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**Eliciting and Utilizing Willingness to Pay: Evidence
from Field Trials in Northern Ghana**

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Abstract

We utilize the Becker-DeGroot-Marschak (1964) mechanism to estimate the willingness to pay for clean drinking water technology in northern Ghana. The BDM mechanism has attractive properties for empirical research, allowing us to directly estimate demand, compute heterogeneous treatment effects, and study the screening and causal effects of prices with minor modifications to a standard field experiment setting. We demonstrate the implementation of BDM along these three dimensions, compare it to the standard take-it-or-leave-it method for eliciting willingness to pay, and discuss practical issues for implementing the mechanism in one field settings.

JEL Classifications: O10, O12, O42, L11, L31

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