

Nida Puttipiriya 2009: An Evaluation of Willingness to Pay to Prevent Flooding at Changkhlan Sub-district, Mueang District, Chiang Mai Province. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Ruangdej Srivardhana, Ph.D. 152 pages.

Flooding is one of common natural hazard in Chiang Mai province. It causes significant damages to local population, infrastructures, properties and agricultural land area. For the government to invest in new flood prevention programs, it needs to know whether the benefits will justify the costs. This study attempts to measure theses benefits to Changkhlan sub-district, Mueang District, Chiang Mai province by estimating its household's willingness to pay (WTP) to prevent flood. The analysis used contingent valuation method (CVM) with the methodology of double bounded closed-end CVM question for measuring WTP. The censored logistic regression in the life regression model was applied with 352 respondents.

Estimated mean and median WTP for an evaluation of WTP to prevent flooding were 410.54 and 347.96 bahts per household per year, respectively. Total WTP for all households at Changkhlan sub-district were 1,729,937.581 to 2,027,324.499 bahts per year. Starting bid, income and gender are the most important factors determining WTP. WTP is more statistically significant higher for respondents who answered the questions with high start bid values. WTP also increased with higher income. Respondents with household income of more than 37,000 bahts per month were found to be the group with highest WTP. Male respondents were willing to pay more than female respondents. Forty-six percent of the sample had positive WTP. of these, major reasons stated for their WTP were threat to lives and properties from flooding.

The values of WTP suggests that the government or responsible agencies should start or move the flood prevention programs forward. If it needs to collect tax or fees from the local residents, who would received direct benefits from the programs, they should be well-informed. In addition, the study found that the most effective way to spread the information in this sub-district was by car parades.

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Thesis Advisor's signature

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