

# **From theory to practice: Institutional challenges for policy mix analyses in biodiversity and ecosystem governance**

Arild Vatn

Norwegian University of Life Sciences, Norway

Institutions are the conventions, norms and legal rules that form the social basis for human action and interaction. As such, they both form the context in which policies are formulated and they are the 'material' that the policies change to next alter actions and interactions. The first step in a policy process is to define the goals. The next is to change the institutional context. The former issue is beyond the focus of policy mix, as it takes the goals as given. At the same time, the potential need for mixes reflects the complexity of the goals/interest configurations, as well as the complexity of existing institutions and the complexity of natural dynamics. From this perspective analyzing policy mixes are about understanding why such mixes appear, to what degree they offer better solutions than single instruments and to what extent complexity necessitates 'learning by doing' as a policy strategy.

- Fundamentally, formulating policies are about changing resource regimes – the rights that define access to/use of resources and the rules for interaction between the actors given these rights. From institutional theory one may emphasize several dimensions that need to be acknowledged in this respect Whose interests gets priority – i.e., how rights are distributed, potentially changed
- How the policy – especially the (mix of) instruments influence human motivation
- How costly it is to institute and operate the policy – i.e., transaction costs

These factors are linked. They also influence strongly the acceptance or legitimacy of a policy package. The presentation will be devoted to explain the most important relationships here and link that to how mixes of policies may be necessary to ensure the realization of defined goals.

The final step will be to illustrate the theoretical points by a few examples:

- First I will use results from own research on REDD+ to illustrate the issue of how a complexity of interests may demand a mix of policies sensitive to different uses
- Next I will use results from the same research to show how mixes of instruments may be necessary to facilitate a change in action. Changing uses/refraining from some use of in this case forest resources is a profound process demanding changes far beyond compensation in the form of payments.
- Then I will look at the difference in motivational structures across different actors involved – e.g., 'sellers', 'buyers' and 'intermediaries'.
- Thereafter I will link the issue of motivation with that of rights looking at experiences with payments in Costa Rica and Scandinavia – policy mix and own research

Finally, I will illustrate how transaction costs vary with different resource regimes, pointing towards not only needs for mixes, but also understand how mixes influence costs and the distribution of these.