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Local Action Groups and Auctions: Assessing the Efficiency of Institutional Innovations for the Design and Implementation of Agri-Environmental Measures in the EU — Results from an Expert Survey

JÖRG EGGERS¹, EVY METTEPENNINGEN², VOLKER BECKMANN¹

¹*Humboldt Universität zu Berlin, Department of Agricultural Economics and Social Sciences - Chair of Resource Economics, Germany*

²*Ghent University, Department of Agricultural Economics, Belgium*

Abstract

In this article, the authors focus on two important innovations for agri-environmental measures in the new council regulation: The implementation of local actions groups and a call for tenders. The article describes how relevant actors in the design and implementation of agri-environmental measures assess these innovations. The results are based on 276 interviews, carried out in 2006 in nine EU Member States.

Generally, actors assume that measures designed in local action groups are not necessarily more economically efficient than current measures, but they do have potential to result in a higher ecological effectiveness and in a greater acceptance. In evaluating the potential of auctions, or the call for tender approach, respondents were comparatively critical. However, the assessment of local action groups and auctions depends to a large degree on the group a respondent belongs to. Actors from the environmental administration, environmental associations and researchers see a high potential in local action groups and are indifferent to critical concerning the implementation of auctions. Conversely, actors from the agricultural administration and farmer associations tend to be indifferent or disagree, that local action groups increase economic efficiency, environmental effectiveness and acceptance and assess the potential of auctions as negative. Local action groups and auctions were also better evaluated by the lower administrative levels, which is probably due to the expectation of a higher influence when these institutional innovations would be applied. Finally, countries in the research that already have more experience with bottom-up approaches, evaluate the innovations more positively.

Nevertheless, for these bottom-up approaches, especially the budget is seen as an obstacle, but also the risk averse behaviour of the responsible civil servants, the unsuitable general administrative structure and the higher control costs pose problems. For most countries it can be concluded that as long as agricultural administration and farmers associations are by far the most influencing groups on the design process of agri-environmental measures, bottom up approaches will remain an exception.

Keywords: Agri-environmental policy, auctions, decentralisation, local action groups

Contact Address: Jörg Eggers, Humboldt Universität zu Berlin, Department of Agricultural Economics and Social Sciences - Chair of Resource Economics, Luisenstrasse 56, D-10099 Berlin, Germany, e-mail: joerg.egg@agr.ar.hu-berlin.de