

## WILLINGNESS TO PAY FOR DRINKING WATER CONNECTIONS: THE CASE OF LARESTAN, IRAN

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### Abstract

Water scarcity in Iran has reached a level that calls for the attention of all stakeholders including water consumers. While government as water distributor has made significant efforts in managing water at the supply side, an annual average rainfall of 251 mm (Iran Meteorological Organization, 2008) limits the capacity of this supply-side approach. As a result, policy efforts have increasingly turned towards demand management approaches. The objective of this paper is to estimate drinking tap water demand for the households in Larestan. We determine the willingness to pay (WTP) for drinking taps water connections by the Larestan's households, using contingent valuation method (CVM). We use data from 320 randomly selected households in Larestan, Iran. Our findings show that, once drinking tap water connected, the households are willing to pay US\$0.24 on average in addition to their monthly charge for per cubic meter water consumed.

**Key words:** willingness to pay (WTP), contingent valuation method (CVM), tap water demand, Larestan, demand-side approach.