

# **WATER MARKETING AS ONE OF ELEMENTS OF ECONOMICAL REGULATORY MECHANISM IN WATER USE ACTIVITY. EXPERIENCE OF THE UNITED STATES OF AMERICA**

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On the modern stage of development rapid increase of the Ukrainian economy accompanies negative tendencies in water economy. The continual increase in demand will result in increased water scarcity over time. Further economic advance and development will cause added water demand too. Pollution and unpractical use of water resources are grown in water economy. Environmentally oriented demands for water have risen rapidly in recent decades and may continue to do so. Water supply is not rising; in fact, it is shrinking due to pollution and ground water depletion. The fallout will magnify the consequences of rising water demand. Our amassed assets in water infrastructure are depreciating. Construction costs are high as is the regulatory burden stemming from ecosystem protection. In addition to normal forms of infrastructural aging, sedimentation has progressively claimed reservoir storage capacity. Public health concerns pertaining to the quality and security of drinking water continues to boost the costs of water and wastewater treatment operations. While additional water development can play a role in managing growing scarcity, development must be shaped strongly differently than it has been in the past. So, an enhancement of water use efficiency has special actual continuity today.

Solving of the tasks, which were caused by the problems of water use and were established by the conception of the stable development in Ukraine, were put on the water resources economics. People market all sorts of humanly essential commodities, so marketing as relevant economic instrument can be applied to water resource issues. The object of research is water resources marketing and mechanism of water markets functioning in the USA.

Water marketing as one of elements of economical regulatory mechanism can be applied to Ukrainian economic environment. Exactly the economic mechanism of water use should have strategical, complex and system disposition in the water use efficiency, both on the local and the national levels.

Water marketing is a management policy for natural water (in a difference from water pricing what pertains to partially or fully processed (retail) water) and has grand potential role among the set of efficiency-enhancing economical tools.

Water marketing means the exchange of natural water rights by willing buyers and sellers. Water markets are enabled by the full or partial adjudication of natural water resources among agents, with the crucial characteristic of transferability included.

The marketing of water is neither novel nor new. Centuries ago, it was practiced along English rivers (Csott and Coustalin 1995) and within at least one irrigation district in Spain (Maas and Anderson 1978). Water marketing is also conducted in various countries. Australia has also delved into water marketing through new policies (Sturgess 1997). Water marketing in some countries exists informally, or in black market form, in some regions where it is not sanctioned. Such examples are testaments to the worth of natural water and the potential differences among trader's marginal value of water.

In recent times a large variety of marketing instruments are feasible, such as: water right sale, water right lease or rental, a water right option (sometimes called a dry-year option), water right banking, a water right delivery contract, etc. Each style of water rights has its comparative advantages.

By contrast with the water use government regulation, a water market motivates both old and new water users to assess their water use strategies in relation to the scarcity value of water. Besides, in some circumstances, allowing water trades will be slow to motivate water reallocation. The most significant of these occurs where irrigation districts supply water to farmers, but the end users do not hold title to the water rights. Individual irrigators might then welcome trade and reductions in their water use, yet be unable to do it. Furthermore, in some districts in the USA neither the irrigators nor the district have the right to transfer water rights because the rights are officially owned by the government. The latter condition need not be viewed as permanent in light of opportunities to convert state property into private property, but it is a tough hurdle to overcome.

Real U.S. water markets are operating in a "mixed system" constituting a governmentally regulated market. Governments actually oversee water markets, and are regulators effective in promoting economic efficiency. There is an appointed typically staged exchange framework, and the notification stage can be practiced narrowly or widely, depending on state rules type of water right holders and the flow character of water. The flow character of water creates all kinds of noteworthy interrelationships among a watershed's water users.

The most active markets in the United States have benefited from special circumstances that have reduced transaction costs. Lowered transaction costs lower the burdens to be overcome by buyers and sellers, thereby furthering their incentives to participate. All of the most notable U.S. water markets lie in the West, because eastern, riparian-based laws have been unsupportive and scarcity is lower, at least thus far. For example, Northern Colorado Water Conservancy District, created in 1937, has important surface water flows in the Arkansas and South Platte basins. The Lower Rio Grande Valley of Texas has performed a social service in a semiarid region of substantial population growth. By virtue of an extensive system of canals and storage facilities, California market possesses an unusual ability to wheel water about the state.

So, theoretical concepts, which will be obtained in research, new methodical approaches and results will be allowed to use in the process of water recourse economics teaching courses and for preparing practical recommendations for water economy according to conception of the stable development in Ukraine