

Robbie Rosnack

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Is water the new oil?

Oil is quite possibly the most sought after commodity in the world - and for good reason, it provides a cheap and efficient means of electricity to the masses. To an extent, it drives both global economies and our lives. If oil were to be replaced with water, a resource so extraordinarily vital to human survival, it would forever change both the economy and our lives. Advocators of this question's affirmative view stress that water can and should be viewed as a commodity and recent water privatization pushes the idea even further. However, many experts also believe that waters' status as a human right and the belief that water should be a public domain means that water is not the new oil. I took upon this question because this is something that will affect us all at some point. The thought of water transforming into the next oil is an urgent issue that cannot be ignored. In my view, attempting to put a price on a priceless resource is not something to be taken lightly.

Water is the new oil because water has economic properties that reflect those of oil as a commodity and can be viewed as such. Because water is required for basic survival, the World Health Organization has set the survival consumption amount to 20 liters of water a day. This equates to about 30 liters less than that of an average toilet flush (McGee, 2014).

At the forefront of this firestorm is Peter Brabeck, chairman and former CEO of Nestle. In his view, citizens don't have an automatic right to more than the water they require for mere "survival", unless they can afford to pay for it. For context, the World Health Organization sets such "survival" consumption levels at a minimum of 20 liters a day for basic hygiene and food hygiene – higher, if you add laundry and bathing. If you're reading this in the United States, the odds are that flushing your toilet consumes 50 liters of water a day (McGee, 2014).

Suzanne McGee is a financial columnist who has written for The Wall Street Journal, The Financial Times, and other investor's news sources. Her views are well researched, but often reflect that of a Wall Street investor more than anything else. If Brabeck's views are to be believed, water would obtain top spot on the list of world's most valuable commodities- effectively overtaking oil. While oil powers our lives through electricity, the human body will not survive little more than three days without water. This makes even more sense when you consider that approximately 60% of an adult's body is made up of water (Binns, 2012). It also directly correlates with a prime principal of economics- supply and demand. Clean water on earth will not last forever, and the closer we get to the termination point, the more valuable it will become as the demand for it increases.

Water scarcity has become an increasing problem, and it's easy to see how this affects water in relation to oil. During 1973-74, the fear of a massive oil shortage was so great, worries about it's supply lead to extraordinarily high tensions between oil supplying nations and the top importers of oil.

During the 1973 Arab-Israeli War, Arab members of the Organization of Petroleum Exporting Countries (OPEC) imposed an embargo against the United States in retaliation for the U.S. decision to re-supply the Israeli military and to gain leverage in the post-war peace negotiations. Arab OPEC members also extended the embargo to other countries that supported Israel including the Netherlands, Portugal, and South Africa. The embargo both banned petroleum exports to the targeted nations and introduced cuts in oil production. Several years of negotiations between oil-producing nations and oil companies had already destabilized a decades-old pricing system, which exacerbated the embargo's effects (U.S. Department of State, 2013).

This information comes from the United States Department of State, one of the most reliable sources available to the public, containing information about the U.S. as well as other nations. After countries continued to support Israel during the Arab-Israeli in the early 1970's (which continues today), the OPEC's Arab members imposed an embargo upon oil importing nations. This led to a global scare that led people to believe Earth's oil supply was running out. Today we face a remarkably similar issue with water. As the population increases, the amount of clean water does not. India, Pakistan, Saudi Arabia, Mexico, South Africa, Argentina, Algeria and Brazil are prime examples of nations with extreme water scarcity (Reig, 2014).

Last week in the Brazilian city of São Paulo, home to 20 million people, and once known as the City of Drizzle, drought got so bad that residents began drilling through basement floors and car parks to try to reach groundwater. City officials warned last week that rationing of supplies was likely soon. Citizens might have access to water for only two days a week, they added (McKie, 2015).

Robin McKie is an editor for the science and technology sections of the observer. He covers topics ranging all over the science world, and his consistency demonstrates a commitment to educate the public about science. This shows that even regions that had an abundance of water, such as Brazil, are experiencing harsh conditions. Water scarcity has been so fierce in the past that numerous regions of the world have threatened or engaged in war over it.

Addis Ababa embarked on construction of the \$4.2 billion Grand Ethiopia's Renaissance Dam (GERD) with 6,000MW electric power generation capacity in April 2011, possibly taking advantage of the Arab Spring, that distracted Cairo. This move angered Egypt so much that at one point Cairo threatened military action against Ethiopia. (Otieno, 2013).

Janet Otieno is a writer for the Africa Review, a Kenyan media group, however not much is known of her background. Holding true in this example, water has the ability to drive people into mass hysteria, to an extent greater than oil ever could. This clearly demonstrates water's power when viewed as a commodity.

Additionally, water could end up being the new oil due to the recent spikes in water privatization. Much of today's oil is privately owned- whether it be by the state in a communist or socialist government (for example, Russia) or companies with private investors in a capitalist society (ex. United States) (Bremmer, 2010). Similarly, water privatization in recent years has been on the increase. Bottled water companies such as Nestle and Coca-Cola have made fortunes selling their water to the public- just as oil companies have with oil- by bottling it throughout North America and beyond. Even in drought induced regions such as California, bottled water companies continue to pull water from underground aquifers (Blue Gold: World Water Wars, 2009). Shifting water into an investable commodity like oil by privatization will definitely permit water into becoming the next oil.

Opponents of water becoming the new oil believe that, unlike oil, water is a public domain and needs to be treated as such. "Private water providers are businesses. They are

motivated mainly by their bottom line." (Hauter, 2012). Wenonah Hauter is the executive director of "foodandwaterwatch", a non-government organization focusing on the accountability of food and water. She opposes the privatization of water, believing citizens must manage it, while demonstrating clear bias on the issue. She states that companies only care about money and not the effects of their actions. In this view, water should be of access to every human being, not just investors on Wall Street and those able to pay for it outright. Rather, water should be regulated by municipal communities.

Privatization of water has a terrible track record in the U.S. and around the world. According to a white paper out this month from Corporate Accountability International (CAI), water privatization overwhelmingly leads to higher prices for cities and people and, in many cases, decreased efficiencies (Lappe, 2015).

Author of Diet for a Hot Planet, Lappe's articles explain what needs to be done to help eliminate many issues plaguing us today. She is dedicated to finding the solutions and takes an activist's view, however does not possess much expertise in any one area. Lappe further details why water is a public domain by stating the negatives of water privatization. This excerpt suggests that to alleviate the horrible track record of privatization, control must be handed over to the citizens. This is certainly far from the general view of oil, municipal communities do not have control over the substance. Therefore, this shows that water couldn't be the new oil.

Furthermore, water is considered by many, including the United Nations, to be a universal human right.

On 28 July 2010, through Resolution 64/292, the United Nations General Assembly explicitly recognized the human right to water and sanitation and acknowledged that clean drinking water and sanitation are essential to the realization of all human rights (UNWater, 2010).

U.N. Water represents the United Nation's stance on water rights for humanity. Developed as an international peace keeping organization after World War Two, the United Nations represents every person of the world, regardless of government. For a resource to be a human right, it needs to be of access to all of humankind. However, not everyone is able to afford oil, but it is not essential to sustain life. In this aspect, water is in direct contrast to oil.

Access to safe water should no longer be seen as a service, but as a human right. States and organizations should work towards using economic resources and technology to

provide safe, clean, accessible and affordable water particularly in the developing countries (UNRIC, 2011).

Also according to the United Nations, a working effort should be put into effect across developing nations through economic and technological aspects to achieve this goal.

With water showing many signs akin to that of oil in recent years, it is no doubt that some question whether or not water will evolve into the next oil. Water demonstrates qualities of a commodity, is increasing in scarcity, and it's recent privatization relates directly to how oil is handled. On the other hand, some experts argue that water is a public domain and a human right. When I first developed this question, I had no idea how much of an impact it would have on our future. However, after researching the topic thoroughly, it has opened my eyes as to how intense the debate over water as a commodity versus water as a human right, as it relates to something sought after so much- oil. It is frightening to think that our most precious resource is running out as quickly as it is, and that we are doing so little to preserve it. As the events of the future fold out, more research can be done in this field. I would be able to interview notable individuals in person, rather than research them online, and perhaps conduct social groups to get a better well rounded view of the matter.

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