

**Determining People's Willingness to Pay for the Conservation
of Reefs: a Case Study from Hikkaduwa, Sri Lanka**

Master of Science in Development Studies - 2008/2009

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ABSTRACT

Coral reefs are unique ecosystems. Coral reefs contribute both biologically and socioeconomically for the betterment of a society associated with them. They provide a variety of uses that harness a direct market price or non-uses values which cannot be sold in the market. The management of reef resources involves correct recognition and valuation of these uses. Many researches in the past have tried quantifying non-uses values of coral reefs. The present study tries to evaluate the people's perception on conservation of reef resources with the concern of the non use values. This was measured by assessing people's Willingness to Pay (WTP) through contingent valuation method (CVM). CV survey provides a measure of the maximum amount that the average respondent would be willing to pay for the proposed improvement reef conservation in the context of existing constitutional regime within which households are free to allocate their financial resources. Estimated mean WTP value is Rs. 15.09 a month which is thought to be reliable when considering the average income in the community. Demographic features such as gender and receipt of Samurthi significantly ($\alpha= 0.05$) affect the level of WTP of an individual. Also, as predicted, the bid value significantly determined the WTP amount a person would agree.