What are prepaid water meters?

There are different types of prepaid water meters. In Laredo, Texas, in the United States, poor residents in the so-called "colonias" (the outskirts of towns mainly occupied by Spanish-speaking immigrants) fill their pockets with quarters, gather large barrels and containers, and travel to the water machine provided by the City of Laredo. They must often wait in line for a turn at the pump and then must transport the water to their homes. At times the water at the pump is a trickle but the machine still takes the money - the pump runs on quantity of time, not on the quantity of water it has dispensed. The "colonias" are not within city borders, so municipalities thereby evade their responsibility to provide equal services.

In Madlebe, in rural KwaZulu Natal in South Africa, a system was implemented where each household needed to buy a plastic card with a chip for R60 (US$9), with the option of buying additional "units" of water to add to the card. The prepaid meters were attached to previously free communal taps. The plastic card would be inserted in a large meter box and the tap below it released water until the money on the card would run out or the person collecting water withdrew the card. When the "units" on the card run out you have to go to a store to recharge it with money in order to be able to receive clean water. After these units were installed, many people could not afford clean water and a massive cholera outbreak resulted in 259 deaths between 2000-2002.

Another type of prepaid meter has been installed in the Orange Farm Township south of Johannesburg. Water "units" can be purchased in two stores in the township and applied to a plastic key holding a chip with the information needed to activate the water meter. One meter is installed for every household and previously free communal taps were pulled out when the project was finalized in 2003.

Why do justice advocates oppose prepaid water meters?

"Water is my right, it is not a privilege"
Township dweller in Orange Farm, South Africa - living with prepaid water meters.

Prepaid water meters are used to turn water provision into a profit-making exercise instead of a social good that must be provided for all. Since the development in the United Kingdom, the use of these meters have spread through countries like Brazil, Egypt, Uganda, Curacao, Nigeria,
Tanzania, Swaziland, Sudan, Malawi and Namibia. The water company is relieved of the responsibility of billing and customer relations. When a family’s consumption exceeds their ability to pay they are just cut-off by the meter. According to the World Bank, prepaid meters can "facilitate cost-recovery and accelerate private sector participation in provision of water services."

The Price of Poverty
Prepaid water meters are intended to address the non-payment of water services and defeat the so-called "unwillingness to pay for services." In many poor countries, households are simply unable to pay the increased price for water provision. In the Global South, a majority of people live on less than US$2 per day and water fees can cost them more than 20% of their meager incomes.

With prepaid meters, families are forced to decrease their consumption of water, use untreated water, and to make difficult trade-offs between water or food, medicine, school fees, transportation and other essential goods and services. As a result, families live on less than the World Health Organization (WHO) recommended minimum water consumption for life of at least 25 liters of water per day. Often families use untreated water and rates of water-borne diseases such as cholera, dysentery and other diarrheal diseases increase. The WHO argues that 100 liters per person per day are needed in order to sustain human development.

Cost-recovery...at What Cost?
Prepaid water meters are an extreme example of applying full cost-recovery directly to the household level irrespective of income and ability to pay. Prepaid water meters are sold as a high-tech solution and come at a higher price (US$150) than any other meter. Despite management savings prepaid water is provided at a higher rate for users compared to a traditional billing and metering system.

Money, Water, Family and Community
Poor communities often share water and help each other out in crisis situations. With the implementation of prepaid water meters, water becomes a marketed commodity and social relations in communities erode when families run out of water. Money defines whether a member of the household lives or dies or lives in sickness or health. Cost recovery policies conflict with the principle of supplying universal access to water services.

Corporate lingo - All Talk, No Substance
The World Bank argues that prepaid water meters will increase cost-recovery and accelerate privatization.

Evidence from water privatization cases around the world has shown that the poor lose out when water management is privatized. In most cases, water privatization raises water rates for consumers, burdens the public with new debt, decreases accountability to the local population, increases environmental problems, and doesn't deliver on the promises of greater efficiency, or expansion and rehabilitation of the water infrastructure.