

Willingness-to-Pay and Public Support for Climate Policies: The Role of Public Awareness

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Abstract

Drawing upon a nationally representative survey of Chinese public cognition and attitude towards climate change, this paper studies the determinants of consumers' stated willingness-to-pay (*WTP*) for energy-efficient and environment-friendly products in the context of climate change. Employing both parametric interval regression and ordered probit models and a nonparametric, propensity score-based matching method, we find that income, education, age and gender, as well as public awareness and attitude towards climate change are significant determinants of *WTP*. We emphasize the role of public awareness in explaining the variation of *WTP*. Compared to the effect of public awareness, however, income elasticity is small. The results are robust to different model specifications and estimation techniques.

Key words: Willingness-to-pay; climate change; China; interval regression; matching

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