



Tropentag, October 7-9, 2008, Hohenheim

“Competition for Resources in a Changing World:
New Drive for Rural Development”

Households' Preferences for Different Water Service Options in the Middle Olifants Sub-Basin of South Africa

JULIA KLOOS

University of Bonn, Center for Development Research (ZEF), Germany

Abstract

In South Africa a culture of not paying for any kind of services evolved as protest against the apartheid regime. Supported by the government's policy of providing free basic water of 25 liters per capita per day, many people regard water as a free good.

Therefore, little is known about household's willingness and ability to pay for water services. Also, it is not well analysed how households value different water supply options such as private and public taps or boreholes and what they would prefer given different service options. In order to improve current backlogs in water service provision, it is necessary to analyse households' trade-offs between better service characteristics and paying a certain price for it.

The study aims at revealing the current situation of access to water in the Middle Olifants sub-basin in terms of quantity of water used, characteristics of the water source and satisfaction with the current water services.

Using the choice experiment method, households' preferences for different water service options as well as for different service characteristics such as quantity of water, days of water supply per week, distance to water source, waiting time, ease of use etc. are investigated. According to a stratified random sampling, 475 respondents in different villages and one town were asked to pick the most preferred water supply option out of 4 presented options. Each of these options was described by its water service characteristics, whereas these characteristics varied according to an optimal experimental design. Finally, by placing special emphasis on the differences between urban and rural households, whether and how much people in the Middle Olifants are willing to pay for the different kinds of water sources and service characteristics is derived.

Estimation results regarding preference and pricing information will provide the responsible water service authorities with policy options to design adequate water services in urban and rural areas.

Keywords: Choice experiment, South Africa, water services