Chapter 3
Governance: Solving or Reproducing Inequalities

Abstract Socio-economic and political inequalities in the world are not fortuitous. They usually are the product of inequity, i.e., structural causes that unevenly attribute roles, distribute benefits and burdens, and create skewed conditions of access to resources. Understanding the workings of governance—how institutions operate, how actors can exert power, and how allocation patterns take shape—behind the reproduction of inequalities is key to solving them. This task is particularly imperative in sustainable development governance (or any specific sector therein, such as the bioeconomy), where the promotion of social equity is a principled part of it. Drawing from institutions theory and studies on power and distributive justice, this chapter develops a conceptual framework to analyze how (in)equity gains shape. It advances the idea that short and long feedback loops link various elements of governance. Agent power configurations are related to the institutional milieu, as are the distributive outcomes of governance and agents' material capabilities that, in turn, help them shape institutions in their favor. The chapter unpacks each of these governance elements to show why inequality is so hard to address, while also offering a lens to analyze and eventually tackle its "lock-in" nature.

Keywords Equity · Institutions · Power · Agency · Access and allocation · Governance architectures

3.1 The Inequity of Inequality

As income and wealth inequalities rise to their highest levels in decades in OECD countries—while persisting in much of the developing world—fairness debates have become increasingly common in the social sciences and beyond. As an illustration, Oxfam has noted that the combined wealth of the world's 22 richest men is larger than that of all the women in Africa (Coffey et al. 2020). Relative easiness to measure makes income a common focus of attention, but inequalities are multi-dimensional. There are social inequalities related to differences and imbalances across genders, races or classes, cultural inequalities between social groups, and political inequalities in terms of capacity to influence social norms and decision-making processes. There are also other dimensions of economic inequality, besides those of wealth and income,

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related to direct access to material resources such as land and water (Rueschemeyer 2004; Earth System Governance Project 2018).

However, inequality should not be mistaken with diversity, which refers to plurality. Inequality, instead, suggests the (due or undue) predominance of some in the face of others, a skewed distribution of advantages and disadvantages (Faist 2010). Such inequalities arise out of unfair procedures in society and biased governance—or, in other words, inequality broadly results from inequity (Charlton 1997). Equity and equality are at times used interchangeably, but they are not identical in meaning. While (in)equality refers to a status, a situation, (in)equity refers to the structural processes through which things happen. These processes include political as well as economic and social mechanisms.

When are such differences justified, if ever? Without venturing too far into what can otherwise be a prolonged and possibly inconclusive philosophical debate, it is useful to resort to Rawls' (1971) principles of difference and redress. The "difference principle" contends that uneven treatment is acceptable only when it is to benefit the least advantaged in society, while the "principle of redress" posits that undeserved inequalities call for redress, that is, for efforts to correct them (Rawls 1971, 2001). Core to both principles is an understanding of society's responsibility to acknowledge its often unjust structures and improve them. Thus, equality can be improved through equity. Generally, inequality is not addressed in discrete episodes of reallocation, but rather through solutions "built into the system". Such solutions can first eliminate structural features that sustain and augment inequalities, and then build in structures that create unequal outcomes that benefit the least fortunate (as in various "pro-poor" policies, when they are so more than just in name).

None is more key to equity than sustainable development governance, because it has a double effect on social affairs. On the one hand, as reminded in Chapter 1, sustainability includes a social pillar that requires it to address poverty and environmental inequalities, such as in access to resources or vulnerability to impacts. On the other hand, purported solutions to environmental problems often carry social consequences not to be overlooked, for they otherwise can lead to cures that may be worse than the disease. The bioeconomy is a recent case in point, as its very *raison d' être* involves the duty to address socio-environmental issues. At the same time, it can easily become a driver of further inequality and exclusion if equity is not at its core (Bastos Lima 2018).

Therefore, it is crucial to understand how governance takes place, its workings, and eventually how to best adjust it to meet ecological, economic, and social needs (Biermann 2007; UNEP 2012). This imperative has become even more pressing—if more complex—in an increasingly politically, economically and socially interconnected world, when the impacts of human activities often reach a planetary scale. The COVID-19 pandemic has offered an acute and somber realization of that, but processes of environmental change, as well as policies adopted to address them, routinely have long-distance impacts that remain overlooked (Meyfroidt et al. 2018; Bastos Lima et al. 2019). Some have argued that we have entered a new geological epoch defined by the magnitude of anthropogenic environmental impacts: the Anthropocene (Crutzen and Stoermer 2000; Zalasiewicz et al. 2010; Dryzek and

Pickering 2019). There is growing recognition of the need to align governance to global sustainability challenges to prevent, address, and adapt to those (socio-) environmental changes (UNEP 2012; Kim and Bosselmann 2013; Dryzek and Pickering 2019). However, for these institutional responses to be socially beneficial, there is a need to understand how governance determines equity in various instances and how to improve it.

This chapter dissects key dimensions of governance to have a conceptual framework to analyze developments around the bioeconomy. It first addresses institutions as an analytical problem, then discusses how social equity may be effectively analyzed, and finally elaborates on the concepts of agency and power, critical to understanding how issues of social sustainability are dealt with in governance. The chapter concludes with an integrated framework for analyzing these elements in the bioeconomy or other areas.

3.2 Understanding Governance and Institutions

3.2.1 Defining Institutions, Regimes, and Governance Architectures

The concept of institutions is central to examining societal challenges and human-environment relations. Simply put, institutions are artifacts created to steer social practices (Young et al. 1999/2005). Their exact definition has varied across disciplines (e.g., North 1990; Mearsheimer 1994/1995; Ostrom 2005), but those different definitions often share a common core (Underdal 2008). Young et al. (2008, p. xxii) define institutions as "cluster[s] of rights, rules, and decision-making procedures that give rise to social practices, assigns roles to the participants in the practices, and guides interactions among occupants of these roles." Institutions thus are not to be mistaken with organizations, which are material entities, usually with offices, personnel, budget, etc. (Young 1989; North 1990; Young 2008a). Organizations are players, while institutions are the rules of the game (Young 2008a, p. 13). However, institutions can include organizations.

Institutions may operate alone or within a broader framework, such as a regime. While also offering useful definitions of key types of institutions, Krasner (1982, p. 186) described regimes as,

> [S]ets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations. Principles are beliefs of fact, causation and rectitude. Norms are standards of behaviour defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice.

Regimes, therefore, refer to structured sets of institutions that establish some consensus on substantive elements (e.g., principles, rights, obligations, and rules) and procedural aspects (e.g., procedures for decision-making, enforcement, and dispute settlement) (Dimitrov et al. 2007). At the international level, regimes are generally assumed to lead to a process of learning conducive to convergent policies (Haas 1989, p. 377). They are expected to promote rule-consistent behavior from governments and non-state actors (Rittberger 1993, p. 11).

Several competing or synergistic regimes may co-exist in the same issue-area (e.g., biodiversity, climate change), possibly based on different norms and involving different actors (Biermann et al. 2009a). This observation has drawn research to a broader level of analysis, that of governance architectures (Biermann et al. 2009b). Architecture refers to the whole interlocking web of institutions at all levels in a given issue-area, possibly comprising several regimes (Biermann et al. 2009b, p. 31). Alternatively, there may be issue-areas where no regime has been formed (Dimitrov et al. 2007). Furthermore, there may be instances of "non-governance", where no institutions have been agreed upon and concerted behavior does not exist (Bastos Lima and Gupta 2013).

In order to identify such instances, however, it may be necessary first to define governance. Although it has no single, consensual definition, governance generally implies managing collective affairs beyond only governments only and including non-state actors.[1] The Commission on Global Governance (1995, p. 2) stated that

> Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken.

Thus, unlike regimes, governance does not necessarily require consensus—it can have room for many social actors making competing rules. Still, it can be argued that governance refers to a qualified type of institutional framework, not just any institutional landscape. Rosenau (1992, p. 4) has argued that both government and governance

> [R]efer to purposive behaviour, to goal-oriented activities, and to systems of rule, but government suggests activities that are backed by formal authority whereas governance refers to activities backed by shared goals that may or may not derive from formally prescribed responsibilities and do not require police powers to ensure compliance.

That argumentation is in line with the definition of earth system governance, described as

> [T]he interrelated and increasingly integrated system of formal and informal rules, rule-making systems, and actor-networks at all levels of human society (from local to global) that are set up *to steer societies towards preventing, mitigating, and adapting to global and local environmental change* and, in particular, earth system transformation, within the normative context of sustainable development. (Biermann et al. 2009b, p. 4, emphasis added)

[1] See Biermann and Pattberg (2008) for a review of the concept and a variety of meanings.

As such, governance can be understood as settings where there is steering towards a shared purpose and some degree of collective issue-management and accommodation of different interests. Hence, it is possible to analytically distinguish governance from instances of non-governance, and the latter from non-regime cases. Non-governance will always imply no regimes, but the absence of a regime does not necessarily mean there is no governance.

3.2.2 Analyzing Institutions and Human-Environment Relations

As human constructs put in place to steer behavior, institutions can play significant roles in determining the outcomes of social practices and human-environment interactions (Young et al. 1999/2005). For instance, the typical example of the "tragedy of the commons" depicts a situation where the complete absence of rights and rules can lead to self-interested overexploitation and depletion of common-pool resources (Hardin 1968). Therefore, much research has attempted to understand how social practices are modified, fostered, restrained, or regulated by institutions (Schelling 1978; Young 2008a). Unlike other environmental change drivers, institutions are human artifacts that can be objects of conscious building, reform, and replacement (Young et al. 1999/2005, p. 147). Moreover, research on institutions also allows assessing response strategies and learning how these strategies can become more effective (Young et al. 1999/2005; Young 2008a).

There are frequently three research foci in analyzing institutions and environmental change: *causality*, *performance,* and *design* (Young 2008a).

3.2.2.1 Causality

Causality is concerned with whether, to what extent, and how institutions matter in a given context of human-environment relations (Young et al. 1999/2005). However, to influence environmental change processes, institutions must first operate on human activity (Mitchell 2008). Thus, it is possible to distinguish at least three steps in this causation chain: *outputs*, *outcomes*, and *impacts* (Underdal 2008). Outputs are the closest steps to institutions in the causal chain; they refer to formal signs of compliance, such as domestic laws following an international agreement or a change of regulations in a public bank due to a national policy. Outcomes refer to perceived changes in the human activity in question (e.g., industrial fishing). Finally, impacts refer to ultimate changes in environmental quality (e.g., fish stocks) (Underdal 2008).

According to Mitchell (2008), the most appropriate level to analyze institutions' effect is human activity (outcomes). First, this is because formal follow-up (outputs) does not necessarily ensure actual shifts in social practices that lead to environmental change. Second, it is often hard to draw a valid causal link between institutions and environmental quality changes, which may owe to many biophysical or other causes not related to human activity. Third, the only way institutions can affect the environment is by influencing human behavior (Mitchell 2008).

This observation raises two research questions: (a) *what* can be attributed to institutions (or to one particular institution) in processes that cause or address environmental issues (Young et al. 1999/2005, p. 37); and (b) *how* that occurs, i.e., the mechanisms or pathways through which institutions make a difference (Underdal 2008). Later in this book, we will look at the norms, rules, and decision-making mechanisms that have been in place for biofuel governance as a likely prelude for broader bioeconomy governance. Specific case study chapters will examine what policy instruments have been created and how such institutional settings have influenced biofuel production in different countries.

3.2.2.2 Performance

While *causality* assesses whether an institution makes a difference, *performance* assesses whether it achieves particular objectives (Mitchell 2008). That implies analyzing an institution and its effects against certain standards or specific criteria (e.g., transparency, equity, sustainability). As such, there is a clear normative dimension in *performance* that is not present in the analysis of *causality* (Young 2008a).

If the first question is "how does the institution perform?" concerning specific standards, then the second is what factors strengthen or hinder institutional effectiveness in meeting those expected standards. It means examining both endogenous (the design features of institutions) as well as exogenous (contextual) elements that affect institutional performance (Young et al. 1999/2005). This examination is essential for attempts to improve institutional performance in the subsequent step of *design.*

3.2.2.3 Design

Once institutional causality has been demonstrated and its performance assessed, a third question is how it can be improved (Young et al. 1999/2005). In reality, design is often a *re*designing exercise, based on how the institution(s) under analysis can be changed. There is no general recipe that can be applied indiscriminately through different contexts; instead, redesigning depends on a case-by-case diagnosis to evaluate each specific institution concerning its features and context. Only after such a diagnosis can it become clear what changes and designs could improve performance (Young 2008b).

3.3 Analyzing Distributive Outcomes and Social Impacts

3.3.1 Allocation and Access as Proxies for Social Equity

Distributive policy and governance issues are treated under different denominations, such as equity, fairness, or social justice (Biermann et al. 2009b, p. 59). They generally include two objects of analysis: allocation and access. Allocation refers to distributing material and immaterial benefits and burdens, such as natural resources, rights, or responsibilities (Biermann et al. 2009b). Allocation is, therefore, essentially a relative concept to compare the treatment dispensed to different actors. Access, in turn, captures the absolute dimensions of social equity, such as access to resources to allow "meeting the basic needs of humans to live a life of dignity" (Biermann et al. 2009b, p. 60; see also Chowdhury et al. 1992). However, this can also be analyzed in relative terms by contrasting different actors' levels of access. Moreover, access can include other important material resources such as technology and finance, as well as access to social processes such as systems of justice or policy- and decision-making (Gupta and Lebel 2010). As some development agencies argue, the most chronic form of poverty is often the "poverty of power" (UN ESCAP et al. 2007, p. 29), which relates precisely to these immaterial forms of access.

From an analytical perspective, allocation patterns represent institutional *outcomes*, i.e., effects on human activities. In contrast, the influence of these activities on the ultimate conditions of access represents social *impacts.* As such, allocation is not treated here as an afterward deed after basic needs have been met, as a matter of "what to do with the rest" (see Gupta and Lebel 2010). Instead, allocation is considered a means through which access is maintained, reduced, or improved. Three core dimensions would, therefore, be critical in an analysis of allocation and access in the bioeconomy:

- The distributive outcomes and social impacts of bioeconomy governance and production processes;
- The pathways and mechanisms through which *allocation* takes place, improving or restraining *access*;
- Possibilities for reallocation, i.e., ways to redress perceived injustices and improve access conditions through institutional redesign (see Biermann et al. 2009b, p. 61).

3.3.2 Insights from Agrarian Political Economy

Much of the environmental governance literature has traditionally focused on common-pool resources (e.g., water, forests, ecospace; see Gupta and Lebel 2010). The domains more closely related to the bioeconomy are a little different. Although some view it as something potentially more holistic (Bugge et al. 2016), the bioeconomy arguably is primarily about *produced* resources. In such cases—as with energy or agri-food governance—equity concerns go far beyond the establishment of access rules or allocating responsibilities for resource maintenance.

In production sectors, a purely transactional view of allocation and of "who gets what" would be too narrow and arguably insufficient to analyze the structural causes of poverty and inequality. Allocation may also be about "who owns what", i.e., the allocation of property and control rights, and of "who does what" in organizational settings or production chains, as functions or roles might be allocated in ways that benefit certain actors more than others (Bernstein 2010; UNRISD 2010; Helmsing and Vellema 2011). These discussions are present, for instance, in energy studies in assessments of how the transformation of consumers into renewable energy producers—"prosumers"—changes power relations and equity (see Gailing 2016). Questions on how production processes are organized have long been present in agrarian political economy concerning agricultural production. They arguably become all the more relevant in its restructuring now to accommodate for an emerging bioeconomy.

Bernstein (2010), condensing this perspective, proposes four leading questions to understand social equity in a given setup, which can be translated into analytical problems using the language of allocation.

- *Who owns what?* (Allocation of rights, encompassing not only ownership but also usufruct rights derived from leasing and other forms of control)
- *Who does what?* (Allocation of roles, particularly in terms of positions in bio-based production chains and participation—or not—in policy- and decision-making)
- *Who gets what*? (Allocation of benefits and burdens, both directly from the policies and from biofuel production systems)
- *What do they do with it?* (Not related to a specific form of allocation, but it can shed light on some of the broader societal and political implications of resource ownership and control patterns)

Analyzing equity in bioeconomy governance presents an additional challenge because it affects not only one but several resources. Analyses on access or allocation usually are centered on a single or primary resource (Gupta and Lebel 2010). However, even to consider the impacts of biofuel production (an energy resource), one must examine how it affects not just energy itself but also other vital resources such as land, water, and food. Both land and water have other uses with which biofuel production competes. Meanwhile, access to food can be positively or negatively impacted due to crop substitution, diversion from food to fuel, rising prices, or by providing farmers with additional incomes that help improve their purchasing power. Such a multiplicity of foci is an inherent challenge to adequately examine equity in the bioeconomy or other produced resources' governance.

3.4 Agency as the Strategic Use of Power

3.4.1 Agency and Institutional Entrepreneurship

Agency somehow populates the governance milieu. Institutional architectures always operate in relationship with actors' behavior (Giddens 1984; Wendt 1992; Archer 2003; Biermann et al. 2009b). This relationship, known in the social sciences as the "agent-structure debate", makes agency and architecture two co-evolving sides of the same coin (Biermann et al. 2009b; Earth System Governance Project 2018). On the one hand, agency is embedded and shaped by existing conceptions, institutions, and other ideational structures. On the other hand, these structures, being human artifacts, only exist because they were created, i.e., because of agency (Wendt 1992; Seo and Creed 2002).

There are multiple definitions of agency. Giddens (1984, p. 14) defined it as "the ability to take action and make a difference over a course of events". In the context of earth system governance, Biermann et al. (2009b, p. 38) relate agency to authority and describe agents as authoritative actors, i.e., as those in a position to prescribe behavior. Alternatively, other theories may deal with agency issues using different concepts, such as institutional entrepreneurship or advocacy coalitions (Sabatier 1988; Weible et al. 2011). This book uses a broad definition of agency, more along the lines of Giddens, not to miss any action that might be relevant to governance.

Institutional entrepreneurship, in particular, offers useful insights to policy domains where different visions coalesce—as in the bioeconomy (Bugge et al. 2016; Scordato et al. 2017). DiMaggio (1988) originally defined institutional entrepreneurship as the strategic action of organized actors with sufficient resources creating new institutions in order to realize their interests. Later works have also recognized the dominant role of organized actors engaged in maintaining existing institutions (Fligstein 2001; Zilber 2007), changing them (Kingdon 1995; Meijerink and Huitema 2010), or utterly destroying them (Maguire and Hardy 2009). The underlying observation is that policy and governance frequently become stabilized and dominated by a paradigm or institutional framework that reflects and reproduces specific ideas, norms, and conceptions (Cox 1987; Baumgartner and Jones 1991; Levy and Scully 2007; Meijerink and Huitema 2010). As such, some actors may work to preserve an existing setting while others attempt to change it. As Levy and Egan (2003, p. 806) put it, dominant structures are maintained "through an alignment of material, organizational and discursive formations which stabilize and reproduce relations of production and meaning" (see also Cox 1987; and Gill 1991). Therefore, actors wishing to change such structures may have to work on all those three dimensions simultaneously (Levy and Newell 2002).

This understanding of actors as operating in a dialectical relationship with institutions does not match well with simplistic rational-actor models that assume generalized self-interest as a driver of action (Mutch 2007; Weik 2011). Instead, institutional entrepreneurship has, from the start, attempted to go beyond it (see DiMaggio 1988). Although the study of motivations has remained underexplored in the institutional entrepreneurship literature (Weik 2011), it is useful in this respect to refer to Sabatier's (1988) concept of *policy beliefs*. He has argued that conflicts in policy-making and governance do not owe simply to opposing self-interests, but rather to differences in perceptions, ideas, and visions of how to go about certain issues (Sabatier 1988). This understanding does not rule out self-interest as a potential motivation. However, it acknowledges that its role, when present, is played not apart from but enmeshed in a subjective patchwork of conceptions, preferences, and views that, together, will compose certain policy-related beliefs rather than others.

Institutional entrepreneurs thus come to the fore as skilled individuals or collective actors targeting policies, norms, or concepts that surround them (Leca et al. 2008; Garud et al. 2007; Battilana 2006). They may engage in *norm entrepreneurship*, trying to create new or to shift existing norms and social understandings, possibly to their benefit (Finnemore and Sikkink 2001). Such norms can have determinant effects on governance as they shape how decision-making takes place, order priorities, and select among possible pathways (Barnett and Finnemore 1999; Conca 2006; Bastos Lima and Persson 2020). However, entrepreneurs may also target more tangible elements seeking a *policy change*. Usually, this means a major (or radical, or paradigmatic) policy change, which goes beyond incremental modifications (Sabatier and Weible 2007; Meijerink and Huitema 2010).

Finally, there is the question of the means and strategies used to create, replace, modify, or eliminate institutions. As reviewed by Weik (2011), it is well established in the literature that institutional entrepreneurs: (i) mobilize material resources (Battilana 2006; Garud et al. 2007; Levy and Scully 2007); (ii) mobilize other actors (Fligstein 2001; Garud et al. 2007; Leca et al. 2008); and (iii) create meaning (Garud et al. 2007; Rao and Giorgi 2006; Zilber 2007). These strategies are very much interrelated, as entrepreneurs may mobilize other actors to expand their material capabilities. The mobilization of other actors may, in turn, depend on creating meaning for them, i.e., on framing issues and marketing solutions in a compelling way (Leca et al. 2008). The specifics will vary in each case (see Huitema et al. 2011). What is clear is that, first, institutional entrepreneurs seldom succeed alone; they typically find allies and build coalitions (Fligstein 2001; Leca et al. 2008; see also Sabatier 1988). Second, change needs a direction, and alternatives are more likely to become credible and win support after being tested. In other words, it is essential to conceive consistent alternatives and demonstrate their performance (for instance, through pilot projects) (Huitema et al. 2011). Third, it is useful to detect and exploit windows of opportunity when institutional change may be (more) feasible (Kingdon 1995; Meijerink and Huitema 2010). Fourth, it is useful to "shop" for—and eventually manipulate—fora and decision-making venues to bypass resistance and have the best circumstances to advance one's claims, framings, and views (Huitema et al. 2011).

Thus, if the success of agency can be measured as the extent to which one's views, preferences and policy-related beliefs are represented, institutionalized, influence decision-making, and eventually affect the course of development, then agency can be broadly understood as the strategic use of *power* in governance. The following section explores this concept in further detail.

3.4.2 The Three Faces of Power

Power is a core concept in politics. There is *power to* and *power over* (Biermann et al. 2009b, p. 67). The former relates both to material capabilities and issues of access, i.e., power as the capacity to meet needs and fulfill wants, without necessarily affecting the behavior of others. This conceptualization of power goes back to Hobbes' *Leviathan* and has been widely referred to in the literature (Dowding 1996; Flyvbjerg 1998; Biermann et al. 2009b), including on the need to "empower" the poor (UNRISD 2010).[2] This understanding, however, becomes more complex once considered in light of its different dimensions, such as those generally applied to *power over*.

Power over refers to power relations among actors, and it can be understood as being expressed in three different forms—sometimes called the "three faces" of power (Lukes 1974/2005). Dahl (1957, p. 203) gave power a straightforward definition, suggesting that "A has power over B to the extent that he can get B to do something that B wouldn't otherwise do." This type of direct action of one actor over another has been referred to as the first face of power (Bachrach and Baratz 1962; Lukes 1974/2005) or as instrumental power (Clapp and Fuchs 2009).

However, Bachrach and Baratz (1962, p. 948) contended:

> Of course power is exercised when A participates in the making of decisions that affect B. But power is also exercised when A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A. To the extent that A succeeds in doing this, B is prevented, for all practical purposes, from bringing to the fore any issues that might in their resolution be seriously detrimental to A's set of preferences.

This second dimension of power affects the institutional milieu and not directly another actor. It includes agenda-setting efforts to limit the range of issues, views, perspectives and choices considered, or whose visions count (Bachrach and Baratz 1962). For instance, this is responsible for the exclusion of certain actors from decision-making processes, for "non-decisions" on certain issues, for overlooking individual claims while overemphasizing others, and thus also for "decision-less decisions". Overall, this form of power aims at shaping the structure of governance to lean it towards certain outcomes, approaches, and courses of action while overlooking or downplaying alternatives (Bachrach and Baratz 1962; Barnett and Finnemore 1999; Conca 2006). This exercise has been described as structural power, for power becomes institutionalized and engraved in settings and designs that can, in turn, reinforce one's capabilities while limiting the range of action of other actors (Clemens and Cook 1999; Clapp and Fuchs 2009).

Finally, there is a subtler, third dimension of power that needs to be considered. All the above recognize that less powerful actors may be limited in their actions,

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[2] In this regard, some authors also speak of "power from within" (Rowlands 1997, p. 111) as an earlier step, in reference to developing a sense of one's own value and of confidence in the possibility of change — a dimension often found weak in disadvantaged populations, particularly those in developing countries which experienced colonization (see also Freire 1970; McEwan and Bek 2006).

but not that others may have purposefully shaped their very views and wants. Lukes (1974/2005), therefore, has called attention to this "third face of power", a more insidious mechanism, a usually hidden form of power exercised through the purposeful manipulation of other actors' interests and wants in order to obtain their consent. As he puts it,

> A may exercise power over B by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants. Indeed, is it not the supreme exercise of power to get another or others to have the desires you want them to have — that is, to secure their compliance by controlling their thoughts and desires? (Lukes 1974/2005, p. 23/27)

Actors may thus work on ideational structures to change the milieu where decision-making takes place and restrict the agency of others. Likewise, they also manipulate the institutional environment to change other actors and obtain their voluntary support, without conflict. In these contexts, the task of the researcher therefore is to "denaturalize dominant constructions, in part by revealing their connection to existing power relations", and "to unmask these ideational structures of domination and to facilitate the imagining of alternative worlds" (Finnemore and Sikkink 2001, p. 398).

This third face of power evokes the concept of discourse, which draws from the idea that reality is not apprehended in itself, but rather through the lens of subjectivity (Foucault 1982). As such, social, environmental and governance issues—or any issue for that matter—are not viewed or communicated objectively, but rather through a frame of ideas, preferences, and conceptualizations that often have the aim of persuading others into adopting, voluntarily or unconsciously, the same perspective (Hajer 1995; Dryzek 2005). As Dryzek (2005, p. 9) puts it,

> A discourse is a shared way of apprehending the world. Embedded in a language, it enables those who subscribe to it to interpret bits of information and put them together into coherent stories and accounts. Discourses construct meanings and relationships, helping to define common sense and legitimize knowledge.

Therefore, discourse can be understood as a form of agency aimed at creating, shifting, or maintaining ideational structures—as a way of framing issues, influencing social norms, and exerting power over others.

3.4.3 Operationalizing an Analysis of Agency in Governance

There are multiple ways to analyze the work of actors in governance. In light of the discussions on power and agency, three steps seem nevertheless important. First, map out and characterize the actor landscapes—be it at the international level or in more specific settings, as done to selected case study countries later in this book. However, it would be exceedingly complex to track in detail the perspectives of every single agent and examine how they individually play through in the policy process. Instead, focusing on *coalitions* makes the research more manageable and allows recognizing relationships among actors and their forms of coordination (Sabatier 1988). Later chapters will characterize existing coalitions by identifying their *policy-core beliefs* (i.e., primary normative and prescriptive preferences) and *secondary aspects*, comparatively minor beliefs that are, therefore, easier to change (Sabatier and Weible 2007). These secondary aspects may relate, for instance, to beliefs on how to best implement a policy or on the effectiveness of particular policy instruments.

A second step is to analyze how agency takes place. It means analyzing the utilization of resources and the strategic uses of power in its various forms (instrumental, structural, and discursive) to concretize policy beliefs. This task includes examining: (a) coalition behavior and how coordination among actors takes place; (b) institutional entrepreneurship per se, such as forum shopping and attempts to create, change or eliminate particular institutions; and (c) action aimed directly at other actors, such as to destabilize or undermine the capabilities of adversaries.

Finally, an important third step is to provide recommendations on how to pursue institutional changes found wanting from the analyses on architecture or allocation and access. These recommendations can then accompany any on institutional redesign, realizing that the latter cannot come about without agency.

3.5 Conclusions: Feedback Loops and Power Spirals

Each of the governance elements discussed in this chapter can be analyzed in isolation, but in reality they are functionally interconnected and very much integrated. It is therefore useful to acknowledge, unravel, and study the links between them. Doing so is essential to understanding social equity in any given setting. However, it is particularly crucial for the governance of emerging areas—such as the bioeconomy—where new sectors are being constituted, and allegedly as a "force for good" to move the world towards greater sustainability. This aura of the bioeconomy as a set of sectors that take sustainability at heart arguably makes the equity imperative even stronger.

As seen, the agent-structure debate in governance emphasizes the institutional milieu when appraising the determinants of actor behavior. Nevertheless, the latter can also be influenced by material dimensions, i.e., allocation and access patterns. There is a dialectical relationship not only between agents and institutions, but also between actors' material capabilities and the patterns of access and allocation in governance. As seen most clearly (though not exclusively) in self-serving policy lobbying, agency often is performed with an eye on the allocation and access patterns that will arise out of the institutions being put in place. Meanwhile, such distributive outcomes will profoundly influence the ability of various actors to become effective governance agents, and thus a feedback loop—and potentially a power spiral—are created.

Tackling "the inequity of inequality" is historically challenging precisely because powerful actors systematically retain most benefits. They use their power to allocate the most advantageous roles to themselves and end up keeping inequitable structures—and thus inequalities—in place even if accruing some minor benefits to their

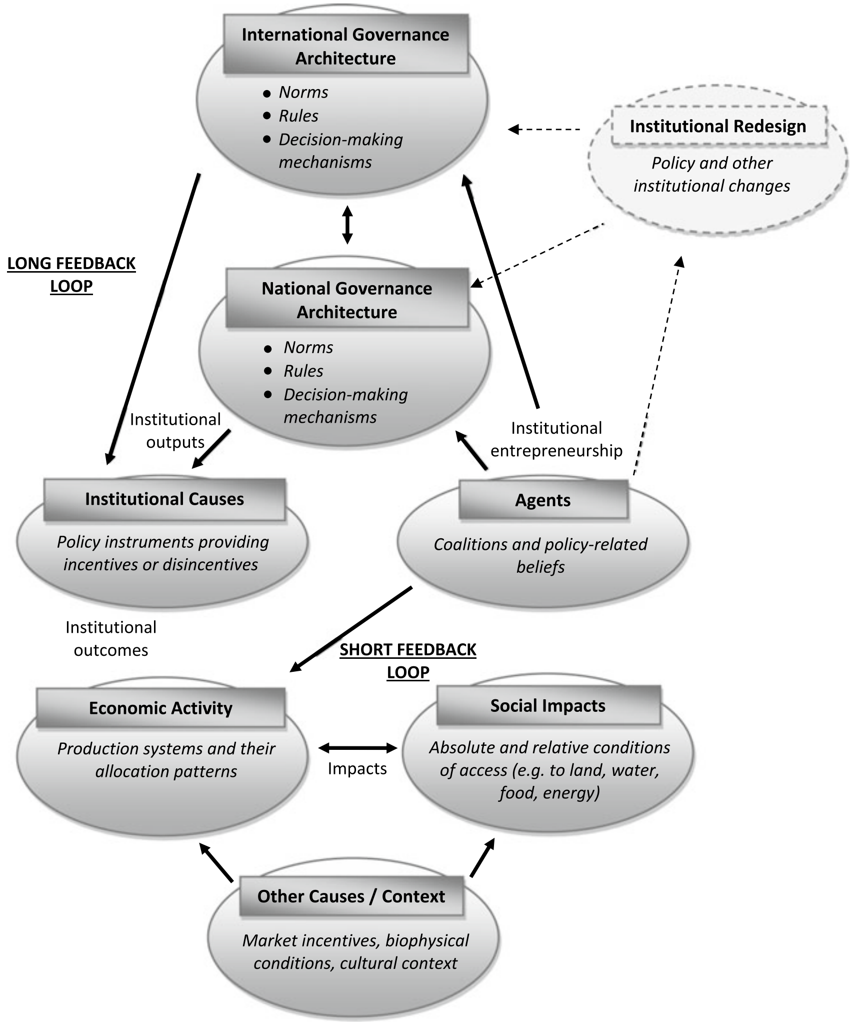

Fig. 3.1 Analyzing institutional, social, and political dimensions of governance

counterparts. This practice can be regarded as a tendency to promote institutional and material structures that create feedbacks to strengthen one's power and dominant position, thereby keeping a form of inequality lock-in. There are *short feedback loops* when agents directly promote activities that benefit themselves the most, without necessarily doing institutional entrepreneurship, i.e., without targeting the institutional milieu and the governance architecture. This route includes, for instance, the use of material capabilities to directly advance favorable pathways at the expense of others. Analytically speaking, there may also be *long feedback loops* stemming from agency in the form of institutional entrepreneurship, aimed at crafting governance architectures that promote the activities favored. This longer route can rely on various forms of policy advocacy and discursive strategies to sway public opinion and retain government support, leading to the commonplace observation that prevailing institutions generally reflect the dominant actors' views and beliefs.

Figure 3.1 presents this analytical framework to be applied in the subsequent chapters to assess biofuel governance cases as proxies for what the bioeconomy has looked like to date. The figure draws from previous work by Young et al. (1999/2005) on the role of institutions in addressing environmental change, though here the focus is shifted to the influence of governance on social equity. Following Soni (2007) and Gupta et al. (2013), there is also a sub-division between national and international governance architectures to identify which institutional incentives, causality links, and redesign needs belong to each level. More significantly, here this framework includes the element of agency, previously absent. It makes explicit that institutional redesign is not a given but rather something that *may* happen. Design thus is regarded not as something detached from agency but rather wholly dependent on it, since institutions do not change by themselves. Finally, it includes the new dimensions of feedback—first from social impacts back to agency, following political ecology's tenet that distributive outcomes and socio-economic inequalities are likely to have political implications, then the short and long feedback loops discussed above.

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