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# Resource regimes and collective action

Theories relevant for the PhD project "Resource regimes and collective action in relation to protected areas"

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## Forord

This paper is written during the PhD course Enterprise Development and Work Life Research (Edwor II). The course is managed by Department for Industrial economics and Technology Management (IØT) at the Faculty of Social Science and Technology Management (SVT) at Norwegian University of Science and Technology (NTNU). Supervisor has been Professor Hans Christian Garman Johnsen. The paper is approved as exam paper 1 in the PhD course.

The paper discusses some social science theories relevant for my PhD project. The goal with the paper is to discuss how my research questions relate to the theoretical discussions in the field. This is part of the process in the course to develop my theoretical stand in relations to the scientific debate. The other intention is to create a fruitful theoretical framework for the empirical analysis in my project. These two intentions is a still ongoing process in the course.

Sogndal, 15. september 2008

Eivind Brendehaug

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# 1 Introduction

The aim with this paper is to relate my PhD research questions to relevant social science theory. My research project deals with how conservation regime (and other national policies) influences the ability of local and regional actors to create collective action for the integration of protected area management and local socio-economic development (e.g. tourism).

In the first part of this paper I give a short introduction to the project by describing the study areas, and outline the project hypothesis and research questions. In the second part I relate my research question to the scientific discussion and outline the more theoretical issues discussed in this paper. This part also consists of a short presentation of different theoretical perspectives to highlight these theoretical issues. In the third and last part I discuss similarities and differences among the theories, and relate the perspectives to my research field. I conclude with some empirical questions to scope my research project in relation to the theoretical assessment in this paper.

## 2 The PhD project context

### 2.1 The study areas

The Nærøfjord Landscape Protected Area and the Geiranger-Herdalen Landscape Protected area were designated in 2002 and 2004 respectively. The goal was to: “protect the beautiful and peculiar nature- and culture landscape” (my translation)<sup>1</sup>. The 14<sup>th</sup> of July 2005 the Nærøfjord together with the Geirangerfjord were inscribed as Western Norwegian Fjords sites at the World Heritage List by UNESCO<sup>2</sup>. Both these processes, the designation of the protected areas and the UNESCO processes were initiated by national authorities (top-down processes). The designation of the Landscape Protected Area changed the formal resource regime in the areas from being managed after the Plan and Building Act to the Nature Protecting Act. The purpose of the two laws differs. The first one aims to coordinate state, county and municipality activity and provide basis for decisions concerning use and protection of resources, development and aesthetic considerations. Both individual and collective objectives should be taken into account. The law intention is to balance multiple uses of land and resources. The Nature Protecting Act state that nature is a national value and have to be protected. Human intervention with nature should only be carried out from a long term perspective and multiple resource use with

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<sup>1</sup> <http://dnweb12.dirnat.no/nbinnsyn/asp/faktaark.asp?iid=VV00001836>

<sup>2</sup> <http://www.dirnat.no/content.ap?thisId=500023620>

the aim to protect nature for future generation activity, health and well being. The Nature protection act constitutes stronger restrictions on land use compared with the Plan and Building Act, and represents a shift in management authority from the municipality to the state. In both areas the state decision to designate protected areas was not welcomed by the local municipalities. During the designation processes there have been conflicts between the environmental authorities and the local stakeholders, mainly farmers.

The shift of authority over the area protected to the state has influenced the actor structure and the arenas for decisions. The County Governor has the formal authority, and the Directorate for Nature Management and the Ministry of Environment are the superior authority. But, in cooperation with the municipalities meeting arenas between national, regional and local representatives are created for information exchange, coordination and land management discussion. An example here is the World Heritage Council<sup>3</sup>.

During the last years also local stakeholders as Aurland and Stranda municipality have taken initiatives for development and management. Bottom-up processes are carried out trying to make local community benefit from the UNESCO status. These processes represent different local strategies due to the current application for local management of Geiranger-Herdalen protected area, and the different state-municipality partnership model in Nærøy Fjord protected area. Also the local initiatives for business development differ in the two areas, but they have some measures in common initiated by the joint World Heritage Council of Western Norwegian Fjords.

## 2.2 The history of protected areas in Norway

The project is based on the history of protected areas in Norway, especially experiences from what we may denote as the *second* stage in the history of LPA in Norway. At this stage which starts in the 1970th an optimistic view occurred regarding the possibilities of combining nature protection with a sort of soft local economic development. This new view was perhaps most clearly stated by the designation of the first national park with a large percentage of private landownership; the Hardangervidda National Park in 1981 (Aall, 1993). Up to then - during the *first* stage - all national parks had been established exclusively on land owned by the government – and were also restricted to areas with low economic interests, with some exceptions for hydroelectric power development. However, opportunity for a win-win situation opportunity was soon to disintegrate. In the case of Hardangervidda, local economic development did not evolve in the “soft” way as envisioned by the nature protection authorities. Instead, strong clashes of interests occurred between nature and protection and economic development interests, and between the local and national level of government (Glosvik, 1996). This type of two-dimensional conflict characterises what we may denote as the *third* stage in the history of LPA, with recent conflicts having been described by several authors (Daugstad, Svarstad, & Vistad, 2006);(Falleth & Hovik, 2006; Hovik & Vabo, 2005). The conclusion here may eventually be that the conflict situation is complex both at the

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<sup>3</sup> The World Heritage Council of Western Norwegian Fjords consist of 6 municipality representatives (mayors), County administration and County Governor representatives from the three involved counties in addition to national observers.

local and national levels, and that the Nature Protection Act is not capable of dealing with these developments. A possible *fourth* stage in the history of LPA in Norway is just at its starting point, involving initiatives for local management of (small) protected areas, i.e. protected landscapes and nature reserves, which started in 1991. This was partly a result of a program which sought to pave the way for institutionalising environmental policy in Norway at the local level of government: the MIK programme from 1988 to 1991, which eventually led to the MIK reform in 1991. An important goal with the MIK program and reform was to enable the municipalities to take over more responsibility in environmental policy. Thus in 1996, the Norwegian Parliament decided to experiment with different models for local management of LPA. Four slightly different management models are currently tested in four different National Parks in Southern Norway. All of these tests are evaluated by means of four different trailing research projects. So far the experiences from these evaluations are that in areas where local management works well, little change in the use of the area is detected (Aasetre, 2005). In areas with cooperation difficulties, struggles about resource management are more common (Falleth & Hovik, 2006; Reed, 2006).

### 3 Project hypothesis and research question

Our hypothesis is that (i) the success of safeguarding the nature and cultural heritage qualities embedded in the LPA (ii) very much depends on a sufficient level of local legitimacy, which again (iii) depends on the possibilities for utilising LPA as a local means for socio-economic development. In other words: if the designation of a LPA implies limitations to local socio-economic development (iii), this will lead to a low local acceptance of the LPA (ii) which will in turn make it difficult to safeguard the nature and cultural heritage qualities embedded in the LPA.

Our *hypothesis* can be divided into a vertical and horizontal perspective (see figure 1 under). The *vertical* perspective deals with the relationship between the different levels of government, ranging from the global to the local level and involves primarily the effect of choosing different policy regimes. This axes links to the ongoing processes for shift from state to municipality authority responsible for the management of protected areas (e.g. in Geiranger). There are also other areas developing, as Nærøy Fjord, a partnership between state and municipality. The third model is traditional state management. Our hypothesis is that municipality management in it's self do not solve the problem of local legitimacy. The main problem is not the level of authority responsible for the LPA management, but the lack of socio-economic development<sup>4</sup>.

The *horizontal* perspective deals with models to integrate socio-economic development and LPA management. This ambition rise fundamental challenges towards policy integration at national, regional and local level. Our hypothesis is that both barriers and success factors are related to, among more, i) existing and

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<sup>4</sup> I understand several municipalities now taken over the management of LPA or apply for this trying to make this integration themselves. When the state has not managed to integrate national conservation and rural policy the municipalities have to use the instruments they have: apply for management of LPA.

emerging new organisational models on national and regional governmental levels, ii) international and national policy regimes with both deregulating (e.g. agriculture) and regulating (e.g. World Heritage Site) effects, and iii) the emergence of new actors and power relationships. We aim to identify the problems and prospects of such strategies as well as the success factors and barriers involved in creating them.

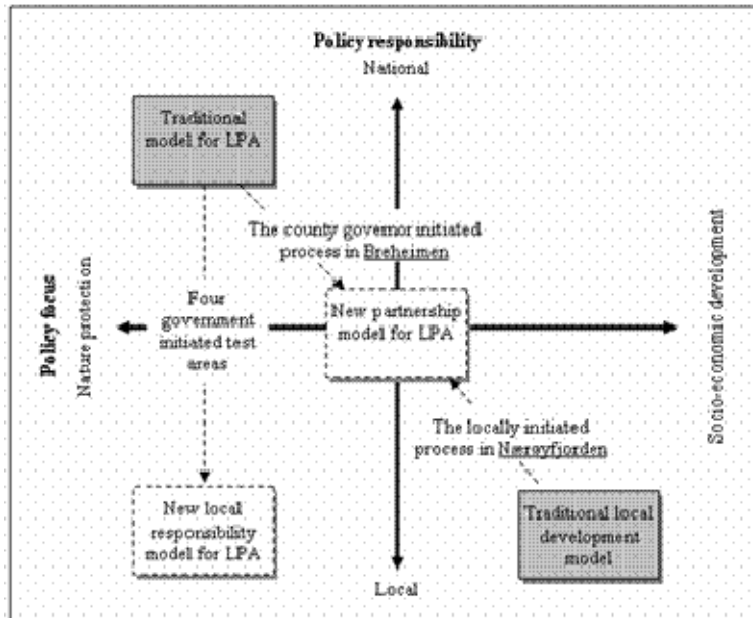


Figure 1. A typology of different approaches to work with large protected areas

**Figure 1: A typology of different approaches to work with large protected areas.**

The main research questions in this PhD project are:

- 1) How does the history of interactions between environmental authorities and local economic actors influence the present situation in large protected areas; which conflicts have emerged and how have these conflicts eventually been resolved?
- 2) Why is the current conservation regime insufficient to secure the maintenance of some public goods, and to link maintenance to the benefit streams from the use of these goods?
- 3) How could incremental institutions change by governance processes compensate for this insufficient by developing new strategies and measures?
- 4) What kind of obstacles occurs in these governance processes, and how is these obstacles tried to be solved for the implementation of the new strategies and measures in national policy?

These research questions have it's base in local and regional stakeholders problem statement. During interviews, document and media articles studies, participation in meetings and in field inspections and joint reflection with the problem owners I have discovered these challenges related to different levels of management and participation<sup>5</sup>:

<sup>5</sup> The method used to analyse these data is coding and categorisation described in Grounded Theory (Strauss & Corbin, 1998).



- secure that commercial tourist activity do not damage the public goods intended to be protected
- make it rational for businesses to contribute to the maintenance of the public goods
- develop framework conditions for profitable green (or eco-) SME businesses
- make it rationale for businesses to contribute within and promote the common infrastructure and network among the SME

Today benefits streams from commercial activity using public goods, e.g. transportation on the fjords, do not merge with maintenance activities of the same goods (the farmer's landscape management). In addition, external negative environment, landscape and culture cost from the tourism traffic is not paid. In other words: "the polluter does not pay". Trying to solve some of these challenges both the County Governor (the State) and the local stakeholders, e.g. The Nærøysfjord World Heritage Park, have developed supplementing measures to the current conservation regime trying to compensate for these missing links, and to create compatible socio-economic development.

## 4 The theoretical problem and discussion

### 4.1 The international scientific debate

Rydin (2005) discuss the problem of management of protected areas and waterways. Bodies and parties involved in the management of the area have a role to create networks in order to overcome *fragmentation* on society level (e.g. in public administration) and to develop collective action. The author understands institutional fragmentation as an intractable aspect of trying to manage natural resources. Networking can stimulate collective action, especially when networking is linked with strategic development, common knowledge base and resources, and the creation of common norms. However, it is not guaranteed. It is not possible to put all people dealing with the same area and resources into one organisation. The authors conclude with the need for a national regulatory or direct public sector action to create collective action. Such sanctions have to be part of a holistic national policy towards resources, areas and actors (Rydin, 2005, p. 190).

On the other hand Ostrom (1990) argue against the need or the appropriateness of central authorise regulations in common resource regimes. She criticises the positions of "the tragedy of the common", "the prisons dilemma" and "the problem of collective action". These positions assume that people involved do not talk with each other and that their preferences are fixed. Ostrom gives several examples where people manage to self-organise and self-governance resource use to make accordance between individual and collective rationality. But, she also describes situations where these ambitions fail, as with the continuing problem of overdraft of groundwater basins in Southern California. She writes:

“attempts to solve the difficult problems of this large and complex region primarily on a regional scale using one instrumentality did not enable those involved to devise effective instrumental arrangements to address the diverse problem they faced.” (Ostrom, 1990, p. 149)

The situations of failure show different pictures where individuals do not overcome the collective provision of new rules due to internal and external variables. Still recent efforts to modify the theories of collective action have mainly focus on variables internal to the situation, such as total number of decisions makers, the minimum number participant necessary to create collective benefit, the discount rate in use, similarities of interest and the degree of leadership in the group. These kind of variables seems to intercept important elements in my study where I find very different resource users (from farmers, local small scale entrepreneur, accommodation businesses to large scale regional, national and international transport companies, e.g. cruise-ship companies). However, my study is based on an understanding that external variables, as surrounding political systems, have to be taken into account. This hypothesis is supported by Ostrom’s findings, that the current theories of collective action are lacking three elements:

- the need to reflect the incremental, self-transforming nature of institutional change
- the importance of the characteristics of external political regimes in an analysis of how internal variables affect levels of collective provision of rules;
- the need to include information and transaction costs (Ostrom, 1990, p. 190).

The second point above correspond to Vatn’s (2005) statement that resource regimes typically are not able to motivate coordinated action among the different users involved. But, he also pays attention to the intrinsic characteristics of natural resources: they are interconnected in a way that often could lead to cost distribution, and I would add, income distribution, among the users involved. Cost is here understood as external cost from the resource use. Income distribution focus on users benefit streams from the public good without contributing to the maintenance of the same goods. The reason for this kind of “failure” is absence of a capable resource regime to motivate coordinated action among different resource users taking into account the interconnectedness of resources and the technology applied. This corresponds to the tragedy of open accesses and the public good problem. In this paper I understand technology as different resource users means for their utilization of the resource’s.

## 4.2 Questions and theories discussed in this paper

Focus in the theoretical discussion through this paper is third:

- the incremental, self-transforming nature of institutional change

- how external policy influence processes to create collective action
- how theories reflect the implications of the character of nature resources and its use towards resource regimes design.

These issues relate to my research question earlier mentioned: The incremental, self-transforming nature of institutional change gives insight to my third empirical question (How could incremental institutions change by governance processes compensate for conservation regimes insufficiency to create collective action?). How external policy influence processes to create collective action is relevant for my second empirical question (Why is the current conservation regime insufficient to secure the maintenance of some public goods, and to link maintenance to the benefit streams from the use of these goods?) My fourth research question (What kind of obstacles occurs in these governance processes, and how is these obstacles tried to be solved for the implementation of the new strategies and measures in national policy?) relate both to Ostrom's first and second point above. The issues how theories reflect the implications of nature resources characteristics and their use towards resource regime design give insight to the more superior theoretical discussion.

In the following a short taste of the four theoretical perspectives for the discussion in this paper is given. These theoretical positions outlined are:

- Classic institutional *economics* adapted to environmental issues and resource regimes mainly based on Vatn (2005)
- Urban regime theory, mainly based on Stone (1989).
- Classic institutionalism (the interdependence position) in governance mainly based on (Kickert, Klijn, & Koppenjan, 1997)
- New institutionalism (the integration position) in governance mainly based on March and Olsen (1995)

It is important to be aware of the different use of notion in the different professionals. Classic and new institutionalism is used to describe positions in the organisation theory and political science. Here new institutionalism does not mean the same as new institutionalism in economics. In the first one institutions (both formal: regulations etc. , and informal: norms) are understood as internal conditions which forms behaviour. In the latter (in economics) new institutionalism define institutions as more formal and external conditions making some limitations for peoples behaviour, but is not influencing their basic rational choose .

After the presentation I discuss the different position in relation to each other and in the end sum up the core points.

#### 4.2.1 Classic institutional economics

I limit this presentation to a classic institutional economic perspective on nature resource use and resource regimes based on Vatn (2005). Nature resource use necessarily influences other nature resource use due to the inherent interconnectedness of nature resources and natural processes. If it would be possible to demarcate nature resources, processes and benefits from the use of these resources, external cost and the problem of public good would not exist. This is partly possible, and if it would be possible the resources had been degenerated. The interconnectedness is an inherent characteristic of nature resources and it secures their quality and productivity. Externalities from economic activity are a product of the relationship, or lack of relationship, between the resource and the resource regime chosen (Vatn, 2005).

Resource regime is defined as consisting two main points: 1) The property regime that govern the use and the transfer of the right to a resource, 2) The rules that govern transactions concerning the results from the use of the resource. There are four kinds of property regimes: private property, common property, state property and open access. While the three first regimes are variations of co-ownership, the latter have no property – everybody have the right to use the resource. The use and the relationship between the users are not regulated. Open access is “institutionalized” cost shifting due to the interconnectedness of resources and benefit streams. Vatn (2005) emphasises the need to evaluate the relationship between resource characteristics and choice of policy regime to make accordance between individual and collective rationality. To solve collective action problems, e.g. the tragedy of open access, one possibility is to change the regime to common property among the people who produce the good (Vatn, 2005).

Vatn defines institutions as:

the conventions, norms and formally sanctioned rules of a society. They provide expectations, stability and meaning essential to human existence and coordination. Institutions regularize life, support values and produce and protect interests (Vatn, 2005, p. 60).

Institutions form behaviour, individual preferences is not fixed; it is to a large degree socially constructed. When the new institutional economics focus on the institutions role to reduce transaction cost and increase efficiency, the classic position highlights the normative aspect: how institutions protect interests and groups ability (power) to institutionalise their interests. Vatn position is the classical institutional economics. He distinguishes his position from the new institutional economics understanding institutions as endogenous to the individual. Vatn (2005:12) refer to Bromley (1989) when scoping the classical position understanding institutions as facilitating choices, “they enable, not only constrain choices”.

This definition includes both the normative and the cognitive element of institutions, but also understanding institutions as use of power (sanctioned rules) to protect some interests.

But, humans are not passively formed by institutions. Humans are acting agents in forming structures (institutions) of society and influenced by the same structures. Based on (Berger & Luckmann, 1991), Vatn (2005) highlights the dialectics between agents and structures: individuals form institutions (the process of externalisation) and the institutions become objective facts, as nature given (the process of objectivation). Finally, institutions forms individual behaviour, the process of internalisation.

From this perspective Vatn (2005:169-189) outline different forms of institutional change:

- Spontaneous creation of institutions grouped as institutional change from below and pure spontaneous change.
- Designed institutional change:
  - \* aimed at in creating efficiency grouped as change to create efficiency, e.g. by formal regulation around the firm, market and state. On the other hand to change as a response to technological change
  - \* Designed institutional change: the role of interests, values and power. The state does not only create institutions for the society benefit as hole, but also securing own or some specific interest.
- Institutional change as reaction to crises

The actor's motivation for institutional change is important to understand their role. It is difficult to make a clear distinction between efficiency and protection of interests in the creation of institutions. People arguing for institutional changes often use the efficiency argument to cover own interests. This makes a relevant link to regime theory which focuses on the informal alliances between elected politicians and business representatives.

#### **4.2.2 Urban regime theory**

Regime theory with its base in political science focuses on the steering model – how decisions processes are organised. Here I limit the presentation to a short look on urban regime theory which highlights the informal coalitions. The notion *urban* has to be understood as a limited geographical area, a region, in contrast to international regime theory witch deals with international relations between states and other internationally stakeholders. Stone (1989) define policy regime as:

“An informal yet relatively stable group with access to institutional resources that enable it to sustained role in making governing decisions” ((Stone, 1989, p. 4) cited by (Normann, 2007)).

Groups with access to such resources make a supra-institutional capability to make decisions. When formal local-governance systems for coordination are weak these kinds of informal coalitions could be useful to obtain specific interests. This coalition of people is bound together by ideology possible to mobilize in specific situations. The coalition makes an informal significant influence of public decisions in the interface between public sector and market (private firms). This description differs from governance although the concept has some parallels. Regime theory deemphasises the role of elected officials and other formal structures, and focus on the role of business leaders in alliances with some political actors. The alliances (coalition) capability is a kind of informal fellowship of some interests which is activated through specific issues and decisions. The regime arrangements will differ from region to region, but require two instrumentalities to function; the institutional scope to cover wide enough group of resources to make and implement a decision, and secondly cooperation and coordination of these capabilities (resources) to support the decisions ((Stone, 1989) reported by (Normann, 2007)).

Urban regime theory builds on the insights from regime schools in international relations, the focuses on *power* from the realist school, and the cognitive school emphasis on *bounded rationality*. The regime concept has to be understood as the formal and informal arrangements that enable cooperation across boundaries, or a set of principles, rules, norms and decisions-making procedures around which actors expectation converge in a given issue area ((Mossberger & Stoker, 2001) reported by (Normann, 2007)). But, you can't expect a regime to exist everywhere; it has to be developed by people in the public and the business sector, or by people participating in both. In market economy based societies, government is strongly predisposed towards business leader's preferences. Stone (1989) named this "*systemic power*" which produce an indirect conflict between groups: the favoured ones base their interests on economic growth, and the disfavoured ones which base their interests on redistribution. Actors ability to occupy, hold, and make use of a strategic position is called *pre-emptive power* and constitute the other cornerstone of urban regime theory ((Davis, 2002) reported by (Normann, 2007)).

Policy regime typically, promotes its argument for a specific solution as a policy instrument in order to realise other policy goals. This is both a normative and idealistic way of arguing, but it is difficult to measure if the policy instrument have had the desired effects afterwards. The policy instrument hides the reality that decisions take place in a limited economic resources area. Other project than the preferred has to wait ((Lyngstad, 2003) reported by (Normann, 2007)).

Urban regime theory has similarities to theories on Governance, especially new institutional theory with it's understanding individual as bounded rational. The main reason to outline urban regime theory here is it's emphasis on power relations. New institutional theory is lacking this important aspect.

#### **4.2.3 Classic institutionalism<sup>6</sup> (the Interdependence position in Governance)**

This position is built on the assumption on rational calculating actors in a society of competing actors. The motivation for interaction and *resource change* with others is the other resources necessary to obtain own individual objectives. The position explains the development, the nature and the function of governance processes from both an actor and a structural perspective. The strategic calculating actors form the institutions (structure), by interaction with others. They make institutionalised interaction pictures, which in turn makes patterns for individual action. The position relates to the historical institutionalism position with its focus on collective actors. Collective actors are a group of individual which in an institutional or functional context make concurrence interest. In a situation where such actors communicate they develop collective strategies, common learning and experience. These factors make the basis for a common system of rules and norms – which all contribute to the creation of collective action ((Kickert et al., 1997) reported by (Sørensen & Torfing, 2005)). *Negotiation* and agreements (contracts) are important mechanisms to create interaction among the participants in a situation with conflicting interests. A challenge for this kind of relation is to bring resource change into play among the participants. The participants have to *trust* the others to meet the agreements and contracts. Otherwise resources will not be brought into play among the participants.

The interdependence position understands steering networks as both created by strategic action from below and a new reform strategic ambition from above. Steering network is a reaction on the increasing fragmentation of the governing processes initiated by the New Public Management Reforms. Network governance is from this point of view based on a reflexive and negotiation rationality, a third steering form in addition to hierarchy and market.

#### **4.2.4 New institutionalism (The integration position in Governance)**

In contrast to the above mentioned position March & Olsen (1995) see individual behaviour as culture dependent in a society of coordination. Individual behaviour is formed by values, identities, knowledge and rules carried by institutions and socio-culture systems. By socialisation and institutionalisation processes rules and norms are adapted and identities created. These identities could change because they are socially constructed and institutional related, they are endogen to the socio-cultural and institutional systems. Identities give the direction of action. The other central notion is capabilities. It deals with what resources, competence, skills and rights we have, or in other worlds: what we have and what we are able to do. Identities and capacities are developed and

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<sup>6</sup> The presentation of classic institutionalism and new institutionalism is based on (Sørensen & Torfing, 2005) book: *Networksteering – from Governing to governance*. They have made a typology of different perspectives to view network steering. They define network steering as cooperation through negotiations between dependent, but operationally autonomous actors in an institutional community. Steering networks are self-regulated, often horizontally organised and give input to public steering. The authors relate their definition of steering networks to Governance, but argue that Governance is a more diffuse concept. The notion “Governance network” is more similar to their “steering networks”. The typology is organised according to the analytic dimension calculation (rational choice) versus culture (norms, values etc.) as different pre-assumptions for individual behaviour. The other dimension is on society level looking at steering through conflict versus cooperation perspectives. The authors then outline four positions in the academic discussion about steering networks. Here I am going to present two of them in this paper, the interdependence position; calculation actors in a conflicting society, and the integration positions; actors’ behaviour explained by culture in a society of coordination.

adapted due to the regulative, normative and cognitive aspects of the institutional context. On the society level they interpret steering as a consensus, norm based process of coordination.

The need for other resources (capabilities) brings actors in contact with others. The “logic of appropriateness” guides us to what people or organisations to interact with. Based on an interpretation on who we are and the situation of action (what are we doing), we search for cooperation with others. Evaluating the experiences from the cooperation based on our identities we continue or end the interaction. In continuing interaction the resource change produce shared identities. These processes do not only give possibilities for collective action, but produce also a kind of incremental change of institutions.

In the table below the core point of these four positions outlined above is summarised



**Tabell 1: Summary of the theoretical positions discussed**

	<b>Classic institutional economics</b>	<b>Classic institutionalism</b> (Interdependence position)	<b>Urban Regime theory</b>	<b>New-institutionalism</b> (Integration position)
Incremental institutional change by governance processes	Individuals form institutions called the process of externalisation. Difficult to differentiate between motivations for change due to the strategic promotion of motives, e.g. the efficient argument versus protection of own interest (the cover argument)	The rational actor resource exchange with others creates patterns for action. The logic of consequentiality is the mechanism for institutional change. Changes through differences among the interacting actors.	Interests elite coalitions between elected and business sector representatives with structural power and pre-emptive power to determined formal public decisions and create a <u>hegemony</u> in the public debate linking business and public interests	Identities are socially constructed and institutional related, they are endogenous to the socio-cultural and institutional systems. Integration among resource exchanging actors make common identities (institutions). The logic of appropriateness is the mechanism for individuals to behave collectively.
Policy regimes influence on the development of collective action	The regime design necessarily to reflect the interconnectedness of resources and their use, the technology applied and the number of users and their interests	Governance networks as self-made and self-regulated. National policy role to stimulate the processes, but not to steer them. Governance networks understood as a reaction to overcome society fragmentation.	Informal coalition on local and regional level links to similar coalition at national and international level.	Governance networks as self-made and self-regulated. National policy role to stimulate the processes, but not to steer them. Governance networks understood as an explanation of society fragmentation.
How theories reflect the implications of the nature resources character and their use for resource regimes.	The interconnectedness is an inherent characteristic of nature resources and it secures their quality and productivity. Externalities from economic activity are a product of the relationship, or lack of relationship, between the resource characteristics and the resource regime chosen.		An interpretation of this position is the need to privatize the resource to make accordance between the actors who make benefit from resource use and the actors to pay the cost from the same resource use.	An interpretation of this position addresses a call for participation in common dialog arenas among the different resource users to obtain common identities. These identities could in turn form accordance between individual and collective behaviour.

## 5 Discussion

The following discussion is structured according to the theoretical questions addressed in this paper.

To begin with, the incremental, self-transforming nature of institutional change will be discussed. The aim here is to interpret relationship, similarities and differences from the four positions, and to relate it to nature conservation and socio-economic development.

To understand the role of actors, it is important to assess their motivation for institutional change. It is difficult, however, to make a clear distinction between a motivation for increased efficiency and a motivation to protect interests. "Efficiency" is defined by the people who are trying to change the institutional framework to protect own interests. This issue can be linked to urban regime theory, with its focus on creating hegemony in the public debate and decision making processes through informal coalitions with *structure power* and *pre-emptive power*. These coalitions typically use their arguments for specific solutions as instruments in realising other policy goals. This kind of efficient argumentation can be linked to the classic institutional economic position.

The interdependence (classic institutionalism) and the integration (new institutionalism) positions have both made contributions to mechanisms for institutional change. The first one focuses on the dynamics between the institutionalisation of rational actors' choices and the patterns these processes make for the individual behaviour (the logic of consequentiality). The motivation for interaction with others is to obtain own aims through resource exchange with the other. Further, the integration position understands resource exchange as a motivation for cooperation, however the mechanism for selecting co-operators differs. Here, the "logic of appropriateness" is the mechanism. This approach, according to my interpretation, selects co-operators based on similarities, whereas, the interdependence position's selection of co-operators is based on differences. I interpret differences to provide more of a potential for change than would similarities. So, if the logic of appropriateness results in interaction between similar people and organisations, I would assume there to be less potential for institutional change than if the interaction was based on differences.

However, in the real world there are always some differences among people and organisations stimulating resource exchange. On the other hand, the problem with the interdependence perspective could be continuing conflicts due to prohibitive differences. The conclusion from this discussion is therefore the need for differences and similarities, conflicts and consensus, in the interaction among different actors to create institutional change. Only conflicts or only consensus do not stimulate institutional change.

The interdependence position understands steering network as a reaction on society fragmentation initiated by New Public Management. Steering network is both initiated from below and above to create a third steering form in addition to hierarchy and market. It is a strategy used in the battle of what principles govern the public sector. On the other hand, the integration position understands governance networks as an explanation of society

fragmentation and as an instrument to balancing individual and collective interests. However, this position lacks reflective analytic instruments to describe power and interest conflicts.

Finally, the limitations concerning the incremental, self-transforming institutional change approach must be addressed. The existing regime itself creates boundaries for the kinds of changes possible. For example, if a regime provides some users free access to nature resources, it is not rational for these users to violently participate in a governance process that will limit their access to the resource or activity. In this case, external legislative authorities must make changes. Such situations demonstrate the limitations with self-transforming changes.

My next question concerns how external policy influences the governance processes' ability to stimulate collective action.

The interdependence and the integration positions both understand networks as means for collective action. The networks are self-created and self-regulated. Public policy could stimulate the processes formed by the participants, however its role does not include intervening with the processes or deciding which actors participate in the processes. The integration and the interdependence positions assume development of common goals through continuing interaction. The problem is in explaining the motivation of actors with free access to resources to participate in governance networks that make accordance between individual and collective rationality.

Urban regime theory could indirectly provide insight if we not only look at the horizontal level, but also at the vertical level of society. I argue that the informal coalition on the local and regional levels have links to similar coalitions on the national and international levels. Such a perspective could explain not collective action, but how some economic interests create hegemony in society at the expense of other interests.

This focus on regime theory differs significantly from the consensus and the common good/common will perspective in the integration position. Regime theory assumes that some fundamental differences in interests in society are based on economic interests. While the integration position assumes that there is a consensus about what is good for all.

The classic institutional economic position understands governance processes as not suitable when it comes to fundamental conflicting interests. In this case, external sanctioned rules are needed to assure that some interests or values are prioritised. Open access to nature resources is "institutionalized" cost shifting due to the interconnectedness of resources. A regime that allows for free access makes it difficult to make correspondence between individual and collective rationality. Resource users do not have incentives (other than altruism) to participate in governance processes to coordinate action. Free access stimulates economic activity from the resource without paying the cost. The resource regime theory highlights the changes needed within the regime in order to stimulate all actors to coordinate their resource use. Changing the resource regime from open access to

municipality property would require all users to interact with the resource property owner before obtaining access. Henceforth the premises for governance processes would be essentially changed.

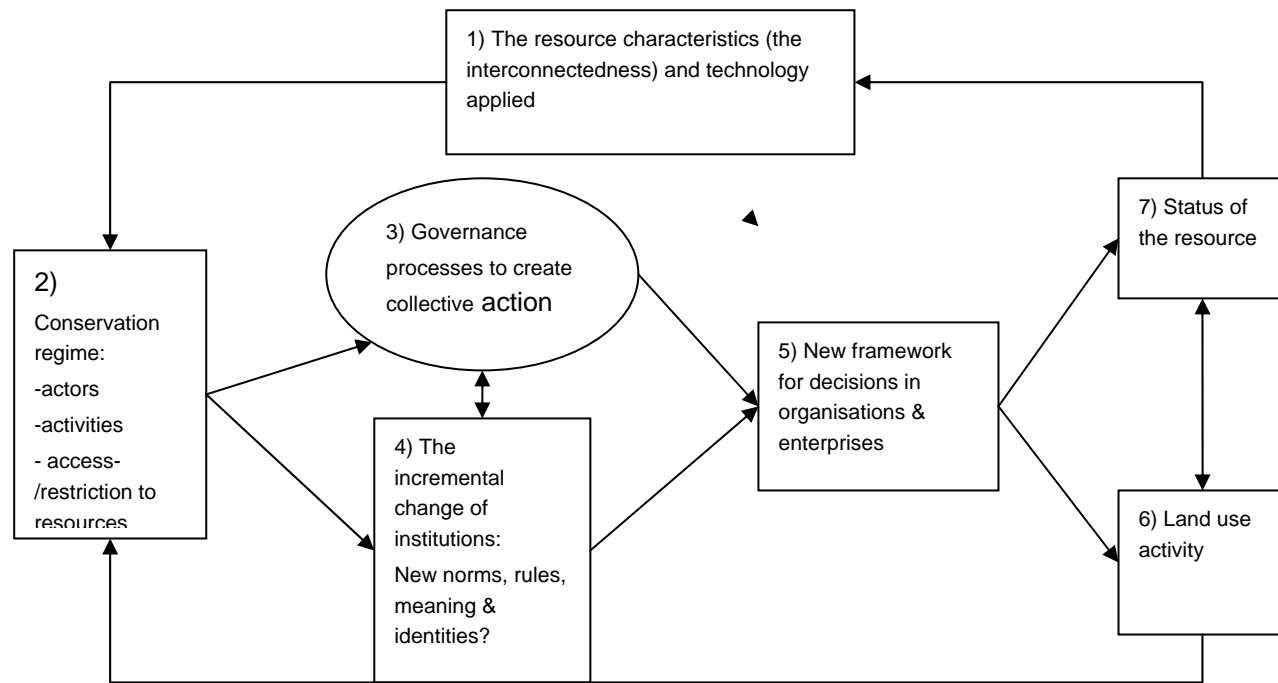
This argument relates to the last question to be discussed in this paper: how the four theoretical perspectives reflect the implications of the character of nature resources and the use of resource regimes.

The classic institutional economics position discusses this issue explicitly. The interconnectedness is an inherent characteristic of nature resources and it secures their quality and productivity. Externalities from economic activity are a product of the relationship, or lack of relationship, between the resource and the chosen resource regime. Resource regime is often insufficient in creating coordinated action according to this interconnectedness, the technology applied and the variety of interests held by resource users. Therefore, it could be necessary to change property regime or to regulate actors' behaviour with other measures.

An interpretation of the integration position in this field addresses a call to the resource users to participate in discussions and try to develop a common understanding of the problem involved, and in turn create possible solutions. In relation to the classic institutional economics position, this kind of deliberative process is based on voluntary participation and implementation of actions recommended by the common arenas. From the integration position point of view, if these deliberative processes manage to establish new institutions forming individual behaviour, it would not be necessary to use regulative measures.

Urban regime theory, in relation to this question, has been interpreted as a request for privatizing resources. The intention with this kind of "solution" is also to strengthen the correspondence between benefiting processes and processes for maintaining the goods (paying the cost for the resource use). The problem exists because of the social, cultural, political, economic and practical difficulties in privatizing an entire landscape area. This is only possible in theoretical models.

The figure below shows an analysis model based on the core elements discussed in this paper. The model's focus is on the necessary relationship between the nature resources characteristic, technology applied (1) and the resource regime design (2). These elements make the framework for governance processes, including internal factors such as numbers of stakeholders and their interests, the degree of leadership etc.. The governance processes have potential to produce incremental institutional changes. These changes are, however, on the premise of the resource regime. If the resource regime is insufficiently designed according to the resource characteristics, the governance processes will encounter difficulties in producing institutional changes to compensate for this failure. The governance processes and the incremental changes both contribute to the framework for decisions in organisations and enterprises (5). These decisions stimulate the output in the model, i.e. the status of the resources and land use activities, which in turn create feedback stimuli to the resource characteristics (1) and the resource regime (2).



**Figur 2: An analysis model for my case based on Ostrom (1990) and Vatn (2005)**

The theoretic positions discussed in this paper address different perspectives concerning the development of institutional arrangements, that in turn help create correspondence between individual and collective rationality. The integration positions focus on creating common identities, norms and values among the participants as an instrument for collective action, via voluntary deliberative processes. On the other hand the classic institutional economic positions emphasise the limitations with such processes where conflicting interests are concerned. In cases such as these, external regulatory measures need to prioritise the different interests. This understanding addresses another question: under what conditions are these kinds of regulatory measures developed, and how should they be understood? The formal answer, according to the classic institutional positions, is that the democratically elected representatives decide what values/interests to prioritise. A regime theory perspective, however, would try to discover informal coalitions between some of the elected representatives and some representatives from the business sector. Then we could ask: are there informal alliances between interests coalitions at local/regional and national level with access to public decision-making processes? To what degree reflect these interests the interests represented in the formal elected bodies, such as the Parliament?

In this paper, I must end the discussion here. The last outlined questions highlight the more superior issues when reflecting on individual and collective interests and rationality. These perspectives have to be further addressed in the PhD work.

## 6 Conclusion

To discover the incremental, self-transforming nature of institutional change it is necessary to investigate interactions among the governance network participants. To what degree does the interaction produce new meeting arenas, ways of communication, and collaborative action? Are these types of interactions institutionalised? Is it possible to detect change in identities and capabilities during the resource exchange process? What are the actors' formal and informal motivations for participating in the Governance processes? How do differences and similarities, conflicts and consensus, among the participants influence their interaction? Answers to these questions would contribute to an assessment on the degree that local governance processes could contribute in the creation of institutional changes to solve the public good problem.

According to the second and third question, it is necessarily to investigate in detail the interconnectedness of resources and resource use in the case area. The overall challenge for a resource regime is to make co-ordinated action among the resource users reflecting the interconnectedness of resources and the technology applied. Does the regime stimulate correspondence between maintenance of public goods and benefit streams from the use of these goods? Does the regime stimulate cost distribution among nature resource users? What kind of activity and which actors are stimulated, and what/which are hindered, by the conservation and the World

Heritage status? What roles are the different stakeholders given in the conservation regime? Who is given access to governance network processes? Why are some stakeholders not invited? Answers to these questions give insight on the kinds of changes that are necessary in resource regime in order to strengthen the correspondence between individual and collective rationality.

To develop this theoretical framework further, a discussion in land management literature needs to be included to scope the place, resource and landscape relationship. Literature discussing management of commons in relation to tourism is also of great relevance for more in depth studies than outlined in this paper.

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