

Consumer's willingness to Pay for Quality Attributes of Drinking Water from Common Tap in Jaffna Divisional Secretary Area

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Consumption of clean water is keeping our lives free of diseases and makes us live longer. Jaffna Peninsula of Sri Lanka depends on ground water for domestic consumption and irrigation purpose. Supply of clean drinking water becomes limited due to poor sanitation, widespread use of pit latrines, overuse of agrochemicals and seawater intrusion. There is an urgent need to supply drinking water for all the households in Jaffna district. The aim of this study is to estimate the willingness to pay for reduction in nitrate level and calcium level and improvement of water supply and taste and the welfare effect of good quality water supply. For this study, 120 households were randomly selected from the households who get water from common tap in different G.S division of Jaffna divisional secretary area. A choice modeling approach was employed and conditional logit models were developed for this study. The results of this study indicate that people with low education level are willing to pay less for reduction in calcium and nitrate level than people with high education level. High income people's willingness to pay for nitrate reduction is higher than the low income people. Frequent water supply and taste is not significant with education and income. The willingness of the peoples with the education of above grade 12 and income above 35000 to pay for calcium level reduction, nitrate level reduction, frequent water supply and taste are 128, 89, 62 and 36 Sri Lankan Rupees per month respectively and totally they are willing to pay for these improvements is 316 Sri Lankan Rupees. These consumers are currently paying for the drinking water from common tap is 60 Sri Lankan Rupees per month. Therefore, there is huge potential to improve the water quality and charge higher price. This study will be helpful to the policy makers to set the appropriate price for the improved water quality.

Keywords: Choice Modeling, Conditional Logit Model, Water Quality, Willingness To Pay