

# Pollution Valuation and Groundwater Preferences: Case Study of Kedungpalang and Sambigembol Lakardowo Village Jetis Sub District, Mojokerto District.

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- **Abstract:** Pollution is a common negative externality in economic activity related to the environment and the use of natural resources. The purpose of this study is to estimate the economic value of total losses due to pollution of groundwater and determine the factors that affect groundwater usage preferences. The calculation of the total economic value losses is using the replacement cost approach and the cost of illness. Factors that affect the preferences of households in the use of groundwater contaminated are estimated by multinomial logit. The use of groundwater includes cooking and drinking water. The data collected from primary research that took place in the dusun (hamlets) of Kedungpalang and Sambigambol, Lakardowo village, Mojokerto regency. The estimation results indicate household income and age of the respondents are proved to affect household preference to the use of groundwater that has been contaminated. It means that the losses to be borne by local residents is more aggravate their weak economic situation as indicated by the significant household income in affecting the preferences of the use of groundwater that has been contaminated.
- **Keywords:** negative externality, groundwater, Lakardowo village