

Value articulating institutions

The challenge of long-term democratic decision-making in environmental governance

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1. Introduction



- The aim of this talk is to explain the concept of **value articulating institutions (VAIs)** and discuss how **long term – the interests of future generations** – can be included in decision-making over environmental values through **forming such institutions** – more questions than answers...
- The ‘creative and dialogical’ vs. the ‘instrumental’ perspective



1. Introduction (cont.)



- In doing so, I will
 - Introduce the concepts of **institutions and plural rationality**
 - Present a **framework** for studying **environmental governance** and situate the role of value articulation in the decision-making process
 - Explain the concept of a **value articulating institution**
 - Discuss **how the 'long term' is and could be included** in value articulation
 - Linking value articulation to **political decision-making**
- I will moreover make my arguments by 'spinning a thread' through the talk comparing an **economist** to an **institutionalist** position (e.g., cost benefit logic to the logic of deliberation)

2. Institutions and plural rationality



- **Institutions** are social constructs of great importance for **forming actors** (individuals and organizations) and **their interaction**
- As **conventions, norms and legal rules** they influence what we see, what we emphasize and what interests get protection by society
- Institutions define **positions and roles**. They offer **meaning** to such constructs
- These **meanings** – or **rationalities** – vary across roles and institutionalized arenas of life – e.g., the economic actor (consumers and producers); the politician; the citizen

2. Institutions and plural rationality (cont.)



- **Individual vs. social rationality**
 - Individual rationality as what is best for the individual – e.g., maximizing individual utility
 - Social rationality as what is the better for the group – a communicative logic
- **Institutions as rationality contexts** – as framing the logic of action and interaction – e.g., favoring **self-interest** vs. the '**common good**'. What is appropriate behavior → March and Olsen (2006) and the forming of the role of the politician
- The different 'visions' of the politician in **economic theory** (the benevolent planner), **public choice** (it is all egoism) and **institutional theory** (appropriateness/different roles based on different logics)

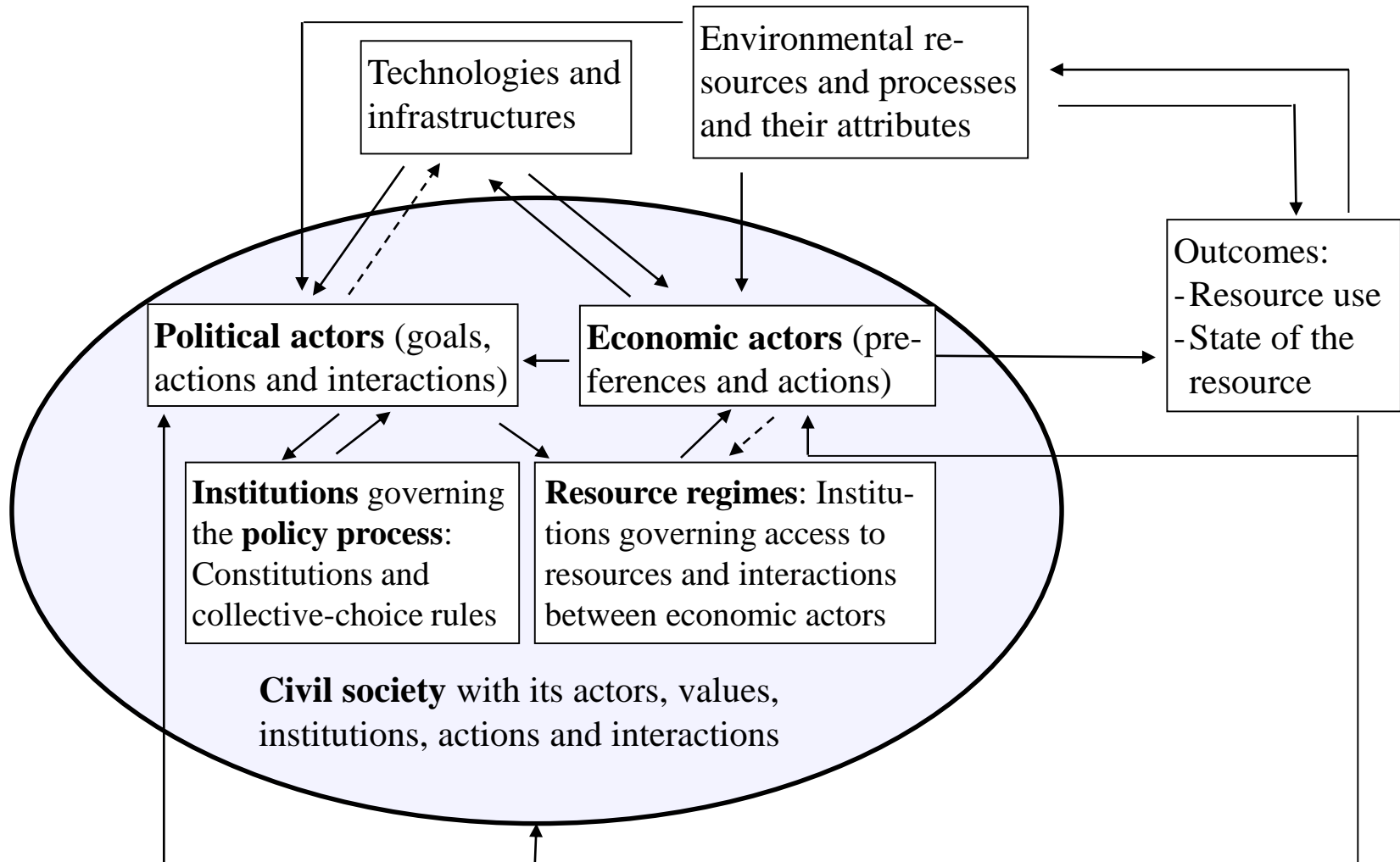
3. A framework for the study of environmental governance



- Key elements to environmental governance
 - The **actors** (economic, political, civil society actors)
 - The **institutions** defining these actors and their interactions
 - The **environmental resources** and services involved – including their dynamics
 - **Technologies**
- A key issue is the relations between the actors and what are considered legitimate distribution of power

3. A framework (cont.)

Environmental governance systems

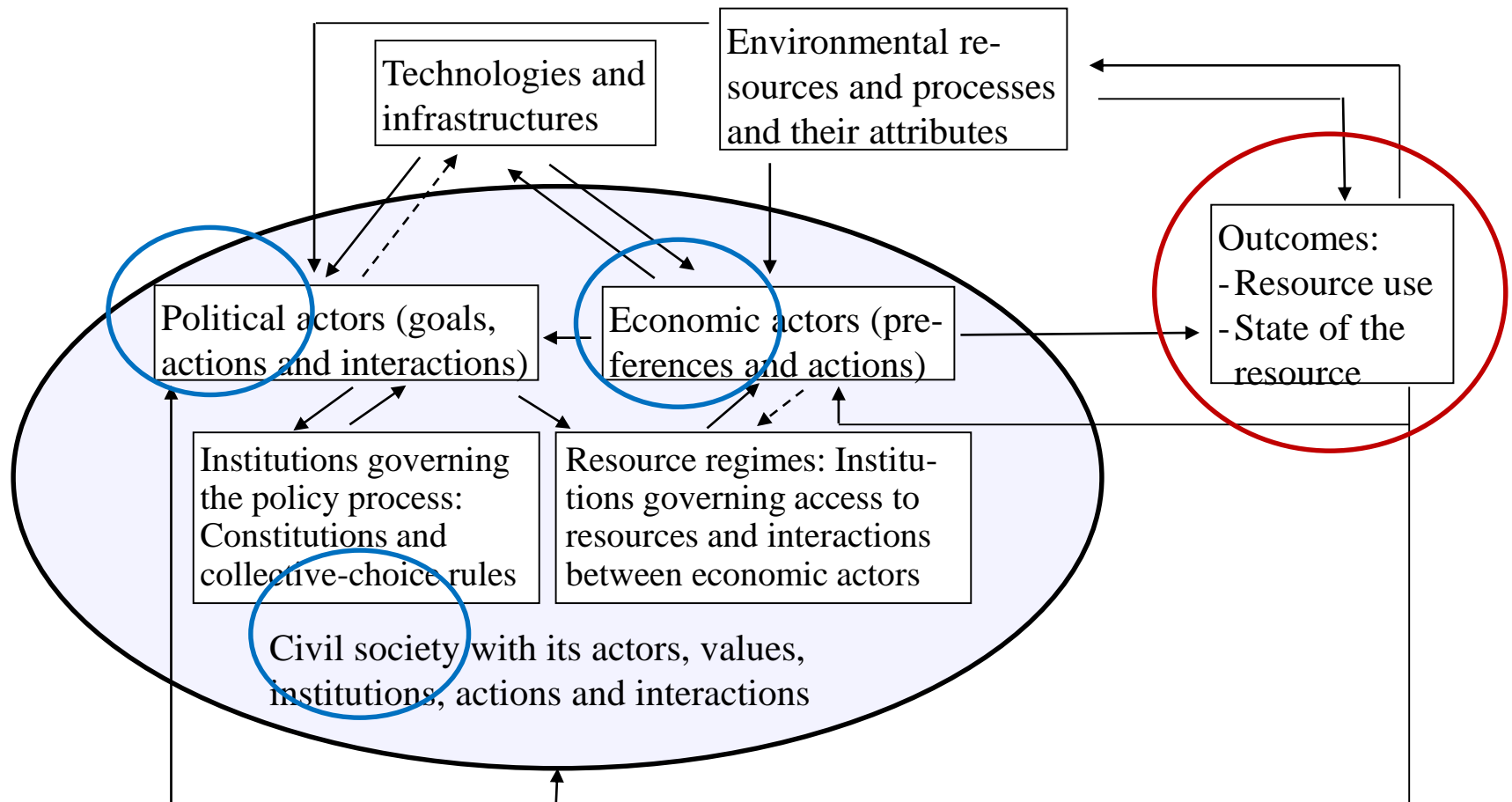


3. A framework (cont.)

EGS, valuation and decision-making



- Valuation regards first of all a comparison of possible outcomes
- Key issues regarding decision-making include the form of valuation and how the power to decide is distributed



4. Value articulating institutions



- Institutions are ‘rules’. As such they are social constructs that protect **values**, create and protect **interests**; organize **interaction**
- Valuation methods like pricing (as part of cost benefit analysis (CBA)), weighting (multicriteria analysis (MCA)), and evaluation of arguments (deliberative methods (DM)) are defined by institutions – can be termed **value articulating institutions (VAIs)**
- The format of VAIs important as they emphasize which preferences we emphasize in a certain context

4. Value articulating institutions (cont.)



- Hence, each method (VAI) defines rules concerning:
 - **Participation**
 - Who
 - On which premises – role/position – e.g., consumer vs. citizen vs. experts? Owner (seller) vs. non-owner (buyer)
 - Which **form** should **data** have
 - Physical effects – how measured and presented?
 - Values and priorities – measured in the form of prices, weights or arguments?
 - Which **type of process** is involved
 - Producing individual price bids, communicating over the stakes involved etc.
 - How is a conclusion reached: summarizing price bids, changing preferences, developing consensus, voting etc.?

4. Value articulating institutions (cont.)

Is there anything like a citizen?



- In economics, it is taken as a given that people act as consumers/'**economic man**'
- In the other social sciences some use '**economic man**' interpretations (from M. Olson and onwards), others emphasizing **appropriateness** (e.g., March and Olsen), the construction of **meaning** (Berger and Luckmann; Scott) and the dichotomy between **consumers and citizen** (e.g., Sagoff)
- The distinction between the consumer and the citizen is key to the PALO project. To my knowledge, there is **little empirical research** on its practical meaning and the different meanings given various ways of instituting this role.

4. Value articulating institutions (cont.)

Institutions, negotiations and deliberation



- The kind of process facilitated by VAls
 - **Individual** valuation – typically through payments
 - as consumers
 - as firms
 - Valuation through **strategic bargaining**
 - Valuation through **(deliberative) negotiations**
 - Valuation through **deliberation**
- The distinction between **instrumental and communicative** interaction
- The distinction between **stakeholders, citizens and experts**

5. The long term in value articulation



- The interesting and difficult issue concerns **future generations**
- The issue is most often framed as how to **represent their interests** (similarly phrased to the case of other species)
- I will discuss this issue by referring to four questions
 - What are **the stakes** about?
 - **How are/could future generations represented** in different VAls?
 - On what basis could we qualify what is **legitimate representation**?
 - How does the format of **VAls influence** the content of the **representation** of future generations?

5. The long term in value articulation (cont.)

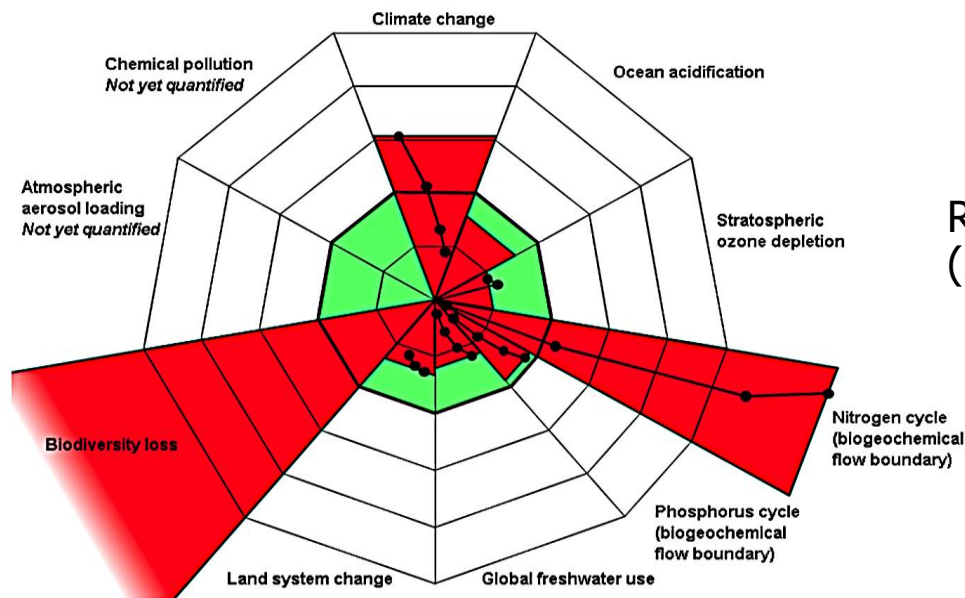
What are the stakes about?



- The future challenges are quite concrete, while also uncertain. Maintaining the functioning of socio-ecological systems

	Reversible	Irreversible
Small stakes		
Large stakes		

- Many of the issues we are now approaching involve large stakes and are irreversible (biodiversity loss; climate change, pollution)



Rockström et al.
(2009)

5. The long term in value articulation (cont.)

Different VAls: Cost benefit analysis



- The core element is the calculation of the net present value of a project:

$$NPV = \sum_{t=0}^T \frac{B_t}{(1+r)^t} - \sum_{t=0}^T \frac{C_t}{(1+r)^t}$$

- where B_t are benefits and C_t are costs in year t , r is the **discount rate** and T is the time horizon
- Most economists argue that the discount rate must be based on **individual discount rates** – the time preferences of **consumers**. Other choices are ‘non-scientific’/paternalistic (e.g., Tol; Nordhaus)
- Not least **climate change** has challenged this position also among economists (e.g., Stern; Weitzman).
- Nevertheless, most resource allocations are defined by individual discount rates **as expressed in markets**

5. The long term in value articulation (cont.)

Different VAls: Deliberative methods



- Deliberative institutions have the capacity to facilitate communications about **the common good**
- Emphasizing the role of **the citizen** and evaluating **arguments**
 - The force of the **better argument** – communicative rationality (the dynamic aspect of social rationality) (Habermas)
 - **Reflection upon preferences** in a non-coercive fashion (Dryzek)

5. The long term in value articulation (cont.)

What is the long term then about?



- The issue is about defining **a common good** – it is about the **culture** as well as what **physical resources/ecosystem** qualities we leave behind
- It is not about what future generations would want. Partly, it is about ensuring that **basic needs** can be covered. Partly, the **present ‘forms their wants’**. Taken together, it is about responsibility for creating the **basis for good life opportunities**
- This is a **normative issue** that cannot be based on individual priorities as revealed through e.g., payments. It has to be decided upon based on **evaluating/reflecting upon arguments** and scrutinizing the **quality of present preferences**

5. The long term in value articulation (cont.)

Different VAls: Deliberative methods again



- How to facilitate such communication?
- Two key issues where future research is especially needed
 - What are **legitimate forms** of representing the future
 - The effect of **different framings** on the ‘quality’ of the deliberation about the future

There is also the second order questions regarding **choosing among framings** (including the legitimacy of this process...)

5. The long term in value articulation (cont.)

Legitimacy



- Choosing among VAls is about evaluating their **legitimacy**
- Legitimacy may be seen as ‘justified authority’
- Three different perspectives:
 - **Due process**
 - **Acceptability** (the ‘descriptive’ understanding)
 - Evaluated by **normative standards**
- Normative standards
 - Content: As supported by reason and judged favorably by society (Habermas; Bernstein)
 - Form: As ‘representative’ – authorization/accountability, presence (e.g., O’Neill)
- These are all second order questions that need to be discussed in broad societal context – framed as ‘**who we want to become**’. The **power** issues in this

5. The long term in value articulation (cont.)

Legitimacy (cont.)



- Legitimacy based on representativity has been a challenge for deliberative institutions, while they fare better is evaluated by Habermasian accounts
 - Actually, **representativity is ‘less of a problem’** in our case: There is no way to represent or be accountable to future living beings in the standard sense of these concepts
 - Hence, legitimacy must be found in **the format of the deliberation** – under what conditions and what premises should we evaluate the long term
- The **citizen** with emphasis on her/his **normative competence**

5. The long term in value articulation (cont.)

Legitimacy (cont.)



- The ‘ideal institution’, distinguishing
 - **Citizens** (as having normative competence)
 - **Stakeholders** (as informing about present interests)
 - **Experts** (as having factual competence)
- The key question is to understand what facilitates
 - A development of the role of the citizen
 - How the above three capacities can interact to create the best basis possible to evaluate action with respect to the future
 - How to handle the fact that there may be different visions about such a future

5. The long term in value articulation (cont.)

Is there a 'citizen'?



- This is too large an extent an empirical question and it is context specific
 - Two case studies (Soma and Vatn 2010; 2014)
 - Coastal zone planning in Norway
 - Process 1: comprehensive 'bottom-up process' completely co-opted by powerful local stakeholders
 - Process 2: An experiment in another coastal area where we ensured focus on citizens' participation – including stakeholders and experts as informants
 - The role of selecting participants
 - The way the 'scene was set'
 - The decision over the time frame
- The format of the arguments
- Input to the decision-making

6. Back to decision-making



6. Back to decision-making



- How can deliberation be part of the **wider societal dialogue** and **policy processes**? We have too many examples of how deliberation in ‘small groups’ have been side lined in political struggles
- Has partly to do with **what is seen as legitimate**
- Has partly to do with the format of the **political institutions** themselves
- Has partly to do with the **economic power** is distributed and formed
- A process of deepening democracy including also **constitutional aspects**
- The Norwegian case about the new § 112 in the constitution: The right to an ‘healthy environment’ – for present as well as future generations