

A view on water economics in Europe

David Zetland

Senior water economist, Wageningen University

WWF6 – EEA

Marseille ~ 14 Mar 2012

The big picture on efficiency and value

- ▶ Management and coordination versus structures and signals
- ▶ Set standard and enforce laws
- ▶ Dead without farmers (OECD "transparency" will do nothing)
- ▶ MAs will meet with market/non-market mix
- ▶ TTT (technology and techniques transfer)
- ▶ EEA can provide indicators of status

Danger: You can take the current path and waste resources and opportunities but there's a high opportunity cost. Much worse in the US.

Choose one, not both

1.2: It is important to recognise what resource efficiency is and how it can contribute to sustainable resource management.

That's backwards!

Try:

Sustainable resource management produces efficiency.

- ▶ Choose P or Q but not both
- ▶ Choose technology or outcomes but not both
- ▶ Set a constraint and people will adjust

C2: Measuring efficiency

- ▶ What's the point for the EEA?
- ▶ Statistical masturbation (dangerous?)
- ▶ Useful within a company
- ▶ Outcome of choices by individuals with many values

C3: Incentivizing efficiency

- ▶ Higher prices or lower quantities won't break people
- ▶ We are not going to have thirst or starvation
- ▶ We are going to have changes in profits, habits and power
- ▶ Like always (drought, rain, broken pipes, etc.)

C4: Indicators and accounting

- ▶ Water productivity fail – Marginal role, T&T, virtual water?
- ▶ Footprinting and LCA – now what?
- ▶ Spillovers and linkages do not need to be managed
- ▶ Energy-water vs cafe-croissant nexus
- ▶ The danger of OECD ranking (Israeli recycling)

You're doing it wrong (page 52)

Resource-efficiency measures are therefore at the top of
not on *the water management agenda. They are needed*
to ensure that sufficient clean water is available at an
affordable price for human needs, while the functioning of
aquatic ecosystems is preserved to further provide vital
goods and services. **result after environmental water**
is reserved and economic water is allocated to
maximize its value. *A common understanding of*
water's importance is essential **does not exist, so**
alongside effective communication about who needs
water, where and for what purposes **is just a plea for**
privilege.

Conclusion

- ▶ The end of abundance means water is valuable.
- ▶ We need to change institutions that assume it's free.
- ▶ Set a limit. Don't apologize.
- ▶ Innovation and behavior will handle the rest.
- ▶ We will do just fine.

Thank you!

Advertisements!

[email](mailto:DZetland@gmail.com) DZetland@gmail.com

[blog](http://Aguanomics.com) Aguanomics.com

[book](http://EndOfAbundance.com) EndOfAbundance.com

[data](http://WaterDataHub.org) WaterDataHub.org