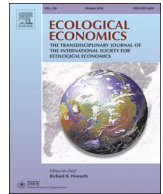


Contents lists available at [ScienceDirect](http://www.sciencedirect.com)

Ecological Economics

journal homepage: www.elsevier.com/locate/ecocon

The Institutional Work of Payments for Ecosystem Services: Why the Mundane Should Matter



Kristjan Jespersen^{a,*}, Caleb Gallemore^b

^a Department of Management, Society, and Communication & Center for Corporate Responsibility, Copenhagen Business School, Denmark

^b International Affairs Program, Lafayette College, United States

ARTICLE INFO

Keywords:

Payments for Ecosystem Services
Institutional work
Institutions
Work
Institutional creation
REDD +

ABSTRACT

While the literature on ecological economics often notes the importance of institutions, there has been less attention to the ways in which these institutions are created in practice. We contribute to the literature on institutions in ecological economics by examining the practice of institutional creation in the context of the literature on Payments for Ecosystem Services (PES). While a large literature outlines ideal PES models, PES literature tends to overlook the demanding everyday work involved in building and maintaining the institutions upon which successful PES models depend. Drawing on the theory of institutional work, we conduct an extensive survey of the literature on PES to find examples of everyday work undertaken to build and maintain PES institutions, or else to disrupt institutions that stand in the way. Finding very limited discussion of the work of institutional creation, we present a case study of efforts to develop Reducing Emissions from Deforestation and Forest Degradation (REDD +) in Central Kalimantan, Indonesia, identifying numerous examples of institutional work essential to the initiative. We suggest that institutional work, with its highly developed typologies of actions involved in institutional creation, can be a helpful tool for critical institutionalist studies of ecological economics.

1. Introduction

Payments for ecosystem services (PES) schemes have captured the attention of academics and practitioners (Martin-Ortega et al., 2013; Wunder et al., 2008; Pagiola et al., 2005), who at times see them as win-win institutions (Muradian et al., 2010; Power, 2010; Engel et al., 2008; Wunder, 2006; Wunder et al., 2008). Realizing and maintaining PES schemes in practice, however, remain a significant challenge (Chan et al., 2017; Gallemore, 2016). Despite the everyday difficulties of building PES, however, the literature focuses on the institutional characteristics and effects, rather than the process of institutional creation itself. Here, we demonstrate that institutional construction is a significant blindspot in the discussions of PES, reporting on the results of a review of the PES literature undertaken to assess how it addresses institutional creation, maintenance, and disruption. Beginning with an initial population of 4125 sources mentioning PES, we find only 44 with explicit and significant discussions of the work involved in constructing PES institutions. While the PES literature has tended to overlook such work, practitioners attempting to build PES systems do not have this luxury. To demonstrate the ubiquity and importance of the work PES practitioners undertake on a daily basis, we present a case study of

efforts to construct PES-like systems for Reducing Emissions from Deforestation and Forest Degradation (REDD +) in Central Kalimantan, Indonesia.

In part, we believe the limited attention in the literature on PES to the problems of institutional construction and maintenance stem from the tendency to think of institutions as “rules of the game” (North, 1990) exogenous to individual activities (Aoki, 2007; Meyer and Rowan, 1977: 84; Muradian et al., 2010). While some work in ecological economics, on the other hand, considers the cognitive role of institutions in shaping beliefs, identities, and interests (Vatn, 2005a, 2005b, 2010) or even actors themselves (Agrawal, 2005; Ishihara et al., 2017), even here emphasis is placed on constituted institutions and their behavioral effects rather than the process by which institutions are created or maintained.

Joutsenvirta (2016) calls for increased attention to the practice of constructing institutions in studies of ecological economics. The institutional work approach (Lawrence and Suddaby, 2006), which Joutsenvirta (2016) adopts and we use to frame our analysis here, takes a view of institutions consistent with a range of ecological economics approaches that move beyond the institutions-as-rules model (Ishihara et al., 2017; Joutsenvirta, 2016; Muradian et al., 2010; Vatn, 2005a,

* Corresponding author at: Dalgas Have 15, 2 Ø022, 2000 Frederiksberg, Denmark.
E-mail address: kj.msc@cbs.dk (K. Jespersen).

2005b, 2010). Where the institutional work approach differs from these perspectives is its focus on how institutions are created, maintained, or undermined by everyday practice (Lawrence et al., 2009; Lawrence et al., 2011; Lounsbury, 2008; Suddaby and Viale, 2011). This focus can generate novel research questions by directing attention to the everyday, even mundane, tasks involved in institutional construction and maintenance. While we focus on the PES literature for tractability, we expect the issues we identify to be more broadly applicable in the literature on ecological economics.

We begin with a brief discussion of the PES concept, as well as a consideration of the ways institutions have been discussed in the literature on PES and ecological economics more broadly. We compare these approaches with the institutional work perspective advocated here. Following this discussion, we outline our methodology for identifying examples of institutional work in the PES literature and within our case study. After presenting the results of both the literature search and the case study, we reflect on the implications of our analysis for PES practice and the broader literature in ecological economics.

2. Institutions and Payments for Ecosystem Services

There are many definitions of PES. Wunder (2005, 2006, 2007), for example, argues PES requires voluntary transactions between buyers and sellers, conditional on sellers providing a well-defined ecosystem service. Others require only that PES compensates environmental stewards for avoided damages, conservation, or restoration (Milder et al., 2010; Pagiola et al., 2005; Molnar et al., 2004; Daily, 1997) and internalizes unpriced environmental values (Milder et al., 2010; Engel et al., 2008; Pagiola et al., 2005; Wunder, 2005, 2007). Muradian, et al. (2010: 1205) consider PES to be “a transfer of resources between social actors, which aims to create incentives to align individual and/or collective land use decisions with the social interest in the management of natural resources,” whether such transfers take place via market mechanisms or not.

As demonstrated below, the literature on PES has tended not to investigate the process of institutional construction directly, perhaps due to the way institutions are theorized. While the term “institution” is seldom explicitly defined in PES research (Farley and Costanza, 2010; Milder et al., 2010; Muradian et al., 2010, 2013), it commonly is used in a sense derived from transaction-cost and new institutional economics (Williamson, 1975; North, 1990; Paavola, 2007; Paavola and Adger, 2004). PES stems from a Coasian tradition, which holds that markets typically fail when property rights are ill defined (Hahnel and Sheeran, 2009; Coase, 1960; Tietenberg, 2003; Russell, 2001; Hanley et al., 2001; Perman et al., 2003). Institutions, conversely, alleviate costs impeding efficient transactions (Coase, 1937; Williamson, 1975). More recent work in institutional ecological economics (Paavola, 2007; Paavola and Adger, 2004) has expanded on this conception, arguing that institutions arise to manage decision interdependencies more broadly. In either case, institutions are composed of rules that shape social interactions exogenously (Aoki, 2007; Bromley, 1982). Bromley (1982: 839), for example, defines institutions as “collective conventions and rules that establish acceptable standards of behavior.” More recently, Paavola (2007), drawing on the work of Ostrom (1990, 2005) and others, articulates a conception of governance systems as a hierarchy of operational, collective choice, and institutional rules that regulate behaviors at varying levels of specificity. In the PES literature, Corbera et al. (2009) build on work by writers like North (1990) and define institutions as “formal and informal rules which regulate what we do” (see also Corbera and Brown, 2009). Clements et al., (2010: 1288) also cite North (1990) and provide “property rights, monitoring, enforcement, governance and contracting arrangements” as examples of institutions.

Other perspectives suggest institutions are endogenous to social processes and have more subtle behavioral effects than shaping choices based on cost-benefit-calculations (Aoki, 2007; North, 1990, 2005). In

sharp contrast to accounts like that advanced by Bromley (1982: 839; 1989), who clearly differentiates institutions from “the superstructure wherein we find the belief system, values, art, religion, and science,” Vatn (2010) contends institutional arrangements can fundamentally shift people's interests and values. Vatn's (2005b) cognitivist approach to institutions, as well as North's (2005) account of the role of institutions in belief formation, contend that, by providing the cognitive frameworks with which boundedly rational (Simon, 1996) humans make sense of the social world, institutions can constitute individuals' perceptions of their own interests, and their strategies for achieving those interests. Paavola and Adger (2004) also make this claim, further arguing that individual motivations arise from pluralistic values shaped by institutions.

Ishihara et al. (2017) offer a more radical perspective, advocating an institutional logics approach, seeing institutions as endogenous to actors themselves (Petursson and Vedeld, 2017). On this account, institutions must be supported by identities with dispositions to behave in certain ways that do not, however, rise to the level of formal rules (Bourdieu, 1977: Ch. 1). As Bourdieu (1996: 2) puts it, although “agents construct social reality and enter into struggles and transactions aimed at imposing their vision, they always do so with points of view, interests, and principles of vision determined by the position they occupy in the world they intend to transform or preserve.” These perspectives and interests - and the strategies that result from them - can be seen as a set of practical responses built up by trial and error over a lifetime dealing with the “space of possibles” created by social structures (Bourdieu, 2000: 116, see also 138–139). These dispositions, which Bourdieu refers to as habitus and Ishihara et al. (2017) discuss as institutional logics, are only valid relative to specific, autonomous social spaces Bourdieu and Wacquant (1992) refer to as fields, beyond which the actions they generate can be unintelligible (Bourdieu, 1991: Ch. 1). Rather than governors of individual behavior, from this perspective institutions function only if embedded “in durable dispositions to recognize and comply” (Bourdieu, 1990: 58) that we might think of as subjectivities or identities (Agrawal, 2005). The resort to formal rules generally is an indicator that a practice - or the viewer's understanding of the practice - has gone awry (Bourdieu, 1977: Ch. 1). Indeed, as Wittgenstein argues (1953: Par. 84), rules are always necessarily slightly ambiguous in application, allowing habitus to act as a bridge (Bourdieu, 1990: Ch. 3).

Like the institutional logics perspective, institutional work descends from a strain of theory, which Vatn (2005a, 2005b) characterizes as the social constructionist, and Ishihara et al. (2017) the critical institutionalist perspective, emphasizing the cognitive role of institutions, not understood exclusively as formalized rules but also as predictable dispositions or identities. First advocated in the ecological economics context by Joutsenvirta (2016), institutional work, like the institutional logics approach, refuses to consider individuals institutional dupes (Lawrence and Suddaby, 2006; Lawrence et al., 2011), contrasting with a tendency to cast institutions “iron cages” guiding actors to uniform behaviors (DiMaggio and Powell, 1983; Battilana and D'ahunno, 2009; Suddaby, 2010; Zietsma and McKnight, 2009). At the same time, again like institutional logics (Ishihara et al., 2017; Thornton et al., 2012), institutional work suggests change is often mundane and piecemeal (Meyer et al., 2009; Lawrence et al., 2009). This is in contrast to studies of institutional entrepreneurs (Greenwood et al., 2002; Maguire et al., 2004; Zietsma and McKnight, 2009), in which individuals figure as exogenous change agents (Lawrence et al., 2009).

Despite similarities, institutional work differs from that on institutional logics in a critical way: the approach focuses on using grounded empirical research to identify diverse ways in which people affect institutions, understood as outlined above. Researchers from this school conduct granular analyses of the interests, habits, tactics, and practices of actors (Lawrence et al., 2009; Zietsma and McKnight, 2009), investigating the “myriad, day-to-day equivocal instances of agency that, although aimed at affecting the institutional order, represent a complex mélange of forms of agency” (Lawrence, et al., 2011: 52–53). As

Download English Version:

<https://daneshyari.com/en/article/7344637>

Download Persian Version:

<https://daneshyari.com/article/7344637>

[Daneshyari.com](https://daneshyari.com)