

Authors

James Berry
Cornell University

Gregory Fischer
London School of Economics and Political Science

Raymond Guiteras
North Carolina State University

**Eliciting and Utilizing Willingness to Pay: Evidence
from Field Trials in Northern Ghana**

James Berry
Cornell University

Greg Fischer
London School of Economics

Raymond Guiteras^{*}
University of Maryland

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Abstract

We utilize the Becker-DeGroot-Marschak (1964) mechanism to estimate the willingness to pay for clean drinking water technology in northern Ghana. The BDM mechanism has attractive properties for empirical research, allowing us to directly estimate demand, compute heterogeneous treatment effects, and study the screening and causal effects of prices with minor modifications to a standard field experiment setting. We demonstrate the implementation of BDM along these three dimensions, compare it to the standard take-it-or-leave-it method for eliciting willingness to pay, and discuss practical issues for implementing the mechanism in real field settings.

JEL Classification: O15, D12, D82, L11, L31

^{*}jberry@cornell.edu, g.fischer@lse.ac.uk, guiteras@econ.umd.edu

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