

The Human Development Report 2006

Efficiency and Equity

by Uwe Hoering, November 2006

Focusing on the „global water crisis“, the Human Development Report 2006 takes up a subject, which has been widely and hotly debated already for several years. Against this background, it is difficult, to really say something new – but with its focus on equity issues and the situation of the poor, it is a marked difference from others like the World Bank.

The Report broadly consists of two parts or „distinct themes“: The first three chapters deal with „water for life“, covering the crisis in water and sanitation, water for human consumption, and the vast deficit in sanitation, which in spite of its tremendous relevance is often being neglected as in most other publications on the water crisis.

The other three chapters can be grouped under the heading of „water for livelihood“, concentrating more on the productive - and destructive - role of water in human and economic development. Chapter 4 discusses in depth the question of scarcity, risk and vulnerability, challenging the common notion and sometimes apocalyptic visions of a Malthusian crisis and an absolute scarcity. Instead it is emphasizing, that „scarcity is rooted in power, poverty and inequality, not in physical availability“ (2) After this mapping of problems, Chapter 5 goes deeper into the question of water for agriculture, chapter 6 discusses the chances and challenges for managing transboundary waters, i.e. the international aspects of the water crisis, considered by some as a source of future armed conflicts and even wars.

Water crisis as poverty issue

Besides underlining the relevance of water for all aspects of development and environment, („water security is an integral part of human security“, 3), the report has a very clear focus on the water crisis as a poverty issue, different for example from the World Bank, which orientates with her new strategy of „Water for Growth“ more on the economic aspects (see World Bank 2006). The poor are systematically excluded from access by their poverty, by unequal power relations and lack of voice in allocation decisions, and by their limited legal rights. Scarcity therefore is manufactured through political processes and institutions that disadvantage the poor, thus „violating the human right to water with impunity“ (4).

Not surprisingly, the report highlights the special importance of solutions for the water crisis for reaching the Millennium Development Goals, far beyond the specific goal of halving the proportion of world population without sustainable access to safe drinking water and basic sanitation (Goal 7, target 10). All of the eight main goals, reaching from eradication of extreme poverty and hunger to building a global partnership for development can not be achieved without access to water for human consumption and livelihoods like small agriculture. Therefore, water should be put „at the center of poverty

reduction strategies and budget planning“ (107).

Furthermore, the underlying orientation for all actions and a binding principle for governments responsibility should be the clear-cut recognition of water as a human right. However, normative statements or even a constitutional right to water, like in Uruguay, are important, but not enough, the report says. „They have to be enshrined in legislation, regulatory systems and governance systems that make governments and water providers accountable to all citizens, including the poor“ (78).

As a framework for overcoming inequalities in access to water and sanitation the report proposes – rather vaguely – the development of nationally owned strategies, incorporating a global action plan, and supported with an increase in international aid and innovative financing strategies (8). Core strategies within this include the setting of clear targets, establishing lifeline tariffs, targeting subsidies to poor households, increasing investments in simple provisions like standpipes, enacting legislation that empowers people to hold providers to account, ensuring, that public-private partnerships increase affordable access to poor households and developing effective and politically independent regulatory systems, community-level initiatives and demand-led approaches.

Water for livelihoods

Same as with access to water and sanitation, water for livelihoods and productive purposes is very unequally distributed between and within countries. And equally, water stress, scarcity and insecurity have been induced by policy failures.

Understandably, agriculture as the main water user, important polluter and basis for livelihoods of millions of rural families has a central role in the discussions in the report. Recommended solutions include on one hand augmenting supply by river diversion, dams and desalination, but more strongly the report favors demand-side policies, that „are likely to be more effective“. Stressing the need of „balancing efficiency and equity“, the report calls for „economic and political structures and systems of rights and entitlements“ to resolve reallocation problems within agriculture and between rural and urban areas. Like on other strategies and discussion, pricing subsidies and water rights are seen as central tools for water management, linking livelihoods, water and poverty reduction. But different from the World bank for example, the report is much more skeptical about the role of private water markets to balance efficiency and equity, especially regarding the poor, and of economic efficiency and technology as main aspects for solving the water crisis.

As the report observes, again it are the poor who have the weakest rights. And they are often further weakened by attempts to formalize water rights, because they „offer no guarantee of equity in the face of unequal power relations“ (183). Also water rights „account for little, if, in implementation, they skew advantages to those with power“ (18) like neglecting and pushing aside customary rights. So far, the water rights agenda has been „missing equity and empowerment“, it claims (181), instead backing urban and industrial claims against agriculture (182). Without addressing disparities in access to land,

water and power, „an obvious danger is that narrow interpretations of water rights, based on formal state laws, will exclude groups such as women, pastoralists and smallholders“ (187).

Public responsibility

While taking up many of the points raised by the World Bank like the claim, that people and countries are poor because they lack large infrastructure like dams, or the confidence in the private sector, the report is more cautious. Instead of big infrastructure it is more in favor of small scale technology like water harvesting programmes and micro-irrigation, and instead of private sector, it reminds the public sector, governments and the international community of their responsibility, pressing the issue of public utility reform (10).

The report is quite vocal, criticizing governments and power politics in the water sector and „the most minimal and fragmented response“ to the crisis with its economic and human devastation, demanding „wider strategies for empowerment and equity“ (187). But it mainly remains with appeals to the very powers, which are responsible for the present state of affairs. Most striking is the absence of the vast civil society movements, which have been most successful in countering negative impacts like privatization in urban water supply and in pushing through solutions like rain-water harvesting. If they had been included, may be there would have been a more realistic perspective about how to solve the crisis.

UNDP 2006: *Human Development Report 2006. Beyond scarcity: Power, poverty and the global water crisis*. New York (Palgrave Macmillan)

World Bank 2006: *Water for Responsible Growth*. Washington DC (Brochure for the 4th World Water Forum, Mexico).

Uwe Hoering 2005: *Water for Food – Water for Profit. The World Bank's policy in the agricultural water sector*. Stuttgart (Bread for the World).
http://www.menschenrechtwasser.de/downloads/Water_for_Food_Hoering.pdf

(1.300 words)

First published in: Informationsbrief Weltwirtschaft & Entwicklung November 2006