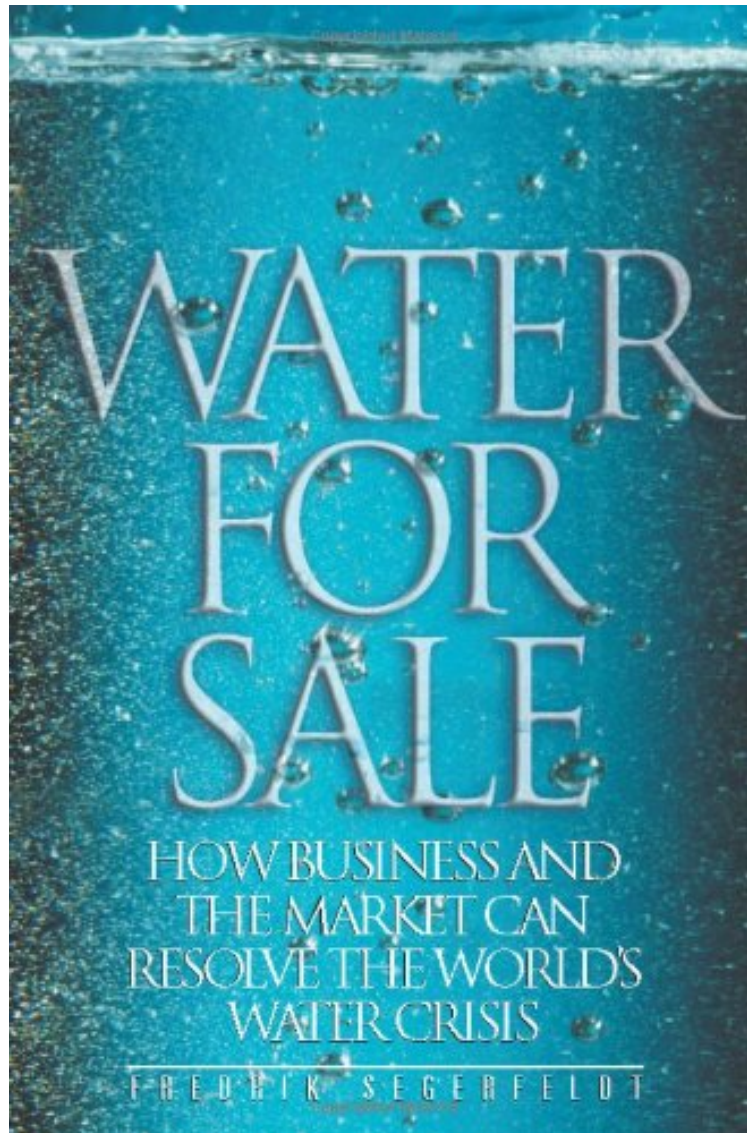


(Ebook pdf) Water for Sale: How Business and the Market Can Resolve the World's Water Crisis

Water for Sale: How Business and the Market Can Resolve the World's Water Crisis

Fedrik Segerfeldt

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Fedrik Segerfeldt : Water for Sale: How Business and the Market Can Resolve the World's Water Crisis before purchasing it in order to gage whether or not it would be worth my time, and all praised Water for Sale: How Business and the Market Can Resolve the World's Water Crisis:

2 of 2 people found the following review helpful. Very reasonable case for private water management By JessicaAs someone who formerly bought in to anti-capitalist, anti-globalization, anti-privatization rhetoric, I was surprised to

find that I related to the author's arguments in this book. He makes many good cases for potential benefits to be found from private water management and clarifies points about some of the major catastrophes (like Cochabamba) that create a more complex narrative than many anti-privatization activists provide. I feel like this book opened a door to a new way of thinking, and it intuitively feels quite natural and right. I am excited to explore the situation more in-depth. What stood out to me the most was his assertion that it is most important to provide a potential solution to help improve water access for the world's poor. He points out that many activists are quick to critique water management systems, but few offer a solution that may be better. The book is well-written and concise. I got through it on a plane ride from Vancouver to Albuquerque (and dog-eared half the pages so I can look up more information). I highly recommend it to anyone who is interested in solutions to the "water crisis."

7 of 10 people found the following review helpful. The Poor Can Only Benefit from the Private Provision of Water Supply By David Zetland[...] Fredrik Segerfeldt originally wrote *Water for Sale* (2005) in Swedish. The CATO Institute has published an English-language version. So, what does a Swede have to say about the private companies selling water to the world's poor? Privatization is a good idea. Anyone who works on water policy should read this book. Segerfeldt argues sensibly, with examples, statistics and documentation. His arguments echo and reflect recurring themes (equity, poverty, development, capitalism and corruption) in water policy, and this book will be useful (barring miracles in the water sector) for the next 15-20 years. The book is short (118pp plus 25 pp of notes and references) but complete. The prose is clear, with few redundancies, inconsistencies or errors. The book's biggest strength is Segerfeldt's logical foundation (defend the poor). Its biggest weakness is the omission of the bigger picture (how does one do anything well when the government is corrupt?), but we all fail that test at some point. Segerfeldt's brutally-effective condemnation of water policy in the developing world is as dispassionate and rational as one can be when discussing how "every minute of every day, 22 people die because they cannot get enough safe water" (p. 8). Children suffer the most -- accounting for one-quarter of the 12 million annual deaths from water shortage. His main point -- and a good one -- is that the private provision of water by companies seeking profits can hardly make the poor worse off, since "ninety-seven percent of all water distribution in poor countries is managed by public suppliers, who are responsible for more than a billion people being without water" (p. 1). Can we blame Nature for water shortages? No -- the wettest place on earth (Cherrapunji, India) has water shortages due to poor water policies. Although shortages are strongly correlated with a lack of economic development, development is happening too slowly to save lives. Instead, Segerfeldt suggests improving the governance of water supply, and he recommends importing good governance, via private enterprise. Private companies don't just have the advantage of outside cash. They have the advantage of management experience and specialization, the advantage of competitive pressures, and the advantage of the profit motive. Public bureaucracies have none of these advantages. Every locality learns by doing (often repeating mistakes "learned" elsewhere), facing no competition, and catering to political whim. The worst problem is that public bureaucracies suffer no penalty when they deliver poor results. Bureaucratic rewards accrue to those who spend their budgets -- not to those who serve more people. Political forces favor rich urbanites and big farmers, not poor slum dwellers or small farmers. Further, Segerfeldt notes that water is too cheap. Because prices are low, demand exceeds supply and shortages result. Why are prices low? Subsidies of \$45 billion per year mean that water prices cover -- on average -- 30 percent of the cost of water service. What's the result? Deferred maintenance (leaky pipes, poor quality) and small service areas. While the rich get piped water, the poor pay 10 to 80 times more to get water from "pirate" vendors. (Pirate in the unregulated sense; they are providing a valuable service to grateful customers.) What are the barriers to change? "Anti-privatization activists... are driven by an ideologically inspired aversion to enterprise, coupled with fear on the part of vested interests of losing their privileges." He points out the cost of such ideology -- a failure to serve the supposed beneficiaries of their interest, i.e., "it would be not just a pity but quite outrageous if millions of people were to starve, fall ill, and die through water shortages brought about by the strident propaganda of vested interests and powerfully ideological movements with quite different ends in view" (pp. 4-5). The rich and middle classes also dislike privatization because they are likely to face higher water bills. First, because private companies want to collect their money, Second, because private water companies are likely to expand service to truly poor customers who are going to use less water (thus making it hard for wealthier customers to claim that they cannot do with less). Third, because government policies designed for the "poor" are more likely to end up serving the poor. Public sector unions want to protect their jobs, of course, but the worse perpetrators of the status quo are the politicians who use water utilities for selfish gain -- hiring relatives and cronies, diverting cash flow, and contracting with "friendly" firms. (The mayor of Cochabamba, Bolivia would not allow the city's water supply to be privatized until a dam was included in the deal. Conveniently, his friends were in charge of building that dam. The infamous failure of the Cochabamba privatization can be partially blamed on that dam.) Even more common than politicians-cum-thieves are politicians who fail to monitor public water managers. Where, after all, would fines for bad performance go, except from one pocket to the other? What are his solutions? Private trade in water rights. After Chile "introduced private ownership of water in the 1980s... water supply has grown faster than in any other country. Thirty years ago, only 27 percent of Chileans in rural areas and 63 percent of urban communities had steady access to safe water. Today's figures are 94 and 99 percent, respectively -- the highest for all the world's medium-income countries" (p. 31). Even better, the incentives to sell

conserved water increased agricultural efficiency and -- through competition -- lowered the price of water. Farmers did not suffer -- despite the lack of major infrastructure investments, the shift to higher-value crops and greater efficiency resulted in six percent annual productivity growth between 1975 and 1990. Oh, and don't forget those bureaucrats. The lack of "capricious pricing" and quotas on water use left farmers alone to do what they do best -- raise food and make money. At the retail/urban level, Segerfeldt recommends that contracts for operation be awarded to companies through a competitive tender. He then gives several examples of privatizations that failed and succeeded, noting what went wrong and why. Disturbingly (for anti-privatization activists), it seems that many failures resulted from political failures and corruption -- not greedy capitalists. His main recommendations to avoid failure are that contracts reflect local conditions, annual price increases be capped, and alternative providers be allowed to continue operations (competition!). These common-sense ideas would deflect most concerns about privatization. (Remember that breach of contract can be remedied by re-municipalization!) Further, Segerfeldt recommends that equity issues ("the poor will suffer with market prices") be directly addressed through income supports or vouchers. "Cheap water" policies not only subsidize the middle class and rich, but sometimes they only subsidize those classes -- like when the poor don't even have piped water! Bottom Line: "Keeping water distribution in the public sphere is often identified as more democratic... Using food as an analogy, we can observe that food is also essential to life. Yet in countries where food has been produced "democratically" -- that is, by the government -- there has often been neither sufficient food nor democracy. In this regard water is no different... the question that naturally comes to mind is why anti-privatization activists do not expend as much energy on accusing governments of violating the rights of the 1.1 billion people who do not have access to water as they do on trying to stop its commercialization." (pp. 113-114).

0 of 0 people found the following review helpful. Price of Water By Christian Miller He presents a convincing argument that many of the inefficiencies in our use of water resources are caused by the artificially low price of water in many situations.

This book shows why the protesters are wrong and how more reforms could save the millions of lives and improve the lives of hundred of others.

From the Back Cover "Water has become a commodity whose quantity and quality are much too important to leave to the whims of public authorities. Water supply systems are in need of regulation through private ownership rights and markets for the transfer of these rights. Read this book and find out why." --Vernon L. Smith, Nobel Laureate in Economics "When it comes to water policy books, relevance and sense are rare commodities. So its a pleasant surprise that Fredrik Segerfeldt has provided both in this most useful addition to the literature. Water privatization has proved difficult nearly everywhere it's been tried, but, as this book neatly explains, the alternative has usually been worse. Water for Sale should be widely read, especially by engineers, hydrologists, and government officials who know little, and usually care even less, about markets." --Roger Bate, Africa Fighting Malaria "Fredrik Segerfeldt's book Water for Sale is an excellent argument for private management of humankind's most valuable natural resource. Its thesis is both provocative and suggestive -- water is scarce in developing countries because of poor management, not because it is in short supply. Water policy affects the future of millions of people across the globe. Segerfeldt offers an efficient, sure, and safe alternative for this future. With this hope, I sincerely recommend this book." --Beatriz Merino, Former Prime Minister of Peru "The critics of privatization insist that water is too important to be left to the mercies of private enterprise. In this fascinating study, Fredrik Segerfeldt demonstrates that the opposite is true: water is too important not to be subject to market forces. The debate should, he shows, not be over whether to take the supply and distribution of water away from incompetent government agencies and introduce prices, property rights, and private enterprise instead, but over how best to do so." --Martin Wolf, Associate Editor, Financial Times

About the Author Fredrik Segerfeldt is a communication strategist and senior adviser at the Confederation of Swedish Enterprise. Previously, he has worked as an adviser for Central and Eastern Europe at the Union des Industries de la Communauté Européenne (UNICE), a Brussels-based European business organization, and as an adviser for international affairs at the Swedish Employers Confederation. Segerfeldt has been published widely in the Swedish news media and the international media, including the Financial Times, the Wall Street Journal Europe, European Voice, Le Monde, and TechCentralStation.com.