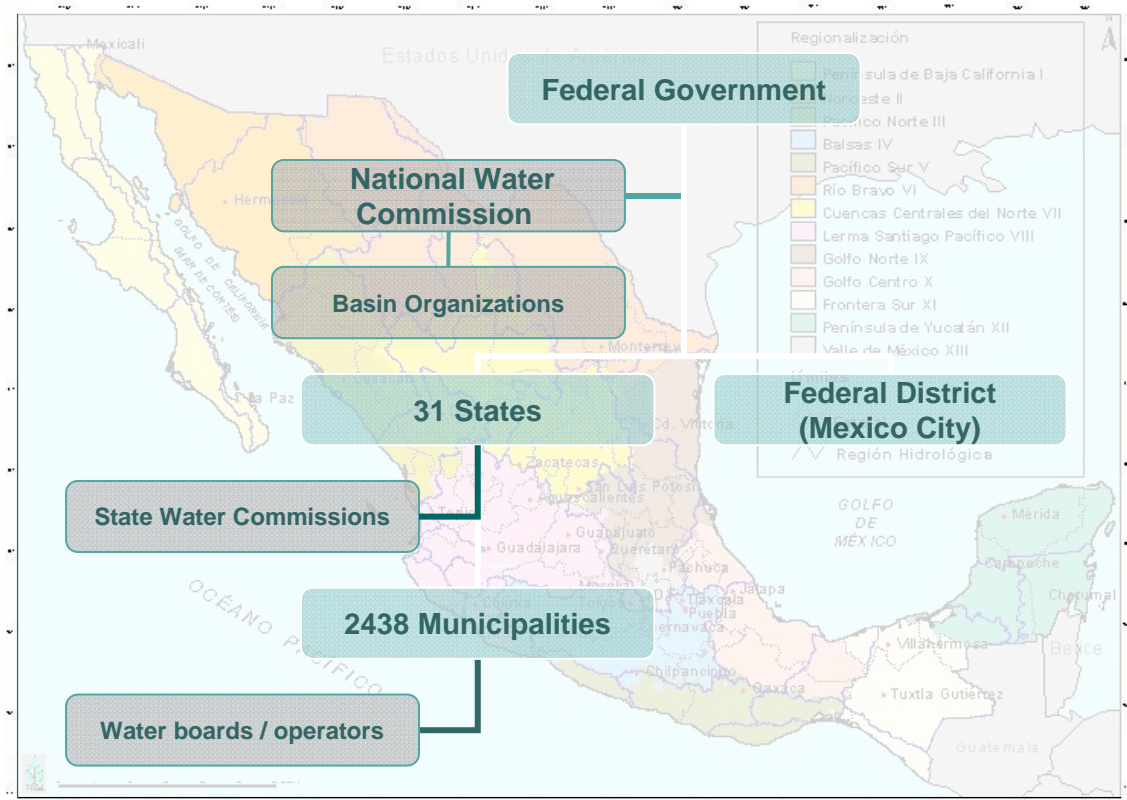




Plan

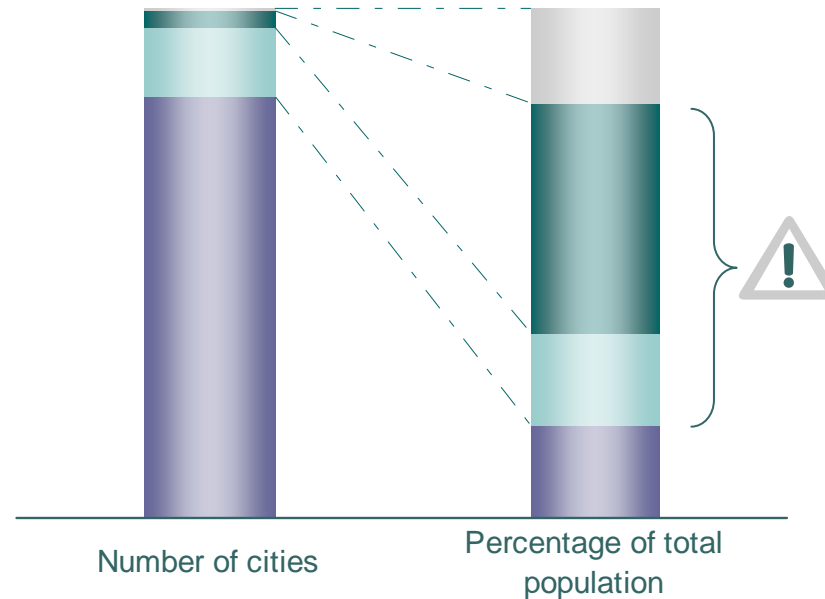
- Stakes and challenges urban centers and population
- Concepts, theory, tracks: urban water, institutions, transactions, cognition, management tools and governance
- Proposed methodology
- Expected results and discussion

Background and context



Stakes and challenges

urban centers and population



	Number of cities	Percentage of total population
■ > 1'000,000 inhab.	11	14.3
■ 100,000 - 1'000,000	112	34.6
■ 15,000 - 100,000	427	13.9
■ 2500 - 15,000	2640	13.7

[INEGI, 2005]



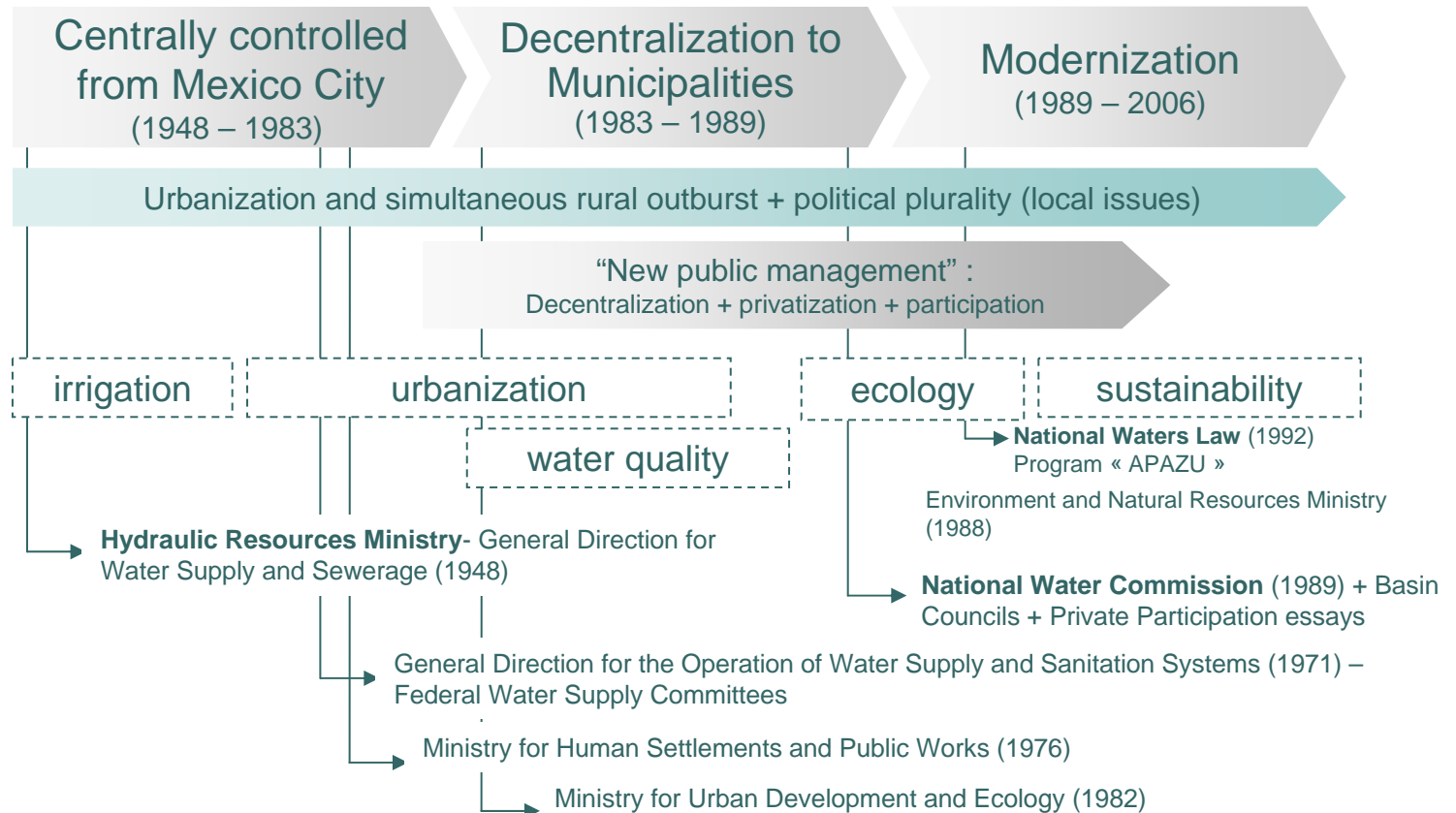
Stakes and challenges

good news, bad news...

- 95% coverage of water supply and sewerage in Mexican cities in spite of growth and urbanization
- Water-related illnesses under control
- Strong technical tradition
- Half of surface waters polluted (COD)
- Less than 40% of wastewater treated; less than 25% BOD removed
- Half the population with discontinuous service
- Overall efficiency under 40%

Stakes and challenges

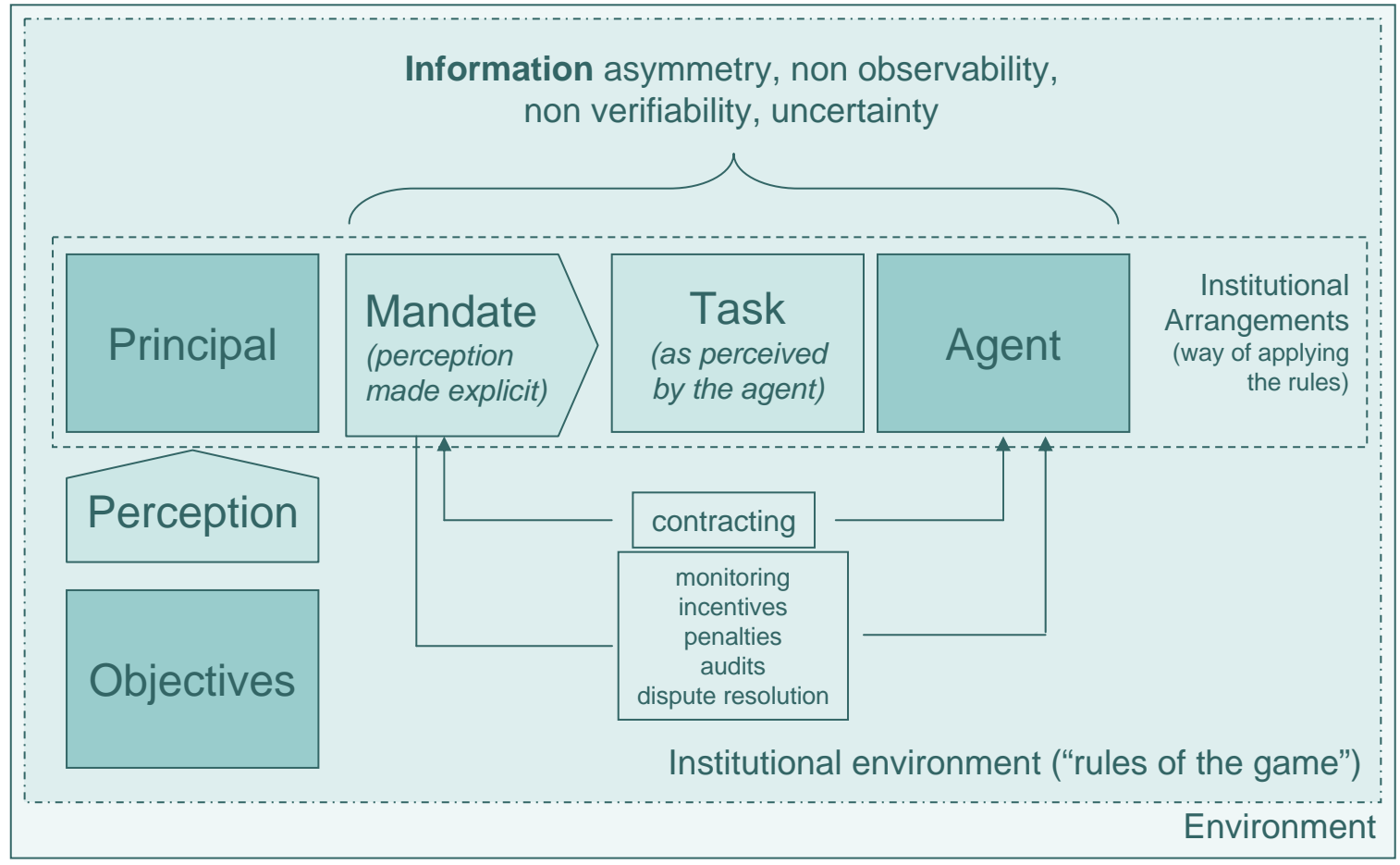
institutional environment's evolution



[Author's construction inspired in Pineda-Pablos, 2002]

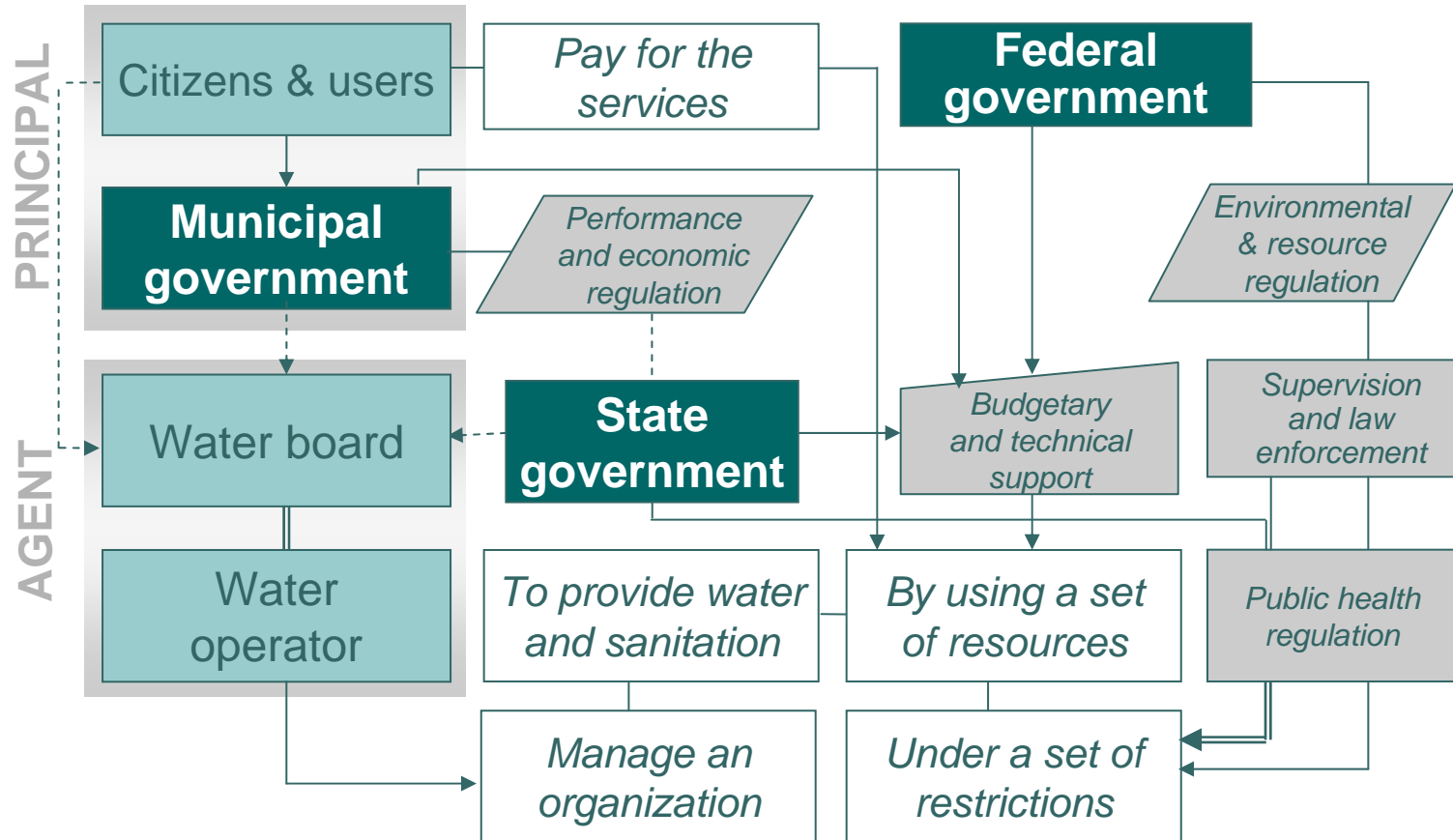
Concepts, theory, tracks

economic framework



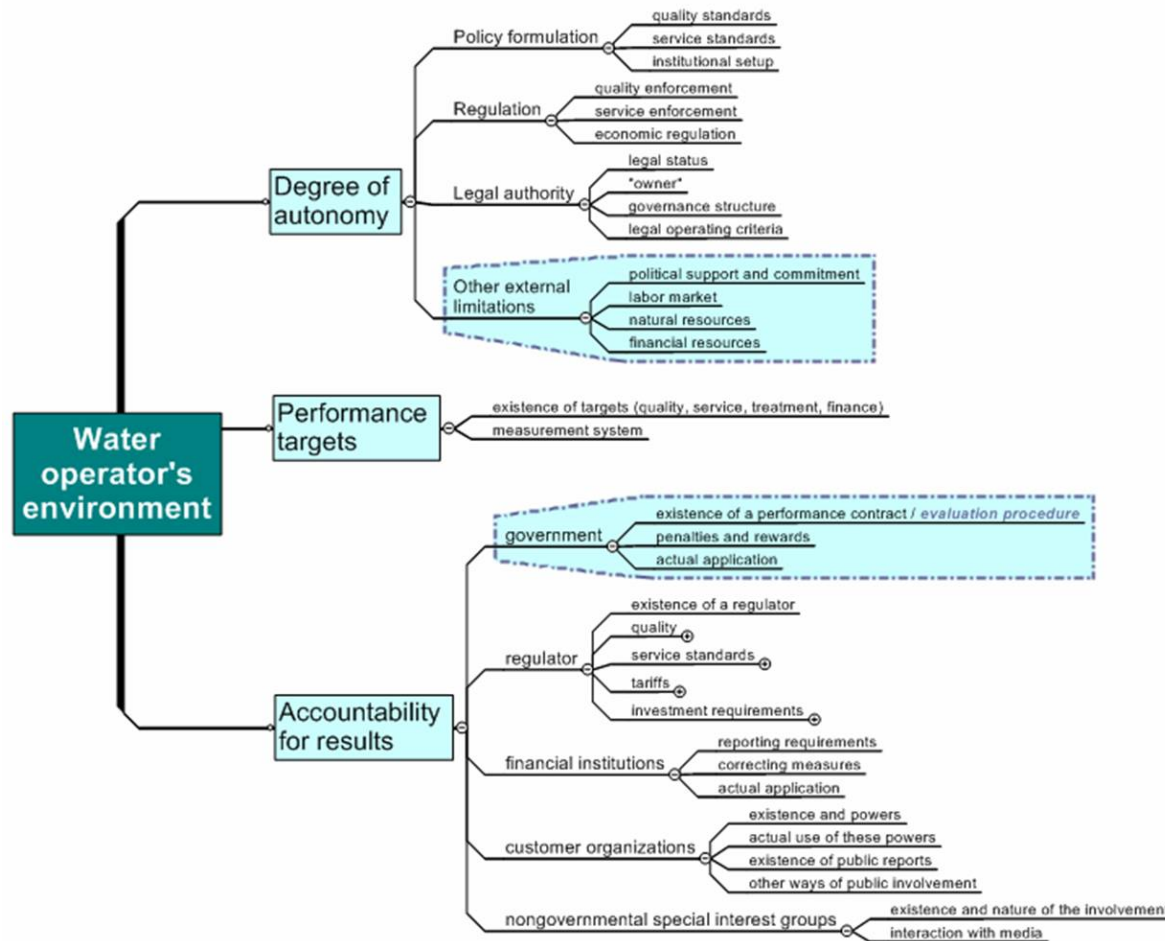
Concepts, theory, tracks

urban water, institutions, transactions



Concepts, theory, tracks

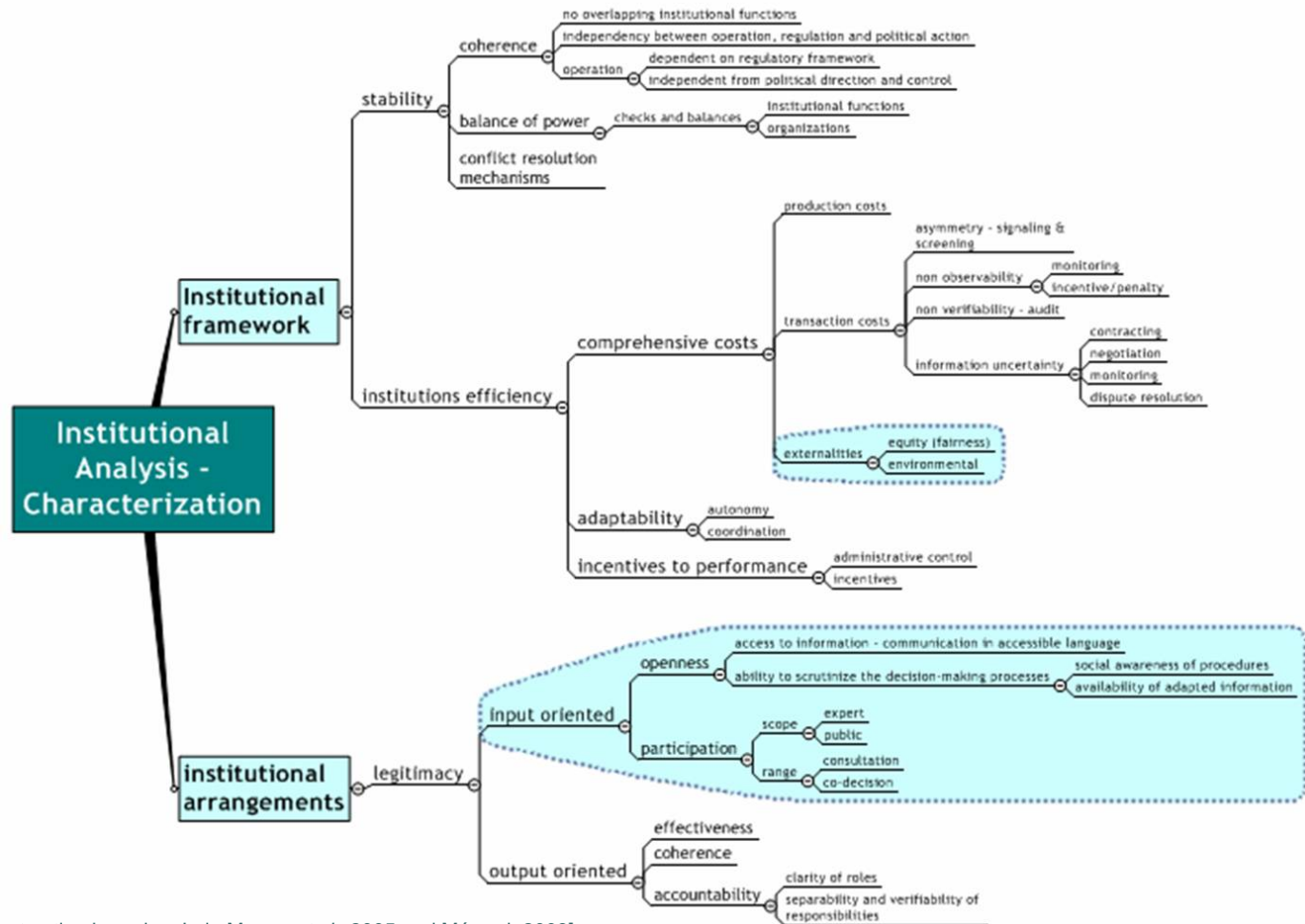
institutional environment



[Author's construction based on Baietti *et al.*, 2006]

Concepts, theory, tracks

institutional characterization



[Author's construction based on Luis-Manso *et al.*, 2005 and Ménard, 2003]

Concepts, theory, tracks

agency processes and cognition

<i>Nature of task:</i>	Kind of mandate			
	Clear		Confuse ^a	
	<i>Simple</i>	<i>Complex</i>	<i>Simple</i>	<i>Complex</i>
Initial interaction	Precise specification of mandate		Vague declaration of mandate. Responsibility limitations. Definition of means.	
Intermediate interaction	State of advancement	Intuitive estimates of advancement	Precise accounts and reports. Evaluation of committed means.	Simplified accounts and reports. Evaluation of committed means.
Final interaction	Results evaluation		Precise accounts and reports. Eventually, construction of results.	Simplified accounts and reports. Construction of results.
Numerical indicators	Advancement. Results.	Results.	Activity	

a. Difficult to be made explicit.

Source: adapted from Girin (1995).



Concepts, theory, tracks

management tools and governance

- Strategic dashboards (*tableaux de bord*) or scorecards
 - “Enlightened scorecard” - guide agent’s behavior in multi-objective contexts [Jensen, 2001]
 - Incorporate social and environmental objectives of sustainable development [Figge *et al.*, 2002]
 - Incorporate tacit knowledge [Abernethy *et al.*, 2005]
 - Align strategy and operations within water utilities in Latin America [González *et al.*, 2006]; participation enhancement and organizational learning support [Reis Ferreira, 2004]
- The implementation of an organizational learning device can contribute to governance improvement within organizations [Bouvier, 2004]



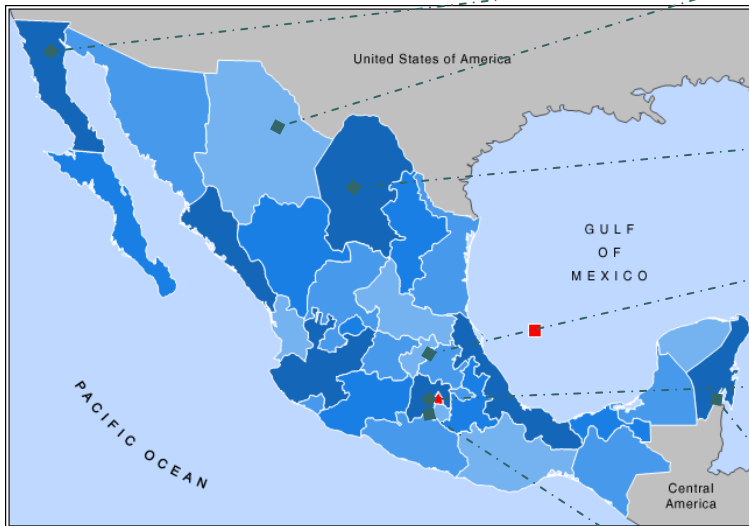
Proposed methodology

objectives and methods

- Institutional environment evolution since municipal reform (1983)
 - Analysis of three instances showing different governance modes or institutional arrangements
 - Detailed analysis of the role of cognitive and cultural costs, information and coordination in a selected case
- Analytical grid – institutional environment and arrangements evolution
 - Intervention research, implementation of a management tool as a learning device [Moisdon, 2006]

Proposed methodology

field analysis



- Baja California, Chihuahua
 - Public state
- Coahuila
 - Public + mixed
- Querétaro
 - Public state + municipal
- Distrito Federal
 - Public + service contracts
- Quintana Roo
 - Public + concession
- Morelos
 - Public municipal



Expected results and discussion



- An exploration of cognitive and cultural aspects of institutional arrangements evolution and endurance in Mexican urban water sector
- A detailed exploration of the potential role of participatory strategic steering management tools
 - To incorporate sustainable development issues to long term planning
 - To improve governance in turbulent environments
- A set of policy recommendations
 - A proposed governance model for medium-sized urban population centers



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**thanks
merci
gracias
danke
obrigado
shokrán
todà**



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