Valuing Environmental Goods An Assessment Of The Contingent Valuation Method Assessment Of Contingent Valuation Method

Provides a rigorous analysis of sustainable development that includes practical, policy-relevant, global case studies, explained concisely and clearly.

The Handbook of Choice Modelling, composed of contributions from senior figures in the field, summarizes the essential analytical techniques and discusses the key current research issues. The book opens with Nobel Laureate Daniel McFadden calling for d

The contribution of economic thought and method to environmental management needs practical illustration. Too few books on the subject achieve such an outcome. This book is among the notable exceptions. That economics can provide a powerful vehicle for communicating an integrated understanding of the often diverse scientific findings germane to environmental im pact assessment needs to be illustrated convincingly. This book does just that. But it does more. It speaks across cultures: not to transfer know-how from one culture to another, but rather to activate an effective exchange of insights from one locale on the planet to another. As such, it is a genuine contribution to the great en vironmental exhortation of our times - think globally, act locally. Too often the people best placed to make such contributions are too committed to practical

outcomes and making a living doing so. Just occasionally, however, they can be persuaded to make the special effort required to communicate globally. In this book, David James has once again orchestrated the contributions of vir tuoso performers. In doing so he has emulated the contribution he sustained throughout the International Drylands Project and preparation of the books written with John Dixon and Paul Sherman: The Economics ofDry/and Management and Case Studies in Dry/and Management (Earthscan, London). Taken together with his recent work as Special Commissioner for the path breaking national Forest and Timber Inquiry for the Australian Government, we have a body of work characterised by great worthiness, integrity and true global significance.

It has always been thought that some level of pollution and waste is unavoidable in development projects. But no one has made much effort to quantify and assess the extent of this sort of damage. In this book a group of analysts from the Asian Development Bank and from the East West Center propose a means of constructing useful economic evaluations of the impacts of development projects on the environments in which they are constructed. This study demands the systematic evaluation of all the intentional and unintentional consequences of development initiatives before they are determined upon. It is essential reading for development economists, analysts and bankers. Originally published in 1986

Because water in the United State has not been traded in markets, there is no

meaningful estimate of what it would cost if it were traded. But failing to establish ground water's value--for in situ uses such as sustaining wetlands as well as for extractive uses such as agriculture--will lead to continued overuse and degradation of the nation's aquifers. In Valuing Ground Water an interdisciplinary committee integrates the latest economic, legal, and physical knowledge about ground water and methods for valuing this resource, making it comprehensible to decisionmakers involved in Superfund cleanup efforts, local wellhead protection programs, water allocation, and other water-related management issues. Using the concept of total economic value, this volume provides a framework for calculating the economic value of ground water and evaluating tradeoffs between competing uses of it. Included are seven case studies where ground-water valuation has been or could be used in decisionmaking. The committee examines trends in ground-water management, factors that contribute to its value, and issues surrounding ground-water allocation and legal rights to its use. The book discusses economic valuation of natural resources and reviews several valuation methods. Presenting conclusions, recommendations, and research priorities, Valuing Ground Water will be of interest to those concerned about ground-water issues: policymakers, regulators, economists, attorneys, researchers, resource managers, and environmental advocates.

Nutrient recycling, habitat for plants and animals, flood control, and water supply are among the many beneficial services provided by aquatic ecosystems. In making

decisions about human activities, such as draining a wetland for a housing development, it is essential to consider both the value of the development and the value of the ecosystem services that could be lost. Despite a growing recognition of the importance of ecosystem services, their value is often overlooked in environmental decision-making. This report identifies methods for assigning economic value to ecosystem servicesâ€"even intangible onesâ€"and calls for greater collaboration between ecologists and economists in such efforts.

This second edition of Measuring Nonuse Damages Using Conjoint Valuation is essentially a reprint of a 1992 monograph that has been in steady demand since its original appearance. The RTI Press edition, which is intended to meet continued inquiries and requests for the monograph, contains a Foreword and a Preface to the second edition that put the original work into historical perspective. These studies of ways to value stated preferences, as applied then to the Exxon Valdez oil spill, continue to be a timely and still-rigorous examination of such methods; even with the passage of time and statistical advances from the past two decades, the conclusions and insights as to whether and how these techniques might still be employed in valuing use or nonuse losses from similar events remain valid.

This book provides a systematic review of those economic approaches for valuing the environment and natural resources that use information on what people do, not what they say. The authors have worked on models of revealed preferences for valuing

environmental and natural resources for several decades. The book provides a candid review of the major conceptual challenges and an exploration of neglected issues in the literature.

This open access book offers up-to-date advice and practical guidance on how to undertake a discrete choice experiment as a tool for environmental valuation. It discusses crucial issues in designing, implementing and analysing choice experiments. Compiled by leading experts in the field, the book promotes discrete choice analysis in environmental valuation through a more solid scientific basis for research practice. Instead of providing strict guidelines, the book helps readers avoid common mistakes often found in applied work. It is based on the collective reflections of the scientific network of researchers using discrete choice modelling in the field of environmental valuation (www.envecho.com).

On April 20, 2010, the Deepwater Horizon platform drilling the Macondo well in Mississippi Canyon Block 252 (DWH) exploded, killing 11 workers and injuring another 17. The DWH oil spill resulted in nearly 5 million barrels (approximately 200 million gallons) of crude oil spilling into the Gulf of Mexico (GoM). The full impacts of the spill on the GoM and the people who live and work there are unknown but expected to be considerable, and will be expressed over years to decades. In the short term, up to 80,000 square miles of the U.S. Exclusive Economic Zone (EEZ) were closed to fishing, resulting in loss of food, jobs and recreation. The DWH oil spill immediately triggered a

process under the U.S. Oil Pollution Act of 1990 (OPA) to determine the extent and severity of the "injury" (defined as an observable or measurable adverse change in a natural resource or impairment of a natural resource service) to the public trust, known as the Natural Resources Damage Assessment (NRDA). The assessment, undertaken by the trustees (designated technical experts who act on behalf of the public and who are tasked with assessing the nature and extent of site-related contamination and impacts), requires: (1) quantifying the extent of damage; (2) developing, implementing, and monitoring restoration plans; and (3) seeking compensation for the costs of assessment and restoration from those deemed responsible for the injury. This interim report provides options for expanding the current effort to include the analysis of ecosystem services to help address the unprecedented scale of this spill in U.S. waters and the challenges it presents to those charged with undertaking the damage assessment.

Studienarbeit aus dem Jahr 2013 im Fachbereich VWL - Umweltökonomie, , Veranstaltung: Environmental Economics, Sprache: Deutsch, Abstract: Monetary valuation of environmental goods has by now become the subject of numerous economic books and articles. Interest in the topic seems to be increasing in the economics profession, and theoretical insight, methodological improvements and the numbers of empirical findings are expanding rapidly. The aim of such valuation is usually to incorporate environmental concerns into a cost-benefit analysis. Another

purpose is to construct environmentally adjusted national income measures Environmental value estimates have also been combined with macroeconomic models, e.g. to estimate welfare effects of a climate treaty Further, estimated willingness to pay is now accepted in the USA as a basis for legal compensation claims for damages to natural resources caused by spill of hazardous substances (Nyborg, 1996) Valuation can simply be defined “as an attempt to put monetary values or to environmental goods and services or natural resources”. It is a key exercise in economic analysis and its results provide important information about values of environmental goods and services. This information can be used to influence decisions about wise use and conservation of forests and other ecosystems. The basic aim of valuation is to determine people’s preferences by gauging how much they are willing to pay (WTP) for given benefits or certain environmental attributes e.g. keep a forest ecosystem intact. In other words, valuation also tries to gauge how much worse off they would consider themselves to be as a result of changes in the state of the environment such as degradation of a forest. Economic valuation never refers to a stock, but only the change in a stock. If one speaks of the economic value of biodiversity, then one always means the economic value of a change of biodiversity. It is not a question of determining the ‘true’ value of biodiversity or ecosystems but valuing changes and comparing them with their alternatives, e.g. with a golf course vs without a golf course. Thus it is non-sense to ask “how much are the African National Parks worth?” A plausible question in

this case would be: ‘WWF has proposed a new policy to prevent the huge losses of wildlife species from African National Parks. What is the monetary value of the benefits of this policy (i.e., the economic damages avoided)? Economists thus stress that the valuation should focus on changes rather than levels of biodiversity or ecosystem. [...] The questionnaire-based Contingent Valuation Method (CVM) asks people what would they be willing to pay for an environmental good or attribute, or willing to accept for its loss. These papers consider the real value of such surveys.

Resource-management decisions, especially in the area of protecting and maintaining biodiversity, are usually incremental, limited in time by the ability to forecast conditions and human needs, and the result of tradeoffs between conservation and other management goals. The individual decisions may not have a major effect but can have a cumulative major effect. Perspectives on Biodiversity reviews current understanding of the value of biodiversity and the methods that are useful in assessing that value in particular circumstances. It recommends and details a list of components-including diversity of species, genetic variability within and among species, distribution of species across the ecosystem, the aesthetic satisfaction derived from diversity, and the duty to preserve and protect biodiversity. The book also recommends that more information about the role of biodiversity in sustaining natural resources be gathered and summarized in ways useful to managers. Acknowledging that decisions about biodiversity are necessarily qualitative and change over time because of the nonmarket

nature of so many of the values, the committee recommends periodic reviews of management decisions.

In an area where feelings often run high, the author has produced a judicious assessment of the challenges to placing a value on environmental goods without a clear market value. Thoughtfully written, Redesigning Environmental Valuation draws on research from multiple disciplines, in creating a rigorous, nuanced approach to ensuring that important consequences are not neglected. In so doing, it shows the way toward integrative social sciences. Baruch Fischhoff, Carnegie Mellon University, US This excellent book will reinvigorate interest in environmental valuation by economists and other social scientists. Its focus is clear it highlights the challenges that face valuation researchers and describes new and better ways of estimating values for the environment by drawing on methods that have evolved in other disciplines. A must read for all researchers interested in environmental valuation. Douglas C. MacMillan, University of Kent, UK This comprehensive volume explores the extent to which the challenges facing stated preference environmental valuation can be overcome through mixing methods. In redesigning stated preference, two approaches are considered: mixing methods within conventional stated preference; and then moving away from the conventional to explore the use of group methods within preference construction and forming a social consensus on willingness to pay. These approaches are assessed in the light of qualitative findings evaluating the applicability of environmental valuation.

Providing a step-by-step guide to mixing methods within stated preference surveys, this book will appeal to environmental valuation practitioners and students undertaking post-graduate research into environmental valuation. It will also be of interest to students and practitioners involved in environmental science or related environmental fields.

Contingent valuation is a survey-based procedure that attempts to estimate how much households are willing to pay for specific programs that improve the environment or prevent environmental degradation. For decades, the method has been the center of debate regarding its reliability: does it really measure the value that people place on environmental changes? Bringing together leading voices in the field, this timely book tells a unified story about the interrelated features of contingent valuation and how those features affect its reliability. Through empirical analysis and review of past studies, the authors identify important deficiencies in the procedure, raising questions about the technique's continued use.

Much applied environmental economics is concerned with the valuation of changes in environmental quality. Obtaining reliable valuation estimates requires attention to theoretical and econometric issues that are often quite subtle. Volume 2 of the Handbook of Environmental Economics presents both the theory and the practice of environmental valuation. It synthesizes the vast literature that

has accumulated since the publication of the Handbook of Natural Resource and Energy Economics two decades ago. It includes chapters on individual valuation methods written by researchers responsible for fundamental advances in those methods. It also includes cross-cutting chapters that deal with aspects of welfare theory, uncertainty, experimental methods, and public health that are pertinent to valuation. Throughout the volume, attention is paid to research and policy issues that arise not only in high-income countries, where most of the theory and econometrics that underlie applied valuation methods have been developed, but also in poorer parts of the world. The volume provides a state-of-the-art reference for scholars and practitioners alike.

The papers in this volume present a quite critical assessment of contingent valuation (CV). CV is a survey method that attempts to estimate individual values for economic goods by asking people hypothetical questions about their willingness to pay for such goods. In economics, CV has previously been studied almost solely by economists specializing in environmental economics. This book, however, reports research which is mainly from economists with specialities in economic theory, econometrics, and public finance, rather than from the more narrowly focused research of environmental economists. In addition, the research of specialists in psychology, market research, and litigation is included.

This book explores recent developments in environmental cost-benefit analysis (CBA). This is defined as the application of CBA to projects or policies that have the deliberate aim of environmental improvement or are actions that affect, in some way, the natural environment as an indirect consequence

Valuing Environmental GoodsAn Assessment of the Contingent Valuation MethodRowman & Littlefield Pub Incorporated

Contingent valuation (CV) measures what is called passive use value or existence value. The CV method has been used to measure the benefits of environmental policy actions. CV measures of economic value rely on choice. In CV studies, choices are posed to people in surveys; analysts then use the responses to these choice questions to construct monetary measures of value. The specific mechanism used to elicit respondents' choices can take a variety of forms, including asking survey respondents whether they would purchase, vote, or pay for a program or some other well-defined object of choice. It can also be a direct elicitation of the amount each respondent would be willing to pay (WTP) to obtain an object of choice or the amount each respondent would be willing to accept (WTA) in compensation to give it up. This volume is composed of three sections. The first section provides background into the issues underlying the public and academic discussion regarding CV and the reliability of CV estimates

of economic value. In addition, this section reviews the theory underlying the measurement of economic value and discusses those aspects of the theory most relevant to CV. The second section focuses on issues that have formed the core of the CV discussions including: sensitivity of WTP estimates to the size of the program offered, tests for theoretical consistency of CV results, and the sensitivity of results to context and numerous other features of the survey and its administration. The final section addresses the application of CV to actual economic valuation tasks and discusses the types of practical problems the CV researcher will encounter.

Focuses on recent advances in the economic evaluation of forestry activities and, in particular, on how techniques for valuing non-timber forest benefits in monetary terms can assist the development of forest policy and management systems.

An in-depth assessment of the most recent conceptual and methodological developments in cost-benefit analysis and the environment.

This volume reviews a range of different valuation methodologies -- stated preferences, cost-benefit, revealed preferences, and others -- and looks at how these different approaches influence choices in rural policy.

Non-market valuation is becoming increasingly accepted as an evaluative tool of

economics related to environmental and resource protection. Freeman (economics, Bowdoin College) presents an overview of the literature, introducing the principal methods and techniques of resource valuation. Chapters cover the measurement of welfare changes, revealed and stated preference models, nonuse models, aggregation of values across time, environmental quality as factor input, longevity and health valuation, property value models, hedonic wage models, and recreational uses of natural resource systems. Annotation (c)2003 Book News, Inc., Portland, OR (booknews.com).

Provides decision makers, policy analysts, and social scientists, with a detailed discussion of a new techniques for the valuation of goods not traded in prevate markets.

This book examines in detail the resource management problems and challenges posed by the intensification of the environmental change process in coastal areas around the globe. The analysis deployed is by and large buttressed by methods and techniques drawn from social science disciplines: economics, geography, and psychology. However, the overall approach adopted is multidisciplinary with additional contributions from the natural sciences and statistics. The key concept developed is that of ecosystem function value diversity and its management policy analogue, ecosystem integrity maintenance, and the consequent

sustainable utilisation of coastal system assets. The functioning of healthy ecosystems generates a range of outputs which society values. The individual chapters analyse and evaluate a range of coastal and water resource functions across different temporal and spatial scales.

During the last decades, environmental economics as a science has been very successful in improving our understanding of environment-economy interdepen dence. Using conventional economic methodology, environmental aspects have been explicitly incorporated into economic models making use of the concept of externality. This concept was already familiar to economists long before evidence of severe environmental deterioration found its way into the headlines and peo ple's awareness. But before that time, external effects were not considered as being empirically very relevant, they seemed to be -like the example of the bees and the fruit trees - somewhat bucolic in nature. All that changed dramatically when it was no longer possible (or easy) to ignore the large-scale environmental disruption with its negative feedback on consumers and producers caused by growing pollution and excessive use of environmental resources. In diagnosing the discrepancy between private and social cost as the cause of the problem, the externality paradigm proved very useful. The correct diagnosis implies the straightforward cure to internalise all external cost, namely the damage cost of

pollution. But it is one thing to identify the qualitative nature of the problem at an abstract conceptual level and quite another thing to place specific money values on pollution damage and society's valuation of the environment, respectively, in the context of specific pollution (control) problems. Very often it is controversial not only how inefficient the no-policy situation is but also what exactly the net benefit of any public action of reducing pollution is.

Non-market valuation has become a broadly accepted and widely practiced means of measuring the economic values of the environment and natural resources. In this book, the authors provide a guide to the statistical and econometric practices that economists employ in estimating non-market values. The authors develop the econometric models that underlie the basic methods: contingent valuation, travel cost models, random utility models and hedonic models. They analyze the measurement of non-market values as a procedure with two steps: the estimation of parameters of demand and preference functions and the calculation of benefits from the estimated models. Each of the models is carefully developed from the preference function to the behavioral or response function that researchers observe. The models are then illustrated with datasets that characterize the kinds of data researchers typically deal with. The real world data and clarity of writing in this book will appeal to environmental economists,

students, researchers and practitioners in multilateral banks and government agencies.

Environmental life cycle assessment is often thought of as cradle to grave and therefore as the most complete accounting of the environmental costs and benefits of a product or service. However, as anyone who has done an environmental life cycle assessment knows, existing tools have many problems: data is difficult to assemble and life cycle studies take months of effort. A truly comprehensive analysis is prohibitive, so analysts are often forced to simply ignore many facets of life cycle impacts. But the focus on one aspect of a product or service can result in misleading indications if that aspect is benign while other aspects pollute or are otherwise unsustainable. This book summarizes the EIO-LCA method, explains its use in relation to other life cycle assessment models, and provides sample applications and extensions of the model into novel areas. A final chapter explains the free, easy-to-use software tool available on a companion website. (www.eiolca.net) The software tool provides a wealth of data, summarizing the current U.S. economy in 500 sectors with information on energy and materials use, pollution and greenhouse gas discharges, and other attributes like associated occupational deaths and injuries. The joint project of twelve faculty members and over 20 students working together over the past ten years at the Green Design Institute of Carnegie Mellon University, the EIO-LCA has been applied to a wide range of products and services. It will prove useful for research, industry, and in economics, engineering, or interdisciplinary classes in green design.

This is a practical book with clear descriptions of the most commonly used nonmarket

methods. The first chapters of the book provide the context and theoretical foundation of nonmarket valuation along with a discussion of data collection procedures. The middle chapters describe the major stated- and revealed-preference valuation methods. For each method, the steps involved in implementation are laid out and carefully explained with supporting references from the published literature. The final chapters of the book examine the relevance of experimentation to economic valuation, the transfer of existing nonmarket values to new settings, and assessments of the reliability and validity of nonmarket values. The book is relevant to individuals in many professions at all career levels. Professionals in government agencies, attorneys involved with natural resource damage assessments, graduate students, and others will appreciate the thorough descriptions of how to design, implement, and analyze a nonmarket valuation study.

The book provides an ideal introduction to the subject of environmental economics. Part one explains the fundamental economic concepts, using examples from all over the world. Part two uses these concepts in understanding and developing policy responses to some of the major environmental issues of our time.

To find more information about Rowman and Littlefield titles, please visit www.rowmanlittlefield.com.

This authoritative two volume collection illustrates the most important methods for valuing non-priced environmental goods. It will be essential reading for new researchers as well as providing an excellent source of well-known material for scholars already working in this area.The first volume provides a variety of papers on different applications of opportunity cost, travel-cost, hedonic price and contingent valuation methods which emphasise both theory and

practice. Classic articles on discrete choice, non-use values and the WTA v. WTP controversy are included. It also includes contributions from psychologists which identify anomalies in economic theory as well as developing more robust evaluation methods.The second volume addresses the problem of evaluation when there are multi-attribute goods and programmes and considers how the validity of results can be assessed. Allocative mechanisms for environmental resources are also illustrated with analysis of some of the property rights issues surrounding damage to resources. A series of case studies evaluate major issues: biodiversity; wetlands; landscape; noise; safety and air pollution . The volume concludes with the transfer of benefit estimates between sites, the usefulness of meta-analysis and two thought provoking articles concerning the meaning of valuation.

The book is meant to improve our understanding of sustainable development of production and consumption. Monetary values of the impact of emission and resources are determined, and used in environmental management, with a focus on sustainability. Values related to cultural context are not possible to predict, therefore ignored. The book only focuses on environmental goods and services that are used to satisfy basic human needs. One of the benefits of monetary valuation is its holistic approach. The impact of any contributing factor on the total value, can be determined, and the sensitivity to uncertainty in inputs can be estimated. This is useful in developing knowledge, where it is most needed. In a society, there are many economic units which need to function in tandem to support human welfare. Each unit has its own system boundary in what it includes and covers in time and space. The system boundary of a sustainable unit is likely to be very long and wide. This book provides data on long term monetary values of environmental impacts from human activities. It discusses the choice of

system boundaries, and how to use monetary values in sustainable development. A large part of the book describes impact models in terms of the relation between emissions and natural goods and services.

Economic values are increasingly used in policy analysis and legal settings. With the growing recognition that many of the things that benefit or harm people are outside the market system, have come increasing efforts to develop nonmarket valuation techniques. One such technique is the contingent valuation method (CVM). CVM seeks to value environmental and other nonmarket goods and services by asking individuals about their values using survey methods. These procedures are different from the `revealed-preference' methods that economists have historically employed to estimate economic values. Why depart from well-established revealed-preference procedures and apply a `stated-preference' method like CVM? For nonmarket goods and services, revealed-preference methods have two shortcomings that those applying CVM hope to avoid. First, revealed-preference methods involve econometric problems that have yet to be fully overcome. The second shortcoming of revealed-preference methods is that such methods, when applied to environmental amenities, are likely to be only partial measures of value. Given the tremendous interest that exists in economic values and the limitations of revealed-preference methods, it is not surprising that interest in CVM has grown rapidly. Environmental Resource Valuation reviews the application of CVM and compares American experiences in nonmarket evaluation with those in other countries.