

New IATP report addresses water governance in the 21st century

By Shiney Varghese

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For well over a decade, [IATP](#) has advocated for alternatives to the current water governance regime that privileges profit over people, communities and ecosystems. In advocating against neoliberal approaches to solving water crises, we have argued for the promotion of the right to water and the right to food, for the precautionary principle and for the need to respect our common but differentiated responsibility to protect our commons.

This month, as the United Nations celebrates [World Water Day](#), and as many organizations at the [World Social Forum](#) celebrate [Water Justice Day](#), we offer [*Water Governance in the 21st Century: Lessons from Water Trading in the U.S. and Australia*](#), a governance based on cooperation rather than competition. new paper that looks at the possibilities for water governance based on cooperation rather than competition. We look at the experiences of water trading in Australia and North America for relevant lessons to help chart a path for just and sustainable water governance in 21st century.



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As water insecurities increase globally, there is an increasing emphasis on demand-management approaches, which for the most part emphasize market mechanisms as a means to ensure water security for all. Water trading is one of the market based mechanisms that helps transfer water from one user to another. It involves buying and selling water rights (which are permanent access entitlements), or water allocation entitlements (which are seasonal and temporary). This process results in the re-allocation of water among competing uses by facilitating the transfer of water from low-valued to higher-valued uses. This approach is gaining ground as climate uncertainties grow, as corporations want to control water for their value chain and as scarcity conditions give rise to the idea of water primarily as an economic good.

The new IATP paper focuses on the experiences in the western United States and southeastern Australia, both regions in which sophisticated institutional frameworks have been developed that recognize water as a limited resource and an economic good, and which facilitate the re-allocation of water through market mechanisms such as water trading. We show that water markets often exacerbate failures in water governance (manifested as economic or physical water scarcity) and that the third party effects associated with water trading (which have been well documented) are only the most evident symptom of the underlying governance problems.

Instead, we should consider a holistic framework that considers water as a commons, questions the premise that water trading is a transaction that takes place between only two parties, and urges caution to ensure that wider social concerns are not neglected. We propose the use of the public trust doctrine in order to protect both *public use* and *public interest*. The former is concerned with access to the commons for *current generations*, while the latter is concerned with conserving the commons in the interest of *current and future generations* [of all beings]. We suggest that the combined use of the commons principles with public trust doctrine or its principles provides a way forward to resolve the problems that have arisen in the context of water trading in the western United States and southeastern Australia.

We conclude by suggesting that allocation of water should not be based on commodification and economic efficiency alone. The national water sector reforms underway in many countries should consider the hidden costs of existing market based approaches, and should be premised on the notion of water as a commons, available first and foremost for public purposes (including the realization of right to water and right to food). In sum, public policy rooted in cooperation and mutual responsibility, instead of competition, would help address the crisis in shared commons such as water. In this [International Year of Water Cooperation](#) it is extremely timely and appropriate.

Read the full report: [Water Governance in the 21st Century: Lessons from Water Trading in the U.S. and Australia](#)