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# The Experience of Chilean Water Markets

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**Description / Abstract**

Chile's free-market Water Code was passed in 1981. Since then Chile has become known as the world's leading example of the free-market approach to water law and economics – the textbook case of treating water rights not merely as private property but also as a fully marketable commodity. This approach is often referred to as the “Chilean model.” In this paper I summarize key aspects of the Chilean experience, including the weak legal reform of 2005, in order to draw broader lessons for international debates about how to reform water laws, policies, and economics. My fundamental conclusion is that the Chilean approach has had some important benefits as well as problems, but overall it is not compatible with the long-term goals of integrated water resources management or sustainable development.

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## **Water Markets**

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