

Economic Valuation With Stated Preference Techniques: A Manual

Ian J. Bateman
University of East Anglia

Richard T. Carson
University of California, San Diego

Brett Day
University of East Anglia

W. Michael Hanemann
University of California, Berkeley

Nick Hanley
University of Glasgow

Tanis Hett
Economics for the Environment Consultancy, Ltd.

Michael Jones Lee
University of Newcastle

Graham Loomes
University of East Anglia

Susana Mourato
Imperial College

Ece Özdemiroglu
Economics for the Environment Consultancy, Ltd.

David W. Pearce
University College, London

Edward Elgar
2002

Table of Contents

List of Figures

List of Tables

List of Boxes

The Authors

List of Acronyms

Forward

INTRODUCTION

Purpose of this manual

Justification for assigning economic values to non-market effects

A guide to the manual

Part I: CONCEPTS

1. The foundations of economic valuation

1.1 The uses of economic valuation

1.2 The nature of economic valuation and economic efficiency

1.3 Economic valuation and other values

1.4 Economic valuation when there are no markets

1.5 Economic valuation and the demand curve

1.6 Willingness to pay and willingness to accept

1.7 Total economic value and aggregation

1.8 Stated preferences and public participation

ANNEX 1.1 Benefit transfer and stated preference techniques

ANNEX 1.2 Use of stated preference in UK environmental policy: the case of aggregates levy

ANNEX 1.3 Discounting

2. Commissioning a stated preference study

2.1 Defining the context

2.2 Is economic valuation necessary and credible?

2.3 Choosing between economic valuation techniques

2.4 Commissioning a valuation study: a checklist

2.5 A typical work plan for a stated preference study

PART II. STATED PREFERENCE TECHNIQUES

3. population, sample and survey mode

3.1 Defining the target population

3.2 The need for and the importance of sampling

3.3 The sampling frame

3.4 Choosing the sample

3.5 Choosing the sampling mode

- 3.6 Choosing the sample size
- 4. Designing a contingent valuation questionnaire
 - 4.1 Useful lessons from other disciplines
 - 4.2 The stages of designing a contingent valuation questionnaire
 - 4.3 Pre-testing
 - 4.4 The main survey
 - ANNEX 4.1 Writing survey questions
- 5. Analysis of contingent valuation data
 - 5.1 Contingent valuation datasets
 - 5.2 Specification of the bid function
 - 5.3 Estimating mean and median WTP
 - 5.4 Models for testing the validity of WTP values
 - 5.5 Models for benefit transfer exercises
 - 5.6 Conclusions
 - ANNEX 5.1 Econometric estimation of the bid function
 - ANNEX 5.2 Estimating mean and median WTP
- 6. Designing a choice modeling questionnaire
 - 6.1 What is choice modeling?
 - 6.2 Main choice modeling approaches
 - 6.3 Common design stages
 - 6.4 Advantages and disadvantages of choice modeling relative to other economic valuation techniques
- 7. Analysis of choice modeling data
 - 7.1 Choice experiments
 - 7.2 Contingent ranking
 - 7.3 Contingent rating
 - 7.4 Paired comparison
- 8. Validity and reliability
 - 8.1 Preferences, values and validity
 - 8.2 Responses to survey questions: some basic issues
 - 8.3 Value types and their consistency
 - 8.4 Overview of the validity problem and types of validity testing
 - 8.5 Content validity
 - 8.6 Construct validity
 - 8.7 Reliability
 - 8.8 Summary of factors relevant to determining validity and reliability
- 9. Aggregation
 - 9.1 Conditions for valid aggregation
 - 9.2 Aggregation approaches
- 10. Reporting
 - 10.1 Objectives
 - 10.2 Methodology
 - 10.3 Literature review
 - 10.4 Population and sampling strategy
 - 10.5 Questionnaire design and implementation
 - 10.6 Results

- 10.7 Validity testing**
- 10.8 Aggregation and implications**
- 10.9 Annexes**

PART III. FURTHER ISSUES

- 11. Combining revealed and stated preference techniques**
 - 11.1 Why combine revealed and stated preference data**
 - 11.2 Random utility models combining stated and revealed preference data**
 - 11.3 Contingent behavior panel data models of price changes**
 - 11.4 Contingent behaviour models of environmental quality changes**
 - 11.5 Conclusions**
- 12. Cautions, caveats and future directions**
 - 12.1 The standard neo-classical model of preferences**
 - 12.2 Elicitation and response mode effects**
 - 12.3 The disparity between WTP and WTA**
 - 12.4 Scope, embedding and sequence effects**
 - 12.5 ‘Other-regarding’ issues: altruism and reciprocity**
 - 12.6 Conclusions**

Bibliography

Glossary

Index

This book is available from

Edward Elgar

http://www.e-elgar.com/Bookentry_Main.lasso?id=2639

Amazon

http://www.amazon.com/Valuation-Preference-Techniques-Association-Department/dp/1843768526/ref=sr_1_7?ie=UTF8&s=books&qid=1201671156&sr=8-7

Barnes and Noble

<http://search.barnesandnoble.com/booksearch/isbnInquiry.asp?z=y&EAN=9781840649192&itm=4>

BOOKSAMILLION.COM

<http://www.booksamillion.com/ncom/books?id=4016713185535&isbn=1843768526>