

## SESSIONS



### JUNE 17

**PRE COURSE LECTURE (OPTIONAL) - An Introduction into Institutional Economics (14.00 – 15.30), Arild Vatn, Norwegian University of Life Sciences**

This lecture is optional, designed for those students who have a weak background in institutional theory.

**1. *Defining institutions – what are institutions?***

1. Different definitions. The definition and understanding underlying this course
2. Different forms (conventions, norms and legal rules) (informal vs. formal)
3. The concept of transaction costs

**2. *Why do institutions matter and what do they do?***

1. Influence costs of transacting and communicating (coordinating - conventions)
2. Influence rationality and preferences (offering meaning - norms)
3. Distributing right (solve/take side in conflicts - legal rules)

***Course readings:***

- *Vatn, A., 2005. Institutions and the Environment. Chapter 1: Institutions: the web of human life; Chapter 2: Institutions: the individual and the society; Chapter 3: Institutions: coordination and conflict, pp1-85.*

**Supplementary readings:**

- Bromley, D.W., 1990. *The Ideology of Efficiency: Searching for a Theory of Policy Analysis. Journal of Environmental Economics and Management*, 19:86-107.
- Hodgson, G., 1998. *The Approach of Institutional Economics. Journal of Economic Literature*, XXXVI(March):166-192.
- North, D., 1991. *Institutions. Journal of Economic Perspectives*, 5(1):97-112.
- Ostrom, E., 2000. *Collective Action and the Evolution of Social Norms. Journal of Economic Perspectives*, 14(3):137-158.
- Williamson, O.E., 2000. *The New Institutional Economics: Taking Stock/Looking Ahead. Journal of Economic Literature*, XXXVIII(3):595-613.

**WELCOME ADDRESS (16.00 – 17.30)**

Tatiana Kluvánková-Oravská, Slovak Academy of Sciences  
Arild Vatn, Norwegian University of Life Sciences  
Veronika Chobotová, Slovak Academy of Sciences

## **JUNE 18, 19**

### **SEMINAR 1: UNDERSTANDING INSTITUTIONS I**

#### **June 18**

**Lecture 1 (9.00 – 10.00):** Arild Vatn, Norwegian University of Life Sciences

#### **Institutions and sustainability:**

- All resource use has a common-pool component.
- Institutions and social metabolism.

#### ***Course readings:***

- *Fisher-Kowalski, M. and H. Weisz, 1999. Society as a Hybrid Between Material and Symbolic Realms. Toward a Theoretical Framework of Society-Nature Interaction. Advances in Human Ecology, 8:215-251.*

#### ***Supplementary readings:***

- *Gowdy, J., 2005. Toward a new welfare economics for sustainability. Ecological Economics, 53:211-222.*
- *Vatn, A., 2005. Institutions and the Environment. Chapter 1: Institutions: the web of human life, pp. 1-22; Chapter 9: The environment pp. 231-251*

**'Public goods game' (10.15 - 12.00):** Elinor Ostrom, Indiana University, USA

**Lecture 1 (12.00 - 12.45):** Arild Vatn, Norwegian University of Life Sciences (cont.)

#### **Short introduction to basic concepts to be used in the course**

1. Resource regimes – concept and types.
2. Institutions as coordinating behaviour.
  - Transaction costs (TC)
  - Rationality - Institutions as

- Simplifiers
  - Offering meaning
  - Offering security
  - Rationality contexts
3. Institutions and the individual – models of the individual.
  4. Institutions, power and interests.

**Course readings:**

- *Vatn, A., 2007. Resource Regimes and Cooperation, Land Use Policy (forthcoming)*

**Supplementary readings:**

- *Schmid, A.A., 2004. Conflict and Cooperation. Institutional and Behavioral Economics. Blackwell Publishing.*
- *Vatn, A., 2005. Institutions and the Environment. Chapter 3: Institutions: coordination and conflict, pp. 60-85; Chapter 5: Rationality, pp. 113-137; Chapter 10: Resource Regimes, pp. 252-299.*

**Keynote 1 (14.00 – 15.30 and 16.00 – 17.30): Elinor Ostrom, Indiana University USA**

1. Evaluation of Public good game
2. Grammar of Institutions
3. Strategies, norms and rules in institutional analysis – rules as tools to cope with the commons
4. Methods to study institutional arrangements
5. On Institutional Change

**Course reading:**

- *Ostrom, E. 2007. "Institutional Rational Choice: An Assessment of the Institutional Analysis and Development Framework." In Theories of the Policy Process, 2<sup>nd</sup> edition, ed. Paul A. Sabatier, 21–64. Boulder, CO: Westview Press.*

**Supplementary readings (for all lectures):**

- *Ostrom E, 2005. Understanding Institutional Diversity. Princeton University Press, 376 pp.*

## **June 19**

**Key note 2 (09.00–10.30 and 11.00 – 12.30):** Daniel W. Bromley, University of Wisconsin, USA

### **"Institutions as Legal Rules and Relations"**

1. The concept of property rights as a subset of legal rules.
2. The role of property rights.

### **On institutional change**

1. The pragmatist position.
2. Designed vs. spontaneous change.
- 3 Efficiency explanations vs. explanations based on reason.

**Sustainability** as part of the institutional arrangements of an economy - sustainability focused on social relations.

### ***Course reading:***

- *Bromley D.W. 2004. Reconsidering Environmental Policy: Prescriptive Consequentialism and Volitional Pragmatism. Environmental and Resource Economics; May 2004; Vol: 28, 1; pg. 73-99. Kluwer Academic Publisher.*
- *Bromley D.W. and Y. Yao, 2006. Understanding Institutional Change: Modeling China's Economic Transformation Since 1978, pp31.*

### ***Supplementary readings:***

- *Bromley, D. W. 2006. Sufficient Reason: Volitional Pragmatism and the Meaning of Economic Institutions, Princeton University Press, 256 pp.*

## **Round table – general debate (14.00 – 15.30)**

(E. Ostrom, D. W. Bromley, A. Vatn)

**Topic: A conversation about the Meaning and Role of Institutions in Economics and Politics. What**

## **institutions are promising for sustainable resource use?**

After the keynotes, the speakers will engage with the participants in a discussion over the purposes and practical effects of particular institutions. Institutions form choice sets. They also influence behavior through shaping responsibilities, liberties and peoples' motivations. Institutions are created (laws) or emerge (norms) to serve specific purposes, while also protecting certain values. Formal institutions (laws) are grounded on custom and thus reinforce those behaviors that have been found desirable in specific settings and circumstances. Institutions specify who gets access to which resources, and institutions influence how these resources are used. Institutions also influence how the patterns of resource use interact and thus form the aggregate patterns of behavior that result in the sustainability of different societies and ecosystems.

The aim of this session is to elaborate on these issues and engage participants in thinking about the role of institutions. The "match" between the conceptual aspects of institutions and the personal experience of the participants will be of special importance.

### **JUNE 20, 21**

#### **WORKSHOP 1: Institutional dimensions of global environmental change: Institutional dynamics across scales**

### **June 20**

#### **An Introduction to IDGEC Science (9.00 – 10.30), Oran Young**

This presentation introduces the work of the long-term, international research project on the Institutional Dimensions of

Global Environmental Change (IDGEC). Launched formally in 1998 as a core project of IHDP, IDGEC examines the roles that institutions play both in causing and in addressing environmental problems. The work of the project centres on three Research Foci (the Questions of Causality, Performance, and Design) and three Analytic Themes (the Problems of Fit, Interplay, and Scale). IDGEC has recently gone through a synthesis phase, and the presentation will touch on some of the project's major findings.

**(11.00 – 12.30)**

**The Complexity of Sustainable Social-Ecological Systems, E. Ostrom**

Given rapid changes in large-scale human and biophysical processes - carbon emissions, population increase and migrations, over-harvesting and pollution leading to loss of species -- scientists are worried that many of the social-ecological systems existing today may collapse by the end of the 21st century. Is this an exaggerated worry? The thesis I will present is that the negative prognosis will indeed occur in many parts of the world if we do not worry a great deal about these processes and their consequences. More important than simply worrying, however, is the development of a strong diagnostic method for analysing the diversity of processes and the multiplicity of potential social and bio-physical solutions that are needed to cope effectively with these varied processes. Past efforts to impose simple solutions to these complex problems have frequently led to worse outcomes than the problems addressed. Our need today is building a strong inter-disciplinary science of complex, multi-level systems that will enable over-time a matching of potential solutions to a careful diagnosis of specific problems embedded in a social-ecological context.

***Course readings:***

- *Special Feature for PNAS on "Beyond Panaceas" (in preparation). Copies will be made available to the participants.*

## **The Problem of Scale in Institutional Analysis (short presentation), O. Young**

This presentation focuses on the transferability of propositions about environmental governance across levels of social organization. To what extent can propositions pertaining to small-scale systems be scaled up to apply to larger systems and vice versa? In exploring this question, the presentation focuses on issues of problem structure, agency, and social setting.

### **Course readings :**

- *Ostrom, E., et al., 1999. "Revisiting the Commons: Local Lessons, Global Challenges," Science, 284 (9 April): 278-282*
- *Dietz, T. et al. 2003. "The Struggle to Govern the Commons," Science, 302 (12 December): 1907-1912*

### **Supplementary readings:**

- *Young, O.R. 2002. The Institutional Dimensions of Environmental Change: Fit, Interplay, and Scale. Cambridge: MIT Press, 139-162*
- *Young, O.R. 2005. "Why is there no unified theory of governance?" in Peter Dauverge ed., Handbook of Global Environmental Politics. Cheltenham: Edward Elgar, 170-184*
- *Young, O.R. 2005. "Regime theory and the quest for global governance," in Alice D. Ba and Matthew J. Hoffmann eds., Contending Perspectives on Global Governance. London: Routledge, 88-109*

## **Institutional Interplay in Global Environmental Governance (14.00 – 15.30), Sebastian Oberthür**

With the proliferation of international regulatory frameworks, the interplay between international institutions has become an ever more prominent phenomenon. Such institutional interplay or interaction refers to the influence that international regimes and organisations exert on each other's normative development and effectiveness. Possibly the best known (and most intensively researched) example in international environmental governance concerns the problematic relationship between the World Trade Organization (WTO) and various multilateral environmental agreements that employ or consider environmentally motivated trade restrictions. This session will explore our current understanding of the phenomenon of institutional interplay in global environmental governance, including, among others, the following questions. Which phenomena does institutional interplay encompass? What are the driving forces of institutional interplay and how significant is it? What are its implications for the effectiveness of the institutions involved and for international environmental governance at large? What are the consequences for policy making?

**Course reading:**

- *Gehring, T. and S. Oberthür. 2006. Interplay: Exploring Institutional Interaction, Paper prepared for the IDGEC Synthesis Conference, Bali, Indonesia, December 2006*  
<http://www2.bren.ucsb.edu/~idgec/abstracts.php>

**Supplementary readings:**

- *Oberthür, S. and T. Gehring (eds) (2006). Institutional Interaction in Global Environmental Governance: Synergy and Conflict among International and EU Policies. Cambridge: MIT Press, Chapters 2 and 13.*
- *Stokke, O.S. 2001. The Interplay of International Regimes. Putting Effectiveness Theory to Work. Lysaker: Fridtjof Nansen Institute. FNI Report 14/2001.*
- *Young, O.R. 2002. The Institutional Dimensions of Environmental Change. Fit, Interplay, and Scale. Cambridge: MIT Press.*

## **June 21**

### **Organisations and institutions in global environmental governance (9.00 – 10.30), Bernd Siebenhüner**

Organisations play a particular role in the institutional discourse. They are seen as active players within institutional frameworks while exhibiting characteristics of institutions themselves. The presentation will highlight this difficult conceptual aspects of organisations in its first part. Secondly, it addresses the actual functions and internal processes of international organisations in global environmental regimes. Almost all international agreements are administered by an international organisation. To understand in which ways the World Bank or the International Maritime Organisation can influence other actors and have an impact on environmental problems is the aim of the empirical part of the presentation. It will be set the conceptual framework for the case study work on specific international organisations.

#### ***Course reading:***

- *Biermann F. and B. Siebenhüner. 2007. Managers of Global Change. The Influence of International Bureaucracies in Environmental Policy. Presented at 48th Annual Convention of the International Studies Association, Chicago USA February 2007, p 34.*

#### ***Supplementary readings:***

- Barnett, M.N. and M. Finnemore. 1999. The Politics, Power, and Pathologies of International Organizations. *International Organization*, 53(4):699 - 732.
- Biermann, F. and S. Bauer. 2004. Assessing the effectiveness of intergovernmental organisations in international environmental politics. *Global Environmental Change. Human and Policy Dimensions*, 14:189-93.
- De Senarclens, P. 2001. International organizations and the challenges of globalization. *International Social Science Journal*, 170: 509-22.

- Ness, G.D. and S. Brechin. 1988. Bridging the Gap: International Organizations as Organizations. International Organization, 42(2):245-73.

**Case study: Effects of International Organisations in Global Environmental Governance (11.00 – 12.30),**  
facilitated by B. Siebenhüner

## **JUNE 22**

### **SEMINAR 2: UNDERSTANDING INSTITUTIONS II: COMPLEXITY, BEHAVIOUR AND INSTITUTIONS**

**Lecture: Policy Design in the Presence of Model Uncertainty (9.00 – 10.30), D. W. Bromley University of Wisconsin, USA**

The central problem of economic policy—institutional change—is to generate plausible models of future outcomes. The task has two components:

1. using such models to learn about possible outcomes;  
and
2. using such models to learn about desirable outcomes.

Notice the central role of learning. Both tasks require careful input from economists as well as other experts as the specific problem setting dictates. Let us call the first task one of model specification. The second task is best thought of as model selection. The emphasis here is on models because outcomes in the future have no objective properties. All future outcomes are simply models (representations) of future possibilities. The standard treatment assigns probabilities to these possibilities, and proceeds to designate the one with the highest expected economic value to be the “best” route to pursue. In the approach undertaken here, this standard approach will be modified to correct its inherent flaws. Those flaws focus on the assumption that it is possible to describe, objectively, future outcomes. As for model selection, the emphasis will be on showing how decision makers figure out which future outcome they prefer as they work their way through learning about which future outcome seems most probable. It is here that model specification and model selection actually converge.

#### ***Course reading:***

- *Bromley, D.W. 2006. Sufficient Reason: Volitional Pragmatism and the Meaning of Economic*

*Institutions, Princeton University Press, Chapters 3,4,6, 14.*

**Supplementary readings:**

- *Bromley, D.W. 2006. Sufficient Reason: Volitional Pragmatism and the Meaning of Economic Institutions, Princeton University Press, 256 pp*

**Lecture: Institutions and complexity (11.00 – 12.30), A. Vatn**

This lecture will link explicitly to the first summer school of the Themes series – Analysing Complexity. Three relationships between institutions and complexity will be explored. First we will look at the way institutions simplify a complex external world and make it possible for us to perceive it in a structured way and communicate about its characteristics. Second, we have the way the various institutional contexts we have produced themselves bring complexity to our lives – social complexity. Finally, we have the role institutions play – respectively can play – in treating complex dynamics in the environmental resource base of a society. More specifically, we will discuss how present institutional structures are able to cope with evolving uncertainties – not least irreducible ignorance/ radical uncertainty. Here we will also link back to the first two points and illustrate how existing problem perceptions and social structures may obstruct our ability to handle well the challenges that many new technologies offer.

The general treatment of the problem will be followed by a case study on the regulation of genetically modified organisms (GMOs). The present institutions in place defining the rights and responsibilities of producers of GMOs will be presented and evaluated. This lecture will also offer insights into the uncertainties that characterize the GMO technology and how these are perceived by different groups of experts. The implications of the various views will also be explored.

**Course readings:**

- *Kvakkestad, V., F. Gillund, K.A. Kjølberg and A. Vatn, 2007. Scientists' Perspectives on the Deliberate Release of GM crops. Environmental values, 16:79-104.*
- *Kvakkestad, V. and A. Vatn, (in review). Decision-making on the deliberate release of GMOs: a comparison between the European Union and Norway. Environment and Planning: Government and Policy C*

**Supplementary readings:**

- *Strand, R., 2001. The role of risk assessments in the governance of genetically modified organisms in agriculture. Journal of Hazardous Materials, 86:187-204.*
- *Sarewitz, D., 2004. How science make environmental controversies worse. Environmental Science & Policy, 7(5):385-403*

**Lecture: Evaluating institutional change in a complex environment (14.00 – 15.30), Felix Rauschmayer, UFZ – Centre for Environmental Research, Leipzig**

Felix Rauschmayer will apply the framework of institutional analysis and development (IAD), developed by E. Ostrom et al., to a specific case: the management of species concurring with humans on scarce resources. When doing this, he will draw on different European case studies about otters, seals and cormorants, which were part of a common European research project. This comparative analysis evaluates different institutional arrangements and herewith shows the complexity of European multi-level governance. Participation is often said to be useful for improving policy design and implementation, but when looking closer, it is difficult to evaluate which kind of participation already happens, and what could be proposed as an improvement. Not all organizations are equally well equipped to take the central role of the facilitator when confronted with two different claims on resource use: in our case: protected species, represented by agencies, and human consump-

tive resource use. The central aim of his talk is to illustrate concepts of institutional economics in order to show their usefulness, but also their limitations in real-world applications.

**Course reading:**

- *Rauschmayer, F. and H. Wittmer, H. 2006. Evaluating deliberative and analytical methods for the resolution of environmental conflicts. Land Use Policy 23:108–122.*
- *Wittmer, H., F. Rauschmayer and B. Klauer. 2006. How to select instruments for the resolution of environmental conflicts? Land Use Policy 23:1–9.*

**Lecture: 'Different positions in institutional economics' (16.00 – 17.30): D. W. Bromley, A. Vatn**

This will be a combined presentation analyzing the differences between positions, especially between the 'new' and the 'classical' institutional economists, drawing on the experiences of both speakers.

The so-called 'new' institutional economics has developed over the last 30-40 years and has attracted quite substantial interest. It finds much of its roots in Coase's famous 1960 article on Social Costs. The 'new' institutionalism tends to stick to the traditional core of neoclassical economics (e.g., autonomous individuals and rationality as maximizing individual utility). Consistent with this, these economists regard institutions as external (imposed) constraints on the individual or the firm – as exogenous 'rules of the game'. In addition, the 'new' institutionalists emphasize the role of transaction costs. Their dominant focus is on the second-order problem of 'efficient' institutions.

The 'classical' institutionalists have a much longer history in classical economics, and emerged as a reaction to the development of neoclassicism in late 19<sup>th</sup> century. The classical institutionalists have experienced a revival over the last 20 years. While the various characteristics of the classical position will be

covered in earlier presentations, we will here use the opportunity to elaborate that vision and draw out the contrast with the 'new' institutional economics. Issues to be covered include the idea of plural rationalities, the role that institutions play in forming (constituting) the individual, the logical impossibility (the indeterminacy) of 'efficient institutions' as used in the 'new' institutional economics, institutions as rationality contexts, and the realization of power in different institutional structures.

The presentation will be 'colored' by the fact that especially Dan Bromley has a long personal history in the field. He holds a professorship at the University of Wisconsin – where one of the founding fathers of the classical position, John R. Commons, was active for most of his career. Dan has been one of the strongest opponents of Douglass North – especially his hypothesis that institutional change is efficiency driven. He also has a lot of experience from the internal discussions among present 'classical' institutionalists that will be of great interest to the participants.

***Course readings:***

- *Vatn, A., 2005. Institutions and the Environment. Chapter 4: Institutional economics: different positions, pp 86-109*
- *Bromley, D.W : Institutional Change, Chapter Five*  
(see readings).

***Supplementary readings:***

- *Coase, R.H., 1984. The New Institutional Economics. Journal of Theoretical and Institutional Economics, 140(1):229-231*
- *Commons, J.R., 1931. Institutional Economics. American Economic Review, 21:648-657.*
- *Hodgson, G., 1998. The Approach of Institutional Economics. Journal of Economic Literature, XXXVI(March):166-192.*
- *North, D., 1991. Institutions. Journal of Economic Perspectives, 5(1):97-112.*

- *Veblen, T., 1909. The Limitation of Marginal Utility. Journal of Political Economy, 17:620-636.*
- *Williamson, O.E., 2000. The New Institutional Economics: Taking Stock/Looking Ahead. Journal of Economic Literature, XXXVIII(3):595-613.*

## **JUNE 23, 25, 26**

### **WORKSHOP 2: INSTITUTIONS, ENVIRONMENT AND POLICY**

#### **June 23**

#### **Excursion and Public presentation: Resource management and economic interests in Slovak National Parks (11.00-12.30).**

Combined presentation by park directors of High Tatras and Slovenský Raj NPs on actual situation followed by the discussion and excursion in High Tatras National Park.

#### **Introduction into the session 4: Institutions and Environment in Transition Countries (15.00 – 15.30), T. Kluvankova Oravska**

#### **Keynote 3: Lecture: Institutions and Environment in Transition Countries, The case of the High Tatras (15.30 –17.30), M. Kozova**

Management of biodiversity at the level of enlarged European Union has been manifested by critical institutional changes in governance and conservation policy framing to multi-actors action arena. New European official policy statements now emphasise the role of partnerships and networks beyond the formal structure of governance (The Cork Declaration and more recently in the Rural Development Regulation 2007-2013).

The lecture demonstrates theoretical principles and methods for development of scenarios for sustainable development in sensitive areas. A core of the model territory is the Tatras National park (venue of the school), an ecologically valuable and unique area.

The purpose of the lecture is to analyse and assess institutional "milestones" of the Tatras National park development and main actions after severe windstorm in November 2004. The windstorm affected some 12,000 ha of the national park and had a massive effect on socio-ecological systems. This situation has accelerated dynamics of action arena and initiated public discussion about national policy for biodiversity management. It raised also challenges about the best ways to manage the national park in the future. Strategic Environmental Assessment (SEA) is used as a tool helping to identify more long-term, sustainable strategic alternatives - options - scenarios for strategic decision-making (Therivel, 2004). Scenario method is based on sustainable and participatory principles.

The lecture focuses on assessment of key actions after „windstorm“ in Tatras region. The lecture discusses challenges and obstacles of severe background studies undertaken after catastrophic windstorm and their role in decision-making process. Critical evaluation of barriers and weaknesses in relation to sustainable management requirements of Tatras region is presented. Hierarchy and the types of alternatives and their role in the decision-making process, in particular the function of biodiversity valuation in scenarios proposals are analysed. Driving forces, transdisciplinary cooperation and a joint problem definition process are discussed.

*The study was supported by the national grant scheme VEGA and the Project 5<sup>th</sup> FP EÚ IDARI (QLRT-2001-02718).*

## **Course readings:**

*Ostrom, E., 1990: Governing the Commons. The Evolution of the Institutions for Collective Action, New York: Cambridge University Press.*

*Ostrom, E. et al., 1999: Revisiting the Commons. Local lessons, Global Challenges. Science. Vol. 284. 9. April 1999, pp. 278-282.*

### **Supplementary reading:**

*Bezák P. & Petrovič F., 2006: Agriculture, Landscape, Biodiversity: Scenarios and stakeholder perceptions in the Poloniny National Park (NE Slovakia). Ekológia (Bratislava), 25 (1), pp. 82-93.*

*Huba M., Hanušin J., Ira V., Kľuvánková-Oravská T., Kozová M., Topercer J., Berková A., et al., 2005: Towards Sustainable Tatras Region, REC Slovensko (Strategic study), 95 pp. + annexes (in Slovak with English summary)*

*IUCN, 2005: Report from Mission to the Tatra National Park, Slovak Republic.*

*Scholz, R. W. et al., 2006: Transdisciplinary case studies as a means of sustainability learning, Historical framework and theory. International Journal of sustainability in Higher Education. Vol. 7. No. 3, pp. 226-251.*

*Therivel R., 2004: Strategic Environmental Assessment in Action, EARTSCAN, London –Sterling - VA.*

*Vatn, A., 2005: Institutions and the environment. Edward Elgard.*

### **June 25**

**Lecture: Exploring options for sustainable tourism development in Slovenský Raj national Park with multi-criteria mapping (9.00 – 10.30), Veronika Chobotova, Institute for Forecasting SAS, Bratislava**

On the base of existent study we will analyze the current situation of tourism development in the Slovenský Raj National

Park. Given that decisions concerning tourism development in and around the national park (1) are characterized by conflicts between rural development and biodiversity conservation goals and (2) need to take multiple dimensions and perspectives into account, a multi-criteria framework is adopted to aid decision-making. For acquiring an understanding of the decision context, a thorough analysis of formal and informal institutions and of the agency of different 'players' will be conducted. On the base of IAD Framework (developed by Elinor Ostrom) the action situation will be evaluated according to selected evaluation criteria in order to find out how the action situation might influence the social-ecological system of the study area.

This lecture will include multi-criteria mapping – 'deliberative mapping' exercise, involving open-ended appraisal of a range of scenarios for sustainable rural development of the national park Slovenský Raj. Using computer-based MCM method, each participant will be able to conduct an individual 'sustainability appraisal'. The 'multi-criteria mapping' framework was developed at SPRU by Andy Sterling (University of Sussex) and previously applied to issues such as GM foods, sustainable energy and kidney transplants.

*The paper underlying the presentation is part of PhD studies of Veronika Chobotova undertaken under the project IDARI (QLRT-2001-02718).*

**Course reading:**

- [www.deliberative-mapping.org](http://www.deliberative-mapping.org)

**Supplementary reading:**

- Kluvánková-Oravská T, and V. Chobotová. 2006. *Shifting Governance in Slovensky Raj National Park*. Humboldt University Berlin, Department of Agricultural Economics and Social Sciences ICAR Discussion Paper 15/2006, p.28,
- <http://www.agrar.hu-berlin.de/wisola/fg/ress/icar>.

**Lecture: Political Economic Person, ideological orientation and institutional change processes. Examples from business and environmental research (11.00 – 12.30), Peter Söderbaum, School of Business, Mälardalen University, Västerås, Sweden**

A political economics approach to the study of institutional change processes is presented. In addition to paradigms in economics, theory of science and ideology (in a broad sense) will be brought into the picture as well as a related power game. The individual as actor is regarded as a Political Economic Person (PEP) guided by an 'ideological orientation' and the organization as actor similarly as a Political Economic Organization (PEO) guided by a 'mission statement'.

An actor-oriented perspective is outlined where changes in the conceptual framework as well as ideological orientation of actors matter for institutional change processes that can be observed. At the heart of this perspective is the interpretation of a phenomenon by individuals as actors and changes in those interpretations. Even Sustainable Development is a (partly ideological) concept that is interpreted differently by different actors and such differences can be made visible by the scholar and open for dialogue.

Among examples Environmental Management Systems, such as ISO14 001 and EMAS, as well as the emergence of ecological economics as a research field will be discussed. Also more complex issues such as 'corporate globalisation' will be touched upon.

***Course reading:***

- *Peter Söderbaum: DEMOCRACY, MARKETS AND SUSTAINABLE DEVELOPMENT: THE EUROPEAN UNION AS AN EXAMPLE. European Environment Eur. Env. 14, 342–355 (2004) Published online in Wiley InterScience (www.interscience.wiley.com).*

***Supplementary readings:***

- *Söderbaum, P. 2006. Actors, Agendas, Arenas and Institutional Change Processes. A Social Science Approach to Sustainability, Manuscript: Journal of Interdisciplinary Economics.*

**Key note 4: Lecture: The role of Institutions and Governance: – multilevel Flood prevention in CEE region an institutional perspective (14.00 – 15.30), Jirina Jílková**

Floods are a natural phenomenon that cannot be completely prevented and can cause large property damage. After 100 years, large floods heavily affected the Czech Republic in 1997 and 2002. A complex change of institutions and communication patterns has to be implemented in order to prevent such a disastrous event in the future.

The main purpose of the paper is to analyse changes driven by multiple actors setting, such as the government, municipalities or non-state actors and to identify lessons from the disastrous floods in 2002. Legal analyses and in depth interviews were undertaken (86 interviews with key stakeholders in six selected locations) to determine ongoing institutional changes in responses to flood risk. We also examined the dynamics of particular changes, communication and cooperation procedures among the main responsible bodies. The following research questions were addressed: To what extent have municipalities learned from the flood disaster? Can a reaction to such a catastrophic disaster be considered an example of the learning by doing method? The qualitative analysis of data obtained provides first information about the institutional learning in a multilevel governance context.

***Course reading:***

- *Moss, T., 2001. Solving Problems of 'Fit' at the Expense of Problems of 'Interplay'? The Spatial Reorganisation of Water Management following the EU Water Framework*

*Directive (draft), published by the Institute for Regional Development and Structural Planning, Erkner (website [www.irs-net.de/workpaper3.htm](http://www.irs-net.de/workpaper3.htm))*

- *Linnerooth-Bayer J, and A. Amendola. 2000. Global Cahnge, Natural Disasters and Loss-sharing: Issues of Efficiency and Equity. The Geneva Paper on Risk and Insurance, 25(2):203-219.*

## **Lecture: Social Adaptations and Climate Change in CEE (16.00 – 17.30), Livia Bizikova**

Climate change is currently understood as a pressing issue involving strong links between the physical and the social dimension of the earth's system. To foster effective response to climate change, adaptation needs to be considered. In general, adaptation as response to climate change will depend on the capacity of systems to adapt, conditions as a function, not only of climate, but also of socio-economic conditions, technological progress and changes at the global level (Kane, S.M., and Yohe, G.W., 2000). Moreover, current research shows that responses are closely linked to the opportunities and constraints created by the institutional settings that can be restrictive in implementing options crossing the mandates of narrowly defined organisations. Transition countries are facing unique opportunities to create venues for needed adaptation options in their current development initiatives, mainly because many development priorities and strategies are being set up currently. The presentation will provide insights of success and failures of the climate change adaptation and assessment of current capacities related to land-use change and agriculture in Slovakia and it will identify opportunities that improve flexibility in futures responses that will promote long-term development options. The obtained results of the case study will be relevant for agricultural regions not only in Slovakia, but other Central and Eastern European countries.

**Course reading:**

- *Smit B., and J. Wandel. 2006. Adaptation, adaptive capacity and vulnerability. Global Environmental Change 16:282–292*

**Supplementary readings:**

- *Smit B., Burton I., Klein R.J.T. and Street R., 1999. The Science of Adaptation: A Framework For Assessment. Mitigation And Adaptation Strategies for Global Change 4: 199–213, 1999.*
- *Burton, I., Huq, S., Lim, B., Pilifosova, O., Schipper, E.L., 2002. From impacts assessment to adaptation priorities: the shaping of adaptation policy. Climate Policy 2 (2/3), 145–159.*
- *Grothmann, T., Patt, A., 2005. Adaptive capacity and human cognition: The process of individual adaptation to climate change. Global Environmental Change 15, 199–213.*
- *Pelling M., High Ch., 2005. Understanding adaptation: What can social capital offer assessments of adaptive capacity? Global Environmental Change 15, 308–319.*
- *OECD, 2006. Putting Climate Change Adaptation in the Development Mainstream. OECD Policy Brief, March 2006, <http://www.oecd.org/dataoecd/57/55/36324726.pdf>*
- *Swart, R., Robinson, J., Cohen, S., 2003. Climate change and sustainable development: expanding the options. Climate Policy 3, S19-S40.*

**The documentary movie: “Through the Group”, directed by Ilona Banaszak, Humboldt University of Berlin, and Claire Venot CIRAD, France.**

In the mid 1990s new forms of cooperation in agriculture appeared such as Polish producer groups. New names and legal forms make the distinction from the “old” cooperatives. The empirical evidence shows that these organisations play an

important role for the associated farmers and their local communities.

The research question posed in the documentary investigates the problems which cooperative groups (such as the producer groups in Poland mentioned above) face during the process of formation and maintaining cooperation. The largest problem faced by the groups was establishing the loyalty and commitment of the members. The groups adopted various ways of dealing with this problem. Some invested in sanctioning procedures, others in building group identity and a community. Several groups decided to stay small and not accept new members, making trust building, control and monitoring easier. The documentary applies research techniques from the area of visual sociology. The idea behind using this technique is that pictures and films are as relevant and the equivalent of more traditional options as questionnaires and standard interviews.

## **June 26**

**Lecture: Institutions and Environmental Governance (9.00 – 10.30)**, Jouni Paavola, Sustainability Research Institute School of Earth and Environment, University of Leeds, UK

This presentation maps and critically examines different approaches to understanding and analyzing institutions in environmental governance. It also presents the conceptual revisions needed to extend the new institutional approach to environmental governance from its current local and international domains of application to all governance solutions, including national environmental and natural resource use policies and multi-level governance solutions that are increasingly used to address global environmental change. The presentation suggests that environmental governance is best understood as the establishment, reaffirmation or change of institutions to resolve conflicts over environmental resources. It also explains why the choice of these institutions is a matter of social justice rather

than of efficiency. The presentation suggests a way to understand formal and state-centered governance solutions as forms of collective ownership not unlike common property. It also demonstrates how institutional analysis can gain resolution by looking at the functional and structural tiers, organization of governance functions, and formulation of key institutional rules as key aspects of the design of governance institutions. The presentation gives examples of innovative applications of institutional analysis from different areas of environmental governance, and identifies the key areas where research is needed in the future.

**Course reading:**

- Paavola, J. 2007. *Institutions and Environmental Governance: A Reconceptualization*. *Ecological Economics*, in press.

**Supplementary readings:**

- Adger, W. N., Brown, K., Fairbrass, J., Jordan, A., Paavola, J., Rosendo, S. and Seyfang, G. 2003. *Towards A 'Thick' Analysis of Environmental Decisions*. *Environment and Planning A* 35: 1095-1110.
- Dietz, T., Ostrom, E., and Stern P.C. 2003. *The Struggle to Govern the Commons*. *Science* 302: 1907-1912.
- Feder G. and Feeny, D. 1991. *Land-Tenure and Property-Rights Theory and Implications for Development Policy*. *World Bank Economic Review* 5 (1): 135-153.
- Feeny, D., Hanna, S., Mcevoy A.F. *Questioning the Assumptions of the "Tragedy of the Commons" Model of Fisheries*. *Land Economics* 72 (2): 187-205.
- Jentoft, S., McCay B.J., and Wilson, D.C. (1998) *Social Theory and Fisheries Co-Management*. *Marine Policy* 22: 423-436.
- Hotimsky S, Cobb, R, and Bond A. (2006) *Contracts or Scripts? A Critical Review of the Application of Institutional Theories to the Study of Environmental Change*. *Ecology and Society* 11 (1): Art. No. 41.

- *Imperial, M.T. 1999. Institutional Analysis and Ecosystem-Based Management: The Institutional Analysis and Development Framework. Environmental Management 24 (4): 449-465.*
- *Olsson, P, Folke, C., and Berkes, F. 2004. Adaptive Co-Management for Building Resilience in Social-Ecological Systems. Environmental Management 34 (1): 75-90.*
- *Paavola, J., and Adger, W. N. (2005). Institutional Ecological Economics. Ecological Economics 53: 353-368.*
- *Pomeroy, R.S. (1995) Community-Based and Co-Management Institutions for Sustainable Coastal Fisheries Management in Southeast Asia. Ocean & Coastal Management 27 (3): 143-162.*
- *Rutherford, M. (2001) Institutional Economics: Then and Now. Journal of Economic Perspectives 15 (3): 173-194.*
- *Vatn, A. (2005) Rationality, Institutions and Environmental Policy. Ecological Economics 55: 203-217.*

## **Lecture: Transformations of Institutions in CEE Agriculture (11.00 – 12.30), Andrej Udovč**

During and after second World War and within the transition period, the agriculture in CEE countries has witnessed many changes in its formal and informal institutional arrangements. The lecture will focus on results of several research projects, of the institutions involved in those changes and to analyse changes driven by multiple actors setting, such as the government, international institutions, farmer's organizations and non-agricultural actors. For more in-depth analysis of the institutions, transformation and its acceptance by the farmers the case of development of agricultural co-operative system in Slovenia in the post war and transition period will be presented and analysed.

**Lecture: "New Forms of Cooperation in Agriculture in CEECs. The Case of Agricultural Producer Groups in Poland" (14.00 – 15.30), Ilona Banaszak**

Cooperation in Agriculture in Central and Eastern European Countries has a long, but difficult history. Socialistic cooperatives were strongly bureaucratized and directed by the Party's officials. Farmers were commonly forced to join cooperatives and many policy and management failures also occurred in this sector after the 1989 transformation. It resulted in a strong aversion of farmers towards cooperatives. This aversion is still present and in general farmers perceive cooperatives as something very inefficient and as a remnant of the old system.

In the mid 1990s new forms of cooperation in agriculture such as Polish producer groups appeared. New names and legal forms make the distinction from the "old" cooperatives.

The empirical evidence shows that these organizations play an important role for the associated farmers and their local communities.

The lecture will present a theoretical framework for investigation of various forms of cooperation, as well as discuss determinants of success or failure of such organizations.

***Course reading:***

- *Banaszak I. and V. Beckmann. 2006. The Role of Leadership for Establishing and Sustaining Cooperation. Evidence from Producer Groups in Poland, IDARI Working Paper Humboldt University Berlin, p 28.*

**Round Table on Institutions and Environmental Policy with speakers of the seminar (16.00 – 17.30), facilitated by T.Klúvanková-Oravská**

## **JUNE 27, 28**

### **COLLECTIVE EXERCISE**

P. Sauer (University of Economics Prague, Czech Republic), N. Kosoy (Autonomous University Barcelona), A. Udovc.

In order to link theoretical knowledge to real policy issues and enhance learning processes, a simulation exercise will be developed for the participants. The simulations will concentrate along theoretical issues discussed during the first week of the school such resource regimes, institutional change and institutional solutions for environmental policy solving in particular for transition processes as well as the use of innovative instruments to model institutional change. Examples will come from biodiversity, climate issues or water where human activity is conflicting with the environment and where sustainable use represents a viable option for solving the conflict. Instruments identified within the theoretical seminars, as well as derived from discussions within thematic workshops or previous events of THEMES will be made available to participants in solving model scenario issues.

#### ***Course reading:***

- *Kosoy, N., Martinez-Tuna, M., Muradian, R. and J. Martinez-Alier. 2007. Payments for environmental services in watersheds: Insights from a comparative study of three cases in Central America. Ecological Economics 61(2-3):446-455*
- *Corbera, E., Kosoy, N. and M. Martinez-Tuna. 2007. Equity implications of marketing ecosystem services in protected areas and rural communities: Case studies from Meso-America. Global Environmental Change. In Press*