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COST-BENEFIT ANALYSIS OF ELECTRICITY
SUPPLY IN A DEVELOPING TOWNSHIP

MCom (Economics) UP 1993

**COST - BENEFIT ANALYSIS OF
ELECTRICITY SUPPLY IN A
DEVELOPING TOWNSHIP**

by

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DEDICATION

TO MY SON - ZOLILE

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"God grant me the serenity to accept the things
that I cannot change, courage to things I can
and the wisdom to know the difference".

M.N. Putuma
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SUMMARY

Investment in electricity is a key element of the development process. Its importance is reflected in the growing recognition, since the 1960's, that investing in electricity provides and enhances knowledge, attitude and motivation necessary for economic and social development.

The development and utilization of electricity create an economic atmosphere that has direct and indirect benefit for the economy. The direct impact is felt by most households who are able to affect households tasks more rapidly than before and save much time and effort in the process.

Electricity also has an indirect impact on development. It improves the quality of life of the community by raising their income. The results of the survey at Katlehong confirms that the availability of electricity as a basic need appears to be far from satisfactory. Areas without electricity experience major social and economic costs as a result of dependency on costly and inconvenient energy sources.

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Abbreviations

BNA	-	Basic needs approach
CBA	-	Cost-benefit analysis
Unicef	-	United Nations Children's Fund
ILO	-	International Labour Organisation
OECD	-	Organisation for Economic Cooperation and Development
ESCOM	-	Electricity Supply Commission
PWV	-	Pretoria-Witwatersrand-Vereeniging
PDL	-	Poverty datum line
IMF	-	International Monetary Fund
CPI	-	Consumer price index
CEA	-	Cost effectiveness analysis
SWR	-	Shadow wage rate

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