We've discussed the strengths and limitations of willingness-to-pay studies, particularly with respect to methodological challenges. The readings this week raise some additional challenges related to the demand-responsive approach for planning. For example, whose demand/preferences should be considered (and whose should be excluded)? How should we deal with 'harmful' preferences?

As we've seen, it's pretty easy to critique the contingent-valuation method. If, however, you believe there is value for W&S planning in understanding demand/preferences of community members, what other approaches would you employ? Some have argued, for example, that promoting democratic decentralization is a more effective means of shaping planning and policy development toward communities' felt needs. What do you think?

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?

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 (is your answer different for developing versus industrialized countries)?