



Utilities and the Poor: A Story From Colombia

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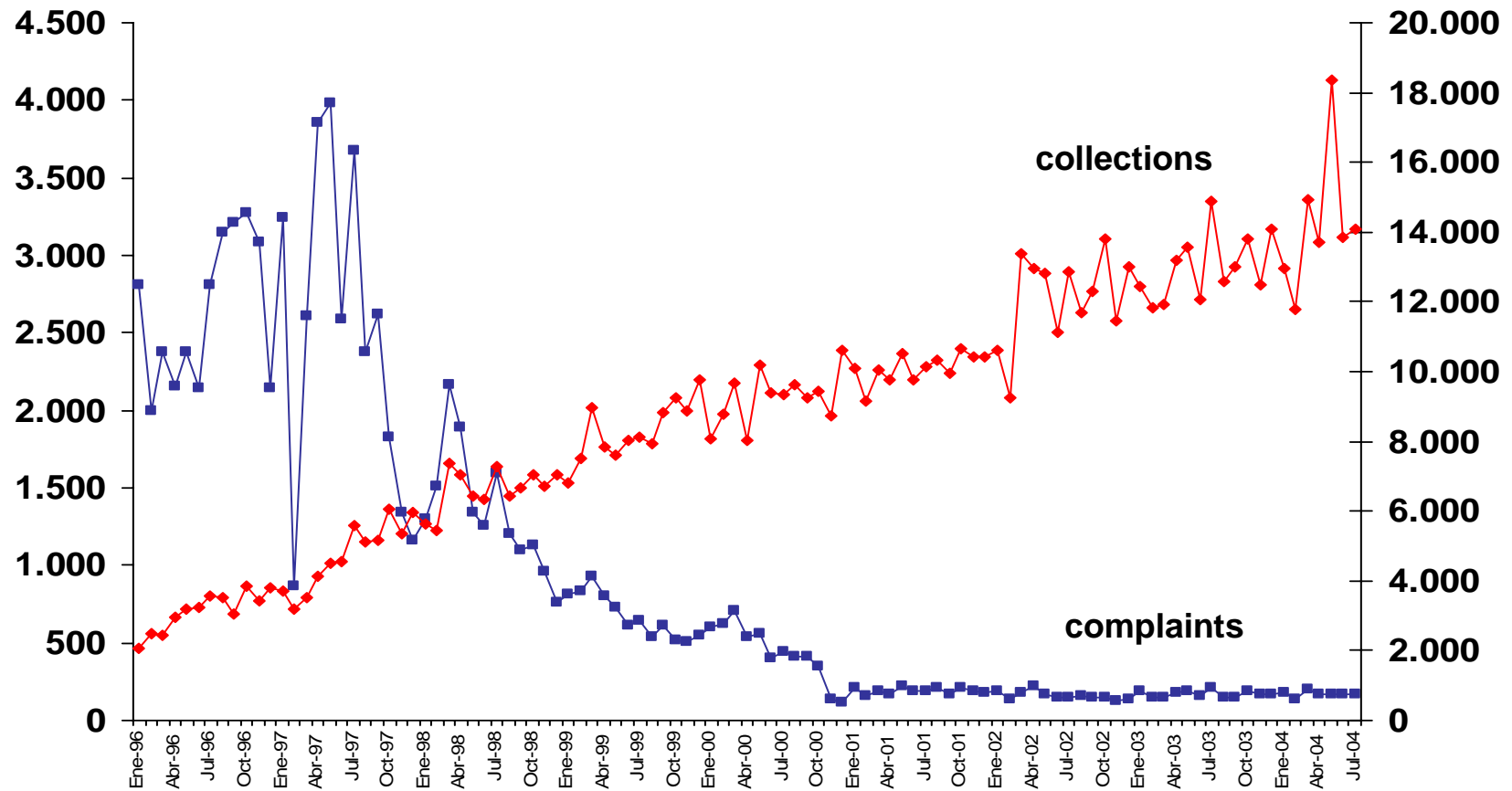
Utility privatization and the poor

- Major potential impact on poverty
 - Basic needs: water, sanitation, energy
 - Greater efficiency: lower cost of service
 - More investment: reach the unserved
- But are the poor worth serving?
 - Are BOP ideas applicable?
 - A strategic imperative—utilities are regulated and provide essential products

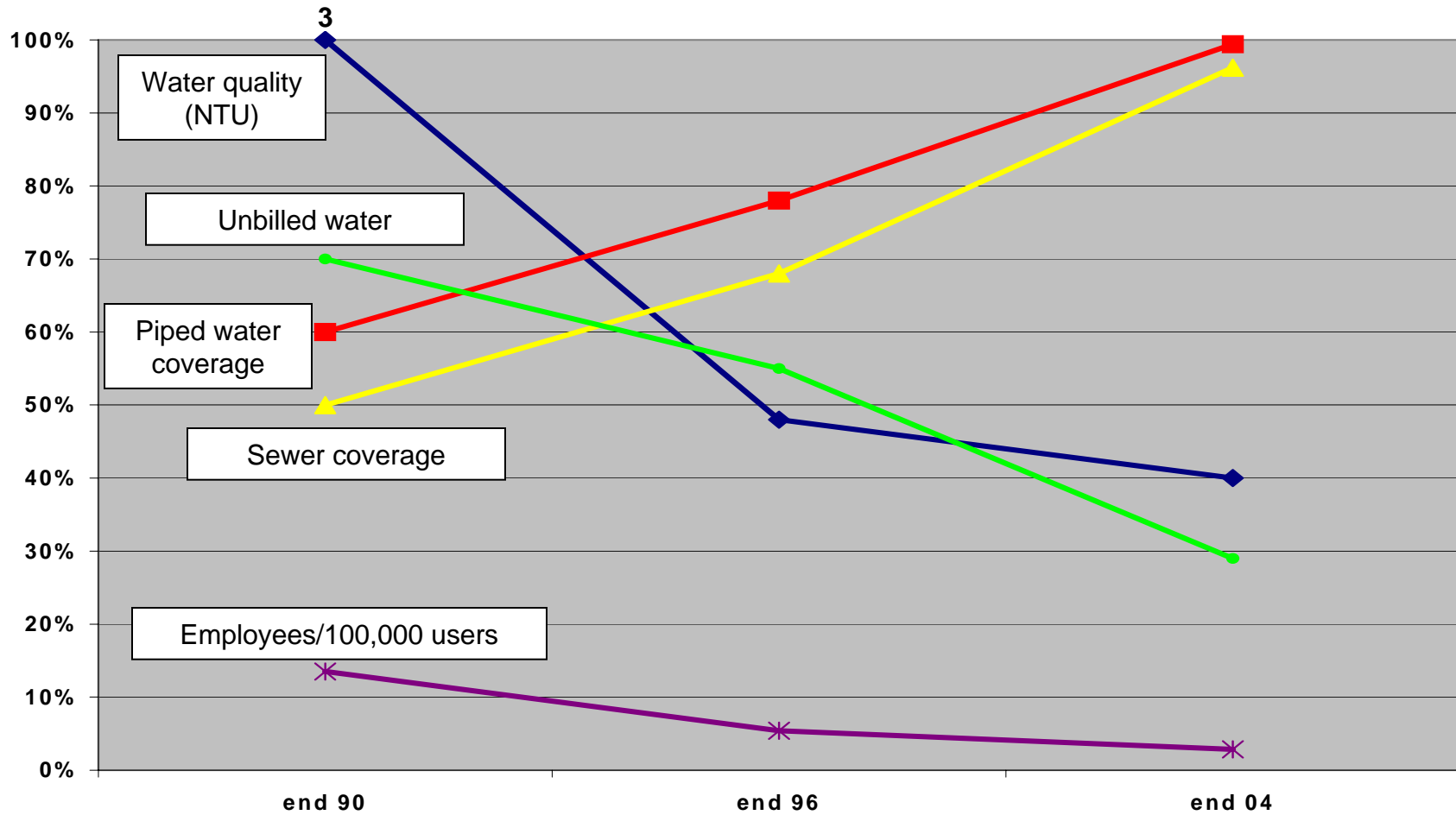
AAA's experience

- Private utility providing water and sanitation in one of Colombia's poorest areas
- Experience confirms validity of BOP
 - Partnerships with non-traditional actors
 - Innovative measures to meet customer needs
 - Poor willing to pay for good service

The poor do pay...



...if service is good



Problem solved?

- Greater legitimacy
- Increased quality and availability for the poor

- Profitable, but...
subsidies still needed

- Risks
(clientelism, corruption)
- How far does the BOP framework go?

