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## The Political Environment and Water Quality

by

Lawrence W. Libby\*

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### Introduction

My purpose today is to help establish the context for your discussions of the more specific aspects of water quality enhancement in the state of Washington. You have completed major portions of the state water quality plan and are moving toward implementation. The planning is the easy part. Few people are threatened by planning. The real pain comes in converting those good intentions to action, where people may be asked to bear a direct cost or give up a right of some kind. Until there is sacrifice, the politics of water quality are not very exciting. Planners may be misled by the lack of political debate, and believe that there is really consensus. It is false security, brought on by indifference of those yet to feel the effects of the plan.<sup>1</sup>

There are basically three questions in discussing the political economics of water quality. I link politics and economics advisedly. A change in the rules to accomplish cleaner water means an added cost for some people. Those who perceive they are paying for more clean water than they want, or who are

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asked to bear considerable personal inconvenience for someone else's enjoyment, are likely to feel aggrieved. Those who get cleaner water at little or no personal inconvenience call it "the public interest." As Billy Martin says in the beer commercial, I personally feel very strongly both ways.

The three political questions, then, are how much water quality; who pays for cleaner water, and perhaps most importantly, who decides all of the above. The "who pays" aspect was discussed by another speaker. My only observation here is that cost-sharing is the prevailing mode of operation, so far. Taxpayers share the burden with those farmers willing to participate. The notion is that it is better to create a positive incentive to change a farmer's pollution-causing behavior than to take chance of irritating him with threats. Some economists have even argued that it's cheaper that way.<sup>2</sup> By the same token there will be increasing attention to assure that practices cost-shared have real social import, beyond whatever production improvements may exist for the farmer. Accountability is a very popular term these days. There will be increasing attention to what society is actually getting for its share of the cost. The key point here is that each policy alternative, from cost-sharing to regulation, implies a different answer to the question, "who pays?"

#### How Much

We all know that it is technically possible to reduce water pollution to zero through prevention and treatment. Of course, no one is really sure what zero means any more, but we know that it is very little. Current water quality law (PL 92-500) basically calls for zero water pollution by 1985. But we know also that there is a distinction between technical and political

feasibility. Just because we can get pure water everywhere doesn't mean we will. In fact, nearly every thoughtful observer of pollution politics agrees that we will have something more than zero pollution in most places. Political feasibility has two components: the cost of achieving each additional increment of water quality compared to the benefit of that increment, and the distillation of costs involved. Some people really know how to complain about extra cost, and make their complaints heard by those in a position to respond. Political power, then, plays a part in determining acceptable levels of pollution.

In my judgement, the environmental movement has been saddled with far too many "all or nothing" regulations.<sup>3</sup> All of something is really more than we want. Economist Kenneth Boulding's "parabola principle" applies to water quality as well as to other universal goods. At some point, more becomes pathological.<sup>4</sup> Perfectly clean water everywhere would divert more of our effort and finances from other services we value than we are willing to part with. We have become similarly distracted by visions of perfection in the Endangered Species Act and Historic Preservation Act. Both have valid purposes, yet create the impossible situation of allowing no compromise where the treasured item is threatened. The Endangered Species Act was injured and nearly killed by Tellico Dam and the snail darter. We simply asked too much of that little fish, to withstand the full force of the politics of dams. The snail darter became a laughing stock, while the real importance of protecting species was lost. We can not afford that with water pollution. We must create a process that permits comparison of cost of clean water with its benefits by region, or stretch of river, or body of water. Cost includes cost of enforcement, and benefits are not all market benefits. But we need

to compare the positive and negative aspects of achieving even higher levels of water quality. Agriculture is particularly vulnerable because it is a diffuse activity. Sediment and other pollutants aggregate in the stream from many directions and sources. Even stopping all adjacent land uses might not halt pollution.

#### Who Decides

If we can agree that nonpoint pollution can not and should not be reduced to zero, and that judgement must be exercised in determining appropriate levels of water quality, then the next question is to whom will we give the discretion. The politics of pollution is crowded with agencies at all levels of government. Overall structure for current water quality efforts is established by PL 92-500 and the amending provisions of the '77 Clean Water Act. Agency roles are spelled out in that law and subsequent implementing rules. But agency roles do not always evolve the way the rules suggest they should.<sup>5</sup>

Federal. EPA clearly has the lead responsibility for achieving clean water in the U.S. The agency has reviewed over 200 state and regional water quality plans. The nonpoint part has been particularly troublesome for EPA. It is much easier to control a problem when you know exactly who causes it. Further, nonpoint water pollution involves many individual sources, each with relatively small contributions to the overall problem. Even a small improvement in water quality requires that many potential polluters be affected. In my judgement, EPA has been ill-equipped on its own to handle this softer aspect of the pollution problem, lacking experience with the character and needs of production agriculture. That is under-

standable, given the mission and history of the agency. The Clean Water Act brought USDA into the picture. The early days of this marriage were a bit rocky, but things have improved lately. The two federal agencies need each other in this effort. Success in improving water quality, and indeed in maintaining the vitality of key agency programs, requires cooperation. EPA is impatient, anxious to get on with it, with an inclination to be hard-nosed with those who don't respond promptly. In an equally unfair generalization, USDA pushes the "leave it on the stump" approach to rural policy. If the farmers want the incentives they'll take them, and society will have its clean water. If they don't we won't. EPA has come to realize that cleaner rural water requires the support of rural people, particularly those farmers whose behavioral changes are so crucial to success of the program. USDA, on the other hand, has loosened up a bit and agreed to consider a range of policy options. I will not focus more specifically on the emerging roles of USDA in this process.

The 1977 Clean Water Act gave real substance to the use of various soil conservation and other selected practices to reduce nonpoint pollution. Cost-sharing and technical assistance were to be made available for best management practices on the farm (and elsewhere). Since most of these practices are the same ones that the Soil Conservation Service (SCS) and Agricultural Stabilization and Conservation Service (ASCS) have been involved with for years, it was appropriate for these agencies to be the leaders within USDA. Secretary Bergland gave lead responsibility to SCS in 1976 before the cost-sharing part was added. SCS is the technical assistance agency, with contact through the Conservation Districts to farmers. SCS chaired the national 208 Coordinating Committee in USDA, providing liaison with EPA. Together they designed the

Model Implementation Program, a series of 7 cases around the country where EPA and USDA could make intensive efforts to get practices in place. These were to be demonstration and testing projects to show how agencies can work together. Monitoring is included, though major focus is on physical rather than institutional aspects of each project.<sup>6</sup>

Addition of the special cost-sharing program through the Culver Amendment substantially raised the visibility of ASCS in this process. Since ASCS provides the cost-share dollars, their base of power and influence is obvious. In 1978, ASCS set up 21 special water quality projects of their own through their normal authority to target cost-share dollars on selected problems. Rural water pollution just happened to be one of the high priorities that year. So for a while we had two agencies of USDA essentially competing for leadership of the Rural Clean Water Program by running their own shows. Each had its own demonstration projects, and essentially its own county level delivery system. We know that competition has certain therapeutic values in business and often in government as well. But in this case, the competition became a minor embarrassment to USDA and the water quality effort. EPA, always in gentle conflict with USDA, seemed to enjoy the confusion for awhile. The power to spend eventually won out over the power to advise and with the October 1979 Appropriations Bill, Congress shifted leadership from SCS to ASCS to administer the Rural Clean Water Program through their county committees. Conservation districts and their National Association have had several contracts with ASCS to help in writing rules and in training local people on the requirements of the RCWP.

Those two are the "action" agencies in USDA. Extension came along later, struggling all the while to maintain its professional virginity in the whole

affair. You see, we in Extension are educators, not sales people. This stance frustrated the action types at USDA who had their marching orders and wanted to get on the job. It has taken time for them to recognize that Extension program priorities are strongly influenced at the state and local levels. Extension is not the public information arm of USDA. But Extension does have the responsibility, I believe, to acknowledge these major statements of priority from Washington and develop real educational programs accordingly. Major national legislation, like Rural Clean Water and the Soil and Water Resources Conservation Act (RCA) deserve attention, if only because they exist. They must be taken seriously. Extension is now helping with all of the Rural Clean Water Projects, the model Implementations Projects and others.<sup>7</sup> SCS, ASCS, and EPA still have difficulty accepting the mission of Extension to help people weigh the evidence and make sound, responsible decisions for themselves. The real mistake was in not achieving greater Extension participation at the 208 planning stage throughout the country. We know that people tend to distrust what they don't understand. It is not enough to just tell people their obligations in the water quality area. They need to see how and why clean water goals have emerged, the costs of pollution, the costs of abatement, and alternative ways to solve the problems.

Other USDA agencies are helping with research back-up.<sup>8</sup> The Forest Service and Farmers Home Administration have roles. The USDA-EPA partnership at the Federal level is strengthening. The result in water quality policy will be a stronger hybrid of the completely voluntary approach of USDA and regulatory inclinations of EPA. I just hope they don't get too cozy. I think a little arms-length wariness between the two is healthy for all of us.



States. The 208 plans that have ultimately emerged in the past year or two are state plans. The state reviews and approves area-wide plans before forwarding them to EPA for approval. The agricultural portion of Michigan's 208 plan, for example, was sent back to the state for improvement. The judgment and preferences of pollution professionals in the designated state level agency have strongly influenced the plan and will presumably influence implementation. Priorities are state priorities. And any failures become state failures. EPA has effectively shifted some of the burden as well as the opportunity.

The states are particularly important for the agricultural parts of the 208 plan, outside of "designated areas" where population and industrial concentrations create a particular problem.<sup>9</sup> And at the implementation stage, states are to "backstop" the federal level in assuring that plans are carried out.

Many states have their own sediment reduction laws as additional backstopping authority for reducing non-point pollution.<sup>10</sup> Maryland was the first (1970) followed by about a dozen others. At least a third of these state programs exempt agriculture from compliance. The others impose some constraints on agriculture and a model state ordinance distributed by the Council of State Governments suggests controls on agricultural sediment. The Iowa law is the best known of these. It declares excessive soil run-off to be a "nuisance" that must be stopped. Cost-share assistance is provided, but compliance obligation rests with the farmer. Fines are levied on those who ignore court-ordered reduction in sediment. The Iowa law does establish a precedent for fairly aggressive public action to control farm run-off. The state clearly has legal authority to do so.

In sum, the states will be increasingly important at this implementation stage of the 208 program. On reflection, this seems to be a nifty bit of footwork by EPA. Compliance is now a state problem. Of course, federal agencies lack the land use regulatory powers that may be considered for agricultural water quality plans, so the state role is necessary. There is ample legal rationale to extend necessary regulatory powers to the federal level, but no one at that level wants the authority. There are enough differences among states to make nationwide sediment and agricultural pollutant reduction laws difficult to write and even more difficult to enforce.

Many states are poorly prepared to take on this implementation job. They lack both the experience and inclination for this kind of role. EPA is watching closely, since their success and perhaps survival depends on state action. Implementation guidelines have been suggested to the states.<sup>11</sup>

Local. Successful implementation of 208 water quality plans ultimately depends on the actions of many individual land owners. Scattered around the countryside. Local governments that are the most visible and often most trusted by rural people. Local governments have traditionally exercised planning and zoning functions. States have been reluctant to recall any of these powers for state-wide regulation of anything. When there are state programs, they are usually conducted through local governments.

Conservation districts are the unit of local government with the most direct responsibility in this area of agricultural non-point pollution. They have been a key instrument for accomplishing soil conservation on farms since the 1930's. Since the practices considered as BMP's for curbing pollution are basically the same practices as for conservation, districts are clearly involved whether they want to be or not. In most states, districts have helped

with 208 planning and have been designated as the appropriate unit for implementing the agricultural portion. They can work directly with individual farms to develop specific pollution abatement programs. They have contacts with the state water quality agency to get the additional help needed. This role has been a major boost for the district as a local action unit since districts now have new rationale for special purpose funding. With the funding will come obligations, however, some of which the districts may prefer not to have. As everyone knows, the conservation districts have been there to offer things to farmers, seldom if ever to demand very much in return. Conservation programs have always been voluntary. That has been OK so far in the agricultural water quality program. EPA has been willing to go along with that approach. The head of EPA's water planning and standards program recently stated that the voluntary approach is the best way to deal with agriculture's pollution problem.<sup>12</sup> But, EPA has also taken the policy position that regulations should be considered by the appropriate implementing agencies when that is "the only practicable method." Continued flow of federal dollars to the local implementation effort will require evidence of success. If it is not there with voluntarism, more drastic measures may be required.

Conservation districts are established by state enabling laws in all 50 states. They are permitted to provide certain technical and financial assistance to land owners in return for agreements from these cooperators to carry out conservation plans. These have not been considered enforceable contracts, just agreements. The Soil Conservation Service has appropriations specially earmarked for districts to provide technical help through memorandum of understanding with each district. ASCS, the cost-share agency, has no such

formal tie to the district. But there is an effort to coordinate spending priorities of ASC committees with the conservation plans of the district.

Districts in at least 26 states have additional regulatory authority. They could require the installation of pollution-reducing practices. But the power hasn't been used, and probably won't. Districts in 26 states also have authority to enact land use ordinances, subject to referendum of land owners in the district. Again, this is a power not likely to be exercised, but it is there.

Thus the district is a crucial part, perhaps the most crucial part, of the political environment for water quality. Its strength is largely historical, however. It has a well established relationship to production agriculture. Some have taken on more urban missions, as in King County, Washington, for example, but for the most part they are by, for, and of agriculture. Whether that history translates into success for reducing agriculture's contribution to pollution remains to be seen.

#### Conclusions--What Lies Ahead?

We have in the water pollution area an excellent prototype for getting the agencies of government working together on a common problem. Agencies are used to working with specific authority, established by laws. Congress and the other rule-writers are reluctant to let agencies exercise their own judgement. Real problems like water pollution, however, don't come in neat agency packages. People have problems, agencies have programs, and they are not necessarily related. In the agricultural non-point pollution case, agencies were forced together by the nature of the issue, not by an innate inclination to coordinate things better. Self interest drives the public

sector as well as the private. EPA and USDA are far better acquainted than they were a few years ago, and I feel we are all better off for it. There is better understanding among environmentalists of the diversity and vitality of farming and the food system. Similarly, those of us in agriculture are sensitive to the off-site effects of farming and can accept greater responsibility to reduce the problems consistent with competitive food production.

I see the following trends in politics of pollution:

1. States will have an increasingly active oversight role for implementation of nonpoint water quality programs. Several states are doing so already; others will be added. EPA can not handle the whole country, and prefers to shift some of the burden to states. States will in turn delegate to the districts, through the state conservation commission. The Reagan administration will encourage this decentralization trend, I believe.

2. EPA has seen the political hazards of forcing non-point control with the same vigor as for the concentrated pollution problems. They see that support for the process and goals of pollution abatement is a necessary ingredient for success in rural America. "Voluntary compliance" is the byword. The tone of voluntarism is very evident in many current EPA reports. But it is a waiting game, a quiet but volatile political environment. EPA and its constituent groups expect to see improvement. They are willing to take the soft approach for awhile, but my guess is that deep down, they are skeptical that it will be sufficient.

3. Accountability is a strong theme in government these days. Recent natural resource legislation, such as the Soil and Water Resources Conservation Act (RCA) and the Resources Planning Act (RPA) have specific mention of testing the performance of programs. The 1977 Farm Bill included a requirement for evaluation of the Extension Service. President Carter was committed to the concept of accountability, and we know that it was a theme in the Reagan campaign. Taxpayers in Michigan nearly shut the state down on this matter last November, and other states had similar experiences. The message is not tax-cut so much as it is better return for the public dollar. The

essential point is that taxpayers, singly and in formal interest groups, are going to expect results from dollars pumped into the Clean Water Program. If we pay a share of the cost of installing pollution and erosion reducing practices, we'll expect some reduction in non-point pollution and erosion. Performance is due partly to the engineering characteristics of the practices and partly to how land is managed. Taxpayers will be particularly upset if the biggest polluters decide not to participate in the voluntary program, or participate on and off from year to year. That situation could bring the accountability notion in direct confrontation with another deeply held value, that a farmer need only do what is best for himself and his farm. My guess is that complete voluntarism may give way to targeted or nudged voluntarism. I feel we will see greater attention to the linking of eligibility for income support programs to evidence of good conservation behavior by the farmer. Further, I think we'll see more targeting of extension and research dollars on those problems deemed to have broad national import.

4. The balance of political power in this whole issue is out in the rural area someplace, close to the farmer and the conservation district. The districts have a long history of useful sensitivity to agriculture's needs. The National Association of Conservation Districts kept its balance when leadership of the Rural Clean Water Program was pulled from SCS and given to ASCS. Local conservation districts are similarly prominent in state level soil and sediment programs. Districts are the vehicle for implementing just about every program to reduce both on-site and off-site effects of erosion. The real question is whether they can cope with success. Can the districts remain vital and responsive as more is asked of them? Non-point pollution is by definition an off-site phenomenon. That is, those who benefit most from abatement are likely to live in very small communities or in any event off the farm. Can the districts convince the increasingly non-farm rural clientele that their interests will be protected? Can they demonstrate commitment to solve a problem and not appear to merely represent farmer interests in the matter? Can they broaden their political support base sufficiently to bring various rural interests together? They must to be effective. Not all persons concerned about rural water quality own land, yet land ownership is still a criterion for district membership in many states. I feel that districts should be able to take on some urban non-

point problems, and deserve technical help from SCS to do so. Yet a result of budget tightness in some states has been the cutting of technical assistance to more urban districts.

The real test here is whether the traditional power structure for agricultural programs can respond to these qualities goals. Environmentalists, and taxpayers in general, have been convinced that the response is possible, but they won't wait forever. The structure, including Extension, is on the line and must deliver in a timely decisive fashion.

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