Questions based on “After a Seven-Year Ban, Salmon Fishing Returns to Maine”

1. The article discusses the excitement surrounding the reopening of a river in Maine for fishing. As an economist, what evidence could you take from the article that fishermen place a positive economic value (i.e. are willing to pay) for salmon fishing opportunities. You should be able to give at least 3 pieces of evidence from individual or group actions.

2. One proposal discussed is to remove several dams from the river and a group is gathering money to pay for that. Even if the group is not successful in collecting $25 million to pay for the dam removal, it is still possible that removing the dams might be economically efficient (i.e., has benefits greater than the costs). Explain why the private contributions for dam removal may not give a correct estimate of the value that people place on the restoration of rivers in Maine.

Questions based on the Berck and Helfand (B&H) chapter 7

3. Why can’t revealed preference methods be used for non-use values?

4. What was the main valuation question used in the Exxon Valdez questionnaire?

5. What is the difference between Conjoint analysis and contingent valuation?
6. What are the two problems highlighted by the authors with stated preference valuation methods?

7. What are two reasons some people give to say that valuation is unethical?

8. “Why do economists persist in using valuation exercises?”

9. How does income affect nonmarket valuation? Does this make valuation unethical?