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Background of the Research

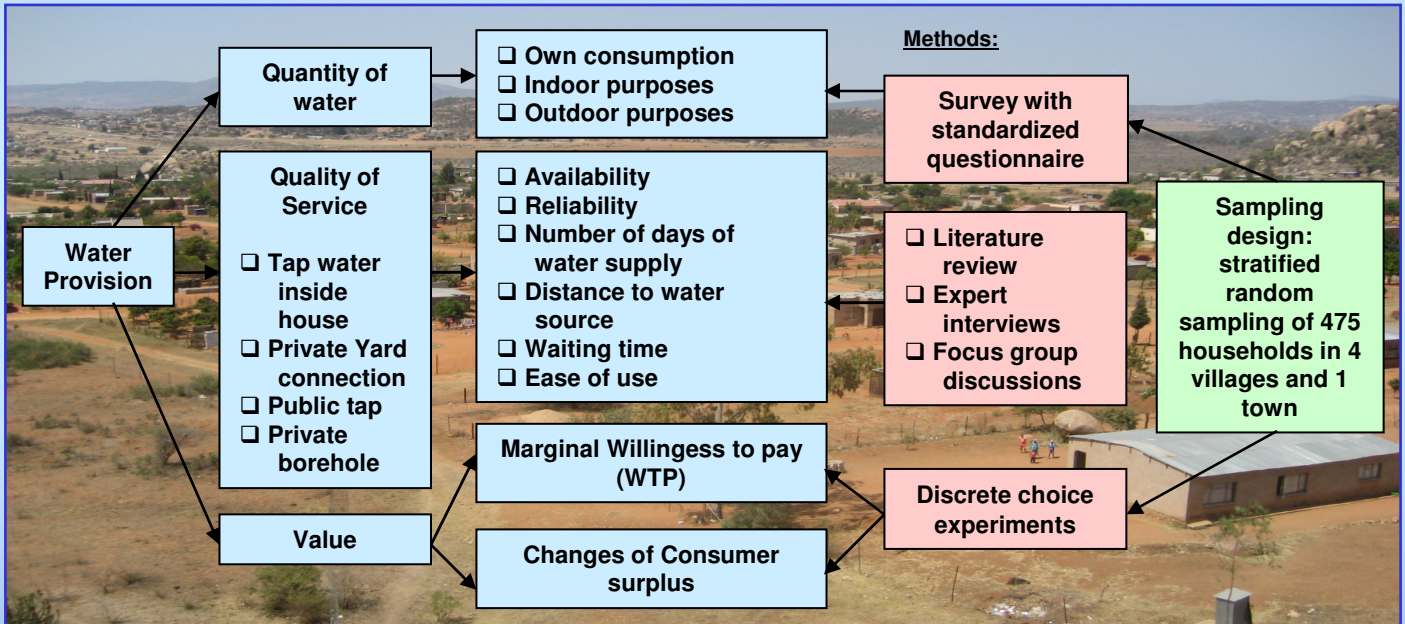
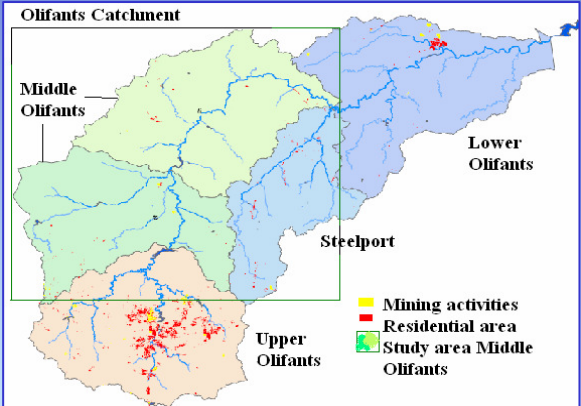
Since basic water services are commonly provided for free in South Africa and prices-if existing-are often not paid, little is known about the value that consumers attach to different water services. In order to improve current water services policy makers are interested in getting to know households' preferences for service alternatives and their willingness to pay for these water services.

Objectives of the Research

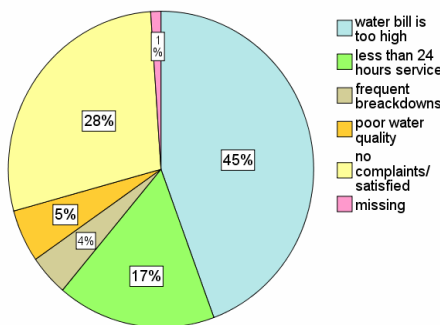
- Detect consumer preferences for different water service characteristics
- Derive estimates of willingness to pay for different water supply alternatives



- Calculate changes in consumer surplus
- Give policy recommendations for the design of water supply services



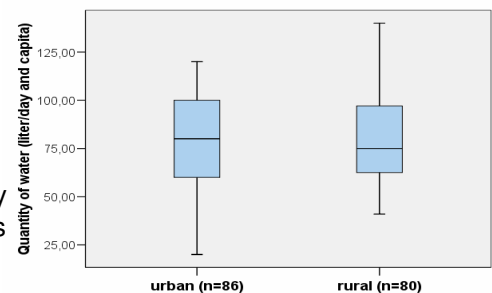
Satisfaction with water service level



Preliminary results

- Only 52% of the urban and 26% of the rural households have access to tap water inside the house
- Households with tap water inside the house have access to water on average 17 hours per day
- 37% of them enjoy water access mostly every day, 56% mostly 5 days per week and 7% have a very unreliable water provision.

Water Service Alternative: Tap water inside the house



Proceedings

Development of a latent class discrete choice model in order to classify households into homogenous groups with similar marginal WTP and characterization of these groups according to socio-economic factors and attitudes.



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