



World Water Congress XV

International Water Resources Association (IWRA)

Edinburgh, Scotland. 25th to 29th May 2015

WATER FOR ALL

The Case Against the Commodification of Human Rights

Manuel Couret Branco *Universidade de Évora* *Pedro Damião Henriques*
mbranco@uevora.pt pdamiao@uevora.pt

The Commodification of Water

For a long time there was relative consensus on the idea that private enterprise could not substitute the state in providing water. In recent years, because of state ineffectiveness in delivering water to all, particularly in developing countries, pressures have been felt for privatizing water distribution

The progressive commodification of water is the flip side of this process. Commodification is not exhausted in privatization, though. The marketization of the state, in other words the growing tendency of the state to behave like a market-oriented firm, is another of its features, namely by introducing the principle of full cost recovery

In this presentation we shall argue that one should resist commodification of water. First, because it generates social costs and, second, because it is contradictory to human rights requirements

Commodification Generates Social Costs

Our perception of social costs is that of William Kapp. The commodification of water would then generate social costs because first, its harmful effects can be avoided; second, the costs of this deprivation are shifted to third persons or society at large; and finally, because it raises issues of income redistribution.

However, we should consider them social opportunity costs rather than strict social costs as the harmful effects are not the result of delivering water but of not delivering enough water to all

As far as the satisfaction of basic needs is concerned, it is relatively easy and cheap to provide access to water to everybody; harmful effects are therefore clearly avoidable. Universal coverage is cheaper than exclusion and inequality in access for society as whole

Commodification Generates Social Costs

According to the UNDP, the direct and indirect costs of keeping the current deficit of safe water provision in developing countries represent nine times the cost of providing universal coverage.

Not only are there direct costs like those generated by diseases connected to both shortage and poor quality of water but also indirect costs such as poverty related to poor health. For example, poor health reduces benefits from education by weakening cognitive potential and raising absenteeism.

This loss of opportunities, and subsequent diminished income perspectives, also raises redistribution issues. If one considers the days of school and the opportunities lost by girls with the time spent in water collection, for instance, the insufficient water coverage decisively contributes to poverty striking women in adult age

Commodification Versus Human Rights

Because of the social costs produced and many other substantive reasons that we cannot afford to develop here, water was recognised a human right on July 28 2010. What are the implications of this recognition for water delivery?

The providers of goods and services necessary to secure human rights in general, and the right to water in particular, besides efficacy are bound to respect a set of fundamental principles, namely universality, equality, indivisibility and accountability.

We sustain that markets fail to secure economic and social rights mainly because market logic has a hard time respecting these principles. There are three main reasons for this inability. First, markets do not state social preferences; second, they are not accountable and; third, they are ineffective

Commodification Versus Human Rights

Markets do Not State Social Preferences

Rights, if they are to be fully taken as rights, must be equally allocated amongst all those entitled to enjoy them within the community. Therefore universal access to water is mandatory

Markets can state how much water to produce, how and when in order to meet viable consumers' demand, but they do not hold arguments to state that universal access is better than any other structure of water allocation

Markets Are Not Accountable

Accepting the right to water means accepting that each individual has some sort of credit with society concerning the availability of drinking water and if the rights of an individual are not secured this means that other individuals or institutions have failed in carrying out their duties

Commodification Versus Human Rights

When the state, for example, fails in securing an individual his or her human rights, the state is accountable, either legally in a court of law or politically through elections. If the market fails in securing those same human rights, whom should an individual turn to?

Some argue that privatisation would actually reinforce accountability in delivering water (e.g. Rogers, De Silva, and Bhatia 2002), but this relates to a responsible relation between provider and paying customers leaving aside accountability to those that cannot afford to pay for water

Markets Are Ineffective

This ineffectiveness does not refer so much to the inability to provide water itself but to the inability to fully comply with human rights requirements when delivering water

Commodification Versus Human Rights

Taking into consideration the diversity of uses and the indispensability of water to satisfy basic human needs, market mediation can prioritise the allocation of water to profitable activities in relation to direct human consumption

Markets are also eco-ineffective. No market mechanism can prevent the total amount of individual consumption resulting from the maximisation of individual utility from exceeding the recharge rate and therefore it is difficult to conciliate individual and social interests through markets

Finally, one must say that water markets can hardly be called markets. Indeed, for technological reasons, water distribution can be considered a natural monopoly. If competition is allowed between companies in order to get hold of a concession, the consumer cannot choose a supplier as he or she can, for instance, with cable television or telephone

Concluding Remarks

One significant stand on human rights holds that the main responsibility of the state would be to create an enabling environment for people to claim their rights effectively. Subsidising private provision of water, for example, would, then, be as good a policy as another if people get their access to water improved

From a consequentialist perspective this may be acceptable but from a deontological perspective one might ask why should the state pay private providers for something that it can deliver itself in the same conditions

Rather than a subsidy to poor households, this practice consists of a subsidy to private companies, unduly charging the public treasury and society at large. Furthermore, since water distribution is a natural monopoly, subsidising private provision of water would basically mean for the state to grant and protect privilege