

Determinants of water services affordability

M. Antunes⁽¹⁾, R. Martins⁽²⁾, C. Quintal⁽³⁾

(1) CeBER and Faculty of Economics, University of Coimbra, Av. Dias da Silva, 165, 3004-512, Portugal

+351 239 790 573; micaela@fe.uc.pt

(2)(3) CeBER and Faculty of Economics, University of Coimbra, Av. Dias da Silva, 165, 3004-512, Portugal

1. Introduction –

The Sustainable Development Goal 6 - “Ensure Access to Water and Sanitation for All”- establishes as a target the achievement of universal and equitable access to safe and affordable drinking water for all by 2030. In Europe Union [1] water services are acknowledged as services of general economic interest and are thus subject to several public service obligations, among which universal access and affordability.

When affordability is assessed using average data it is usually considered that there are no affordability issues in developed countries [2]. However, microeconomic data might reveal affordability issues behind the aggregated figures [2, 3].

With the purpose of analyzing the main determinants of the water affordability ratios (WAR) we use data from the 2015/2016 wave of the Portuguese Household Budget Survey (PHBS), to investigate which socioeconomic characteristics of the households (income, economic activity, education, composition, location, among others) may influence the WAR and how.

2. Experimental –

Data were taken from the 2015/2016 wave of the PHBS, carried out by the Portuguese National Institute of Statistics. Data were collected between 16 March 2015 and 13 March 2016. This study involves the estimation of simultaneous quantile regressions for 11,379 observations.

3. Results and Discussion –

Findings reveal that higher income and educational standards conduct to lower WAR (lower affordability problems) and the impact is more pronounced the highest the WAR quintile. Having children or elder in the household composition increases WAR for those within the lowest ratios, whereas for the highest ratios these impacts are not significant.

4. Conclusions –

The main results from this work contribute to the literature by exploring further on the aspects that may influence water services affordability and bring them to levels beyond the acceptable thresholds, in order to empower decision makers to define measures to prevent unaffordability and exclusion from these essential services.

5. References

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