

Forces at Work in Natural Resource Policy – A Hoberg Course Brief

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In thinking and teaching about natural resource policy, I find it useful to use a framework I refer to as “forces at work in natural resource policy,” shown in the accompanying figure. In environmental and natural resource policy, at the end of the day, we are interested in how human *actions* affect the economic, social, cultural, and environmental values of concern to us. We’ll refer to these as *consequences*, and include things like jobs, income, economic growth, regional equity, environmental impacts, quality of participation in decision-making, etc.

Policies are the rules produced by government designed to influence actions. Policies can be thought of as bundles of objectives or goals, instruments, and settings on those instruments. For example, in the area of climate policy, we could have an objective to reduce greenhouse gases by a certain amount by a particular time, an instrument of a carbon tax, and a setting of that carbon tax of \$40 per tonne of carbon dioxide equivalent.

Policies are produced through governance processes, influenced by environment and markets.

Governance is the structure and process through which policies are decided. It consists of three core components:

1. Who has authority to make policy decisions? In Canada, this usually involves elected decision-makers, but can also include appointed officials with regulatory authority.
2. Who participates in policy processes? Many interest groups, such as industry associations or environmental groups, play important advocacy roles in the policy process, but they do not have decision-making authority. They may have a great deal of influence over decision-makers, but they are not, in the immortal words of George W. Bush, “deciders”.
3. At what level of government are decisions made? Government authority can exist at the local or regional level, at the provincial (or state level), at the national/federal level, or at the international level. At times, authority is shared between different levels of government

By *environment*, we’re referring to the physical-material world, particularly biophysical and resource characteristics. Climate, for example, would be part of this variable, as would the content and quality of reserves of a particular energy source like coal or natural gas, or the quality and quantity of the standing timber stock or species habitat in a landscape. The state of available technology is also included in this variable.

With *markets*, we are referring to a wide range of economic variables, including prices and quantities and exchanges in the marketplace, driven by the relationship between supply and demand.

The “forces at work” framework emphasizes how these three categories of variables interact with each other to produce policies, that influence the actions of business and consumers that produce the consequences to the values of concern to us.