Estimating the Value of Statistical Life under the Subsidization and Cultural Effects

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Abstract : The value of statistical life has been estimated for a middle eastern country with high economical subsidization system. In this study, in-person interviews were conducted on a stratified random sample to estimate the value of mortality risk. Double-bounded dichotomous choice questions followed by open-ended question were used in the interview to investigate the willingness to pay of the respondent for mortality risk reduction. High willingness to pay was found to be associated with high income and education. Also, females were found to have lower willingness to pay than males. The estimated value of statistical life is larger than the ones estimated for western countries where taxation system exists. This estimate provides a baseline for monetizing the health benefits for proposed policy or program to the decision makers in an eastern country. Also, the value of statistical life for a country in the region can be extrapolated from this this estimate by using the benefit transfer method.

Keywords : mortality, risk, VSL, willingness-to-pay

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