

Community Water and Sanitation in the Pacific: Fostering Sustainable WASH Marketplaces

FAQ: Understanding “exchange systems” in WASH marketing

Here we refer to an exchange as a voluntary, economic trade of things of value, usually goods and services in exchange for money or other resources (Kotler, 1972). The system within which such exchanges occur is called an exchange (or marketing) system. They can be defined as “complex social networks of individuals and groups linked through shared participation in the creation and delivery of economic value through exchange” (Layton, 2015).

Are there different types of exchange systems? What are they?

Broadly defined, there are four different types of exchange systems (Sridharan, Barrington and Saunders, 2015):

- A *market-based exchange system* occurs willingly between sellers and buyers through a price mechanism of some sort;
- A *command-based exchange system* occurs only when approved by some authority;
- A *culturally determined exchange system* occurs when sanctioned by local cultural or social traditions;
- A *non-market-based exchange system* is brokered by non-market institutions through conventions like donations that reside beyond market contracts.

How are these exchange systems relevant in WASH?

The following diagram gives some examples of exchange systems related to water and sanitation:

	Market-based	Command based	Culturally determined	Non-market-based
Water	Bottled water Private water tankers Small water kiosks	Water supplied by utility Local government provision of water supply or assistance	Community managed systems Bill division between households Households collect water from source	Large scale distribution of water aid Distribution of water treatment technologies to individual households
Sanitation	Pay-per-use toilets Purchase and installation of toilets by private contractor	Government supplied sewerage network	Open defecation in pre-agreed upon areas (e.g. different for men and women) Toilets shared between households	Donations of toilet infrastructure

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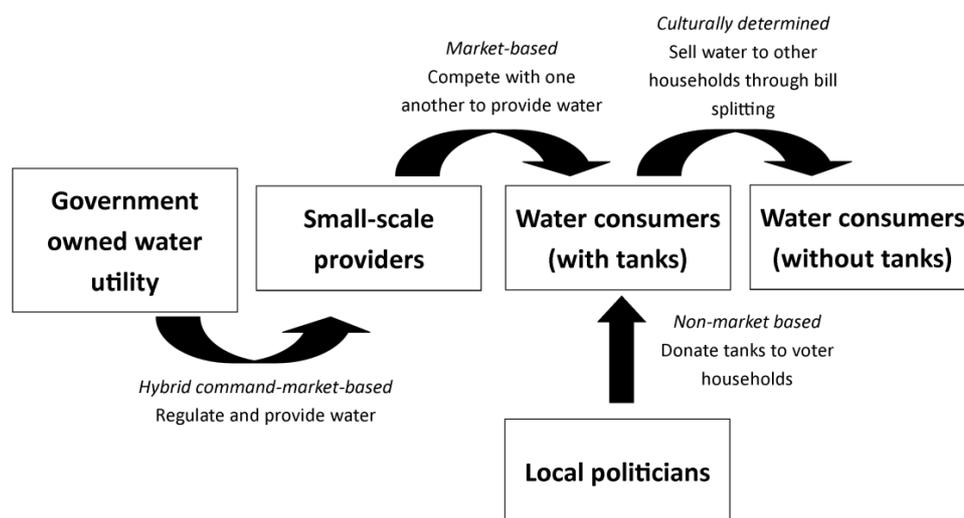
Does this mean that sanitation marketing is an example of a WASH exchange system?

Yes. When discussing sanitation marketing in the WASH sector we are generally referring to a set of activities designed to develop a system whereby local entrepreneurs can sell toilet products and labour through a price mechanism (often based upon the guidelines of Jenkins and Scott, 2010). This is an example of a *market-based exchange system*.

When we speak more broadly about WASH exchange systems, we are referring to systems that can be any of the four types.

Do exchange systems always happen independently of one another?

Demand for water supply and sanitation can stimulate the development of intricate exchange systems. In any given WASH system, the four types of exchange mechanisms are likely represented in varying degrees. Below is an example (from Sridharan et al 2015) of a water system which includes aspects representative of all four types of exchange systems.



For more information:

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Useful references

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