



CAMPAIGNING TO KEEP
WATER AS A PUBLIC TRUST

11 Reasons to Oppose Prepaid Water Meters

Prepaid water meters are promoted all around the world as the fast solution to make poor consumers pay the full cost of service delivery. Instead of carrying the cost of services as a society, private companies are focused on individualizing the cost of water, and ignoring the ability to pay. Privatized water utilities in particular are choosing prepaid water meters as an easy way to avoid obligations previously considered mandatory for water providers. Prepaid water meters are not a choice of the poor in need of improved water services, but a choice of corporate water multinationals and bureaucrats far removed from reality.

Prepaid Water Meters Pave the Way for Privatization

The World Bank states that prepaid meters can "*facilitate cost-recovery and accelerate private sector participation in provision of water services.*" Cost-recovery and privatization are key conditions in World Bank lending – policies that continue to undermine access and affordability of clean water for all and promote the increased involvement of large water corporations. Prepaid water meters are also a tool used under private contract in order to secure profits for the shareholders, not the access to water for the users.

Prepaid Water Meters Perverts Demand Management

Prepaid water meters facilitate effective demand management in a very cruel manner: when you are unable to afford the charge you are simply cut off. Studies have shown that prepaid water meters have reduced the demand of water up to 65%, leaving poor consumers with the bare minimum of water for their daily consumption because they are unable to afford the water they need. The use of prepaid water meters has resulted in outbreaks of cholera when families are forced to use polluted water, and forced kids to wear dirty clothes to school when their families are unable to get the water they need to wash. It exacerbates the burden and the stigma of poor families.

Prepaid Water Meters Remove Procedural Protections and Consumer Safeguards

Prepaid water meters fundamentally change the social relationship households have traditionally had with water providers. Prepaid water meters remove all safeguards for the consumer. The relationship between the consumer and the water provider is minimized to the communication between the household and the meter. The water utility distances itself from ordinary consumer connections such as billing and fee collection, but most importantly, the consumers are removed from hearing proceedings and disputes when billing occur on a faulty basis. When you run out of water the only resolve is to buy additional water units at stores that are closed at night. Running out of water at night means that you will not be able to flush your toilet until you find the money and time to go to the store. Households are forced to self-disconnect when they run out of water because there is no dispute mechanism in place to challenge the cut off procedure.

Prepaid Water Meters Exacerbate Emergencies

In the event of fire a lot of water is needed to put it out – but with prepaid water meters households are likely to find themselves cut off during extinguishing the fire. The prepaid water meter does not understand emergencies. With no fire hydrants - if a fire happens at night you unable to buy additional water at the store – even if you would have the time to do so.

Prepaid Water Meters Undermine Public Health

Prepaid meters force households to decrease their consumption of water and to make difficult trade-offs between food, medicines, school fees, transportation and other essential goods and services and the consumption of water. As a result, families survive on less than the World Health Organization recommended minimum water consumption for life of at least 25 litres of water per day for basic survival (100 liters per day is needed to sustain human development). A lower consumption of water severely limits the ability of development and creates an undignified situation for the poor. In the United Kingdom, prepaid water meters were associated with an increase in dysentery when families self-disconnected after being unable to pay for service. In South Africa, in KwaZulu Natal 113,966 people were infected with cholera after prepaid water meters replaced communal standpipes. The increased use of prepaid water meters undermines the health gains sought through the improved delivery of and access to clean water.

Prepaid Water Meters are More Expensive

Despite potential management savings prepaid water meters are provided at a higher rate for users as compared to a traditional billing system.ⁱⁱ Prepaid water meters are sold as a high-tech solution and come at a higher price (normally around US\$150) than any other meter. In the Global South a majority of people live on less than U.S.\$2 a day, paying up to 50% of that in water fees. Families have to choose between water and other necessities for survival and life with dignity.

Prepaid Water Meters Increase Conflicts in our Communities

Communities traditionally share the burden of providing access to water for all. With the implementation of prepaid water meters, water becomes an individualized marketed commodity and social relations in the communities erode when families run out of water. In desperate need, families 'steal' water from each other when they are unable to afford to buy the water they need for basic survival.

Prepaid Water Meters Magnifies Inequality

Prepaid water meters are promoted in poor areas in order to secure payments from families who have difficulties paying under ordinary circumstances. Prepaid water meters are not promoted in wealthy areas.

Prepaid Water Meters Violate the Right to Water

The human right to water has been recognized in the United Nations International Covenant on Economic, Social and Cultural Rights. Prepaid water meters abuse the core of this international treaty by denying access to clean water to those in most need. Instead, prepaid water meters force poor families to use unsafe water sources once they lose their ability to pay.

Prepaid Water Meters Exacerbates Gender Inequality

When families find themselves unable to pay for prepaid water services, they are forced to use alternative sources of water. That forces women and children backward into the traditional role as water carriers and undermines educational and gender equality gains that can be reached through simple improvements in water supply.

Prepaid Water Meters Abuse Willingness to Pay against Ability to Pay

World Bank and private companies justify prepaid water meters and state that even poor households are willing to pay increasing tariffs for access to clean water. Aside from addressing the wrong problem, prepaid water meters do not make access to water cheaper for the poor. This argument abuses the fact that all human beings need water for basic survival. Instead, these decision makers must start analyzing the ability to pay. Households should not be forced to give up food in order to buy water.

ⁱ World Bank (1994) "World Development Report 1994: Infrastructure and development"

ⁱⁱ Marvin, S.J & S. Guy (1997) "Smart Meters and Privatised Utilities" in *Local Economy* 12 (2) pp199-132.