

OSTROM WORKSHOP RESEARCH SERIES

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“Privatization as Political Decoupling:
Water Conservation and the 2014–2017
California Drought”

Wednesday, October 18, 2017

12:00 – 1:00 p.m. • Ostrom Workshop, 513 N. Park

Over the past three decades, *decoupling* has emerged as a regulatory strategy for promoting conservation, especially in the energy sector. Decoupling refers to the separation of a firm’s revenues from the volume of its product consumed. Decoupling allows companies to pursue resource efficiency free from financial risk. Similarly, when private firms provide public services, they separate public policies from their political costs. This political decoupling allows governments to pursue controversial policies while avoiding their attendant political risks. Applied to environmental policy, this theory implies that unpopular conservation policies are more likely to be adopted and succeed when implemented through private firms. Our empirical subjects are California water utilities and their responses to that state’s 2014–2017 drought. Analysis shows that, compared with those served by municipal utilities, communities served by private utilities adopted more aggressive conservation measures, were more likely to meet state conservation standards, and conserved more water.



Manny Teodoro’s research stands at the intersection of politics, policy, and public management, with an emphasis on American environmental policy. His public administration work analyzes public administration labor markets as political phenomena and drivers of innovation. A second strand of research examines compliance with and enforcement of environmental regulations, including explorations of implementation as environmental justice. Finally, he pursues applied research on utility finance and management, working with industry leaders on affordability, equity, and performance ([website](#)).

Presentations are open to the public (see our website for papers). You are welcome to bring your lunch. For questions, contact Allison Sturgeon (sturgeon@iu.edu; 812/855–3151).