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Investigating embedding effects in valuation of forest: ” Linking qualitative evidence to quantitative analysis of embedding effect”

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Embedding effects play a crucial role on the validity of choice experiment method (CE) outcomes. Therefore, identifying these issues and their relation with attribute and level selection is crucial in choice experiment studies. In this study, two aspect of embedding i.e. contextual embedding issue and scope sensitivity in forest valuation among different forest users such as active, passive and potential active users are addressed.

Regarding contextual embedding, a preliminary qualitative study showed that public expressed their preference jointly and inseparable about two forest characteristics, i.e. “diversity of species” and “insurance and resilience of forest ecosystem through species diversity” which don’t fully correspond with ecologist’ point of views. As the first step, using split sample CE study was undertaken in which ‘species diversity’ was evaluate in two different embedding contexts. Using two identical questionnaires but applying reminder of insurance services of biodiversity in only one of questionnaire, we tested for the separability of these two attributes. As the second step, scope sensitivity was integrated in the internal tests among different levels of environmental improvement relevant with attributes. The results suggested that respondents are insensitive to the reminder and these two concepts are inseparable in their view so their WTPs cover both attributes. In addition, based on the results public were sensitive to the scope (level) of each attributes and forest active users had higher WTP in compare with Forest passive users. So it suggested that non-scope sensitive values unrelated to or inconsistent with the level of environmental improvement could be estimated through choice experiments and applying qualitative evidences in attribute and levels identification .This also shield light on getting true public’s values from the improvement of ecosystem services to be informed to policy-makers.

Keywords: Embedding effect, Valuation, Choice experiment, Qualitative evidence, Insurance