

Valuation of Environmental Goods

Methods used for the environmental valuation

- ❖ Contingent Valuation Method(CVM)
- ❖ The Hedonic Price Method

Contingent Valuation Method(CVM):-

Contingent valuation frequently elicits information on willingness to pay or willingness to accept compensation for an increase or decrease in some usually non marketed goods or services.

Example:- Most survey based techniques.

- ❖ This method puts direct questions to individuals to determine how much they might be willing to pay for environmental resources or how much compensation they would be willing to accept if they were deprived of the same resources.

There are some methods like trade off game method, costless choice method & Delphi method as part of Contingent Valuation method.