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# Understanding 'value' in debates on land and water use.

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## summary

- Value as it applies to water: implications of IWRM and the Dublin Principles
- Alternative approaches to how diversity of water values can be reconciled within decision-making processes.

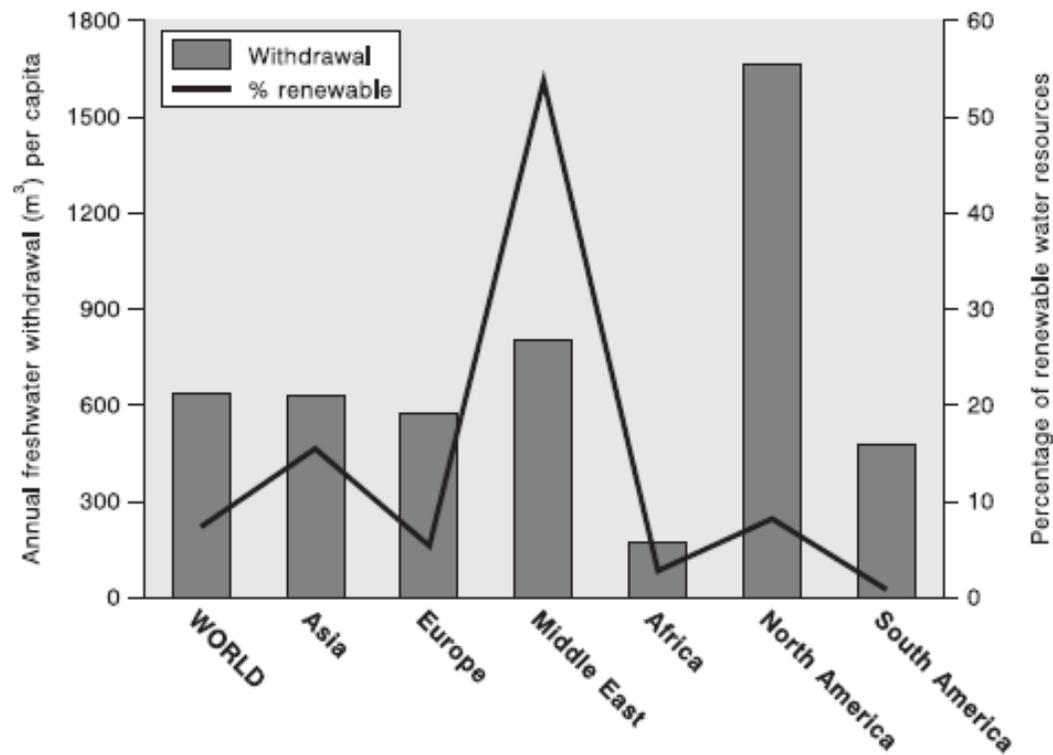
## Water valuation has split the water sector since the World Water Vision (WWV) presented in the Hague in 2000

- WWV emphasis on ‘full-cost pricing’ to attract private sector investment to undertake the ‘business of providing water services’
- NGOs criticised lack of respect for the ‘rights, knowledge and experience of local people and communities’.
- Policy debate played out in real life: conflicts over commercial water services contracts
- Argument continues, but widespread recognition that ‘price’ does not, or should not, be equated with ‘value’

## Water characteristics that make allocation through markets complex

not scarce (globally), but may be locally scarce: investment needed to access additional /more distant sources of water.

## Annual freshwater withdrawal: m<sup>3</sup> per capita and % of renewable in different regions: boundaries matter



## Water characteristics that make allocation through markets complex

- not scarce (globally), but may be locally scarce: investment needed to access additional /more distant sources of water:
  - boundaries matter
- many different uses, not all of which are commensurable in volumetric terms: logic of a single unit price does not apply -
  - Volume : irrigation, industrial cooling, domestic (cooking and hygiene),
  - Flow (height differential): hydropower.
  - Stocks (minimum depth): navigation,
  - Timing : dry-season irrigation, ecological systems
  - Reliability : domestic and industrial users.
- Uses difficult to quantify, or in terms of individual use: Aesthetic, cultural and ecological dimensions: limits to economic valuation ?

## Dublin (ICWE) principles: guiding Water governance since 1992

- Integrated Catchment Management
- Subsidiarity of decisions (decentralisation)
- Water-pricing (to promote efficient use)
- Participation and representation of water users

## Dublin Principles: a problematic guide to decision-making

hydrologic (river catchment) boundaries claimed to avoid 'arbitrary' political or administrative boundaries; But:

- implicit commitment to manage water to maintain its natural hydrology: the less water use, the better.
- basin boundaries emphasise 'natural' limits to supply:
  - foreclose options of bringing water from neighbouring areas;
  - focus on managing competing demand for a 'scarce' resource;
- 'neutrality' of market and/or participatory mechanisms is questionable:
  - markets allocate on the basis of purchasing power,
  - stakeholder forums tend to favour existing large users of water

Dublin Principles: reconcile different uses of water, but within a fixed frame of water values.

Towards a broader framework of water values :

- commercial investment:
  - evaluating water-related risk by identifying range of water values (not all of which can be quantified or monetised) among stakeholders;
  - approaches to achieve 'shared values '(priorities) (wbcSD, 2013).
- Values are 'performative':
  - Values attributed to water imply valuation techniques and indicators (e.g. 'efficiency' measures) that reinforce the social legitimacy of those values:
  - Consideration of alternative values in water (e.g. Aesthetic qualities of rivers, lakes; biodiversity maintenance; availability of soil moisture in dry-season grazing areas) requires alternative indicators.

## Towards a broader framework of water values :

### Conclusions

- Rather than 'technical' allocation norms (economic efficiency, pristine ecology), need to recognise the political dimension of decisions on water allocation
- incommensurable water values (frequently 'inter-sectoral' comparisons) require *politically*-accountable decisions ' about sectoral' priorities (e.g. hydro vs ecology vs irrigation)
  - Nature of political process is critical for the quality (legitimacy, sustainability) of water allocation.
  - Role and (democratic) nature of the state is central
  - market allocation *within* sectors (e.g. between irrigators), but not *between* sectors?



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