

Sören Wibe Prize 2012

The 2012 Sören Wibe Prize was awarded to Christofer C. Moore, Thomas P. Holmes and Kathleen. P. Bell, for their article “An attribute-based approach to contingent valuation of forest protection programs”, *Journal of Forest Economics* 17 (2011):35-52.

Motivation

This article provides a well-structured, well-written, and innovative piece of research in applying contingent valuation of welfare effects of forest conservation in the special case of Eastern Hemlock in the United States. The article presents an “attribute based” CV method to study the welfare gains, to carry out cost-benefit analysis, and to inform the distribution of mitigation effort over land units.

One of the key questions studied is the preference of the citizens concerning ecologically valuable sites versus recreational (human-use) sites. The results indicate, interestingly, that people are willing to provide “substantial support” to programs that protect ecological sites, in spite of their description “difficult for visitors to access.” Also, respondents categorized as “environmentalists” tend to value protection more than “recreationists.”

For practical policy planning, the results are interesting. First of all, welfare effects from conservation clearly exceed the low (in this particular case) conservation costs, and almost any program with positive welfare effects would pass the cost-benefit test. More importantly, when the welfare effects of the weighted optimal allocation of conservation sites are compared to the actual program, it turns out that the current allocation is strongly biased towards human-use sites as compared to a much larger share of ecological sites of the optimal allocation. This is the case even when the uncertainty in the estimated well fare is accounted for. The welfare from conservation almost doubles by moving from the present allocation to the optimal allocation of conserved sites.

The study uses fairly standard CVM methods in an innovative manner. It demonstrates that although many conservation programs may pass the cost-benefit tests, significant welfare gains are possible if the preferences of the public are correctly accounted for in the allocation of conservation measures to forest sites with different environmental (in this case ecological versus recreational) benefits. Even though the study focuses on a somewhat special case of forest conservation and management, the principles are more widely applicable, and demonstrate that welfare losses are likely, if conservation is not based on scientific knowledge.

Thanks to the support of Sören Wibe’s family, the Journal publisher, Elsevier, and the department of forest economics at the Swedish University of Agricultural Sciences. The prize winners are invited to receive a **cash amount of EUR 2 000**, and to give a lecture at the Swedish University of Agricultural Sciences.

The 2012 Award Selection committee comprised of: Sashi Kant, Jari Kuuluvainen and David Newman (chair).

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The Sören Wibe Prize was established in 2011 in honour of Professor Sören Wibe (1946-2010), the founder of *Journal of Forest Economics*. The prize is awarded biennially to an article that presents a significant contribution to the field of forest economics. Any article published in the *Journal of Forest Economics* during the two preceding years is eligible for this prize. The winning article is selected by an independent international committee consisting of three experts in the fields of forest and environmental economics.