

Session 3B: Residential Water Pricing and Conservation
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This session presented five studies that looked into different price and non-price policies to ensure water conservation by residential households.

The studies were undertaken in the US and Canada, in general in localities where water consumption tend to be very high.

Large efforts on data collection and authors combined data from different sources over a series of years. Study in Canada used survey data.

Main conclusions

- Variations of price elasticity ranging from -0.25 to -0.95 depending on type of water users and season
- Unlike what we have seen in some developing countries, **Increasing block rates** in California were an effective tool for water conservation over the medium-term
- The level and structure of water prices influences the adoption of water-conservation household behavior
- In some cases, customers tend to react more on marginal than on average prices
- Increasing billing frequency may result in higher water consumption
- Messaging about water conservation can be an effective tool, especially in the short run.

These are interesting conclusions and some are as may be expected from general economic theory. The big question is in how far these conclusions can be transferred to other local contexts.

