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Analysis

# The role of network bridging organisations in compensation payments for agri-environmental services under the EU Common Agricultural Policy

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ABSTRACT

Compensation payments to farmers for the provision of agri-environmental services are a well-established policy scheme under the EU Common Agricultural Policy. However, in spite of the success in most EU countries in the uptake of the programme by farmers, the impact of the scheme on the long term commitment of farmers to change their practices remains poorly documented. To explore this issue, this paper presents the results of structured field interviews and a quantitative survey in the Walloon Region of Belgium. The main finding of this study is that farmers who have periodic contacts with network bridging organisations that foster cooperation and social learning in the agri-environmental landscapes show a higher commitment to change. This effect is observed both for farmers with high and low concern for biodiversity depletion. Support for network bridging organisations is foreseen under the EU Leader programme and the EU regulation 1306/2013, which could open-up interesting opportunities for enhancing the effectiveness of the current payment scheme for agri-environmental services.



## 1. Introduction

Research over the last two decades has shown that human influences on global life-support systems have reached a magnitude unprecedented in human history (Jerneck et al., 2010). On the one hand, pro-growth economic policies have encouraged technological innovations and rapid accumulation of consumption goods (Komiyama and Takeuchi, 2006; Orecchini et al., 2012). This resulted in increased human prosperity in many parts of the world, although in a globally disproportionate manner. On the other hand, by depleting the world's stock of natural wealth on a global scale – often irreversibly – the prevailing, and predominant, economic and development models have increasingly detrimental impacts on the wellbeing of present generations, in particular leading to a broadening ecological crisis and ever-widening social disparities. Concomitantly, these models present tremendous risks and challenges for future generations.

In response to these rapid changes, policy makers, in conjunction with researchers and civil society organisations, have organised over the last three decades vast scientific assessment efforts (Haas, 2004), developed a growing body of environmental law-making and have set up environmental bureaucracies to implement new regulatory regimes. However, in spite of important progress in many areas, the situation of rapidly degrading ecosystem services has not been reversed. The situation is worrisome, in particular because most of the driving forces of environmental change, such as economic growth, resource use and energy consumption, continue to increase (Jaeger, 2011).

Two major reasons for the lack of significant progress highlighted by sustainability scholars are, first, the poor integration of environmental policies with other policy fields and, second, the failure of conventional expert-led and state-centred governance regimes to deal with highly uncertain and complex transition processes. First, the lack of integration of environmental policies with other fields leads to lock-in in unsustainable socio-ecological states, as progress in environmental sustainability can be hampered by the interdependence between natural resource regimes, technological infrastructure and socio-economic patterns of consumption and production (Arthur, 1994; Smith et al., 2005; Geels and Schot, 2007). What is needed to overcome such lock-in are governance regimes which are not only functionally stable in each of their sub-systems, but which generate a societal transition in a convergent and mutually supporting way between the various sub-systems (Pahl-Wostl, 2007a,b). Second, many of the sustainability problems

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are characterised by scientific uncertainty and complexity. In particular, knowledge about the dynamics of socio-ecological systems is dispersed amongst local, regional and national agencies and groups. For such problems, state-centred and expert-led approaches to transition alone – in spite of their important role in building convergent and evidence-based knowledge (Haas, 2004) – have been shown to be insufficient to generate the necessary societal change (Berkes, 2009). In response to these challenges, both social actors and policy makers have called for increasing cooperation and social learning amongst state and non-state collective actors.

This paper aims to contribute to the growing literature on the role of collaborative networks of state and non-state collective actors in policy integration and social learning for policy integration in the field of sustainability transitions. Such collaborative networks have emerged in the 1990s as an important complement to the conventional market-based or regulatory forms of governance. These collaborative networks might include collaborative forms of governance amongst and within state organisations, environmental and socio-cultural associations, research institutions, worker unions, employers' federations and social co-operatives amongst others (Kanie and Haas, 2004; Delmas and Young, 2009). As shown in the literature, the combination of markets, governmental hierarchies and networks is especially important to improve the effectiveness of environmental policies (Dedeurwaerdere, 2005a, 2005b).

The study focuses in particular on one prominent case of the integration of environmental policies with other policy fields through such collaborative networks, namely, agri-environmental measures in the context of the EU Common Agricultural Policy. Environmental policy integration is part of the constitutional requirements of the EU (as specified in the Treaty on the functioning of the EU) and has to be applied in particular to the Common Agricultural Policy (Mestre et al., 2011). In practice, agri-environmental policy contributes to policy integration through a policy of payments to farmers for voluntary measures to implement environmental farming practices. As argued in the literature on payments for environmental services, such voluntary payment schemes are expected to contribute to environmental goals at low costs and without introducing additional direct regulations, to enlist state, market, non-profit organisations and civic actors in the design and delivery of public policy, and to support economic growth, while still achieving regulatory and conservation goals (Paavola and Hubacek, 2013).

In spite of this well-established scheme within the Common Agricultural Policy, the implementation of agri-environmental measures in general mainly proceeds according to a traditional state-led and expert-led mode of governance and fails to achieve the stated goals of integration. Indeed, implementation is often managed by a centralised follow-up committee appointed in each member state (or the regional authority in the member state), which is characterised by a top-down approach of design and monitoring of the scheme (Morris, 2006). However, the top-down approach does not address the social learning needs amongst the multiple stakeholders operating in the agri-environmental landscapes. As a result, in spite of the relative success in the uptake of this scheme throughout Europe, farmers who adopt agri-environmental measures tend to conform to the requirements of the scheme only formally, but do not necessarily embark upon a social learning process that contributes to an integration of the environmental practices with other practices in the agro-environmental landscape and to a long-term change in agricultural practices.

Based on this literature, the hypothesis of the paper is that a policy of economic compensation payments alone for the provision of environmental services will not be enough to overcome the insufficiencies of the direct regulation approach to environmental public goods provision. To reach the goals of more sustainable agri-environmental management, the important issues of multi-stakeholder cooperation and social learning in collaborative networks of state and non-state collective actors (hereunder designated by "collaborative networks") also need to be addressed. To test this hypothesis and to evaluate the possible role of these collaborative networks in addressing the challenges of agri-environmental service provision, this paper analyses a series of in-depth field interviews and a quantitative survey with farmers in the Walloon Region of Belgium who participate in the agri-environmental payment scheme. The paper is organised as follows: The second section discusses the possible contribution of the collaborative networks in improving the environmental effectiveness of the agri-environmental payment scheme. The third section presents a specific set of collaborative network organisations, which are the network bridging organisations, and explains how such bridging organisations can help to address the important challenge of knowledge co-production and exchange in these collaborative networks, both in an economically efficient and socially legitimate way. The fourth section presents the materials and methods of the empirical field-work and the survey. Section five presents and discusses the main results. The policy recommendations that result from the analysis are discussed in the electronic supplementary material provided with the article.

## 2. The Role of Collaborative Networks in Building Partnerships for Environmental Public Goods Provision in Agriculture

In the countries of Western Europe, mechanisation of agriculture and the massive use of chemical inputs have led, at least since the Second World War, to the intensification of agricultural production systems, higher levels of specialization and an increase in size of farms and farm plots. This in turn has led both to a dramatic increase in agricultural output and to serious negative consequences for the environment. The Common Agricultural Policy, put into place at the beginning of the 1960s, is a major driver of this process (Posthumus and Morris, 2010). One prominent and well-documented illustration is the detrimental impact on farmland bird populations (Butler et al., 2010). Between 1980 and 2009, the farmland bird population has decreased in Europe from 600 million to 300 million, implying a loss of 50%. The removal of hedgerows and the ploughing over of meadows are two significant factors that have contributed to more efficient farming, but they have also contributed to the decrease in farmland birds' habitats.

To take into account this and other detrimental environmental impacts of agriculture policies, environmental organisations and policy makers have advocated a series of reforms of the EU Common Agricultural Policy. In particular, the 1992 MacSharry reforms, which introduced agri-environmental schemes (AES), played a major role in the efforts to alleviate these detrimental impacts. However, as has also been discussed elsewhere, other factors also played a role in the adoption of these reforms (Burton and Schwarz, 2013). In particular, both the decision to have recourse to compensation payments as the main tool for the EU agri-environmental policy and the design of these payment schemes were influenced by the negotiations of the Uruguay round and the subsequent rules adopted under the WTO agreement. In particular, WTO requirements lead to use action-oriented payments, based on compensation payments for the delivery of specific land management practices, instead of outcome-based measures focused on the provision of environmental outcomes. In addition, under the WTO rules, any compensation for the services delivered should remain limited to the additional cost of compliance incurred. In spite of some obvious limits of the scheme (Berendse et al., 2004; Goetz and Brouwer, 2010), such as its limited action on the realisation of long-term attitudinal changes of farmers, the action-based approaches have become the dominant means of securing environmental public goods in Europe.

With no major alterations to the WTO agreement, this approach is likely to remain a key policy environmental tool and there is a well-recognised need for further improvements of the design, targeting and