Abstract

The estimation of the economic value of health provides useful information for the efficient evaluation of health policies, such as the implementation of treatment and prevention medical technologies or the adoption of pollution control policies. The estimation carried out by way of direct methods, such as contingent valuation, presents the problem of preference imprecision. This paper deals with this problem by proposing an elicitation method that allows the subject to state an interval for willingness to pay, without inducing any specific amount as a response. The paper also analyses the effects of the context where changes in health occur on the associated imprecision level and the estimates, by comparing a situation without context with another in which effects are due to atmospheric pollution. The econometric modelling develops a Bayesian estimation method for censored intervals, which models the existing uncertainty between the lower and upper limits derived from the elicitation process. Results prove that data dispersion is significantly higher for the non-contextual scenario, and increases for the most severe symptoms. This research provides useful information for the economic evaluation not only of pollution control policies but also of health technologies for treatment and prevention.

Keywords

Economic valuation, health, imprecision, preferences, pollution.