

ESTIMATION OF EXISTENCE VALUES: SOME EMPIRICAL ISSUES

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Existence values (EVs) are the values derived from the knowledge that certain species or natural environments exist. Existence values are pure public goods and hence lack market values. As income rise and natural environment suffer greater degradation, demand for existence values is likely to increase. This paper presents results of a contingent valuation survey designed to elicit existence values of a tropical rain forest and several issues related to estimation of existence values of a global resource.

A contingent valuation survey was carried out in order to derive EVs for the Sinharaja Rain Forest Reserve in Sri Lanka. An open ended question format was used with a neutral trust fund as a payment vehicle. Three samples from Sri Lanka (urban and rural areas distant to the forest and peripheral villages to the forest) and one remote sample (from UK) were used in the study. The existence values for different types of users such as educational users, recreational users and non users were derived from the survey.

When expressed as percentage of income, willingness to pay values showed clear differences among different user types in different samples. On average, local rural educational users stated the highest values while remote non-users stated the lowest values. These existence value estimates, notwithstanding the theoretical validity, clearly illustrate the empirical problems related to estimation of existence values.

It could be assumed that existence values stated by non-users provide the nearest approximation for the 'true' existence value of a resource. However, this relates with the provision of information and the knowledge of the respondent since people derive benefits directly and indirectly and they may be aware or unaware of such benefits emanating from tropical rain forests.

Implications of these findings in designing future existence value estimations and the role of information in survey design are highlighted. Implications for policy at global level, specifically, how mechanisms for appropriation of such values could be developed are also discussed.