



Institutional and socioeconomic aspects of water supply

H. Rauchenschwandtner and M. Pachel

Austria Vienna University of Economics and B.A. (martin.pachel@wu.ac.at)

Martin Pachel/Hermann Rauchenschwandtner
Institut für Institutionelle und Heterodoxe Ökonomie
Wirtschaftsuniversität Wien

Abstract

Institutional and socioeconomic aspects of water supply

Within the project CC-WaterS the participating researchers of the Vienna University of Economics and B.A. have been responsible for the analysis of the socioeconomic aspects related to water supply and climate change, the assessment of future water demands in the City of Vienna, as well as an estimation of economic consequences of possible water shortages and possible scope for the introduction of new legal guidelines.

The institutional and socioeconomic dimensions of drinking water and sanitation systems are being examined by utilisation of different prognostic scenarios in order to assess future costs of water provisioning and future demands of main water users, thus providing an information basis and recommendations for policy and decision makers in the water sector. These dimensions, for example, include EU legislation - especially the Water Framework Directive -, national legislations and strategies targeted at achieving sustainability in water usage, best practices and different forms of regulating water markets, and an analysis of the implications of demographic change. As a basis this task encompasses research of given institutional, social, and legal-political structures in the area of water supply. In this course we provide an analysis of the structural characteristics of water markets, the role of water prices, the increasing perception of water as an economic good as well as implications thereof, the public awareness in regard to climate change and water resources, as well as related legal aspects and involved actors from regional to international level; and show how water resources and the different systems of water provisioning are affected by (ideological) conflicts on various levels. Furthermore, and in order to provide a solid basis for management recommendations related to climate change and water supply, an analytical risk-assessment framework based on the concepts of new institutional economics is being developed, which provides a different analytical perspective for examining the linkages between institutions, economic processes, and societal factors.