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Abstract

Access to information about environmental quality may facilitate low-cost preventive measures that protect human health. In this paper, we study the demand for information about environmental quality and the behavioral response to the information provided. With a field experiment conducted in Bihar (India), we estimate the price sensitivity of demand for diagnostic testing of drinking water wells for arsenic of natural origin - a serious threat to the health of tens of millions of villagers across South and Southeast Asia. Demand is substantial but sensitive to price; uptake falls from 68% to 31% of households over our price range (Rs. 10 to Rs. 50). We further assess how households respond to information regarding the contamination level in their wells. About one-third of households with unsafe wells switch to a safer water source. Finally, we demonstrate that households that received adverse test outcomes are more likely to selectively forget test results, and proactively remove evidence of their wells' arsenic status.

JEL Codes: D12; I12; O12; Q50

Keywords: *Environmental quality, Information, Willingness to pay, Health, Arsenic, Groundwater*

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