Books Reviewed


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The contingent valuation method is a stated preference approach to environmental and resource valuation. It has become one of the most popular valuation approaches due to its flexibility and ability to measure passive use values. The popularity of contingent valuation is demonstrated by Richard Carson’s history and bibliography, which contains over 7,500 references to conference presentations, theses, journal articles, books, and reports that directly or indirectly concern the method. The seeds of the book began in the early 1990s with the photocopied “A Bibliography of Contingent Valuation Studies and Papers,” compiled by Richard Carson et al. that contains 1,672 entries. Seventeen years later, the photocopy has taken the form of a large book (that is notorious for the length of time that it was forthcoming, having been first cited in a 2002 article in the *Environmental and Resource Economics* journal).

The preface and acknowledgments contain a fascinating sketch of the bibliographic process (including a hard disk crash and other more minor hurdles). Carson states that he includes studies of varying quality; studies that praise and condemn contingent valuation and those that focus on a broad range of public goods. Carson includes economic studies that use contingent valuation in some way, those with original empirical contingent valuation estimates and those without (e.g., laboratory experiments). Excluded are theoretical papers that are of use to contingent valuation researchers, but which might have broader appeal. Also excluded are contingent valuation papers from other disciplines.

The book is unusual in that the text consists of a single chapter of 38 pages. The introduction to the chapter describes the rationale for the use of contingent valuation and how contingent valuation surveys differ from other surveys. Contingent valuation was developed because revealed preference methods (e.g., travel cost) are limited. Benefit-cost analysis, and other types of policy analysis, required empirical estimates of value that were not, to that point, measurable. Contingent valuation surveys differ from other surveys in that they contain detailed descriptions of a hypothetical valuation scenario, payment vehicles (e.g., taxes), payment rules (e.g., majority rule), and valuation questions (e.g., referenda).

After the introduction, the chapter considers economists and the use of surveys. Carson provides the historical background for the economics profession’s mistrust of survey data, subtly suggesting stubborn ignorance and narrow mindedness.

The rest of the chapter covers the history with sections on “early empirical development,” “the existence value revolution,” “developments from the mid-1970s through the early 1990s,” “the Mitchell and Carson Book,” “the *Exxon Valdez*,” “enduring elements in the debate over the use of contingent valuation,” “use of contingent valuation over time and space,” and “current summaries of the literature.”

Beginning in the 1940s, the motivation for contingent valuation method development came from federal government agencies in the United States. The National Park Service was seeking estimates of the economic value of park recreation, and the Army Corps of Engineers was seeking estimates of water-based recreation (in order to justify dam building). Robert Davis’ 1963 Harvard University dissertation, the first contingent valuation study, is highlighted. Also, Resources for the Future’s early influence, especially the

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