The challenge to manage the allocation of water efficiently and equitably will become a dominant theme of the new millennium. At a time when the cost of obtaining fresh water is rising throughout the globe, Terence Lee analyses the means for establishing and operating effective water markets. He proposes the application of economic instruments and the transfer of water management administration to the private sector as a means to guarantee acceptable water quality in the future in both developed and developing countries.

‘Interest in water resources reallocation via water markets has been increasing over the last two decades in response to several factors, and while many authors have devoted attention to the whys, wherefores, and implications of resource shifts, as well as to the relative successes and failures of water markets, few have given the market mechanism itself as careful consideration as Terence Richard Lee. . . Lee has provided a valuable look at how privatization might be accomplished and effectively managed. . .’

– David Shively, Economic Geography