

Valuation of Ecosystem Services Using the Contingent Valuation Method: A Case Study of The Johor River Basin

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ABSTRACT

The overwhelming demand for ecosystem services has led to an intensification of the use of natural resources. Natural capital provides ecosystem services that are used by the public but are not acknowledged, in part because there is no cost associated with them or a monetary value placed on them. Monetise the value of natural capital will provide insights to the policy maker and generate better reference for stakeholders, such as compensation for land reclamation and policy making. The profession of valuer is now paying more attention to the complexity of ecosystem valuation and the variety of its valuation methodologies. In addressing that, this study serves two main purposes, first, to propose a Contingent Valuation Method (CVM) framework for determining ecosystem services, and second, to examine the willingness to pay concept in determining river basin value using the proposed CVM framework. The research process consisted of five stages: literature review, development of CVM framework, focus group discussion, questionnaire survey and data analysis for ecosystem valuation. In the end., the study has developed a systematic framework to assist the valuer to conduct ecosystem valuation. Based on the framework, the study demonstrated and calculated the value of a chosen case study in the Johor River basin. The results of this research should be useful to policy makers, governmental and non-governmental organisations, project or programme managers.