

The end of abundance – and the start of something new?

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I'm just a girl who can't say no¹

... and now we have water scarcity (demand > supply)

- ▶ What does this mean? Friction
- ▶ Why is it a challenge? Old institutions
- ▶ How can we cope? Adaptation
- ▶ What if we don't? Conflict and deadlock

¹Are y'all tired of Oklahoma! jokes?

My dad and mom

- ▶ Dad went for a stent but got a quadruple bypass
- ▶ Problems can move from important to urgent
- ▶ We cannot prepare for what we cannot see

- ▶ My mother was born here. I was born in SF
- ▶ We share water dreams
- ▶ But we drive down the road of custom (Boomers?)
- ▶ Solutions must be local (\$5 billion CalFED? Not!)

- ▶ CA has 100+ years of water wars
- ▶ OK also has excess demand and competing claims of rights
- ▶ The community must ration water
- ▶ Failure means political conflict and economic losses

Solutions

Urgent solutions may fail to address important problems
(Westlands' subsidized wells; Cyprus' desalination and crops)

Better to prepare:

1. Yesterday's solutions may not work today
2. Abundance to scarcity means Public to Common Pool
3. Regulation or property rights create Private/Club
4. Everyone needs to let go of unrealistic expectations
5. Make policies to manage water from "behind the veil"

Let's look at how others addressed familiar issues. . .

Drought and scarcity

Nobody ever says the Sahara is in drought.

Urban: Water prices need to rise (Santa Barbara)

Wastewater: Toilet to tap is the future (Singapore)

Self-supply: Monitor and regulate groundwater (AZ AMAs)

Bulk: Trade limited water in markets (Australia)

Note: Fluctuating prices (like oil) help people plan and cope

New/old claims

Whiskey is for drinking, water is for fighting over.

- ▶ Some rights are overallocated; new demands can arrive
- ▶ There's only 100 percent to go around
- ▶ Disputes create uncertainty (tribal rights, measurement, etc.)
- ▶ Takings (Aus.), buybacks (GA) or Public Trust (Mono Lake)

Note: Politics assigns rights; markets give them value

Transborder issues

Good fences make good neighbors. Then you negotiate.

- ▶ “In-state” versus in-stream; watersheds
- ▶ Individual owners should be able to sell to anyone
- ▶ Others want to buy cheap (CA area of origin)
- ▶ Politicians can block individuals (CO river vs MDB)
- ▶ Get your house in order to reduce local frictions

Note: Annual rental brings less regrets than selling

Rural-urban transfers

Remember Owens Valley!

- ▶ Dying rural communities (Vegas vs. rural areas; IID)
- ▶ Property rights can backfire (ejido segmentation)
- ▶ Demand vs supply (Monterey v. San Diego desal)

Note: Separate communal from private water (i.e., severance fees)

Water in the environment

Take nothing and we die; take everything and we die.

- ▶ Rivers are worth more than zero (San Antonio; Colorado)
- ▶ Restoration of the Thames and Rhine
- ▶ Charge or regulate polluters to protect property rights
- ▶ Technologies or techniques (New York drinking water)

Note: All viable businesses pay their costs

Getting to yes

You're stuck with your family, for better or worse.

How do you reach an agreement when people don't agree?

- ▶ Get outside funding (bribery)
- ▶ Lock the room: booze and time will make a deal
- ▶ What about blockers who benefit from paralysis?
 - ▶ Wait. Events may change their mind
 - ▶ Make them uncomfortable
 - ▶ Try to see the other's POV. Friends can agree

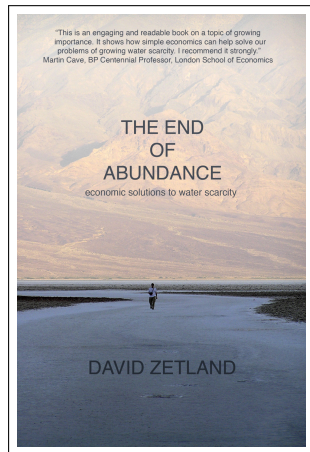
Note: Politicians love conflict (<http://tinyurl.com/82on5yv>)

Questions?

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\$15! Conference price :)