

Needed: Realism and Entrepreneurialism for California Water Abundance

By [Wayne Lusvardi](#)

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Recently, noted public policy analyst Ed Ring wrote an article at the American Greatness website that called for a new California state water policy of “abundance”, as opposed to the current water policy of “conservation” and planned scarcity (see [The Abundance Choice – Or, Why California is Dying of Thirst](#), Ed Ring, May 12). Ring says water conservation policy is focused on an ironic wasteful water policy of tightly allocating wholesale water to farms and cities while flushing any excess water to the sea. However, despite Ring’s astute numerical analyses, I am sorry to say I do not find his water abundance policy realistic.

This call for water abundance is also reflected in the recent book by Steven Greenhut, [Winning the Water Wars: California Can Meet Its Water Needs by Promoting Abundance Rather than Managing Scarcity](#), 2020), sponsored by the Pacific Research Institute (full disclosure: I formerly worked for PRI and Steven Greenhut). While I am in wholehearted agreement with this policy thrust, in my opinion it is entirely naïve and perhaps even utopian given the sociological reality of California’s water system. What is needed first is a clear, hard-nosed sociological realism about California water policy and institutions.

Following Niccolo Machiavelli in chapter 15 of his much-misunderstood book [The Prince](#), realism is “the effective truth” – a real, tangible and effective truth as opposed to utopian truths. Here is how Machiavelli put it:

"And many have imagined for themselves republics and principalities that no one has ever seen or known to be 'in reality'. Because how one ought to live is so far removed from how one lives that he who relinquishes what is done for that which one ought to do sooner learns ruin than his own preservation: because a man who might want to make a show of goodness in all things necessarily comes to ruin among so many who are not good. Because of this it is necessary for a prince, wanting to maintain himself, to learn how to be able to be not good and to use this and not use it according to necessity."

The overarching sociological reality is that government inherently cannot accomplish a reality of a water policy of abundance for the following reasons:

First, supplying raw, wholesale water in California is unavoidably a public good while retail use by farmers and households is a private good (except perhaps in the case of California’s [90, small, private regulated water companies serving 6 million customers](#)). Abundant water is retail potable water for cities and raw water for farms over a five-year water cycle.

Government has a monopoly on providing public goods. But oceanwater desalination and water recycling plants cannot accomplish abundance without resulting in ugly externalities at prohibitive costs. New water storage reservoirs are needed but an intentionally dysfunctional and [anarchic California government](#) is not going to bring that about if they can delay or stop it.

Secondly, the self-evident function of government is social control and redistribution, not abundance of anything (except perhaps plague), as stated in [Karl Wittfogel's 1957 book "Oriental Despotism: A Comparative Study of Total Power"](#). Wittfogel stated, only an autocratic "water hydraulic state" and "hydraulic despotism" can hydraulically convey water long distances from water catchment areas to population and irrigation centers.

"The hydraulic state is a genuinely managerial state. This fact has far reaching implications. As manager of hydraulic and other mammoth constructions, the hydraulic state prevents the non-governmental forces of society from crystallizing into independent bodies strong enough to counterbalance and control the political machine. The state becomes stronger than society".

To justify a water police state a virtuous ideology is needed, such as water conservation. As sociologist [Max Weber](#) once observed, government has a monopoly on legitimate coercion and what is considered "truth" by government ideology. A sociological definition of ideology is a set of ideas that covers up economic interests, power and control. For example, California's water cognoscenti assert that conservation is the cheapest alternative new source of water compared to desalinization, water recycling or new reservoirs. But you can't benefit from relatively cheaper water if there is unaffordable water and food prices resulting from planned water shortages. The unstated side effect of water conservation is lower supply and increasing demand that offsets any theoretical marginal price advantage. Theoretically, markets produce goods at the cheapest price while government at the highest price. And high prices do not produce abundance.

California's scarcity policy of letting any excess water run off to the sea, brings about man-made cyclical dry spells (four dry years and one wet year on average) because there is not enough carry over water in reservoirs to meet demands over a five-year cycle. Contrary to the prevailing ideology of "droughts", only [two real droughts lasting over 4 years have occurred in the last 94 years](#) (1928-1934 and 1987 to 1992). Moreover, official droughts are oddly defined as when there is an excess of water runoff over precipitation, which implies wastage not conservation. California would rather control people than control water.

Another reason that water scarcity is built-in to the water policy cake in California, is that water is a "[political football](#)", whereby a theoretically non-political issue, such as water, is used to for political power leverage. California's Democrat political party-controlled legislature gains power over Republican corporate farmers by allocating their water supplies. Little known is that in a drought, water becomes "abundant" by shifting it from farmers to cities in dry years and diverting it back to farmers in infrequent wet years when there may be no need for it anyway over natural rainfall. Abundant water is sufficient water during a five-year man-made water cycle and/or during actual droughts.

Another way of saying this is that California water policy, like all public policy, just shifts the scarcity problem around but never solves it. The way this political football game is typically played is that farmers without guaranteed water rights often get only 5 percent of their water allocation in dry years but, in return, often must support taxes for contrived environmental jobs programs financed by California's "[waterless-water bonds](#)". Needless to say, bonds should only be used to finance infrastructure not make-shift jobs.

According to Wittfogel, there has never been a known historical internal revolution against a despotic water hydraulic regime except when countries or states are conquered by war. So, overcoming the existing water policy of contrived scarcity is highly unlikely.

The only known "revolution" in urban water procurement in California's recent history was when the Texas billionaire Bass Brothers stealthily bought up 33,000 acres of farmland in Imperial County, and ended up conveying [500,000 acre-feet of the accompanying water rights](#), in a convoluted series of actions, to the San Diego County Water Authority. Water economist [Rodney Smith](#), PhD, was the mastermind behind this series of "deceptive" maneuvers. This series of water transactions reads like it was excerpted out of Ayn Rand's novel *The Fountainhead* where fictional character Howard Roark's entrepreneurialism overcomes state control. One could say that this water diversion from farmers to San Diego was Machiavellian (one may have to do bad to do good).

I'm gung-ho for an abundance water policy for California, but it is never going to happened under the state's hydraulic water autocracy. In the meantime, perhaps some entrepreneurial businessmen, such as farmer [John Vidovich](#) who is trying to create a water market in the Central Valley, may bring about new water through purely unvirtuous self-interested motives (as Machiavelli might predict). Elsewhere, I have previously detailed how a [real free water market](#) for farmers could come about. The contrived groundwater markets created under the Sustainable Groundwater Management Act of 2014 doesn't work because no one is willing to sell water in a drought. California farmers need a non-state owned reservoir to store bought water in so the state doesn't wipe it out by flushing its reservoirs for flood control or environmental purposes.

Ring is to be congratulated for his heroic advocacy for water abundance over planned water scarcity. But that has about a snowball's chance in Death Valley in coming about under California's rush toward medical, energy and water totalitarianism. California history teaches us water abundance can only occur through decentralization and entrepreneurialism coupled with realism that abundant water policy (policing) is a self-contradiction.

Wayne Lusvardi worked for California's largest urban water district for 20 years.