

Journal Assignment 7
Due Session 14

What are the objectives we are hoping to meet with W&S service pricing? How do tariff structures in many developing countries perform with respect to these goals and why? In what ways can price structures be used to make services more affordable to the poor (would your answer differ for developing versus industrialized countries)?

One of the ways in which demand information can be used is to inform tariff-setting in W&S planning. The WSP argues, however, that willingness-to-pay studies have actually had little effect on pricing and establishing levels of service, at least in South Asia. What are the explanations for this disconnect between demand assessment and pricing? What kinds of institutional settings do you think would be most conducive for pricing & planning that is informed by user preferences?