

Work Session 3

The Problem of Water: How to Provide Water for a Needy World

Theses

The world faces a huge need for investment in water supply and sanitation infrastructure. A billion people lack access to improved water supply, and two billion lack access to adequate sanitation. In addition, climate change is likely to lead to reductions in the effective supply of water in many regions of the world.

There has been an increasingly shrill set of debates about whether water should be viewed as an economic commodity and about the proper role of privatisation in the provision of water and sanitation in both developed and developing countries.

These debates overlook other more important issues regarding the provision of water and sanitation, including problems of governance and difficulties in financing the needed infrastructure.

These difficulties arise in large part because of distinctive physical and economic features of water and sanitation which render them different and more complex than most other commodities.

CV

Born in 1944. Michael Hanemann received a Bachelor in philosophy, politics and economics from Oxford University in 1965 and a Master of Science in economics from the London School of Economics in 1967. Additionally, he obtained a Master in public finance and decision theory in 1973 and a Ph.D. in economics in 1978, both from Harvard University.

Michael Hanemann has spent his career at the University of California, Berkeley, where he is a chancellor's professor in the Department of Agricultural & Resource Economics and the Goldman School of Public Policy. He works on the economics of the environment, the economics of water and the economics of climate change. Michael Hanemann has played a leading role in the development of the major methods used by economists for non-market valuation, and is also recognised as a leading expert on the economics of water. He has advised many government agencies on issues relating to water both in the United States and elsewhere and is currently Director of the California Climate Change Center at the University of California, Berkeley.

In addition, Michael Hanemann is a member of the U.S. Environmental Protection Agency and the California Bay-Delta Public Advisory Committee on Drinking Water. He is also an inaugural fellow of the Association of Environmental and Resource Economists.

During his career, he published several books and articles including *The Economic Conception of Water*, *The Impact of Global Warming on the U.S. Agriculture*, *What's Wrong with Current Estimates of Climate Change Damages?* and *On the Creation and Destruction of Public Goods: The Matter of Sequencing*. In 2003, Michael Hanemann was awarded an Honorary Ph.D. from the Swedish University of Agricultural Science.



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