

Valuing Morbidity: Acute Respiratory Illnesses in Bogotá, Colombia

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Human health is increasingly viewed as central in economic development, both as a measure of development and as an input. Early mortality and excessive morbidity are serious constraints to economic growth. The impact of pollution on human health has recently become a focus of research in developing countries. The effect can be substantial. Pollution levels in developing countries increase with industrialization, population growth, and urbanization. The enforcement of pollution laws is hampered by poverty, corruption and the limited means of environmental agencies. Further, industries in developing countries' cities are often scattered throughout cities, even in residential neighborhoods, because of limited city planning. Hence, exposure to pollution may be higher than in developed countries, even when emissions are similar. Contraction of respiratory illnesses is common, and may be attributed to air pollution, and welfare losses from health effects may be large. Empirical evidence on economic losses from pollution is therefore crucial to demonstrate more forcefully the importance of devising policies and implementing programs to abate pollution.

In this paper we study the economic costs of morbidity from acute respiratory illnesses in Bogotá, Colombia. Our purpose is to estimate the willingness to pay for a reduction in respiratory morbidity; the unit valued is a day's illness. Our research is based on a household survey of residents of Bogotá, conducted in the person's home. Our approach is based on the research of Alberini et al. (1997) that analyses how familiarity with the commodity valued affects WTP for reductions in sick days, and on the study of Cropper et al. (2000) that estimates the demand for a malaria vaccine based on contingent valuation surveys conducted in Ethiopia