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10 **Patriotic values for public goods: are there transnational trade-offs for**
11 **biodiversity and ecosystem services?**

12
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34
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36 valuation, semi-natural grassland, stated preference

41 **Abstract**

42

43 The natural environment is central to human well-being through its role in ecosystem service
44 (ES) provision. Managing ES often requires coordination across international borders.
45 Although this may deliver greater conservation gains than countries acting alone, we do not
46 know if the public supports such an international approach. Using the same questionnaire in
47 three countries, we quantified public preferences for ES in their home country and across
48 international borders. In all three countries, people were willing-to-pay for ES in general.
49 However, our results show there is a limit to the extent that environmental goods can be
50 considered “global”. ES with a use element (habitat conservation, landscape preservation)
51 attracted a “patriotic premium”, where people were willing-to-pay significantly more for
52 locally-delivered services. Supra-national management of ES needs to be balanced against the
53 preferences people have for services delivered in their home country.

54

55

56 **Introduction**

57

58 The natural environment is central to human well-being through its role in ecosystem service
59 provision (Sachs et al. 2009). There is therefore considerable interest in how best to manage
60 the natural world to enhance the delivery of a wide range of services (e.g., Kumar 2010,
61 UKNEA 2011). However, the effective preservation and enhancement of biodiversity and
62 ecosystem services can require intervention across varied socio-economic and political
63 borders, not least because ecosystems, the biodiversity they contain and the services they
64 deliver are often shared amongst such contexts. For example, long distance migratory species
65 can be responsible for functional links across distant regions (Bauer and Hoye 2014), and
66 thus require novel approaches to their management (e.g., Semmens et al. 2011), which can
67 include transnational organizations. In sub-Saharan Africa, for example, highly mobile
68 migrant pests move frequently across national borders (Dallimer et al. 2003, Cheke and
69 Tratalos 2007). Multinational agencies (e.g, the “Desert Locust Control Organisation – East
70 Africa”) coordinate management at a regional level to minimize the ecosystem disservices, in
71 the form of crop yield loss, caused by such pests. Elsewhere, supra-national bodies, such as
72 the European Union, determine policies and legislation for species and habitat management
73 that operate across many different nations (European Commission 1979, 1992, 2000).
74 Finally, many water catchments are transnational (Lopez-Hoffman et al. 2010) and are
75 managed as such.

76

77 Despite the widespread existence of trans- and supra-national bodies in ecosystem and
78 biodiversity management, we know little about the extent of public support for initiatives
79 which operate at international scales. This is important because with limited resources
80 available for biodiversity conservation and ecosystem management, we require an

81 understanding people's preferences for different aspects of the natural world as one means to
82 prioritize actions for a number of reasons: (i) people have opinions about where to invest in
83 conservation (Jacobsen and Thorsen 2010); (ii) conservation is frequently funded by
84 governments who may wish to respond to the values expressed by the public; and (iii)
85 interventions are more likely to succeed if they align with public preferences. This raises
86 questions as to the extent to which biodiversity, environmental goods and services should be
87 delivered locally, as well as globally. Some services, such as recreation, landscape
88 appreciation or wild species diversity, may have a greater value to nearby populations who
89 are able to experience them and therefore benefit from their use, as well as non-use, values
90 (Atkinson et al. 2012). Others, such as carbon sequestered and storage through vegetation
91 restoration, although often quantified at a local scale, deliver their benefits globally (Bulte et
92 al. 2002).

93
94 Here we quantify the values that the public place on biodiversity and ecosystem services
95 delivered across international boundaries, as opposed to within their country of residence. We
96 base our study in the European Union (EU), where many policies pertaining to biodiversity
97 conservation and ecosystem service management (e.g. Birds, Habitats Directives, Common
98 Agricultural Policy and its agri-environment elements, commitments to reduce carbon
99 emissions) are formulated at a supra-national level. Although the available evidence suggests
100 that this approach can be relatively effective at the continental-scale at protecting, for
101 example, avian populations (Donald et al. 2007), there is little understanding of the extent to
102 which the general public in Europe support allocating funds for ecosystem service
103 management internationally as opposed to a more local approach.

104

105

106 **Methods**

107 A commonly used approach to assess public preferences for the natural world is to assign
108 monetary values to changes in ecosystems and the services they supply. Although sometimes
109 controversial amongst conservation biologists, monetary valuation facilitates making direct
110 comparison with other costs and benefits in decision-making processes and its use has
111 become widespread (Hanley and Barbier 2009, Kumar 2010). Here we use the stated
112 preference non-market valuation technique of the choice experiment (CE) to ask two
113 questions: do people value ecosystem services and biodiversity across international
114 boundaries and, if so, how do those values vary according to the scale at which the goods
115 themselves deliver benefits? To do this we choose a suite of services that vary in their scale
116 of delivery from global (enhanced carbon capture for climate change mitigation) through both
117 global and local (biodiversity conservation) to mainly local (the preservation of landscapes
118 that are culturally and aesthetically appreciated) (see Survey Design below). We hypothesize:
119 (i) there will be a preference for ecosystem services to be delivered locally, as opposed to
120 across international borders; and (ii) this preference will be weaker for more global public
121 goods.

122

123 Choice experiments draw on theories of economic value (Lancaster 1966) and the application
124 of random utility theory to choice (McFadden 1974). The methodology is based on
125 probabilistic choice where individuals are assumed to select a single alternative which
126 maximizes their utility from a set of available alternatives (Supplementary Material Appendix
127 S1). CEs involve presenting participants with a number of choice sets consisting of two or
128 more alternatives, each described by various levels of a set of attributes and a monetary cost
129 which would finance the changes in the attribute levels described in an alternative. This
130 allows WTP to be calculated using estimated parameters of the choice probability function

131 for the different alternatives. The WTP for a marginal improvement in an attribute can then
132 be calculated as the ratio between the parameter of that attribute and the parameter of the
133 price attribute (See Supplementary Material for analytical details). Choice experiments are
134 commonly used to value changes in ecosystem services and biodiversity (Christie et al. 2006,
135 Jacobsen and Thorsen 2010, Morse-Jones et al. 2012, Dallimer et al. 2014) and offer a wide
136 range of information on trade-offs among the benefits provided by the different alternatives
137 (Adamowicz et al. 1998, Adamowicz et al. 1997).

138

139 **Survey Design**

140 The focus of the CE was to value changes in ecosystem services across international borders.
141 We used semi-natural grasslands in northern Europe, a study system for which such an
142 analysis is particularly pertinent not least because environmental policy delivered across
143 member states of the European Union has a long-standing international component (e.g., the
144 Birds and Habitats Directives, and the Natura 2000 network of protected areas; (European
145 Commission 1979, 1992, 2000). Semi-natural grasslands have historically been subject to
146 huge losses in extent and quality (Veen et al. 2009), and they are important for cultural and
147 aesthetic reasons (e.g, Sand-Jensen 2007), as well as being a key habitat for biodiversity
148 conservation in Europe. This was acknowledged by Mariann Fischer Boel, the EU
149 Commissioner for Agriculture and Rural Development in 2009, "...grasslands [...] represent
150 a key element in Europe's rich diversity of landscapes and the public appreciate the beauty of
151 Europe's meadows" (Veen et al. 2009). Indeed, many grassland systems are included in the
152 continent's register of "High Nature Value Farmland" that recognizes the central place that
153 traditional farming techniques play in maintaining culturally important and biodiverse
154 landscapes (e.g., Knowles 2011). Despite this, and even though they deliver a wide range of

155 ecosystem services (European Commission 2008), grasslands are rarely the subject of non-
156 market valuation exercises.

157

158 We selected attributes for the CE based on services which are delivered by semi-natural
159 grasslands, have an international dimension to their management and are likely to span
160 different scales of beneficiaries. Three such services are: the preservation of landscapes that
161 are culturally and aesthetically appreciated, biodiversity conservation and enhanced carbon
162 capture for climate change mitigation.

163

164 The EU promotes the preservation of landscapes through the European Landscape
165 Convention (Council of Europe 2000). Regions with a high coverage of semi-natural
166 grasslands often retain features associated with culturally important and aesthetically
167 attractive landscapes, such as traditional buildings, boundaries and field sizes (Sand-Jensen
168 2007; Veen et al. 2009; Knowles 2011). Traditional landscapes tend to have strong cultural
169 links to the region in which they are found (Jacobsen and Thorsen 2010) and their enjoyment
170 is thus largely a use value. We would expect beneficiaries to be mainly restricted to the
171 country in which a particular region is located.

172

173 The conservation of biodiversity and habitats within the EU is governed via instruments such
174 as the Habitats Directive (European Commission 1992) which all member states are expected
175 to implement. Biodiversity is considered central to supporting all ecosystem services
176 (Balvanera et al. 2006). However, there is ongoing debate as to whether biodiversity per se
177 can be considered a service in and of itself (Mace et al. 2012), though the protection of
178 biodiversity clearly has value to people (e.g., Christie et al. 2006, Morse-Jones et al. 2012,
179 Dallimer et al. 2014). For example, the UK National Ecosystem Assessment includes wildlife

180 diversity both as an intermediate service and as a final provisioning and cultural service
181 (UKNEA 2011). We include it as a final service because of its associated use and non-use
182 values for EU citizens (e.g., Bateman et al. 2013, UKNEA 2011). The benefits of the service
183 could therefore be experienced both locally, and potentially globally.

184

185 The EU has committed its member states to reducing carbon emissions by 20% below 1990
186 levels by 2020 (EEA 2010). Enhancing storage and uptake within vegetation and soils is one
187 potential pathway through which part of these targets could be met. Semi-natural grasslands
188 can be managed by manipulating fertilizer application, grazing levels and promoting the
189 presence of certain forbs to increase carbon uptake and storage in some situations (De Deyn
190 et al. 2011). The benefits delivered by this service (in terms of climate amelioration) would
191 be experienced globally.

192

193 We elected to use an increase in areas managed for biodiversity as an attribute rather than an
194 increase in species richness or the abundance of key species. This was to ensure our estimates
195 of WTP would not be affected by preferences for certain taxa (e.g., Jacobsen et al. 2008). The
196 landscape preservation attribute was also hectare-based, making it directly comparable to the
197 biodiversity conservation attribute. However, the units for the carbon capture attribute were
198 $tC\ ha^{-1}\ yr^{-1}$. Although these units are perhaps more abstract than a third hectare based
199 attribute, the direct benefit to people from the carbon attribute is the tC captured rather than
200 the number of hectares over which the C is distributed. We therefore use the component that
201 carries the utility directly, even though this may restrict direct comparisons of value between
202 the different services.

203

204 Our study system was centered on northern Europe. Within this region we selected regions
205 which were comparable in terms of topography, area, habitat type and the number and extent
206 of designations under the EU Habitats Directive (Supplementary Material Appendix S1). We
207 also wished to cover a range of international cultural differences found in this region and
208 therefore included a western European nation (Denmark), a former communist country
209 (Poland) and a former constituent part of the Soviet Union (Estonia) (Fig. 1). By choosing
210 sites that were similar, we attempted to ensure the CE quantified trans-national effects on the
211 values people ascribe to the sites, rather than, for example, habitat preferences, marginal
212 effects related to how large our example regions were, pre-formed preferences for certain
213 locations or species (Bateman 2009, Jacobsen and Thorsen 2010, Jacobsen et al. 2008).

214

215 To estimate measures of economic benefit from changes in the environmental attributes listed
216 above, a cost attribute was included in the design specified as an increase to the
217 householder's annual taxation bill needed to finance the management measures. Choices
218 would then show how much people are willing to trade-off improvements in an
219 environmental attribute for a decrease in their income. The levels of the cost attribute were
220 determined based on previous studies (Bartczak et al. 2008, Jacobsen and Thorsen 2010), and
221 were adjusted following focus groups and pilot tests. Each nationality was presented with
222 costs in their local currency, with amounts purchasing power parity calibrated to be
223 equivalent.

224

225 An optimal design for the CE was generated and we included Bayesian priors from a pilot
226 exercise to improve design efficiency (Ferrini and Scarpa 2007, Scarpa and Rose 2009). This
227 resulted in a CE consisting of 12 choice cards, divided into two blocks. Each respondent
228 therefore faced six choice sets which asked them to choose between four alternatives (for an

229 example see Supplementary Material Appendix S2). These were three “policy-on” options
230 which included different combinations of the attributes (carbon capture, habitat conservation,
231 landscape preservation, region, and the annual tax cost) and a no cost status quo alternative in
232 which no changes would take place across all regions. The “policy-on” options included the
233 baseline of no change and two levels of change in carbon capture, habitat conservation and
234 landscape preservation, and six levels of cost (Table 1).

235

236 The questionnaire was initially developed in English and translated by native speakers into
237 the relevant local languages. We used focus groups and a pilot exercise to help finalize the
238 questionnaire in two different ways. Firstly, feedback from participants ensured that
239 translations were understandable to the general population and used appropriate wordings
240 that were relevant to national situations. Final versions of the questionnaire were therefore
241 produced only in Danish, Polish, Estonian and Russian (to account for the Russian speaking
242 population in Estonia) and are available from the authors. Secondly, the focus groups and
243 pilot exercises allowed us to test the structure and meaning of the CE and its associated
244 attitudinal and socio-demographic questions.

245

246 Commercial polling companies were used to deliver the survey to an online panel of
247 respondents in winter 2012. Around 3200 individuals were invited to take part in the survey
248 in each country. Data collection was finalized when at least 850 respondents (representative
249 of national population according to age, gender, education, employment) had completed the
250 questionnaire. Initially we were supplied with over 1200 responses from Poland, but we
251 wished to have an equivalent number of respondents in each country, a random sample was
252 selected from these to bring the sample size in line with those in Denmark and Estonia. Of the
253 completed responses, we removed 22 (0.8%) that were completed in less than five minutes

254 (insufficient time to read through the survey) and 25 (1.0%) for which answers to the full set
255 of choice cards were not recorded. The status quo option was chosen for all choice cards by
256 138 (5.4%) respondents who also gave a motivation for this pattern of answers which was
257 consistent with protesting against the questionnaire itself or the payment vehicle used
258 (Supplementary Material Appendix S3). Although the proportion of protesters was small,
259 standard practice assumes they did not reveal their true preferences and should be excluded
260 from further analyses (Jacobsen and Thorsen 2010, Meyerhoff and Liebe 2008). Remaining
261 data from all countries were merged and analyzed together, resulting in a final sample size of
262 2367 (approx. 800 respondents/country answering 14202 choice cards). Analyses were
263 conducted in NLOGIT using a mixed logit specification with an error component model
264 (Greene and Hensher 2007, Scarpa Riccardo et al. 2005). Parameter estimates from the
265 simpler conditional logit model were of the same sign and magnitude as the mixed logit, so
266 we report only the results from the more complex model. We included a correction for scale
267 difference (Hensher et al. 1999) between nationalities. Details of the analytical approach and
268 theoretical background are given in Supplementary Material Appendix S1.

269

270

271 **Results**

272

273 Respondents of all nationalities expressed a positive and significant WTP for enhanced
274 ecosystem services (Table 2). Irrespective of where services were to be delivered, people
275 stated a WTP (\pm S.E.) for habitat conservation of $\text{€}0.038\pm 0.004$ and for landscape
276 preservation of $\text{€}0.028\pm 0.004$ per household per year for the management of one additional
277 ha. WTP for carbon capture was $\text{€}0.019\pm 0.002$ per household per year for an extra tC ha^{-1} .

278

279 There were significant preferences for where management actions should take place.
280 Respondents from the complete sample expressed the highest utility for actions in Denmark
281 (as contained within the ASC) of $\text{€}0.078 \pm 0.010$. The variable ASC is the ‘Alternative
282 Specific Constant’, which measures the WTP for taking any form of action. Given that
283 country variables are 0/1 dummies, in order for us to carry out the estimation and not over-
284 specify our models we did not include one country, in this case Denmark. WTP amounts for
285 Denmark are thus confounded with the ASC. WTP measures for Poland and Estonia are
286 relative to the ASC. Thus, across all respondents, the WTP for management actions in Poland
287 was $\text{€}0.007 \pm 0.004$ lower than Denmark, and ecosystem services delivered in Estonia were on
288 average significantly less valued across respondents from the three countries, being
289 $\text{€}0.022 \pm 0.006$ lower than in Denmark. The overall utility for actions in Estonia was still
290 positive and significantly different from zero. This pattern reflects that all respondents were
291 more likely to choose alternatives based in their own country, and that Polish and Danish
292 respondents chose alternatives in Denmark and Poland respectively more often than they
293 chose provision in Estonia. Similarly, Estonians were largely indifferent in their choices
294 between Denmark and Poland (Table 3).

295

296 Although prices were purchasing power parity corrected, we would still expect there to be
297 significant differences between nationalities with respect to marginal utility of income. We
298 accounted for this by including two “nationality x price” interaction variables in the models.
299 As previously noted, because the country variables are 0/1 dummies, we can only include two
300 of them in the model. Thus the parameter estimate for “Price” refers to Danish respondents,
301 and the interaction terms for Poland and Estonia quantify the additional contribution to that
302 price parameter (e.g., for Poland $-1.361 - 0.309$). The marginal utility of income was
303 therefore significantly higher for Polish and Estonian respondents compared to Danes (Table

304 4; “Estonian x Price” and “Polish x Price” interactions). As WTP is calculated by dividing the
305 parameter estimate for the environmental attributes by that of price, the precise WTP
306 estimates vary by a fixed ratio between nationalities. For simplicity in the text, we report
307 WTP based on Danish price sensitivity (Table 4; “WTP in € for Danish respondents”).

308

309 We wished to separate out the effects of nationality and region to examine the more general
310 issue of how much extra people were willing to pay to have a service delivered in their own
311 country, rather than the exact same service provided elsewhere. We did this by including a
312 variable “own country” (which took the value one when management actions took place in
313 the respondent’s country of residence, and zero otherwise), which was interacted with the
314 environmental attributes. In addition we included interactions between this variable and the
315 region of provision, which were intended to capture latent and unobserved effects of the
316 respondent’s nationality on their preferences. The general pattern remained (Table 4; Fig. 2),
317 with WTP for habitat conservation, landscape preservation and carbon capture $€0.034±0.007$,
318 $€0.018±0.006$ and $€0.011±0.003$ respectively.

319

320 The own country region preferences were all significantly different from zero and positive
321 (Table 4), indicating that respondents were willing to pay more for any actions to take place
322 in the country they resided in (Fig. 2). This was especially marked for Estonians, who were
323 willing to pay an additional $€0.114±0.015$ for actions in Estonia. In contrast, Danes expressed
324 the lowest additional valuation for actions to take place in their own country of
325 $€0.033±0.013$.

326

327 Across all three countries, WTP for habitat conservation and landscape preservation within
328 respondents’ own country more than doubled the WTP estimate for the same actions

329 undertaken elsewhere. For example, the WTP for habitat conservation was $€0.034±0.007$,
330 while the additional WTP for habitat conservation in a respondents' home country (as
331 captured by the own country x habitat conservation interaction) was $€0.047±0.011$, giving a
332 total WTP for habitat conservation of $€0.081$. The own country "patriotic premium" was
333 relatively largest for landscape preservation. The premium for carbon capture delivery in a
334 respondent's own country was smallest, though still of significant size (Table 4; Fig. 2).

335

336 Thus far our results support our two main hypotheses, namely (i) there should be a preference
337 for ecosystem services to be delivered locally, as opposed to across international borders; and
338 (ii) this preference should be weaker for more global public goods. However, there are other
339 potential explanations for the patterns so far described. For instance, the preference for
340 services delivered in a respondents' country of residence could be driven by regular outdoor
341 recreationalists being willing to pay higher amounts for locally delivered services for which
342 they gain use value. We accounted for this by including a variable for frequent (more than
343 one visit per month) recreational visitors to the countryside. Finally, although we used
344 purchasing power parity to match tax amounts presented to respondents from different
345 countries, we would expect respondents on relatively high incomes to exhibit a different
346 sensitivity to price compared to those on low incomes. We controlled for this by including an
347 interaction between price and high income respondents (those whose household incomes
348 were in the upper income brackets for their country of residence; Supplementary Material
349 Appendix S4).

350

351 Respondents reporting household incomes in the higher brackets for their country and regular
352 recreational users were less sensitive to price (Table 5; "high income x price" interaction
353 $€0.171±0.051$, and "user x price" interaction $€0.181±0.051$). Although regular users had a

354 generally higher WTP (the “user x price” term), they were not willing to pay a greater
355 amount for any specific environmental attributes (parameter estimates for “user x habitat
356 conservation”, “user x landscape preservation”, “user x carbon capture” interactions all not
357 significantly different from zero). There was no impact on the magnitude or relative ranking
358 of the preferences for services to be delivered in the respondents own country (Table 5).

359

360

361 **Discussion**

362

363 Across three European countries, we found a significant WTP for enhancements to ecosystem
364 services provided by semi-natural grasslands, regardless of the location of delivery (Table 1).
365 Nevertheless, people were WTP significantly greater amounts for services located in their
366 country of residence (Tables 3, 4). The magnitude of this extra payment was linked to the
367 extent to which the good could be considered local or global. The additional WTP for
368 services with characteristics of a local public good (in our study, habitat conservation and
369 landscape preservation) to be delivered within the respondents’ country of residence was
370 much higher than that for the global public good of carbon capture.

371

372 Given that local goods are assumed to have a high use value, perhaps surprisingly we did not
373 find that regular recreational users of the countryside were willing-to-pay more for locally
374 delivered services (although they did have a higher WTP across all services and locations in
375 general). Non-use values can be experienced by people without engaging in specific activities
376 and behaviors. We may, for example, all derive utility from knowing that endangered species
377 are protected even though we may never see them (e.g., Morse-Jones 2012). Such values
378 require no measurable action for us to experience, and are likely to be global in nature, as

379 they are non-rival and no-one can be excluded from receiving benefits. In contrast, use values
380 are accrued through active use, including activities such as wildlife watching and enjoying
381 aesthetically pleasing landscapes. As use values imply a cost for the user, in terms of money,
382 transport and time, people are likely to care about where and how they can be enjoyed. Thus,
383 the values of environmental public goods with large use components are likely to be less
384 global in nature.

385

386 By simultaneously considering both respondents from, and ecosystem service delivery
387 within, several countries we demonstrated a strong preference for local delivery, and the
388 value that people can attach to services provided outside their home country. Cultural
389 heritage, shared values and experiences can affect values for public goods (Ready and
390 Navrud 2006; Jacobsen and Thorsen 2010). Here, respondents in Denmark, Poland and
391 Estonia were willing to pay significantly different amounts for management to enhance
392 ecosystem services, suggesting that nationality and international borders were important
393 determinants of value. Nevertheless, political boundaries are not the same as market
394 boundaries when assessing WTP for environmental enhancements (Loomis and White 1996).
395 For example, residents in developed countries are willing to pay for the conservation of
396 species in the developing world (Morse-Jones et al. 2012) and the optimal coverage by
397 rainforest in Costa Rica is markedly higher when global (as well as local) beneficiaries are
398 included in calculations (Bulte et al. 2002). Similarly, nationality is not always a strong
399 determinant of value (Jin et al. 2010).

400

401 Since their popularization (MEA 2005), ecosystem services have gained considerable traction
402 amongst researchers and policy makers keen to incorporate values for the natural world in
403 decision making processes (Bateman et al. 2013, UKNEA 2011). Although biodiversity has a

404 role in both underpinning many services (Atkinson et al. 2012, Mace et al. 2012), there is a
405 danger that biodiversity conservation per se will be overlooked in the face of more obviously
406 beneficial and quantifiable services, such as climate mitigation. However, biodiversity plays
407 an important role in delivering cultural services (Mace et al. 2012), and is highly valued by
408 the general public (Christie et al. 2006, Morse-Jones et al. 2012, Dallimer et al. 2014). Across
409 the three countries in our study, when faced with a choice between management for
410 biodiversity conservation and two other services, respondents consistently placed higher
411 values on biodiversity, indicating that it should retain a prominent role in environmental
412 management and policy.

413

414 We acknowledge competing explanations for the pattern documented here, not least because
415 many other variables may be entirely confounded with region and nationality and could
416 therefore weaken the patterns we have quantified. For example, it is possible that the size of
417 the chosen regions was an important factor in respondents' WTP for management actions
418 focused on particular locations. We addressed this by ensuring that the study regions were
419 closely matched in terms of their existing areas of semi-natural grassland. However, there
420 remained a substantial difference in the number of species considered to be under threat of
421 extinction between the study sites (47, 54 and 22 for Estonia, Poland and Denmark
422 respectively; Supplementary Material). The fact that Danes expressed the lowest additional
423 WTP for habitat conservation actions to take place in their own country could plausibly be
424 driven by the perception that actions in Denmark would contribute least to biodiversity
425 protection across the three countries. Similarly, although respondents were not presented with
426 the information, the relative rarity of the habitat and landscapes in each country may have
427 played a role. For example, if a habitat is thought to be rare in a certain country, then the
428 marginal benefits of increasing coverage may be greater than in a country where the habitat is

429 perceived to be common. In our study this would translate to respondents demonstrating a
430 preference for investment in habitat conservation in Denmark where semi-natural grasslands
431 are relatively scarce compared to either Poland or Estonia. A further plausible hypothesis
432 might be that people factor into their preference the relative costs across our three study
433 countries. In this case, Denmark, where prices and incomes are highest, would be perceived
434 to be the most costly country in which to undertake management actions, and thus
435 respondents may feel their WTP would need to be greater to deliver the same environmental
436 changes. In both cases within our CE, this would result in higher WTP estimates for actions
437 carried out in Denmark, or via a reduced preference for “own” country among Estonian and
438 Polish respondents. Although we do not see the latter, the WTP estimate for any action to
439 take place in Denmark (as captured by the ASC) was higher than those for Poland or Estonia
440 (Table 1).

441

442 Finally, preferences for public goods delivered across international borders may be
443 influenced by the varying levels of trust that exist both within and between people and
444 institutions of different nationalities (e.g., Zak and Knack 2001). For example, Estonians may
445 believe their own country, with its associated laws, compliance and governance structures, is
446 more likely to deliver enhanced ecosystem services than either Denmark or Poland (and vice
447 versa). Alternatively, they may feel more in control of implementation if management is
448 carried out locally (Hanley et al. 2003).

449

450 **Conclusions**

451 Current prioritization of conservation efforts tends to incorporate biophysical variables
452 together with information regarding the distribution of socio-economic costs of land
453 management (Ando et al. 1998, Bode et al. 2008). Large scale, often supra-national,

454 prioritization may well be the most efficient way to deliver maximum conservation gain
455 (Bladt et al. 2009, Kark et al. 2009). However, this takes no account of how benefits from
456 conservation management that accrue to the human population are distributed.

457

458 A supra-national approach to ecosystem management has some support among the general
459 population. However, the values that people express for ecosystem goods and services
460 delivered internationally need to be balanced against the substantially higher WTP for
461 services that are enhanced in their country of residence. Such a finding has important
462 implications for how environmental management and biodiversity conservation are
463 prioritized. The distinct preferences for locally delivered ecosystem services could imply a
464 lower acceptance of international cooperation on environmental issues, coupled with a greater
465 demand for investments in environmental programs in one's own country. In particular,
466 goods with an obvious use value (e.g. biodiversity, aesthetically pleasing landscapes) cannot
467 be considered as truly global public goods. In our study system, as in many others, this raises
468 issues of trust between countries as the potential for free-riding is high. Ecosystem
469 management could proceed in Poland, financed solely by Polish taxes, but people in nearby
470 countries would also benefit. In many other cases, services are shared across international
471 boundaries (e.g., carbon sequestration, catchment level water quality, and migratory species)
472 and cooperative management would be required to maximize their value to residents of all
473 countries.

474

475

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477

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483 Evolution and Climate.

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485

486 **Supplementary Material**

487

488 Extended methodological and site details (Appendix S1), an example choice card in English
489 (Appendix S2), responses that were considered protest votes within the choice experiment
490 (Appendix S3) and income bands allocated to the high income variable for use in the analyses
491 of choice experiment data (Appendix S4) are available online.

492

493

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674 **Tables**

675

676 Table 1. Attributes and levels presented in the choice experiment to determine willingness to
677 pay for ecosystem services delivered across international borders in the European Union.

678

Attribute	Levels	Status quo
Carbon Capture	2 or 3 tonnes carbon captured per ha per year	1 tonne carbon captured per ha per year
Habitat conservation	An extra 500 or 1000 ha of semi-natural grassland managed for wildlife and habitat conservation	No change
Landscape preservation	An extra 500 or 1000 ha of traditional landscape preserved	No change
Region	Changes only take place in Denmark, Poland or Estonia	No change in any region
Price	0, 100, 200, 400, 800, 1200 Dkr. (Denmark) 0, 25, 50, 100, 225, 350 zł (Poland) 0, 5, 10, 25, 55, 85 € (Estonia)	0 Dkr/zł/€

679

680 Table 2. Parameter and willingness to pay estimates for a random parameter error component logit model for the main effects model, based on 14202
 681 observations from 2367 respondents ($\chi^2 = 9102.99$, Pseudo $R^2 = 0.231$, Log-likelihood = -15137.15). Simulations are based on 1000 Halton draws. The
 682 ASC is confounded with the benchmark region of Denmark, and the estimates for Estonia and Poland are additional to it. WTP is reported in € per
 683 household per year for management interventions to take place over 1 ha. For carbon WTP is per tC captured on that hectare. ***, ** and * indicate
 684 significance at the 0.01, 0.05 and 0.1 levels respectively.
 685

Variable	Parameter (SE)	Standard deviation (SE)	WTP in € (SE)
ASC	0.869 (0.118)***		0.078 (0.011)***
Estonia	-0.246 (0.062)***	1.783 (0.063)***	-0.022 (0.006)***
Poland	-0.082 (0.047)	1.393 (0.054)***	-0.007 (0.004)*
Habitat conservation	0.427 (0.049)***	0.855 (0.073)***	0.038 (0.004)***
Landscape preservation	0.313 (0.045)***	0.497 (0.089)***	0.028 (0.004)***
Carbon capture	0.210 (0.022)***	0.182 (0.053)***	0.019 (0.002)***
Price	-1.507 (0.029)***		

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Table 3. Frequency with which alternatives involving the named regions were selected by respondents of each nationality. Status quo indicates that the no change option was selected.

Nationality	Status quo	Region		
		Denmark	Estonia	Poland
All respondents	0.31	0.22	0.19	0.28
Danish	0.36	0.39	0.10	0.15
Estonian	0.41	0.12	0.36	0.11
Polish	0.21	0.18	0.14	0.47

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696 Table 4. Parameter and willingness to pay estimates for a random parameter error component logit model for the own country model, based on 14202
 697 observations from 2367 respondents ($\chi^2 = 11066.51$, Pseudo $R^2 = 0.281$, Log-likelihood = -14154.9). WTP estimates are presented for each nationality,
 698 calculated from the appropriate price parameter. ***, ** and * indicate significance at the 0.01, 0.05 and 0.1 levels respectively. The WTP for each
 699 attribute and country is calculated using the preference parameter for the attribute divided by the country's marginal utility of income, e.g. -1.361 for
 700 Denmark and -1.670 (-1.361- 0.309) for Poland. WTPs are given in € using the conversion rate of 7.4 Dkr/€.
 701

Variable	Parameter (SE)	Standard deviations (SE)	WTP in € (SE) for Danish respondents	WTP in € (SE) for Estonian respondents	WTP in € (SE) for Polish respondents
ASC ¹	0.588 (0.128)***		0.058 (0.012)***	0.054 (0.011)***	0.048 (0.010)***
Estonia ²	-0.370 (0.073)***	1.024 (0.061)***	-0.037 (0.007)***	-0.034 (0.007)***	-0.030 (0.006)***
Poland ²	-0.122 (0.074)	0.842 (0.051)***	-0.012 (0.007)***	-0.011 (0.007)***	-0.010 (0.006)***
Habitat conservation	0.342 (0.071)***	0.734 (0.071)***	0.034 (0.007)***	0.031 (0.007)***	0.028 (0.006)***
Landscape preservation	0.183 (0.065)***	0.590 (0.074)***	0.018 (0.006)***	0.017 (0.006)***	0.015 (0.005)***
Carbon capture	0.111 (0.031)***	0.126 (0.061)*	0.011 (0.003)***	0.010 (0.003)***	0.009 (0.003)***
Own country x Habitat conservation	0.478 (0.111)***		0.047 (0.011)***	0.044 (0.010)***	0.039 (0.009)***
Own country x Landscape preservation	0.412 (0.102)***		0.041 (0.010)***	0.038 (0.009)***	0.033 (0.009)***
Own country x Carbon capture	0.161 (0.047)***		0.016 (0.005)***	0.015 (0.004)***	0.013 (0.004)***
Own country x Denmark	0.332 (0.134)**		0.033 (0.013)**	-	-
Own country x Estonia	1.245 (0.162)***		-	0.114 (0.015)***	-
Own country x Poland	0.970 (0.105)***		-	-	0.079 (0.009)***
Estonian x Price ³	-0.115 (0.063)		-		
Polish x Price ³	-0.309(0.077)***		-		
Price	-1.361 (0.047)***		-		

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706 Table 5. Parameter and willingness to pay estimates for a random parameter error component logit model for the frequent user model, based on 12498
 707 observations from 2083 respondents ($\chi^2 = 9743.25$, Pseudo $R^2 = 0.281$, Log-likelihood = -12454.3). We do not present WTP as price parameters differ
 708 significantly across many different sub-groups. ***, ** and * indicate significance at the 0.01, 0.05 and 0.1 levels respectively.

Variable	Parameter (SE)	Standard deviations (SE)
ASC ¹	0.637 (0.135)***	
Estonia ²	-0.384 (0.078)***	1.028 (0.065)***
Poland ²	0.126 (0.081)	0.081 (0.054)***
Habitat conservation	0.331 (0.085)***	0.712 (0.077)***
Landscape preservation	0.096 (0.081)	0.575 (0.081)***
Carbon capture	0.146 (0.039)***	0.141 (0.063)*
Own country x Habitat conservation	0.518 (0.120)***	
Own country x Landscape preservation	0.415 (0.111)***	
Own country x Carbon capture	0.145 (0.051)***	
Own country x Denmark	0.376 (0.145)***	
Own country x Estonia	1.293 (0.175)***	
Own country x Poland	0.978 (0.113)***	
Estonian x Price ³	-0.136 (0.067)*	
Polish x Price ³	-0.326 (0.083)***	
User x Habitat conservation ³	0.020 (0.086)	
User x Landscape preservation ³	0.129 (0.080)	
User x Carbon capture ³	-0.036 (0.040)	
User x Price ³	0.181 (0.051)***	
High income x Price ³	0.171 (0.051)***	
Price	-1.528 (0.065)***	

709
 710 ¹ ASC takes the value 1 for the alternative, and is therefore confounded with the reference level of management action in Denmark.

711 ² As compared to management action in Denmark

712 ³ Additional to “price”

713

714 **Figure Legends**

715

716 Figure 1. Northern Europe showing the location of the study regions within Denmark (DK), Poland

717 (PL) and Estonia (EE). For site descriptions as presented to respondents, see Supplementary

718 Material Appendix S1.

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720

721 Figure 2. Willingness to pay (WTP; € per household per year) for management action over 1000 ha

722 for the own country interactions model (Table 4). The light grey bars indicate the amount

723 participants were willing to pay for actions carried out in their country of residence in addition to

724 the WTP estimate (in dark grey) for actions not taking place in their country of residence. Error bars

725 are standard errors.

726