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Institute on Comparative Regional Integration Studies

GR:EEN

Global Re-ordering:
Evolution through European Networks

Future Trends Series - GR:EEN Project

Title of the report

Business in the world of water: WBCSD Water Scenarios 2025

Area

Energy and Environment

Reporter

The World Business Council for Sustainable Development (WBCSD)

Type of the Reporter

Private Organisation

Periodically updated?

No

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http://www.wbcsd.org/home.aspx

Language available

English

Short summary

In this report, the challenges presented by the accelerating demand for water, driven by population growth and economic development, are considered in light of the role that business may play. "For some it means new economic opportunities in making water available to meet demand or in finding solutions to improve water quality and water use efficiency. For others, it means closer scrutiny of how they, their supply chains, and their markets access and use water, and of how new business risks emerge as they compete with other users."

In considering the context for water challenges facing business, the report argues that as water management issues become more complex, the prospect of water shortages, scarcities and stresses will increase. This, in turn, will create three distinct challenges: the challenge of efficiency, the challenge of security and the challenge of interconnectivity.

In order to overcome these challenges, the report cites the need for innovation, social legitimacy, and sustainability in the global marketplace of water.

Key trends

In the report, several interacting drivers of change, in which the challenges are most clearly seen, are explored :

• **People**: population growth, increased urbanization, increasing per capita consumption of water, rising water supply-sanitation gaps, increasing public health and pollution burdens

• **Planet**: ecosystem degradation, biodiversity losses, and climate change leading to sea-level rise and changes in the hydrological cycle, natural disasters (floods, droughts, and hurricanes), the melting of ice caps and glaciers, man-made disasters (such as chemical spills).

The Efficiency Challenge:
• With the current rate of economic development, water demand is increasing more quickly than population. This is resulting in much greater stress on water resources.

• The growth of mega-cities, particularly in the developing world, are increasingly faced with severe freshwater, wastewater, and flooding challenges, particularly in China.

• Lack of sufficient water to meet energy requirements is also limiting industrial production and the improvement of living standards in growing cities.

• Over-exploitation of water resources is leading to the loss of industrial, as well as agricultural production, depletion of groundwater, and preventing major rivers from reaching the sea.

The Security Challenge:
• The shortage of quality water, especially in the growing cities of many low-income and emerging economies, is recognized as becoming one of the most serious political and social issues of the time.

• Increased globalization of agriculture is also increasing pressure on the rural poor, most of whom are less able than their urban counterparts to afford global market prices for food.

• Political unease is further being reinforced by the social tensions arising from waves of immigration caused by the serious droughts and conflicts that have been affecting Africa and the Middle East.

The Interconnectivity Challenge:
• As globalization widens the gap between rich and poor globally, water is becoming a key symbolic focus of protest. Increasingly, local communities in Africa and Latin America are complaining that their water is being used for 'rich-country lifestyles'.

• Contaminated water, permitted in use of agricultural practices in the developing world, is resulting in an increasing number of food-related illness cases among the consumers in the developed world.

Suggestions

The Innovation Goal:

• Focus on "more value per drop and more drops for less". This means improving efficiencies through technologies, business practices, and public policies to create new business opportunities in the world of water.

• By encouraging decentralized water and wastewater treatment processes, infrastructure costs could be significantly reduced.
• Because the needs of US and European water infrastructure require hundreds of billions of dollars of investment, cities should seek private-public partnerships for technology solutions

The Social Legitimacy Goal:

• The formation of public-private partnerships with local water suppliers and municipal governments offer solutions for both people and businesses. As body of knowledge around best practice will begin to emerge.

• Businesses must also engage with other stakeholders in the community, including partnering with local, provincial, and national governments to safeguard the interests of those segments of society who are unable to pay.

The Sustainability Goal:

• Water needs to be thought of in terms of multiple geographies of connection, from nation states and city limits to watersheds and river basins, and in terms of multiple timeframes, in order to ensure that short-term interests do not foreclose longer-term possibilities.

• Accountability for the sustainability of the whole system need to be taken into better account.

• Global standards need to be developed to guarantee the right to clean water for all humans on the planet – and since this is a basic human right, it should be enforced, beginning with actions against non-conforming WTO members.

• Water needs to join air, land, and energy as part of the responsible citizenship and sustainable consumerism movements.

Methodology

Research from primary sources, research from secondary sources, modelling

Reference to other trends reports? If yes, which reports?

- United Nations. (2004) World Urbanization Prospects – the 2003 Revision.