

**POLITICS, INSTITUTIONS AND THE CAUVERY WATER DISPUTE: EXAMINING
THE DOWNSTREAM IMPACT**

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ABSTRACT

This study examines the influence of political affiliation between the state and central governments on the inflow of Cauvery water to Mettur Dam, and the impact of the Cauvery Water Dispute Tribunal (CWDT) on the same. Utilizing the ARDL approach with a structural dummy for the Tribunal's constitution, the analysis investigates the long-run and short-run effects of variables like rainfall, agriculture, population, and number of factories, along with political affiliation as a binary variable. The results indicate a cointegrating relationship among the variables, with no significant influence of political affiliation on water inflow, suggesting an unbiased approach by the central government. However, the establishment of CWDT had a positive and significant impact on water inflow, implying its role in structured water allocation. The study highlights the potential influence of tribunals in managing interstate water disputes and ensuring equitable distribution.

Keywords: *Centre-state relations, interstate water conflicts, Cauvery water dispute*

JEL Codes: H77, Q25, Q28