

**Abstract proposed as a contribution to:
Special Session 7.23 “PORES – power relations and ecosystems services”**

Title:

Power and institutions: A critical institutionalist perspective to Payments for Ecosystem Services (PES)

Summary:

This paper offers an analysis of the key issues and different perspectives in the Payments for Ecosystem Services (PES) debate. Drawing on important questions and critiques that have emerged from this debate, we argue that an expanded actor-oriented and more power-sensitive conceptualization of PES is still needed in order to understand the variegated ways in which PES projects play out on the ground. Building on insights from ‘critical institutionalism’, we explore three key challenges for future PES research: (1) the autopoietic character of social-ecological systems and its consequences for institutional fit; (2) the power and political dimensions related to institutional arrangements; and (3) the diversity of knowledge and motivations based on socio-culturally informed models of agency. A more explicit focus on these challenges can help generate novel insights in the power geographies underlying institutional logics, and thus the complex ways in which PES is designed and experienced in the field.

Extended abstract:

Payments for Ecosystem Services (PES) have become increasingly popular during the past decade, both in academic and policy circles. This approach to nature conservation promises to secure more efficient and effective environmental governance through conditional payments to ecosystem service providers or land users securing the ‘adequate’ management of their natural resources (Engel et al., 2008; Wunder, 2005). This philosophy is increasingly reflected in global debates on climate change, for example through the idea of conditional payments for ‘Reducing Emissions from Deforestation and Forest Degradation’ (REDD+) (Corbera, 2013), and has led to growing research and implementation of PES mechanisms in the field. In this review paper we offer an analysis of the key issues and different perspectives in the PES debate, and show how an expanded actor-oriented and more power-sensitive approach to PES can pave the way to a relevant new research agenda.

We first show how the bulk of PES research has been guided by a rather narrow research agenda, mainly defined by environmental economists, who largely focus on the potential efficiency gains that can be obtained by harnessing market forces and offering individual price incentives. This perspective mainly refers to a specific interpretation of the Coase theorem (Coase, 1960), which holds that ‘socially suboptimal situations (e.g., too little provision of environmental services) can be resolved through voluntary market-like transactions, provided that transaction costs are low and property rights are clearly defined and enforced’ (Pattanayak et al., 2010: 256). This dominant perspective to PES has resulted in a vast body of fairly technical-managerial studies on optimization models related to ‘efficiency-enhancing’ institutional design of Coasean PES schemes, with only

limited meticulous reflection on the broader local institutional embeddedness of these arrangements and their appropriateness as policy instruments.

We then discuss how this Coasean approach to PES and the associated research agenda has been increasingly criticised during the past few years. Some critical scholars are largely rejecting PES as improper neoliberal commoditisation processes (e.g. Büscher, 2012; Kosoy and Corbera, 2010; McAfee, 2012), while others rather call for conceptual modifications of the mainstream PES approach, mainly by adopting a broader and more hybrid institutional or 'ecological economics' governance perspective to PES (e.g. Farley and Costanza, 2010; Muradian et al., 2010; Tacconi, 2012).

The 'anti-PES' or 'sceptic' position has drawn attention to crucial questions and critiques related to power, inequality and commodification issues surrounding PES projects. However, in this paper we argue that its rather 'radical' stance has somewhat foreclosed a more constructive debate on the potential of some underlying ideas of PES. Its (implicit) recurrence to 'populist' discourses (Adger et al., 2001), in which local farmer communities are often portrayed as either passive victims of or fierce insurgents against green neoliberal projects, does not sufficiently recognise the complex ways in which these policy interventions are locally (re)shaped and take form in practice (Castree, 2008; Higgins et al., 2012). As such, this structuralist conceptualisation of power and resistance within capitalist society falls short of accounting for the variegated outcomes of PES interventions on the ground. Indeed, various recent studies (e.g. McElwee et al., 2014; Shapiro-Garza, 2013) show how local actors 'negotiate livelihoods and markets when adjusting to conservation pressures' induced by PES projects (Roth and Dressler, 2012: 363).

The 'ecological economics' (EE) approach to PES, on the other hand, applies a somewhat more pragmatic, though still critical position. It holds that the main focus of environmental policies should shift from efficiency fetishism to the integration of equity, justice and ecological sustainability concerns into future policy design, while avoiding 'overly simplistic analysis of "neoliberal natures"' (McElwee et al., 2014: 436). This focus acknowledges that PES schemes interplay with everyday cultural, institutional, and political realities and that social-ecological outcomes are therefore shaped by context-specific ideas and social norms, and are deeply influenced by power relations (Muradian et al., 2013; Pascual et al., forthcoming). But in spite of the recognition of these issues and the accompanied exponential growth in PES research, there remains a certain frustration stemming from the unpredictable, messy and complex outcomes that PES projects generate in practice (Adhikari and Agrawal, 2013; Muradian and Gómez-Baggethun, 2013). We argue that some of the key concepts underlying the EE approach to PES, its common epistemological assumptions driving empirical research, as well as its (still normative, though perhaps less explicit) belief in institutional design could indeed lead to further frustration in academics' and practitioners' attempts to grasp and intervene in the complex social-ecological dynamics occurring in the field. Indeed, while many institutional and ecological economists clearly recognize the need to focus on power, they mostly lack the conceptual and empirical tools for the task at hand (Olivier de Sardan, 2013).

Recognising the strengths and limitations of both alternative perspectives to PES, in this paper we seek to construct a more socially-informed, actor-oriented and power-sensitive framework for understanding how PES projects play out on the ground, and how they interplay with everyday practices of the actors involved. We build on insights from what

has recently been called ‘critical institutionalism’ (Cleaver, 2012; Hall et al., 2014) and use Cleaver’s (2002; 2012) concept of ‘institutional bricolage’ as a new lens for problematizing and analysing the social-ecological dynamics that occur when new institutional arrangements are introduced and negotiated in the field. We believe such insights can help us understand how institutionalized interactions (such as PES) shape (and at the same time are shaped by) deeply embedded habits and routines of everyday life (Cleaver, 2012: 14), and therefore how they result in patterns of institutional inclusion or exclusion (Mosse, 1997). A more explicit focus on the dynamic interplay between agency and structure through the lens of institutional bricolage also ‘reveals the centrality of power relations to both the functioning and outcomes of institutional processes and so moves beyond over-instrumental technical approaches to natural resource management’ (Cleaver, 2012: 213).

Drawing on these insights, we then focus on what we think are some of the key challenges for future PES research, i.e.:

- (1) the autopoietic character of social-ecological systems and its consequences for the idea of institutional design/fit;
- (2) the power and political dimensions related to institutional arrangements; and
- (3) the diversity of human knowledge and motivations based on socio-culturally informed models of agency and collective action.

We conclude that a more explicit focus on these issues can help us generate new insights in the power geographies underlying certain institutional logics and organisational forms in the human territory concerned, which define the different ways in which PES is designed, analysed and practiced/experienced in the field. However, we believe these key issues can only be meaningfully addressed if we manage to more actively engage critical social scientists in socio-environmental research. We therefore fully endorse recent calls for more systematic transdisciplinary dialogue with anthropologists, political ecologists, and other critical social scientists in addressing these issues (see e.g. Barnes et al., 2013; Castree et al., 2014; Olivier de Sardan, 2013). An explicit focus on power, closely related to knowledge, meaning and inequality, – we hope – will allow to de-fetishize and re-politicize PES, and allow for a more meaningful understanding and negotiation of how designed policy interventions are locally adapted or re-crafted, and therefore often turn out in unexpected and variegated ways.

References:

- Adger, W.N., Benjaminsen, T.A., Brown, K., Svarstad, H. (2001) ‘Advancing a political ecology of global environmental discourses’. *Development and Change* 32, 681-715.
- Adhikari, B., Agrawal, A. (2013) ‘Understanding the Social and Ecological outcomes of PES Projects: A Review and an Analysis’. *Conservation and Society* 11(4), 359-374.
- Barnes, J., Dove, M., Lahsen, M., Mathews, A., McElwee, P., McIntosh, R., Moore, F., O’Reilly, J., Orlove, B., Puri, R., Weiss, H., Yager, K. (2013) ‘Contribution of anthropology to the study of climate change’. *Nature Climate Change* 3, 541-544.
- Büscher, B. (2012) ‘Payments for ecosystem services as neoliberal conservation: (Reinterpreting) evidence from the Maloti-Drakensberg, South Africa’. *Conservation & Society* 10(1), 29-41.
- Castree, N., Adams, W.M., Barry, J., Brockington, D., Büscher, B., Corbera, E., Demeritt, D., Duffy, R., Felt, U., Neves, K., Newell, P., Pellizzoni, L., Rigby, K., Robbins, P., Robin, L., Bird Rose, D., Ross, A., Schlosberg, D., Sörlin, S., West, P., Whitehead, M., Wynne, B. (2014) ‘Changing the intellectual climate’. *Nature Climate Change* 4, 763-768.

- Castree, N. (2008) 'Neoliberalising nature: the logics of deregulation and reregulation'. *Environment and Planning A* 40, 131–152.
- Cleaver, F. (2002) 'Reinventing Institutions and the Social Embeddedness of Natural Resource Management'. *European Journal of Development Research* 14 (2), 11-30.
- Cleaver, F. (2012) *Development through bricolage: rethinking institutions for natural resource management*. Routledge, Abingdon, Oxon.
- Coase, R.H. (1960) 'The problem of social cost'. *Journal of Law and Economics* 3, 1-44.
- Corbera, E. (2012) 'Problematizing REDD+ as an experiment in payments for ecosystem services'. *Current Opinion in Environmental Sustainability* 4, 1877-3435.
- Engel, S., Pagiola, S., Wunder, S. (2008) 'Designing payments for environmental services in theory and practice: an overview of the issues'. *Ecological Economics* 65, 663–675.
- Farley, J., Costanza, R. (2010) 'Payments for ecosystem services: from local to global'. *Ecological Economics* 69, 2060-2068.
- Hall, K., Cleaver, F., Franks, T., Maganga, F. (2014) 'Capturing critical institutionalism: A synthesis of key themes and debates'. *European Journal of Development Research* 26(1), 71-86.
- Higgins, V., Dibden, J., Cocklin, C. (2012) 'Market instruments and the neo-liberalisation of land management in rural Australia'. *Geoforum* 43, 377-386.
- Kosoy, N., Corbera, E. (2010) 'Payments for ecosystem services as commodity fetishism'. *Ecological Economics* 69 (6), 1228-1236.
- McAfee, K. (2012) 'The Contradictory Logic of Global Ecosystem Services Markets'. *Development and Change* 43, 105–131.
- McElwee, P., Nghiem, T., Le, H., Vu, H., Tran, N. (2014) 'Payments for environmental services and contested neoliberalisation in developing countries : A case study from Vietnam'. *Journal of Rural Studies* 36, 423-440.
- Mosse, D. (1997) 'The symbolic making of a common property resource: History, ecology and locality in a tank-irrigated landscape in South India'. *Development and Change* 28(3), 467–504.
- Muradian, R., Gómez-Baggethun, E. (2013) 'The Institutional Dimension of "Market-based Instruments" for Governing Ecosystem Services: Introduction to the Special Issue'. *Society and Natural Resources* 26, 1113-1121.
- Muradian, R., Corbera, E., Pascual, U., Kosoy, N., May, P. (2010) 'Reconciling theory and practice: An alternative conceptual framework for understanding payments for environmental services'. *Ecological Economics* 69 (6), 1202–1208.
- Muradian, R., Arsel, M., Pellegrini, L., Adaman, F., Aguilar, B., Agarwal, B., Corbera, E., de Blas, D.E., Farley, J., Froger, G., Garcia-Frapolli, E., Gómez-Baggethun, E., Gowdy, J., Kosoy, N., Le Coq, J. f., Leroy, P., May, P., Méral, P., Mibielli, P., Norgaard, R., Ozkaynak, B., Pascual, U., Pengue, W., Perez, M., Pesche, D., Pirard, R., Ramos-Martin, J., Rival, L., Saenz, F., Van Hecken, G., Vatn, A., Vira, B., Urama, K. (2013) 'Payments for Ecosystem Services and the fatal attraction of win-win solutions'. *Conservation Letters* 6 (4), 274-279.
- Olivier de Sardan, J.-P. (2013) 'Embeddedness and informal norms: Institutionalisms and anthropology'. *Critique of Anthropology* 33(3), 280-299.
- Pascual, U., Phelps, J., Garmendia, E., Brown, K., Corbera, E., Martin, A., Gómez-Baggethun, E., Muradian, R. (forthcoming) 'Social Equity Matters in Payments for Ecosystem Services'. *BioScience*, doi:10.1093/biosci/biu146
- Pattanayak, S.K., Wunder, S., Ferraro, P.J. (2010). 'Show me the money: do payments supply environmental services in developing countries?'. *Review of Environmental Economics and Policy* 4(2), 254-274.

- Roth, R.J., Dressler, W. (2012) 'Market-oriented conservation governance: The particularities of place'. *Geoforum* 43, 363-366.
- Shapiro-Garza, E. (2013) 'Contesting the market-based nature of Mexico's national payments for ecosystem services programs: Four sites of articulation and hybridization'. *Geoforum* 46, 5-15.
- Tacconi, L. (2012) 'Redefining payments for environmental services'. *Ecological Economics* 73, 29-36.
- Wunder, S. (2005) *Payments for environmental services: some nuts and bolts*, CIFOR Occasional Paper 42. CIFOR, Jakarta.