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Book Review of *Determining the Economic Value of
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Determining the Economic Value of Water: Concepts and Methods. By Robert A. Young. Washington, DC: Resources for the Future, 2005. xv + 357 pp. Tables, figures, references, glossary, index. \$80.00 cloth, \$39.00 paper.

Water has been and will continue to be a contentious issue for policymakers, landowners, municipalities, environmentalists, and citizens who feels they have an undeniable right to clean water delivered to their homes (at least in the United States). With so many groups coming into conflict over what, at least in the West and the Great Plains, continues to be a diminishing resource per capita, an understanding of the economic value of this resource is critical. It is important to note, as Robert Young does throughout his book, that the true economic value of water goes beyond what we pay our city services each month, or the cost to farmers or ranchers for pumping and distributing that water on their land. The value of water must take into account the value of the competing uses which are sometimes difficult to price.

Young does an excellent job in part 1 of defining and explaining the nuances of the many possible valuation techniques that can be used for water. Essentially he divides these up into two broad categories: those that are inductive, using statistical techniques to infer economic values from data; and those that are deductive, in which estimations of willingness to pay are derived from models of human behavior together with conditions of production and consumption. For the noneconomist it may take a bit longer to grasp the concepts presented here, but the task is not insurmountable, and anyone dealing with issues of water management will be familiar with many of the ideas already.

Part 2 focuses on the application of the various techniques for valuing water in irrigated crop production, industry, municipal uses, and public goods (recreation, water quality, and the like). Of particular interest to readers of *Great Plains Research* is the appropriate valuation of water in a declining Ogallala Aquifer for use in the agricultural sector and competing uses from municipalities and industry. This reality is already here as there are a number of cities and private interests that are “mining” groundwater for sale outside of the agricultural sector. While Young does not propose a single technique for valuation in this case, he does stress the need for careful planning and design. In addition, it is as important to understand what one is valuing (the specific water service) as why one is doing so, along with the appropriate technique to use.

While the techniques and application of valuation are discussed in depth, the reader should not expect an exten-

sive bibliography. Young presents the bare minimum of previously published work to support the ideas presented. That said, *Determining the Economic Value of Water: Concepts and Methods* achieves what it sets out to do, providing a helpful reference in the area of water valuation. This book is a must for libraries and anyone working in the area of water resources. **David W. Yoskowitz**, *College of Business, Texas A&M University–Corpus Christi*.