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## The Combined Application of WTP and WTA in Contingent Valuation Methods

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### ABSTRACT

The In most contingent valuation (CV) studies, WTP (Willingness to pay) and WTA (Willingness to accept) were often used separately, so protesting or no response or even babbling answers are increasing, and the debate persists over the reliability of CV in economic policy analysis. In order to improve the reliability of CV, WTP and WTA is used syn-chronously to estimate the restoration cost of Maqu grassland ecosystem. Data were partly from questionnaire survey, and partly from interviews and authorities. Before conclusions were derived, we assumed these data that came from interviews and authorities were right. The main result is: If we assumed that the degraded grassland of Maqu needs 10 years to be restored, and divided the restoring period into two stages, then the restoration cost was  $0.85 \times 108$  RMB per year in former 4 years,  $0.022 \times 108$  RMB per year in latter 6 years. The total cost of Maqu grassland restoration was  $3.62 \times 108$  RMB. For all the costs of restoration, WTA occupied 94% and WTP only occupied 6%, suggesting that local grassland degradation was mainly caused by overgrazing and that the overloading livestock must be eliminated in order to achieve restoration successfully. Our research also showed that combining WTP and WTA in contingent valuation is very useful in estimating the cost of environmental improvement projects. Of course, whether these results are right or not, further researches are needed in the future, especially for the actual number of livestock in Maqu grassland.

### KEYWORDS

Contingent Valuation Method (CV), Restoring Cost, Willingness to Pay (WTP), Willingness to Accepted (WTA), Anchored Payment Card (APC)

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