

19 - Adaptation Policy & Governance

Institutional Economics of Climate Change Adaptation

Oberlack

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This session seeks to advance the contemporary debate about the governance of climate adaptation by leveraging frameworks, theories and tools of institutional economics.

In recent years, research on the economics of adaptation emphasized assessments of costs and benefits of adaptation; suggested general strategies for efficient adaptation; identified roles and responsibilities for governments and markets in adaptation; and examined policy instruments for adaptation.

A key direction to advance this research agenda is to understand why, when, and how specific adaptation strategies are actually chosen by involved actors, particular roles and responsibilities accepted and fulfilled, and specific policies adopted. Moreover, economic research needs to move beyond oversimplifying dichotomies of institutional arrangements so as to incorporate and disentangle the diversity of institutional details that crucially shape decision-making in adaptation situations.

A considerable pool of knowledge is available with reference to the governance of adaptation. Yet, most work conducted under this label is explorative and descriptive, for instance, looking at 'which' barriers and opportunities of adaptation exist. Explanations of 'why', 'when', and 'how' particular barriers or opportunities emerge are rare, and those explanations provided usually remain case-specific.

Moving beyond typologies and enumerations of opportunities and barriers of adaptation towards systematically diagnosing, explaining and theorizing about their occurrence, interdependence, and dynamics seems paramount so as to provide solid scientific foundations for informing ways to successfully adapt to a changing climate.

The session contributes to this debate by using conceptual and theoretical groundwork of institutional economics. Based on empirical, theoretical and meta-analytical research, the assembled papers diagnose, explain and theorize about patterns of individual and collective adaptation decision-making at various governance levels, trace the effects of institutions, and investigate how institutions change.

The session focuses on the following research questions:

- 1) How can we disentangle and explain the patterns of individual decision-making and social interaction that foster resp. impede climate adaptation?
- 2) How can we usefully decompose the many attributes of institutions and uncertainty that shape adaptation situations?
- 3) How can we explain the interactions between institutions and adaptation decision-making and performance? For instance, what role do transactions costs, property rights, and institutional fit play?
- 4) When and how do institutions change in the face of climate impacts?
- 5) How do processes of institutionalizing monitoring and evaluation arrangements for adaptation create specific meaning for the notion of successful adaptation?
- 6) What can we learn from studying adaptation for theories of institutional economics?