

Water pricing is a must

Prof. Asit K. Biswas is the Founder and the President of the Third World Centre for Water Management in Mexico. He was a member of the World Commission on Water and a founder of the International Water Resources Association and World Water Council. He has been a senior advisor to 20 governments. Prof. Biswas received the Stockholm Water Prize for his contribution to global water resource issues. He was awarded Man of the Year Award from Prime Minister Harper of Canada and the prestigious Aragon Environment Prize of Spain. He spoke to BE about the gross mismanagement of water in India and how to counter it.



Q) In India, despite water scarcity, there is huge wastage. Do you think pricing can internalise the concern on proper water management in both state and community levels?

A) Water problems cannot be solved unless water is priced. Since water is free, people do not realise its value and continue to misuse it. A citizen in Kolkata, Delhi, Mumbai, Chennai and other Indian cities use three times more water than some of the European cities like Hamburg, Barcelona, etc. If water is priced, they try to consume less and can live easily with 120 litres per capita per day instead of the current use of an average 300 litres per capita per day. The biggest problem is the lack of understanding of politicians, consumers and local utility authorities on the fact that the problem we are facing is not scarcity but mismanagement.

Water pricing would not only reduce misuse but also limit wastage. Around 99% of water used by a household goes waste and unfortunately waste water treatment is virtually non-existent in Indian metros. Moreover, in the absence of water pricing and metering, a water supply authority knows only how much water is pumped into the system, but nobody knows how much water is leaking, how much a household is consuming and how much is consumed through unauthorised taps.

Q) Why should a citizen pay for water since it has been free till date?

A) Water supplied by corporation or municipality is free but coping cost for each household is significant. One household approximately incurs a cost of INR160 per month in order to ensure 24 hour water supply and make it drinkable. With

the current system, one has to store the water in an underground tank and then pump it to an overhead tank. Then one has to purify it before use. Households have to incur roughly INR40 for electricity, INR20 for cleaning up of tanks and INR100 for purification for a month. Moreover, current purifiers can only take out some physical impurities but are not able to purify 100% of it. So people are paying in the current system for consuming so called 'free water'. But by paying half of what they are paying now, they can get good quality drinkable water 24 hours without storing and pumping.

The cost is the same, no matter whether or not one consumes water of 300 litres per capita per day or 500 litres per capita per day. Unless and until water pricing is introduced, an incentive model to save water cannot be floated.

Even those who live in the slum areas are generally using public tap water. They often fall sick due to consumption of undrinkable water losing their daily wage and paying for doctors and medicine.

Q) What should be the pricing mechanism?

A) Pricing should be done on the basis of monthly consumption. Tariff, which must be different for different quantities used, should encourage the understanding that the more you use, the more you pay. Poor households in slum areas would get a minimum reservation allotment at a low fixed rate, which should not exceed 3% of their family income. But if water consumption exceeds the minimum limit, they must pay a higher price for higher allotment of water. For an industry, pricing must be on the basis of cost of per cubic metre of water consumption and we have seen water cost is

around 1%-2% of the operation cost of industrial units.

Q) How much scope is there for private players to supply clean and safe water?

A) Water supply authority, be it private or public has huge opportunity for business and it should be autonomous and self-sustained. A household of four members consumes on an average 15

cubic metres of water a month. I will be surprised if production cost exceeds INR1 for one cubic metre of water though the production cost varies across the country and states. Now if water supply authority charges INR50-INR60 monthly for 15 cubic metres of water, the authority can end up with 15%-20% margin over all its operations, maintenance, investment and production cost.