

Shiraz University Faculty of Agriculture

PhD Dissertation in Agricultural Economics

A SYSTEM APPROACH FOR ANALYZING ALTERNATIVE WATER POLICIES ON ENHANCING IRRIGATION WATER DEMAND MANAGEMENT IN DOROODZAN DAM IRRIGATED AREAS

 \mathbf{BY}

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BY

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S. Shajari

ABSTRACT

A system approach for analyzing alternative water policies on enhancing irrigation water demand management in Doroodzan dam irrigated areas

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Shahrokh Shajari

One of the main purposes of this study is to simulate farmers' behavior and a spot market for irrigation water at both farm and basin levels in order to analyze the economic, social and environmental impacts of alternative water policies. Ranking alternative water policies (options) for improving system sustainability dimensions (Economic, Social and Environment) is another purpose of this study. With respect to above issues, the first main contribution of this study is developing a Modified Multi-Attribute Utility Technique (MMAUT) that corresponds to the first purpose. addition, designing a Decision Support System (DSS), which adopts the DPSIR (Driving Force - Pressure - State - Impact - Response) framework and simulation model and therefore offers an analysis base of the economic, social and environmental effects of combined water pricing, water policy scenarios and other decision factors at both farm and basin levels to assist water authorities in the irrigation water demand management, is the second main contribution of this study. The developed methodology is empirically applied for the Doroodzan dam irrigated areas in Fars province in Southern Iran. Farm-level data were collected from a sample of 310 farms located in the mentioned area selected by a multi-stage cluster sampling and appropriate questionnaires completed through interviewing the farmers. In accordance with cluster analysis, nine groups of farmers or farm-types were recognized and analyzed by means of a unique model for each of these groups. The results reveal that although the Positive Mathematical Programming (PMP) approach performs well, it has limitations such as excluding crops that are not presented in the base year and therefore results perform in a poor prediction of the policy impact. The results show that the best prediction corresponds to Modified MAUF approach that performs well and yields satisfactory predictions and therefore, it is basis model for

analyzing in this study. Based on the main findings of this study, at the current water tariff, the risk-averse farmers (cluster 1) consumes a substantially higher volume of water (24208.31 m³/ha) than other clusters such as cluster 4 and 7 that consume the lower volume of water. Moreover, patterns of water consumption vary along the demand curves as a result of increases in the water price. However, it would be necessary to apply tariffs higher than threshold price in the elastic segment of water demand curve. Although enhancing irrigation water use efficiency scenario is expected to reduce irrigation water consumption by each crop, findings of this study indicate that it does not lead to reduction in total water consumption. Findings also indicate that water trade possibility in local water market increases water consumption at different price levels in most representative farms compare to current situation. Of course, such an institutional reform makes economic water use efficiencies far from its fully economic efficient compared with the current situation in most of representative farms. The results highlight the fact that alternative water policies each alone do not have suitable performance and need to be closely coordinated of the simultaneous application of all of them in order to meet the public policy objectives of water demand management in agriculture. Results obtained from the implementation of DSS indicate that integration across disciplines and communication between scientists and decision makers are beneficial in dealing with the complexity of local water use management problems. The results of options ranking, using different decision rules of suggested options in this study for most of representative farms, indicate that simultaneous application of all of alternative mentioned water policies together is preferred at both farm and basin levels. The findings reveal that although the scenario about objective of maximization of net social profits increases the total crops acreage and net social profits but it decreases irrigation water use compare to the current situation at basin level. In general, the results of the model at basin level refer to encouraging specialization and the reallocation of resources towards those activities that reflect both basin's comparative advantage and maximization of net social profits.

Table of Contents

Title	Page
CHAPTER 1	1
Introduction	1
1.1. Statement of the Research Problem	1
1.2. Focus of this study	3
1.3. Main Questions	6
1.4. Research Objectives	7
1.5. Research Hypotheses	7
1.6. The Plan of Presentation	8
CHAPTER 2	9
Basic Concepts and Theoretical Development	9
2.1. Water demand management decisions as governance	9
2.1.1. Alternatives approaches for dealing with water allocation problem	10
2.1.1.1. Price mechanism for irrigation water	10
2.1.1.1.1 Irrigation water pricing in practice	13
2.1.1.1.1. Full-cost pricing	13
2.1.1.1.2. Efficient Pricing	13
2.1.1.1.3. Market-based Methods	14
2.1.1.2. Theoretical and potential for water markets and trade of water rights	15
2.2. System approaches and simulation modeling	18
2.2.1 Network Analysis Creative System Modeling and Decision Support	20

Title	Page
2.2.1.1. NetSyMoD approach: main aims and features	20
2.2.1.1. Public participation	20
2.2.1.1.2. Role of end-users	21
2.2.1.1.2. Role of Chu-users 2.2.1.1.3. Main phases of NetSyMoD	21
·	23
2.2.1.1.3.1. Actor' analysis	
2.2.1.1.3.2. Problem analysis	23
2.2.1.1.3.3. Creative System Modeling	23
2.2.1.1.3.4. Decision Support System design	24
2.2.1.1.3.4.1. Concept of Decision Support System	24
2.2.1.1.3.4.2. The DSS for farmers	25
2.2.1.1.3.4.3. DSS for IWRM	27
2.2.1.1.3.5. Policy evaluation	29
2.2.1.1.3.6. Actions and monitoring	29
2.2.2. Introduction to the multi-criteria decision aid	30
2.2.3. Multi-criteria decision analysis	31
2.2.3.1. Basic steps of multi-criteria decision analysis	31
2.2.4. The use of models for agricultural policy analysis	36
CHAPTER 3	40
Methodology and Data	40
3.1. Conflicting objectives and Multiple-Criteria approach	42
3.1.1. The use of models for agricultural policy analysis	43
3.1.1.1 Multi-Attribute Utility Function (MAUF) approach	43
3.1.2. Objective weighting and utility function elicitation	52
3.1.3. Positive mathematical programming (PMP)	53
3.1.4. Introducing modified MAUF	53
3.2. Modeling irrigation water market at basin level	55
3.3. Modeling of farm types	59
3.4. Validation of models	59
3.5. Scenario simulations and generating scenarios	59

Title	Page
3.6. Aggregation bias problem	61
3.7. Indicators or attributes	63
3.8. A dynamic Decision Support System within the DPSIR framework:	
mDSS4.1	65
3.8.1. Conceptual phase: problem exploration	66
3.8.2. Design phase: option definition and modeling	66
3.8.3. Choice phase: Multi-criteria decision analysis	67
3.8.3.1. Standardizing the Analysis Matrix	68
3.8.3.2. Modeling value function	69
3.8.3.3. Modeling criteria weights	70
3.8.3.4. Decision rules	72
3.8.3.4.1. Simple Additive Weighting (SAW)	72
3.8.3.4.2. Order Weighting Average (OWA)	73
3.8.3.4.3. Ideal Point Methods (TOPSIS)	74
3.8.3.4.4. ELECTRE	75
3.8.3.5. Sustainability chart	76
3.8.3.6. Sensitivity Analysis	77
3.8.3.7. Most Critical Criterion	78
3.8.3.8. Tornado Diagram	78
3.8.3.9. Group decision making – aggregation of group members' preferences	81
3.8.3.9.1. Compromising criteria weights	82
3.8.3.9.2. Compromising the final solution	82
3.8.3.9.2.1. Individual ranking	83
3.8.3.9.2.2. Group ranking – Borda rule	83
3.8.3.9.2.3. Alternative group ranking	84
3.9. Simulation model at basin level	85
3.9.1. The measures of comparative advantage	85
3.9.2. Objective Functions	87
3.9.3. Constraints	87

Title	Page
3.9.3.1. Water allocation availability	87
3.9.3.2. Surface water allocation availability	88
3.9.3.3. Ground water allocation availability for each month	88
3.9.3.4. Area availability to total area	88
3.9.3.5. Environmental Flow Target	88
3.10.1. Description of area	89
3.10.2. Data specification and sources	92
CHAPTER 4	94
Results and Discussion	94
4.1. Descriptive statistics and specifications	94
4.2. Elicitation of the Multi-Attribute Utility Function (MAUF)	97
4.3. Evaluation of accuracy of the model simulation and prediction	98
4.4. Scenario simulations and effects of alternative policies on different	
indicators	99
4.4.1. Effects of alternative policies on different indicators in representative	
farm No.1	100
4.4.2. Effects of alternative policies on different indicators in representative	
farm No.2	108
4.4.3. Effects of alternative policies on different indicators in representative	
farm No.3	116
4.4.4. Effects of alternative policies on different indicators in representative	
farm No.4	125
4.4.5. Effects of alternative policies on different indicators in representative	
farm No.5	133
4.4.6. Effects of alternative policies on different indicators in representative	
farm No.6	142
4.4.7. Effects of alternative policies on different indicators in representative	
farm No.7	150

Title	Page
4.4.8. Effects of alternative policies on different indicators in representative	
farm No.8	158
4.4.9. Effects of alternative policies on different indicators in representative	150
farm No.9	167
4.5. Water demand functions	176
4.6. The impacts of the scenarios and the improvement of sustainability	170
aspects of selected irrigated farming systems (results of the dynamic DSS)	183
4.6.1. Modeling the conceptual relationship according to the DPSIR	103
framework	183
4.6.2. Results of multi-criteria decision and final choice in selected farming	103
systems	185
4.6.2.1. Representative farm No.1	185
4.6.2.2. Representative farm No.2	193
4.6.2.3. Representative farm No.3	200
4.6.2.4. Representative farm No.4	207
4.6.2.5. Representative farm No.5	214
4.6.2.6. Representative farm No.6	221
•	
4.6.2.7. Representative farm No.7	228
4.6.2.8. Representative farm No.8	235
4.6.2.9. Representative farm No.9	242
4.6.2.10. Aggregation of the results in different farming systems and final	250
choice in the basin level	250
4.7. Results of the simulation model at basin level	251
4.7.1. Results of comparative advantage indices at basin level	251
4.7.2. Performances of the alternative options at basin level	252
4.7.3. Impacts of alternative options on indicators at basin level	255
CHAPTER 5	257
Conclusion and policy implication	257
5.1. Overview of the study	257

Title	Pag
5.2. Policy implication	264
5.3. Limitations of research	268
5.4. Recommendations for further research	268
References	270
Appendices	282
Appendix 1: Consistency test of reciprocal matrix of pairwise comparison	282
Appendix 2: A simple example of Aggregation using simple additive	284
weighting decision method of two options and three criteria	
Appendix 3: A simple example of Aggregation using the order weighting	285
averaging of two options and three criteria	
Appendix 4: Characteristics of selected sets of order weights distribution	286
Appendix 5: A simple example of two options and three criteria with already	287
weighted performances to aggregation using the TOPSIS decision methods	
Appendix 6: Terms and algorithms of ELECTRE III	288
Appendix 7: Steps of estimate the critical criterion	290
Appendix 8: A simple example for Group Ranking	294

List of Tables

Title of Table	Page
Table 3-1) Alternative scenarios (options)	61
Table 3-2) Indicators	63
Table 3-3) The behavior of the generated numerical weights depending on the	
parameter p of the rank component method	70
Table 3-4) Example of pairwise comparison: (I) Scale for pairwise	
comparison; (II) pairwise comparison matrix between 4 criteria (C ₁ - C ₄)	71
Table 3-5) The mDSS decision approaches (decision rules and approaches to	
sensitivity analysis) and their basic characteristics	80
Table 3-6) Policy analysis matrix	86
Table 4-1) Descriptive statistics and specification of each group of farmers	95
Table 4-2) Different weight of attributes for each group of farmers	98
Table 4-3) Results of different indicators for increasing irrigation water price	
in representative farm No.1	104
Table 4-4) Results of different indicators due to the application of scenarios in	
representative farm No.1	105
Table 4-5) Results of different indicators due to the application of integrated	
scenarios in representative farm No.1	107
Table 4-6) Results of different indicators for increasing irrigation water price	
in representative farm No. 2	111
Table 4-7) Results of different indicators due to the application of scenarios in	
representative farm No.2	113

Title of Table	Page
Table 4-8) Results of different indicators due to the application of integrated	
scenarios in representative farm No. 2	115
Table 4-9) Results of different indicators for increasing irrigation water price	
in representative farm No.3	120
Table 4-10) Results of different indicators due to the application of scenarios	
in representative farm No.3	122
Table 4-11) Results of different indicators due to the application of integrated	124
scenarios in representative farm No.3	
Table 4-12) Results of different indicators for increasing irrigation water price	
in representative farm No.4	129
Table 4-13) Results of different indicators due to the application of scenarios	
in representative farm No.4	130
Table 4-14) Results of different indicators that are due to the application of	
integrated scenarios in representative farm No.4	132
Table 4-15) Results of different indicators for increasing irrigation water price	
in representative farm No.5	137
Table 4-16) Results of different indicators due to the application of scenarios	
in representative farm No.5	139
Table 4-17) Results of different indicators due to the application of integrated	
scenarios in representative farm No.5	141
Table 4-18) Results of different indicators for increasing irrigation water price	
in representative farm No.6	145
Table 4-19) Results of different indicators due to the application of scenarios	
in representative farm No.6	147
Table 4-20) Results of different indicators due to the application of integrated	
scenarios in representative farm No.6	149
Table 4-21) Results of different indicators for increasing irrigation water price	
in representative farm No.7	153

Title of Table	Page
Table 4-22) Results of different indicators due to the application of scenarios	
in representative farm No.7	155
Table 4-23) Results of different indicators due to the application of integrated	
scenarios in representative farm No.7	157
Table 4-24) Results of different indicators for increasing irrigation water price	
in representative farm No.8	162
Table 4-25) Results of different indicators due to the application of scenarios	
in representative farm No.8	164
Table 4-26) Results of different indicators due to the application of integrated	
scenarios in representative farm No.8	166
Table 4-27) Results of different indicators for increasing irrigation water price	
in representative farm No.9	171
Table 4-28) Results of different indicators due to the application of scenarios	
in representative farm No.9	173
Table 4-29) Results of different indicators due to the application of integrated	
scenarios in representative farm No.9	175
Table 4-30) Irrigation water demand at the current tariff for each homogenous	
group	176
Table 4-31) Analysis matrix of representative farm No.1	188
Table 4-32) Evaluation matrix of representative farm No.1	189
Table 4-33) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No.1	192
Table 4-34) Analysis matrix of representative farm No.2	195
Table 4-35) Evaluation matrix of representative farm No. 2	196
Table 4-36) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No. 2	199
Table 4-37) Analysis matrix of representative farm No.3	202
Table 4-38) Evaluation matrix of representative farm No. 3	203

Title of Table	Page
Table 4-39) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No. 3	206
Table 4-40) Analysis matrix of representative farm No.4	209
Table 4-41) Evaluation matrix of representative farm No. 4	210
Table 4-42) Results of options order (compromising final solution) using	210
different grouping ranking rules for representative farm No. 4	213
Table 4-43) Analysis matrix of representative farm No.5	216
Table 4-44) Evaluation matrix of representative farm No. 5	217
Table 4-45) Results of options order (compromising final solution) using	217
different grouping ranking rules for representative farm No. 5	220
•	220
Table 4-46) Analysis matrix of representative farm No.6	223
Table 4-47) Evaluation matrix of representative farm No. 6	224
Table 4-48) Results of options order (compromising final solution) using	227
different grouping ranking rules for representative farm No. 6	227
Table 4-49) Analysis matrix of representative farm No.7	230
Table 4-50) Evaluation matrix of representative farm No. 7	231
Table 4-51) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No. 7	234
Table 4-52) Analysis matrix of representative farm No.8	237
Table 4-53) Evaluation matrix of representative farm No. 8	238
Table 4-54) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No. 8	241
Table 4-55) Analysis matrix of representative farm No.9	245
Table 4-56) Evaluation matrix of representative farm No. 9	246
Table 4-57) Results of options order (compromising final solution) using	
different grouping ranking rules for representative farm No. 9	249
Table 4-58) Results of options order (compromising final solution) using	
different rules in basin level	250

Title of Table	Page
Table 4-59) Results of comparative advantage indices and private income at	
basin level	251
Table 4-60) Information and results of current cropping pattern and net social	
profits at basin level	252
Table 4-61) Change in cropping pattern and net social profits due to	
maximization of rural employment at basin level	253
Table 4-62) Change in cropping pattern and net social profits due to	
maximization of net social profits at basin level	254
Table 4-63) Results of indicators at Kor river basin level	255
Table A.1) Random consistency indices for different number of criteria (n)	280
Table A.2) Aggregation using simple additive weighting decision method	281
Table A.3) Aggregation using the order weighting averaging	282
Table A.4) Characteristics of selected sets of order weights distribution	283
Table A.5) Aggregation using the TOPSIS decision methods	284
Table A.6) The distances from the positive and negative ideal solutions as well	
as the final aggregation	284

List of Figures

Title of Figure	Page
Figure 2-1: The main phases of NetSyMoD	22
Figure 2-2: The basic steps of the MCA that can be implemented in the DSS	32
Figure 2-3: a) The DPSIR framework, a common conceptual that allows the	
end user to conceptualize and structure the decision situation according to the	
cause-effect relationships b) Levels of intervention ranging from policy	
makers to local management authorities	35
Figure 3-1: Methodology diagram	41
Figure 3-2: Systematic approach supporting the mDSS, based on Simons'	
phases of decision process	65
Figure 3-3: Some kinds of value function: (a) linear; (b) j-shaped; (c)	
Sigmoidal: (d) user defined	69
Figure 3-4: Sustainability charts	77
Figure 3-5: The tornado diagram showing the differences in total performance	
of two options obtained by varying of criteria weights	79
Figure 3-6: Doroodzan river basin in Southern Iran	90
Figure 4-1: Irrigation water demand curve of representative farm No.1	177
Figure 4-2: Irrigation water demand curve of representative farm No.2	178
Figure 4-3: Irrigation water demand curve of representative farm No.3	178
Figure 4-4: Irrigation water demand curve of representative farm No.4	179
Figure 4-5: Irrigation water demand curve of representative farm No.5	179
Figure 4-6: Irrigation water demand curve of representative farm No.6	180
Figure 4-7: Irrigation water demand curve of representative farm No.7	180