

Environmental Institutions

ESM 248, Winter 2017

Professor: Mark Buntaine (buntaine@bren.ucsb.edu)

Class meeting: Tuesday / Thursday 2:30-3:45 (Bren 1424)

Office hours: Tuesday / Thursday 4-5pm or by appointment (Bren 4422)

No Class Meeting: T 1/17, Th 1/19, Th 2/23

Final Mini-Conference: W 3/15 5:20-8:20pm

Course Summary

Institutions are rules, both formal and informal, that shape interactions between individuals, groups, and organizations. Because institutions exist in a vast array of forms at many different levels, they affect nearly every aspect of environmental management. This course provides tools that can be used to analyze informal, local, national, and international institutions. By recognizing the myriad of rules that affect the design, implementation, and effectiveness of environmental management activities, you will be equipped to design successful management activities in many settings.

Critical to all types of institutional analysis are the concepts of *rule-making*, *enforcement*, and *monitoring*. Institutions such as government constitutions, cultural practices, or organizational procedures constraint and shape how rules are made. For any rule to affect behavior, some entity must be willing to impose costs or provide benefits for compliance. Mechanisms of enforcement include social pressures, market demand, legal sanctions, and reputational status. To be able to enforce rules, information about compliance must be available. Monitoring produces this information and comes about through dense social relationships, government audits, private certification schemes, and voluntary reporting requirements, among many other possibilities. Institutional analysis seeks to diagnose the ways that behaviors can be shifted in desirable directions through rule-making, monitoring, and enforcement strategies. As we will see, environmental policies and management activities are seldom effective if they are not nested within supporting institutions.

Course Goals

- Analyze how formal and informal institutions affect individual and organizational behaviors in a variety of settings;
- Assess innovations in rule-making, monitoring, and enforcement and their effects on environmental management;
- Explore the opportunities for institution building and reform at the community, domestic and global levels;
- Complete professional tasks that use institutional analysis;
- Develop professional communication skills related to institutional analysis;

Evaluation

Mini-Projects: The main goal of this course is to use institutional analysis to complete tasks found in professional settings. As such, the course is built around four mini-projects, which will be outlined in separate documents. For each of the mini-projects,

you are encouraged (but not required) to collaborate with up to two classmates. You may only collaborate with any single person **one** time over the four mini-projects. Everyone in a group must take full ownership of the final project and will receive the same grade, since I have no way to distinguish individual contributions. Choose your collaborators carefully.

Participation: Your active participation is important for the success of this course. Unlike a traditional lecture course evaluated by exams, sessions have been designed to build skills through active participation and discussion. I expect that you will closely read all of the assigned articles and documents before coming to class and that you will be prepared to engage in all discussions and activities. In addition, you will be required to prepare professional presentations for the mini-projects, the quality of which will factor into both your participation and assignment grades. You are expected to attend all course sessions. Talk to me beforehand if you need to miss class for a legitimate reason, otherwise absences will negatively affect your participation grade.

Mini-Project #1 (Institutional profile)	20%
Mini-Project #2 (Monitoring brief)	20%
Mini-Project #3 (Institutional response)	20%
Mini-Project #4 (Institutional proposal)	20%
Participation	20%

Assignment completion policy: You must complete all assignments to pass the course.

Re-grades: I take student evaluation seriously and do not entertain requests to re-grade assignments unless I receive a formal, written request for a re-grade that compellingly documents a serious oversight on my part. A serious oversight on my part indicates that the entire assignment should receive further attention. Your score may go up or down if I decide that an assignment needs this kind of attention, so plan accordingly. That being said, I strongly encourage you to meet with me during office hours to discuss the substance of my comments about your mini-projects.

Academic Honesty: I expect you to adhere to the highest standards of academic honesty. This means only turning in work that is your own and properly citing all information and ideas that you draw from others. Any assignment that does not adhere to UCSB academic honesty guidelines will not receive credit and will be referred to campus judicial procedures. See:

<http://judicialaffairs.sa.ucsb.edu/AcademicIntegrity.aspx>

Key for types of class sessions: Discussion, Lecture, Activity, Presentations

Unit 1: Institutional Forms and Features

Session 1 (Tu 1/10) – Institutional roots of environmental problems (D)

Sjöstedt, M., & Sundström, A. (2015). Coping with illegal fishing: An institutional account of success and failure in Namibia and South Africa. *Biological Conservation*, 189: 78-85.

Discussion: Come prepared to describe an environmental problem that you care about and one reason (there may be many) that the problem has not been solved.

Session 2 (Th 1/12) – Types of institutions (L/A)

Williamson, C. R., & Kerekes, C. B. (2011). Securing private property: formal versus informal institutions. *Journal of Law and Economics*, 54(3), 537-572.

Ostrom, *Governing the Commons*, Ch. 2

Activity: Working in small groups, identify the most important institutions involved in producing the outcome that is assigned to your group. Bring laptops.

No Class on Tu 1/17 or Th 1/19

Session 3 (Tu 1/24) – Presentations of institutional profiles (P)

Richmond, L. & Levine, A. 2012. Institutional analysis of community-based marine resource management initiatives in Hawai'i and American Samoa. Pacific Islands Fisheries Science Center. NOAA Technical Memorandum NMFS-PIFSC-35.

Suhardiman, D., de Silva, S. & Carew-Reid, J. 2011. Policy review and institutional analysis of the hydropower sector in Lao PDR, Cambodia, and Vietnam. International Water Management Institute.

*Mini-project #1 (Institutional Profile): identify the institutional features that affect the management outcome of an environmental resource of your choice and submit a 4-5 page institutional profile. **Due Friday 1/27 @ 5pm.***

Unit 2: Rule-Making

Session 4 (Th 1/26) – Self-organized institutions (L/D)

Ostrom, *Governing the Commons*, Ch. 6.

Basurto, X. (2005). How locally designed access and use controls can prevent the tragedy of the commons in a Mexican small-scale fishing community. *Society and Natural Resources*, 18(7), 643-659.

Session 5 (Tu 1/31) – Governments as rule-making institutions (L/A)

North, *Institutions, Institutional Change, and Economic Performance*, Ch. 1

Pomeroy, R. S., & Berkes, F. (1997). Two to tango: the role of government in fisheries co-management. *Marine policy*, 21(5), 465-480.

Activity: In groups, identify the advantages, disadvantages, and challenges of working through governmental legislation as a way of address the assigned environmental problem. Bring laptops.

Session 6 (Th 2/2) – Politics: The struggle to control rule-making institutions (L)

Moe, T. M., & Caldwell, M. (1994). The institutional foundations of democratic government: A comparison of presidential and parliamentary systems. *Journal of Institutional and Theoretical Economics*, 150(1), 171-195.

Farrell, J. (2016). Network structure and influence of the climate change counter-movement. *Nature Climate Change*, 6(4), 370-374.

Session 7 (Tu 2/7) – Participation and rule-making (D/A)

Irvin, R. A., & Stansbury, J. (2004). Citizen participation in decision making: is it worth the effort? *Public administration review*, 64(1), 55-65.

Few, Roger, Katrina Brown, and Emma L. Tompkins. 2007. Public participation and climate change adaptation: avoiding the illusion of inclusion. *Climate Policy* 7 (1): 46-59.

Activity: Design a participatory process for making the public decision assigned. Bring laptops.

Unit 3: Monitoring

Session 8 (Th 2/9) – Strategic Monitoring (L)

Ozanne, A., Hogan, T., & Colman, D. (2001). Moral hazard, risk aversion and compliance monitoring in agri-environmental policy. *European review of agricultural economics*, 28(3), 329-348.

Guerrero, S., & Innes, R. (2011). Self-Policing Statutes: Do They Reduce Pollution and Save Regulatory Costs? *Journal of Law, Economics, and Organization*, ewr012.

Read in detail about **one** EPA compliance monitoring program:

<https://www.epa.gov/compliance/compliance-monitoring-programs>

Suggested extra reading:

Moffett, M., Bohara, A. K., & Gawande, K. (2005). Governance and Performance: Theory: Based Evidence from US Coast Guard Inspections. *Policy Studies Journal*, 33(2), 283-306.

Session 9 (Tu 2/14) – Citizen Monitoring (L)

Buntaine, Mark T. (2015). Accountability in Global Governance: Civil Society Claims for Environmental Performance at the World Bank. *International Studies Quarterly*.

Buntaine, Mark T. (2016). Escaping the Valley of Disengagement: Two Field Experiments on Citizen Motivations to Engage in Collaborative Governance. *Working Paper*.

Session 10 (Th 2/16) – Innovations in Monitoring (P)

Background reading for some ideas:

INECE. 2015. *Special Report on Next Generation Compliance*. Available at: https://inece.org/assets/Publications/5748af16cf1d4_SpecialReportOnNextGenerationCompliance_Full.pdf

Lynch, J., Maslin, M., Balzter, H., & Sweeting, M. (2013). Sustainability: Choose satellites to monitor deforestation. *Nature*, 496(7445), 293-294.

Assunção, J., Gandour, C., & Rocha, R. (2013). DETERring Deforestation in the Brazilian Amazon: Environmental Monitoring and Law Enforcement. *Climate Policy Initiative Report, PUC-Rio*, Available at: http://www.econ.puc-rio.br/uploads/adm/trabalhos/files/Command_and_Control.pdf

Mulero-Pázmány, M., Stolper, R., Van Essen, L. D., Negro, J. J., & Sassen, T. (2014). Remotely piloted aircraft systems as a rhinoceros anti-poaching tool in Africa. *PloS one*, 9(1), e83873.

Stokstad, E. (2014). Will fracking put too much fizz in your water? *Science*, 344(6191), 1468-1471.

Read the challenge: <http://www.wcuavc.com/>

Mini-project #2 (Monitoring Brief): Write a 2-page memo to a policy-maker of interest explaining how deficiencies in monitoring arrangements are contributing to an environmental problem and suggesting ways to improve monitoring. **Due Monday 2/20 @ 5pm.**

Unit 4: Enforcement

Session 11 (Tu 2/21) – Strategic enforcement (D)

Robinson, E. J., Kumar, A. M., & Albers, H. J. (2010). Protecting developing countries' forests: enforcement in theory and practice. *Journal of Natural Resources Policy Research*, 2(1), 25-38.

Shimshack, J. P., & Ward, M. B. (2005). Regulator reputation, enforcement, and environmental compliance. *Journal of Environmental Economics and Management*, 50(3), 519-540.

Suggested extra reading:

Environmental Protection Agency. 2016. National Enforcement Initiatives. Available at: <https://www.epa.gov/enforcement/national-enforcement-initiatives>

Robinson, E. J., & Lokina, R. B. (2012). Efficiency, enforcement and revenue tradeoffs in participatory forest management: an example from Tanzania. *Environment and Development Economics*, 17(01), 1-20.

NO CLASS 2/23

Session 12 (Tu 2/28) – Market-based enforcement (D)

Konar, Shameek and Mark A. Cohen. (1997). Information As Regulation: The Effect of Community Right to Know Laws on Toxic Emissions. *Journal of Environmental Economics and Management* 32(1): 109-124.

Magali Delmas and Laura Grant. 2014. Eco-Labeling Strategies and Price-Premium: The Wine Industry Puzzle. *Business & Society* 53(1): 6-44.

Session 13 (Th 3/2) – Presentations of Eco-Label analysis (P)

Background reading:

Potoski, M. and Prakash, A. 2013. Green Clubs: Collective Action and Voluntary Environmental Programs. *Annual Review of Political Science* 16: 399-416.

World Wildlife Fund. 2011. Smart fishing initiative: comparison of wild-capture fisheries certification schemes. Gland, Switzerland: World Wildlife Fund for Nature.

Plastics Europe. 2012. Plastics industry views on the EU Ecolabel scheme. Brussels: Plastics Europe AISBL.

Lars Gulbrandsen. 2009. The Emergence and Effectiveness of the Marine Stewardship Council. *Marine Policy*, 33, 654–660.

Mini-project #3 (Institutional Response): Analysis of an Eco-Label from the perspective of a firm or an NGO. Write a 3-4 page strategic assessment about how the firm or NGO should behave with respect to the Eco-Label based on the institutions it establishes. Due Monday 3/6 @ 5pm.

Session 14 (Tu 3/7) – Legal enforcement (L)

Gunningham, N. A., Thornton, D., & Kagan, R. A. (2005). Motivating Management: Corporate Compliance in Environmental Protection. *Law & Policy*, 27(2), 289-316.

Sundström, A. (2012). Corruption and regulatory compliance: Experimental findings from South African small-scale fisheries. *Marine Policy*, 36(6), 1255-1264.

Session 15 (Th 3/9) – Social enforcement (D)

Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: status, reputation, and conspicuous conservation. *Journal of personality and social psychology* 98(3), 392-404.

Allcott, H., & Rogers, T. (2014). The short-run and long-run effects of behavioral interventions: Experimental evidence from energy conservation. *The American Economic Review*, 104(10), 3003-3037.

Building Institutions

Session 16 (Tu 3/14) – Development assistance and government reform (L)

Buntaine, M., Buch, B.P., Parks, B.C. (2016). Aiming at the Wrong Targets: The Difficulty of Improving Domestic Institutions with International Aid. *International Studies Quarterly*, forthcoming.

Eltz, M., Narain, U., Orfie, A., & Schneider, R. (2010). *Strengthening Environmental Institutions and Governance: What Should be the Role of the World Bank Group?* (Analytical Report No. 12756). The World Bank.

Special Mini-Conference: Final Presentations (W 3/15, 5:20-8:20pm)

Mini-Project #4: Create a 4-5 page proposal for building and/or reforming an institution to manage an environmental problem. Address rule-making, monitoring, and enforcement, including trade-offs between these components of institution building. Due Thursday 3/23 @ 5pm.

Session 17 (Th 3/16) – Building global institutions (L)

Ostrom, Elinor, and et al. 1999. Revisiting the commons: local lessons, global challenges. *Science* 284 (5412): 278-282.

Keohane, Robert O. and David G. Victor. 2011. The Regime Complex for Climate Change. *Perspectives on Politics* 9(1): 7-23.