

This thesis estimates the benefits of water quality improvement on Macha Lake using the contingent valuation method. The aim of this thesis is to show the main problems related to the application of the contingent valuation method in general and in the Czech Republic. First, the methodology of contingent valuation is described in detail. Since the case study on Macha Lake deals with the valuation of improvement of eutrophicated water body, the main issues regarding the water quality are discussed with a special focus on the problem of eutrophication. Following part summarizes selected attitudes towards the application of contingent valuation method on freshwater quality in foreign countries. It focuses on studies that value similar hypothetical product as the survey on Macha Lake. Main differences are identified in the attitudes towards the definition of the good to be valued. Based on this summary the survey on Macha Lake is assessed critically. The aim of this survey is to estimate the benefits that the improvement of water quality on Macha Lake presents for the local households. This change is defined as an improvement in water quality by one and by two classes on five-class water quality scale. The structure and organisation of the survey is introduced as well as its parts, outlining the solution of problems that were faced during its application. Variables with possible effect on the stated willingness to pay are analyzed. The mean value of willingness of local households to pay for the water quality of Macha Lake is assessed at CZK 485 for one class improvement and at CZK 661 for two classes improvement. These mean values are aggregated on the target population of this survey, and the total economic value of reaching the water quality improvement on Macha Lake in five years for local households is estimated to be CZK 5,8 million for one class improvement and CZK 7,9 million for two classes improvement.