

# **Permanent ecosystem service provision: Governmental payments between hierarchy and market**

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## **Abstract:**

Environmental conservation often requires long term use changes or use assignments to achieve certain Ecosystem Service (ES) provision for society, whereas many governmental Payments for Ecosystem Services (PES) induce management changes just for a couple of years. Due to short timeframes and their voluntariness, long term ES production is neither durable nor secure. The needed permanent management rights change is often very difficult to achieve and secure as it substantially affects the individual freedom of choice and the individual rights of ownership. Even if a nation state could theoretically impose regulative changes, a sound enforcement could be difficult due different choice arrangements as well as already existing informal rules. In terms of nature conservation Germany and the US have chosen very different approaches to change private property rights to land and secure long term public ecosystem service supply for society: A more hierarchical approach vs. a more market oriented one.

Germany, as part of the European Union, had to introduce certain legal property rights changes as part of the EU Natura 2000 biodiversity concept implementation. Germany chose a hierachal, regulative solution combined with compensation payments to farmers. In contrast, the US implemented permanent state driven easement programs - a more market based approached. The required areas are searched for and chosen by the state and the landowners may voluntary trade development rights to the state. The two very different approaches are rooted in different political and social systems, as well

as historical developments. Our paper compares the two solutions to find out the advantages and disadvantages of either system. For our analysis, we draw back on a literature study, a document analysis of encompassing administrative and legal documents, including the German CAP mid-term evaluations, and qualitative semi-structured interviews with US experts in the field of conservation measures. Key distinctive features have been for example seen in means of communication, method of conflict resolutions, degree of flexibility, and amount of commitment among the parties. Based on our data we aim at understanding which reasons determine the choice for the respective instrument, what could be better choices and why.