

**Crisis and the socio-ecological fix:
The Dutch water aid & trade agenda
in Mozambique**

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V IESE Conference
'Challenges of social and economic research in times of crisis'
Maputo, 20 September 2017

Water 'crises' in Mozambique... = politics



Dutch water aid & trade agenda:
Development problem or business opportunity?



President Nusi:
Planning problem

   
Role of IFI's / donors?

 **UKaid**
from the British people

 Ministry of Foreign Affairs of the
Netherlands

- Main argument
 - Under the Dutch aid & trade agenda, itself in part a response to crises, water is increasingly considered (part of) an accumulation strategy next to a development concern
 - This tends to reinforce neoliberal pressures on water, with ‘neoliberal’ meaning increased emphasis on market mechanisms and thinking
- Focus paper
 - Desired/ intended and some prompted changes by the Dutch state regarding its water development agenda in general and in Mozambique in particular
 - Actual outcomes of this agenda discussed in further work
- Method
 - Part of PhD project about Dutch water aid & trade development in Mozambique
 - Semi-structured interviews, participatory observation & documentary analysis₃
– this paper mainly, but not exclusively, based on the latter

- Crisis & the socio-ecological fix
- Crisis & reconfiguring ‘traditional’ aid
- Proposition: Dutch water aid & trade agenda as socio-ecological fix
- The Dutch water aid & trade agenda in Mozambique
 - Spatial reorganization
 - Institutional & regulatory reforms
 - Modifying water development interventions
- Conclusions

Crisis & the socio-ecological fix

- Spatio-temporal fix (Harvey): reviving capital accumulation after capitalist crisis, e.g.
 - Geographical expansion
 - Spatial reorganization
 - Create conditions for future accumulation
 - Eg by exploring new frontiers for accumulation
- Socio-ecological fix (eg Ekers & Prudham 2017). role of nature in ‘fixing’ crises
 - Not only economic crises, but environmental crisis
 - Not only production of *space* (Lefebvre 1991), but production of *nature* (Smith 1984)
 - Production of nature in neoliberal, ‘green’ capitalism
 - Nature as accumulation strategy? (Katz 1998)



- “Traditional” aid undergoing change: re-embracing economic growth, which, Mawdsley (2015) argues,

...is not just deepening the existing poverty reduction-era focus on ‘bottom billion capitalism’ (including land titling, markets for the poor, microfinance, supporting Small and Medium Enterprises and so on), but extending towards new and expanding goals of large-scale public–private partnerships, donor support for major commercial investments, private equity initiatives and deepening financialisation.

Mawdsley 2015, p. 343

Crisis & reconfiguring 'traditional' aid

- How to explain this reconfiguration?
Development scholars argue: crisis

Financial crisis &
a right-wing surge



South-South cooperation
challenging legitimacy

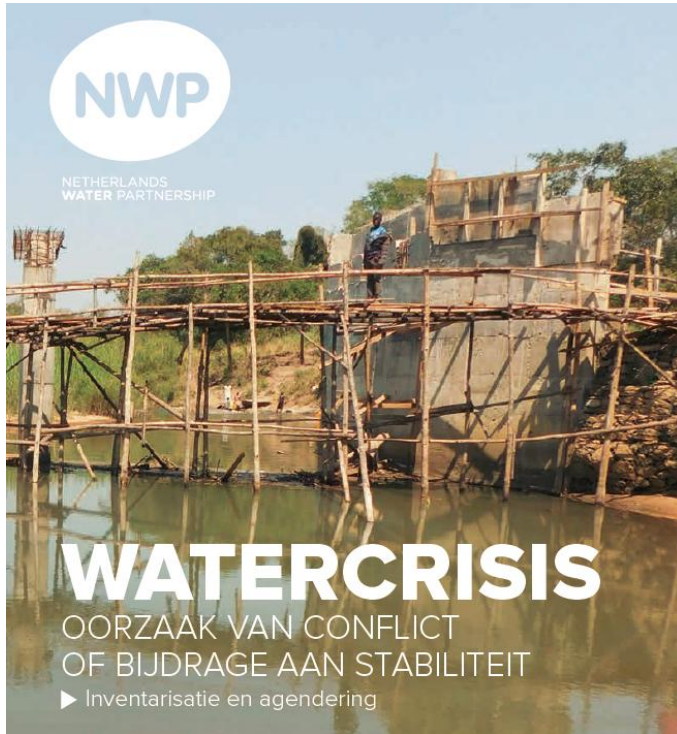


Dutch development & the fix: two propositions

- Proposition 1: Latest Dutch aid & trade agenda as part of a spatio-temporal fix
 - Credit crunch & European debt crisis (2007>>), multiple recessions
 - Post-crisis elections with right-wing parties in ascendance
 - Austerity + reconfiguring Dutch state sectors, aligning those with innovation/export
 - Reconfiguring Dutch development in response to a financial- & aid legitimacy crisis



Dutch development & the fix: two propositions



- Proposition 2: Dutch *water* aid & trade agenda as socio-ecological fix
 - Not only economic/ geo-political crises, but also 'global water crisis'
 - In response: water as one of four priorities in aid & trade agenda
 - Water as accumulation strategy? i.e. Water development for establishing future growth markets...



“Societal challenges -ageing, food security, resource scarcity, loss of biodiversity and climate change- are often seen as threats to economic growth. The opposite is true. After all, the societal challenges of today are the growth markets of tomorrow ...

The Netherlands has an excellent international starting position in areas such as life sciences, agrofood, chemistry and water with which these growth markets can be taken advantage of.”

Quote from innovation and export stimulating platform
set up and developed by the Dutch state (GoN, 2011)

Changing Climate, Changing Cities

The Dutch Have Solutions to Rising Seas. The World Is Watching.



In the waterlogged Netherlands, climate change is considered neither a hypothetical nor a drag on the economy. Instead, it's an opportunity.

- Three strategies underpinning the water aid & trade agenda as socio-ecological fix:
 - Spatial reorganization
 - Institutional and regulatory reforms
 - Modifying water development interventions
- Applied to Dutch-Mozambican water development relations
 - Long history, roots in independence struggle
 - Dutch state as important water donor, major contributions
 - Strong social ties between Dutch and Mozambican (state- and non-state) water experts/professionals



1. Spatial reorganization

Target

Maximize aid to trade potential through spatial selectivity

Tactics

- Mozambique as one of 15 remaining partner countries after selection process
- Dutch-Mozambican relations in the transitional “aid and trade” category
- Water played a major role in this process: Mozambican water sector deemed interesting for the water aid & trade agenda
- E.g. Mozambique as ‘Delta country’ like the Netherlands
- Focus on urban instead of rural areas

2. Institutional & regulatory reforms

Target

‘Open up’ the water sector of Mozambique for (Dutch) private sector, embed market mechanisms

Tactics

- Commercialise Dutch-Mozambican water relations through ‘economic diplomacy’, e.g...
- ... by state technologies like a Memorandum of Understanding: tenders only open for Dutch and Mozambican companies
- Tighter accountability and result-based aid
- Reforming state water institutions, notably the National Directorate of Water (DNA) into a leaner state entity

3. Modifying water development interventions

Target

Shift in focus from ‘social’ to ‘economic’ and ‘productive’ aid activities

Tactics

- From program aid to project aid
- From central to decentralized level aid activities
- Next to social aid activities (e.g. institutional development) an increased focus on operations, infrastructure and investments
- Increased private sector / private finance in interventions, PPPs, ‘innovative business models’
- Rolling out former water privatization policies from big to small urban centres in Mozambique

- Under Dutch aid & trade agenda, itself a response to crisis in capitalism, water is increasingly considered (part of) an accumulation strategy next to a development concern
- Results in stronger *tendency* to neoliberalise water in Mozambique
 - Framing societal challenges like water crises as ‘growth markets of tomorrow’
 - Tackling water issues in spaces where not only aid problems are supposed to be biggest, but where the potential for capital is deemed considerable
 - Consequences for ‘production of space/nature’: reproducing existing and adding new neoliberal pressures in the Mozambican water sector

However: tendency ≠ outcome

- Countervailing tendencies
 - Aid & trade: political compromise?
 - Pressures + tendencies resisted within the Dutch state and within interstate processes
- Whether tendency is actualised is furthermore contingent on:
 - Political economic and political ecological conditions in Mozambique
 - Case in point: current economic/ debt crisis in Mozambique

However: tendency \neq outcome

- Current economic/ debt crisis in Mozambique
 - Austerity, decreased state budgets, rising debts
 - Affecting (social) relations state water actors – donors
 - Changing aid modalities, away from collective aid efforts
 - Reinforces neo-classical ‘state failure’ argument, opens up space for neoliberal expansion
 - But equally limits Mozambican state capacity, forming a barrier



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