



Interactions between formal and informal institutions in community, private and state forest contexts in Ghana



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ARTICLE INFO

Article history:

Received 3 August 2014

Received in revised form 11 January 2015

Accepted 13 January 2015

Available online 6 March 2015

Keywords:

Institutions

Institutional interaction

Local forest management

Ghana

ABSTRACT

In the context of post-colonial countries, formal institutions of forest management often do not perform to expectations when they are introduced into local communities. Against this background, many studies have recommended the use of informal institutions in the pursuit of officially-recognized local forest management. But informal institutions and formal institutions do not operate independently of each other in influencing how people act. Therefore, it is important to understand how formal and informal local forestry institutions interact with each other. This paper provides insights based on qualitative study of community, private and state forest contexts in Ghana. The findings indicate that when formal and informal local forestry institutions have common goals and both are functional, they complement each other to achieve the common goals. When they have common goals but only one institution is functional, the functional institution substitutes the non-functional one. When the goals diverge, the more functional institution outcompetes the other. When both institutions are non-functional, there is an institutional void that creates room for unregulated resource use.

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1. Introduction

People have since ancient times used and managed forests in their localities. In post-colonial countries, forest management became centralized and formalized when the nation states were created, mostly in the 19th and 20th centuries. State authorities were created and given the mandate to manage forest resources, ostensibly for their better management, but more importantly to secure resources and revenues for the states (Ghate, 2009; Hirsch, 1990; Kotey et al., 1998; Mohanty, 2004). In this process, local people and their informal ways of using and managing forests were marginalized, in some cases even criminalized (Brown and Lassoie, 2010; Kotey et al., 1998). In the late 1970s, widespread failure of centralized forest management led to discernment that forest sustainability cannot be achieved without the involvement of local people (Brown and Lassoie, 2010; Kotey et al., 1998; Mohanty, 2004). Accordingly, many countries started pursuing localization of forest management with the aim of making forest management more effective, efficient and responsive to local needs (Arnold, 1992; Brown and Lassoie, 2010; Gomya-Ssembajjwe and Banana, 1999; Kerkhof, 2001; Larson, 2003; Mohanty, 2004; Roe et al., 2009). However, so far the results of these efforts have been unsatisfactory (Oyono, 2004; Stearman, 2006), a key reason being that they have strongly relied on the introduction of formal institutions and

professional systems of forest management into local communities. The technical, managerial and financial requirements of such systems are often incompatible with local realities and the initiatives end up depending on external support to function (Pokorny and Johnson, 2008). In view of this, many studies have recommended that informal local institutions should be employed in the pursuit of officially-recognized local forest management (e.g. Colding et al., 2003; Colding and Folke, 2001; Pacheco et al., 2008; Pokorny and Johnson, 2008; Yami et al., 2009, 2011). It is argued that they are better suited to local circumstances and influence local practice whether they are considered or not. This recommendation is reasonable, but it overlooks the fact that informal institutions do not always achieve successful local forest management, and that notwithstanding the failures, statutory institutions play important resource management roles (Pomeroy and Berkes, 1997; Meinzen-Dick and Pradhan, 2009). To make sense of this puzzle, it is important to recognize that formal and informal institutions do not operate independently of each other in influencing how people act. In any given context, formal and informal institutions are intricately interwoven, and their interactions produce operational 'rules of the game' that shape how people act (Grzymala-Busse, 2010; Helmke and Levitsky, 2004; Holmes et al., 2013; Ostrom et al., 1994; Pejovich, 1999). Therefore, it is important to understand how formal and informal local forestry institutions interact with each other. This paper provides insights based on study of Ghanaian communal, private and state forest contexts. The paper contributes answers to the question of how formal and informal local forestry institutions in post-colonial country contexts interact with each other, and which interaction situation is most favorable for local forest management.

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Continuing from this introductory section, the second section of the paper presents definitions of the key terms used in the paper and the analytical framework. The third section presents the Ghanaian forest contexts studied and the methods employed. The fourth and fifth sections present and discuss the study findings. The sixth section provides further reflections on the study findings and concludes the paper.

2. Definitions and analytical framework

For a study on formal and informal institutions and their interactions, it is important to understand what is meant by the term 'institution', the distinctions between formal and informal institutions, and what is known about their interaction.

2.1. Institutions

Institutions regulate behavior in a given community: they create incentives for certain actions and disincentives for others (Hodgson and Calatrava, 2006; Holmes et al., 2013; Ostrom, 2005; Pejovich, 1999). In consonance with the meaning of the term communicated in the prevalent literature on institutions (e.g. Colding et al., 2003; Grzymala-Busse, 2010; Hodgson and Calatrava, 2006; Leach et al., 1997, 1999; North, 1990; Pacheco et al., 2008; Ribot, 2002; Young et al., 2008), this paper is based on the operational understanding of institutions as the shared behavioral expectations in a given community, the flouting of which attracts sanctions, and the associated actors. It is an umbrella term for rules, norms and cultural-cognitive values that guide the actions of people in a given community (Scott, 2001).

A common categorization of institutions is their categorization into formal and informal institutions. Helmke and Levitsky (2004), for example, defined formal institutions as institutions created, communicated and enforced through official channels, and informal institutions as those, usually unwritten, which are created, communicated and enforced through unofficial channels. Formal institutions are usually codified: flouting them attracts legal sanctions such as police arrest and prosecution. Informal institutions, on the other hand, are usually not codified: the sanctioning mechanisms are often subtle, hidden, and may even be illegal. They include non-violent displays of social disapproval like hostile remarks, gossip and ostracism, and violent ones such as extrajudicial violence (Helmke and Levitsky, 2004). Table 1 presents the key distinctions between formal and informal institutions.

It is important to note that despite the sharp dichotomization presented, institutions may in practice not be easily classified as formal or informal. In the context of postcolonial countries, an important distinction between institutions is whether they are pre-colonial customary institutions or state-instituted after the colonial creation of the modern states. Though the pre-colonial customary institutions are historically

informal in nature, some customary institutions have in modern times transformed into formal institutions (Berry, 1989, 1993). On the other hand, though the postcolonial statutory institutions are characterized to be formal, they assume informality when implementation officers exercise a lot of discretion such that different implementation procedures operate at different places. The categorization in Table 1 is a simplified description of the complex reality for easy understanding of the concepts. It is also important to note that there are other categorizations of institutions in the literature on institutions. A common other categorization is their categorization into state institutions and local (decentralized) institutions. Though state institutions are characteristically formal, they can assume informality as already explained. Also, though local institutions are mostly informal, there are local institutions that are formal, e.g. local by-laws. This paper focuses on the formal and informal dimension of institutions.

The literature on institutions has noted that formal and informal institutions do not operate independently of each other in influencing how people act but rather concurrently (Helmke and Levitsky, 2004; Holmes et al., 2013; Ostrom et al., 1994; Pejovich, 1999). Sometimes, one institution enhances compliance with the other. Other times, one institution rather discourages compliance with the other (Grzymala-Busse, 2010; Helmke and Levitsky, 2004). Helmke and Levitsky (2004) developed a typology of four possible ways in which effective informal institutions can interact with formal institutions: complementary, accommodating, substitutive and competing interactions (Table 2).

According to the definitions of Helmke and Levitsky (2004), complementary interaction is where both the informal and formal institutions motivate the same actions to achieve a common outcome. Accommodating interaction is where the informal institution motivates outcome different from the intended outcome of the formal institution but without violating it. Substitutive interaction is where people choose to observe an informal institution instead of a formal institution in the pursuit of the same outcome. Competing interaction is where people choose to observe an informal institution instead of a formal institution to achieve a different outcome.

2.2. Analytical framework

Helmke and Levitsky (2004) treated formal institutions as the primary institutions, and discussed how informal institutions affect their performance. In the political governance contexts used in their analyses, the formal institutions were mostly older and the analysis was focused on the question of how the newer informal institutions affect their performance. This paper departs from that approach. It explores how both formal and informal local forestry institutions affect compliance with each other. With that, the formal and informal institutions are treated with equal importance. Moreover, unlike the analysis of Helmke and Levitsky (2004), which assumed that the informal institutions are effective, this paper does not assume that one institution is per se effective: either institution could be effective or ineffective. The analytical framework for the paper is presented in Table 3.

The institutional interaction terms, complementary, accommodating, substitutive and competing, as used in the framework, have the same meaning as given by Helmke and Levitsky (2004). The additional

Table 1

Summary descriptions of formal and informal institutions.

Source: Own tabulation based on Helmke and Levitsky (2004); Lewins (2007); Ostrom (2011); Leach et al. (1997); Pejovich (1999); De Soysa & Jütting (2007); Brown and Lassoie (2010); Scott (2001); North (1990).

Criteria	Formal institutions	Informal institutions
Creation	Official, exogenous, broader jurisdiction	Unofficial, endogenous, localized
Communication	Written communication, official announcements	Folktales, observation
Enforcement	Police arrest, prosecution in law courts	Gossip, ostracism, extra judicial violence
Documentation	Documented	Undocumented
Codification	Codified (legal)	Not codified (could be illegal)
Identification	Easy to identify	Difficult to identify
Examples	State-enforced rules, organizational rules State institutions like police, courts	Traditions, customs, taboos, social norms, cultural-cognitive values Clans, mafias

Table 2

Typology of ways in which an effective informal institution can interact with formal institutions.

Source: Helmke and Levitsky (2004: 728).

Outcomes	Effective formal institutions	Ineffective formal institutions
Convergent	Complementary	Substitutive
Divergent	Accommodating	Competing

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