

## **Richard T. Carson: Contingent valuation: a comprehensive bibliography and history**

**Edward Elgar, Cheltenham, UK, 2011, ISBN: 9781 84064 7556**

**Jen Snowball**

Published online: 5 April 2012  
© Springer Science+Business Media New York 2012

For those of us who have been involved in willingness to pay studies for some time, *Contingent Valuation: A comprehensive bibliography and history* by Richard Carson is a fascinating read, tracking the early development of the method and debates around it from an insider's perspective. As someone who has not only been involved in contingent valuation research over many years, but who has also been instrumental in shaping it, Richard Carson is the ideal author of this carefully crafted book.

The preface explains how the more than 7,500 studies from 130 countries, spanning 50 years, were chosen for entries into the bibliography: the deciding factors being a focus on stated preference methods for measuring non-market values, and the use of an economic framework. While published papers were preferred, Carson admits that the bibliography contains “the good, the bad and the ugly” and also “outlandish attacks on the use of contingent valuation” (p. vii).

The next section contains an account of the historical development of contingent valuation (CV), its theoretical underpinnings, major contributors and debates. The focus is, understandably, on environmental valuation and public recreational sites (such as state parks), since these were the first applications of the method. However, advances on the theoretical side of CV are also carefully documented, with a discussion of their application to health economics and quality-adjusted life years, as well as a brief mention of arts and culture and David Throsby's 1984 paper on the subject.

What will be especially valuable for students is the discussion of how ideas, which are now standardized and found in many textbooks (such as existence value), developed and were debated and tested and debated again. In teaching ideas that have become generally accepted, there is always a danger that they become “flat” and uninteresting—merely another theory or typography to remember and apply.

---

J. Snowball (✉)

Department of Economics and Economic History, Rhodes University, Grahamstown, South Africa  
e-mail: j.snowball@ru.ac.za

An important attribute of Carson's history is thus the retelling of the CV story in an engaging way, some of which he admits is from his particular view point, based on "stories long handed down through many late night conversations" and "strongly influenced by my own personal experiences" (p viii).

There is a useful section summarizing the "enduring" criticisms of the method, such as hypothetical bias, scope insensitivity, the willingness to pay—willingness to accept disparity, and elicitation formats. The advances made by newer conjoint, or choice experiment, studies are briefly mentioned.

What I found a bit disappointing was how brief the section on the Exxon Valdez case was. Damages claimed as a result of an oil spill by the Exxon Valdez off the coast of Alaska in 1989 were based largely on a contingent valuation of lost passive use values by the American public. The resulting attacks on the method from an "Exxon-sponsored conference" (p. 13) were refuted by an NOAA panel, which included two Nobel prize-winning economists. They concluded that, properly conducted, the CV method "can produce estimates reliable enough to be the starting point for a judicial or administrative determination of natural resource damages—including lost passive-use value" (Arrow et al. 1993). While Carson does give us some insights into these highly publicized debates, a little more detail and background information, or even anecdotes, would have added to the richness of the story.

The next section tracks the spread of the CV method over time, but also across countries. Figures are used to show the number of articles published per year since 1960, with a significant increase since 1990. An interesting feature of the commentary is the impact that particular articles, such as the publication of "Bidding games for the valuation of aesthetic environmental improvements" (Randall et al.) in the *Journal of Environmental Economics and Management* in 1974, and conferences, such as the First World Congress of Environmental and Resource Economists in Venice in 1998, had on the number of publications. The final section lists some sources giving summaries of the contingent valuation literature.

The bibliography itself is vast, taking up over 400 of the 455 pages of the book. While the majority of sources do refer to environmental economics applications, cultural economists will find references to many well-known, as well as newer, studies. For example, there are a number of references to works published in this journal, such as articles by David Throsby, Bruno Frey, Ruth Towse, Anna Alberini (a past graduate student of Carson's), Trine Bille Hanson, Adam Finn, Edward Morey and Kathleen Rossmann, Douglas Noonan, Franco Papandrea, Walter Santagata and Giovanni Signorello, Eric Thompson, Mark Berger and Glenn Blomquist, Bruce Seaman, Ilde Rizzo, and even Jen Snowball, amongst many others. The bibliography is also available in electronic format on a companion website (access information is provided in the preface) in MS Word format as well as formats readable by database files, such as Endnote and Reference Manager.

Thus, although the book focuses primarily on environmental economics applications, it is likely to be of considerable interest to students and scholars working in the fields of cultural economics as well. The section on the historical development of contingent valuation gives an interesting insider view of the theory

and application of this now-widespread valuation method. The bibliography itself, in both its printed and electronic formats, is a gift to anyone working the area and is likely to be a key resource for many years to come.

## References

- Arrow, K., Solow, R., Portney, P., Leamer, E., Radner, R., & Schuman, H. (1993). Report of the NOAA panel on contingent valuation. *Federal Register*, 58(10), 4601–4614.
- Randall, A., Ives, B., & Eastman, C. (1974). Bidding games for the valuation of aesthetic environmental improvements. *Journal of Environmental Economics and Management*, 1, 132–149.