Extended Abstract
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Paper/Poster Title	**Discussion paper: Measuring the non-market benefits of land management transition: can we do better?**

Abstract prepared for presentation at the 98th Annual Conference of The Agricultural Economics Society will be held at The University of Edinburgh, UK, 18th - 20th March 2024.

Abstract	***200 words max***
Replacement of the Common Agricultural Policy (CAP) in England with the Environmental Land Management Schemes (ELMS) has highlighted the issue of paying farmers to provide public goods, stimulating renewed efforts to monetise 'un-priced' ecosystem services to facilitate policy choices, using cost-benefit calculations. We explore the potential for adopting and adapting a 'Social Return-On-Investment' (SROI) method. Recent experience valuing the benefits of social innovations, landscapes, cultural heritage and integrated delivery suggest this approach offers scope for exploring the varied outcomes of changing policy and practice in the context of land management transition. An emphasis on stakeholder engagement and transparency results in an accessible tool that can raise awareness of contextual barriers and causal mechanisms, whilst enabling identification of multiple changes to social-ecological services and their benefits. The technique incorporates some of the limitations of cost-benefit analysis while overcoming others through a more deliberative approach to assessing outcomes from policy change and by using market-based 'surrogates' to monetise benefits. It develops an inclusive process with stakeholders, considering the multi-layered impacts of change on ecological, economic, social and cultural values, within complex systems. We consider the implications for policy of using this deliberative, less 'technical', approach to valuing impacts.	

Keywords	valuation; ecosystem services, social return on investment
JEL Code	Q570 Ecological Economics: Ecosystem Services; Biodiversity Conservation; Bioeconomics; Industrial Ecology see: www.aeaweb.org/jel/guide/jel.php?class=Q)

Introduction	***100 – 250 words***
Since leaving the EU and its CAP, governments in England and Wales have been seeking to develop more targeted approaches to sustainable agriculture by rewarding farmers for providing 'public goods'. The latest attempt to incentivise this in England (ELMS) focuses on environmental management, while in Wales the proposed approach also places importance on the socio-cultural role of farming in supporting the Welsh language and rural communities. These developments have focused attention on the challenges of measuring and monetising the benefits sought by the new policies, to facilitate the cost-benefit calculations required to help select and justify particular options. Measuring and monetising 'unpriced' environmental and socio-cultural goods and services is problematic. Issues include reductionism -	

valuing individual elements rather than the overall system within which they arise; aggregation of values derived from beneficiary surveys or experiments focused on individual preferences to measure changes in social welfare; and, legitimacy and transparency of values computed by applying opaque assumptions, which may not be supported by those whose values they seek to represent. Social Return-On-Investment (SROI) seeks to overcome many of these challenges by applying an accessible, outcomes-based theory-of-change approach, focused on identifying multiple indicators of success and monetising them by proxy valuation. Over the last 3 years we have applied this approach to a range of environmental and social topics, adapting and learning lessons of relevance to future policy and practice. Our experience has been that the method has potential to address some of the weaknesses of other mainstream valuation and monetisation techniques.

Methodology	***100 – 250 words***

The paper reflects on experience with return-on-investment (ROI) methodologies developed within an ecosystem services framework and applied to a range of issues at different scales. Topics include: valuation of drystone walls and linear features in English landscapes; assessing the cultural heritage value of Selected Heritage Inventory for Natural England (SHINE) features (Lake District, Cumbria); valuing the benefits of local integrated advice for farmers and communities in Gloucestershire; and capturing the social value of non-market benefits generated by diverse land-based businesses in England and Wales. Techniques are based on the model as originally developed by the New Economics Foundation (NEF): adopting a theory of change analysis with stakeholders conducted at whole-system level; identifying indicators of success; and monetisation using collectively-agreed proxies to compute values. Tasks were designed, refined and adapted in close partnership with user groups. Our paper makes a comparative analysis of these applications with one another and with other potential valuation and monetisation methods (notably contingent valuation, shadow pricing and natural capital accounting) to identify the potential of systemic SROI as a tool for decision-making in policy. We will discuss both the advantages of the approach as we have adapted it; and the remaining drawbacks.

Results	***100 – 250 words***

Comparative analysis highlights benefits that can be identified in SROI as opposed to other valuation approaches. It may go further in offering a measured response to the challenges of ascribing values to benefits which do not have a ready calculus – e.g. biodiversity, social capital and health benefits. Its deliberative and transparent method of working with key beneficiary or stakeholder groups fosters two-way learning and builds trust in the method, which can itself have value for policy and practice by focusing on outcome generation over time. These features contrast with some contingent-valuation-based techniques which have drawn significant criticism from stakeholders and researchers, in recent literature. They also offer ways to overcome the gaps in contemporary natural capital valuation which can lead to over-reliance on carbon metrics. The limitations of valuation are carefully examined from a policy perspective and arguments developed for wider understanding of stakeholder

outcomes, the role of contextual factors in constraining or assisting benefit flows, and assumptions made in model development to improve understanding of the values generated. Comparisons are drawn between ROI modelling of a range of outcomes under different contexts, data access and quality, use of benefit transfer techniques, and reliance on values generated for different purposes.

Discussion and Conclusion	***100 – 250 words***

The paper will suggest some lessons learned in respect of how best to adapt SROI methods for use in ELMS-style policy contexts, working towards generalisable notions of 'good practice'. At the same time, we will identify some of the remaining issues and challenges to be addressed. Our discussion will also explore critiques from other disciplines, including, for example, the failure to deal with issues such as inherent rights (of nature), and consider temporal and conceptual issues in respect of identifying appropriate discount rates and reflecting wider societal values. We hope to explore these issues with researchers and policy analysts working within government, at the conference.