

Economic assessment of differential-quality water demands from a metropolis and its peri-urban environments

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Abstract Resource sustainability, range and size of project operation and the level of acceptability will influence the success of innovative change in behaviour in using scarce natural resources such as surface water and groundwater. This paper looks at a combination of water demand, public choice and financial sustainability of water supply augmentation in Delhi, India, in both planned urban and unplanned peri-urban areas having differing levels of planning and resource availability. The preference heterogeneity of different households for water supply scenarios differentiated by their “quality” (potable or non-potable) and “source” (surface water or groundwater) is examined through choice experiment (CE), using an iterative bidding game. It is argued that more attention must be paid to diverging perceptions of the quality and availability of water and how it should be accessed and delivered to maintain both the resource sustainability and acceptance by the public.

Key words public choice; urban water; resource quality; pricing; planning
