

**SEPTEMBER 2022**



# Reflections on the Symposium Papers

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Social Cost of Water Pollution conference  
Washington, DC

**SHEILA OLMSTEAD**

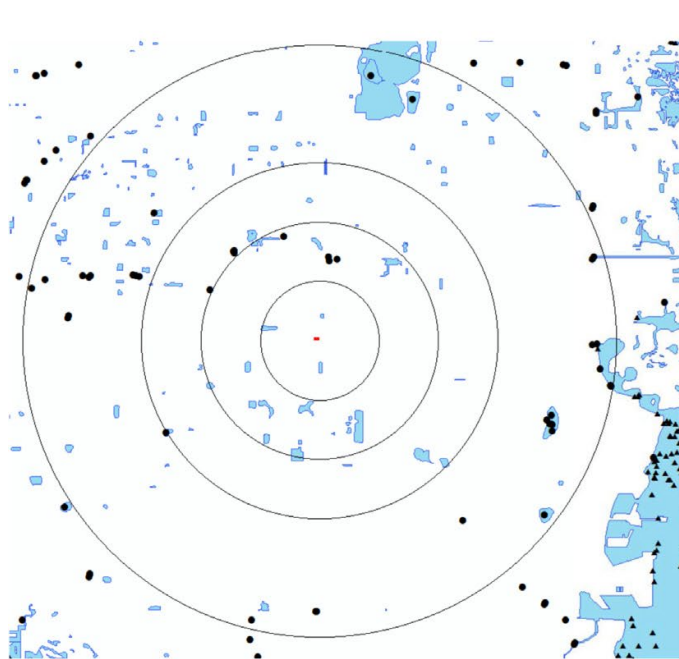
LBJ School of Public Affairs, The University of Texas at Austin  
and Resources for the Future

# Assessing which *water quality characteristics* people value

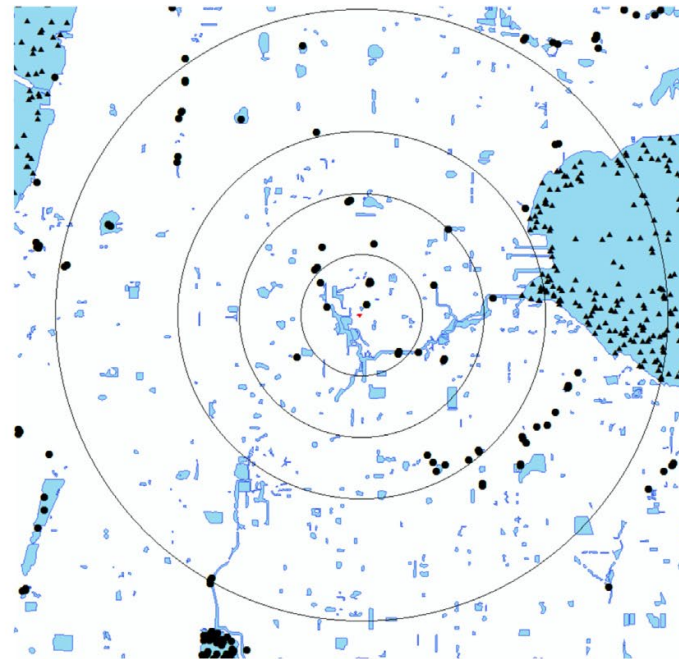
- Given the new water quality metrics under development, comparisons of multiple metrics from different research teams in the same experimental setting would be potentially valuable.
- One challenge will be to integrate valuation results using multi-dimensional water quality metrics into the regulatory process, which may target one constituent at a time.
  - Will the regulatory process evolve along with the science/social science?

# Assessing which *waters* people value

- Hedonic property studies in the literature suggest extent of the market is very small, but recreation demand studies suggest it is much larger.
- One reason for this paradox in the RP literature may be the fact that most hedonic studies are naïve with respect to recreation behavior.
- The market for water quality may be more like the market for restaurants than the market for air quality.



(a) An inland property



(b) A property near Tampa Bay

Source: Kuwayama, Y., S. M. Olmstead, J. Zheng. 2022. A more comprehensive estimate of the value of water quality. *Journal of Public Economics* 207: 104600.

# Assessing which *waters* people value, cont.

- SP studies face the same challenge - determining the “extent of the market” for water quality services.
  - Johnston et al. make an innovative contribution on this dimension - is this SP or RP?
  - Difference between their results and those of Vossler et al. is similar to debate in the RP literature - warrants more exploration.