

Problem 5.18 Use Equation 5.1 and data from <http://data.un.org/> on GDP per capita to estimate the VSL for the following countries: the United States, the United Kingdom, Israel, Saudi Arabia, Uganda, Malaysia, Japan, China, India, Brazil, and Russia. Provide the results for 2004 and 2010. Discuss the reasonableness of your findings and provide observations.

ationship:

$$\ln(\text{VSL}) = 3.015 + 1.125 \ln(\text{GDP per capita}) \quad (5.1)$$

logarithmic regression model was based on the data adjusted for purchasing power
1 in 2004 US\$. This model is plotted in Figure 5.18.