Policy mix concepts and applications:
Reflections on the emergence, and potential future directions, of market based instruments for conservation within a policy mix framework

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This presentation will examine the development of policy mixes within the context of biodiversity conservation and land use management. The emergence of various types of policy mixes will be examined, and some specific advantages, as well as potential adverse effects, will be explored. The presentation will include discussion of several cases which illustrate the implications of policy mix approaches. The discussion will also include some perspectives on future directions for policy mix research and conservation policy implementation.

There are multiple views of policy mixes. One perspective is that policy mix is the layering of market based instruments on existing conservation policy frameworks – improving the overall environmental and economics outcomes (cost-effectiveness). Another is that multiple land use, conservation goals, and/or social goals require multiple policies in a mixture – and that relying on single instruments for multiple goals will be ineffective. A third is that conservation policies may target specific ecosystem services that are correlated with other ecosystem services – requiring that interdependence between services be addressed through multiple policies and multiple approaches to policy otherwise adverse unintended consequences arise. These and other examples of policy mixes arise in conservation policy and may have been explicitly planned as mixtures of policies, or have simply emerged through time along a policy development path.

Early conceptual literature, including Tinbergen, suggested that multiple policies will be required where there are multiple goals. Similarly, more recent literature has cautioned against attempting to use single instruments (e.g. payments for ecosystem services) to address multiple goals. These frameworks provide one source of motivation for policy mixes that include market based instruments. On the other hand, recent experiences with market based instruments suggests that they can underperform because of transactions costs (at the operational level), motivational crowding, adverse unintended consequences on related ecosystem services, and other factors that reduce the cost-effectiveness of such instruments. What mechanisms can be employed to generate the beneficial aspects of policy mixes for conservation policy while avoiding the adverse outcomes?

This presentation will provide examples of cases that appear to have successfully mixed conservation policy tools with cases that appear to have had less success. These findings as well as emerging perspectives from behavioral and experimental economics will be employed to provide suggestions on a future research agenda for policy mix and a perspective on applications to conservation policy.