

9-2015

# An Asian perspective on policy instruments: policy styles, governance modes and critical capacity challenges

Ishani MUKHERJEE

Singapore Management University, [ishanim@smu.edu.sg](mailto:ishanim@smu.edu.sg)

Michael HOWLETT

**DOI:** <https://doi.org/10.1080/23276665.2016.1152724>

Follow this and additional works at: [https://ink.library.smu.edu.sg/sooss\\_research](https://ink.library.smu.edu.sg/sooss_research)



Part of the [Policy Design, Analysis, and Evaluation Commons](#)

---

## Citation

MUKHERJEE, Ishani, & HOWLETT, Michael. (2015). An Asian perspective on policy instruments: policy styles, governance modes and critical capacity challenges. *Asia Pacific Journal of Public Administration*, 38(1, SI), 24-42.

**Available at:** [https://ink.library.smu.edu.sg/sooss\\_research/2530](https://ink.library.smu.edu.sg/sooss_research/2530)

This Journal Article is brought to you for free and open access by the School of Social Sciences at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Research Collection School of Social Sciences by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email [libIR@smu.edu.sg](mailto:libIR@smu.edu.sg).



# An Asian perspective on policy instruments: policy styles, governance modes and critical capacity challenges

Ishani Mukherjee<sup>a\*</sup> and Michael Howlett<sup>a,b</sup>

<sup>a</sup>*Lee Kuan Yew School of Public Policy, National University of Singapore, 469c Bukit Timah Road, Singapore 259774;* <sup>b</sup>*Department of Political Science, Simon Fraser University, AQ6069-8888 University Drive, Burnaby, B.C., Canada V5A 1S6*

*(Received 14 September 2015; accepted 30 October 2015)*

Does Asia have a distinct policy style? If so, what does it look like, and why does it take the shape it does? This article argues that in the newly reinvigorated emphasis of policy studies on policy instruments and their design lies the basis of an analysis of a dominant policy style in the Asian region, with significant implications for understanding the roles played by specific kinds of policy capacities. There is a distinctly Asian policy style based on a specific pattern of policy capacities and governance modes. In this style, a failure to garner initial policy legitimacy in the articulation of instrument norms often results in later mismatches between instrument objectives and specific mechanisms for their achievement. The formulation of payments for ecosystem services policy is used to illustrate the capacities required for policy designs and action to meet policy goals effectively.

**Keywords:** Asian policy style; policy instruments; governance modes; policy capacity; payments for ecosystem services; environmental governance; Cambodia; China, Indonesia; Nepal; the Philippines; Thailand; Vietnam

## Introduction

Over the last few decades, policy dialogues around the world have remained abuzz with topics of governance reform, with implications for how and what instruments of governance are chosen to address complex policy problems. Key sectors such as environmental policy have seen major shifts in governance styles, from the exclusive use of command and control regulatory instruments, to policy situations that are more conducive to market-based incentive-oriented mechanisms for controlling pollution (Jordan, Wurzel & Zito, 2005; Wurzel, Zito & Jordan, 2013).

While the 1980s and 1990s witnessed a general trajectory from deregulation and the use of more decentralised and market-oriented approaches to governance, the mid-2000s saw a turnaround in this trend as the shortcomings of the undiscerning anything-but-government movement became apparent. This, in turn, has led to yet another movement away from the synthetic bifurcation between pure hierarchies and markets towards more multi-layered forms of governance, combining elements of both and involving a variety of policy actors.

The ebb and flow of the two broad waves of governance reforms, and the lessons learnt from their shortcomings, have given rise to several new alternate governance

---

\*Corresponding author. Email: [im49@cornell.edu](mailto:im49@cornell.edu)

forms. They range from pure hierarchical and market modes to more hybrid styles of metagovernance, each of which has its own particular requisites for success (Meuleman, 2008, 2009; Howlett & Rayner, 2007; Tollefson, Zito & Gale, 2012; Considine & Lewis, 1999; Peters, 1996; Howlett & Ramesh, 2015a, 2015b; Ramesh & Fritzen, 2009).

These developments represent alterations to the predominant governance modes found in different sectors and jurisdictions (Capano, Howlett & Ramesh, 2015). They involve both fundamental relationships between governmental and non-governmental actors and also distinct policy styles comprising preferences and patterns of policymaking and policy instrument selection.

While adequate evidence exists in the case of OECD countries suggesting there has been some convergence on a new market-oriented style and away from earlier legalist and corporatist modes of governing (eg., Majone, 1994; Jordan, Wurzel & Zito, 2003; Turner & Hulme, 1997; Jordana & Levi-Faur, 2004; Scott, 2004), the situation in Asia has been less clear, with the region being characterised by a great deal of governmental diversity in institutional structures, practices and regimes. Nevertheless, some efforts have been made to adapt the relevant concepts to the Asian context, especially in terms of identifying key implementation structures and practices common to and across countries (Woo, 2015).

This article continues the discussion, highlighting the general nature of policy styles and broaching the implications of any convergence towards a common Asian style. It links penchants for particular instrument uses to specific capacity needs and identifies the critical capacity areas or needs of governments professing to follow this style (Howlett & Ramesh, 2015b). Lessons are drawn concerning the likely success or failure of many initiatives taken by Asian countries in recent years and in the future.

### **Policy styles in theory and practice**

Contemporary policy studies recognise that public policies typically result from the concerted efforts of multiple levels of government and other important policy actors to achieve policy goals through the use of policy instruments. Policy design entails the purposeful endeavour to articulate policy goals and link them with policy instruments that are expected to accomplish these aims (Majone, 1994; May, 2005; Gilibert & Lawford-Smith, 2012). It involves assessments of potential instrument use whose impacts and feasibilities are reasonably well-understood (Lasswell, Lerner & Fisher, 1951; Parsons, 1995, 2001). Accordingly, policy design is understood as a particular type of policy formulation involving the systematic analysis of the impacts of policy instruments on policy targets, as well as the application of this knowledge to the creation and realisation of policies that are expected to attain desired policy outcomes (Weaver, 2009, 2010; Bobrow & Dryzek, 1987; Bobrow, 2006; Montpetit, 2003).

Understandably, not all policy design processes can begin completely anew. Most are limited by historical legacies and can become weighed down by various inconsistencies and sunk costs linked to the existence of policy legacies or older generations of policy elements. Although some policy instrument arrangements can be more successful than others in creating a new, internally coherent combination, most designs are focused more on reform rather than replacement of existing compositions (Howlett & Rayner, 2007; Grabosky, 1994; Gunningham, Grabosky & Sinclair, 1998; del Rio, 2010).<sup>1</sup>

In comparative public policy, the concept of policy styles is used to describe and explain the penchant for policymaking to occur in a similar way and with a similar outcome due to the presence of historical legacies and institutional structures which routinise decision-making (van Nispen & Ringeling, 1998; Richardson, Gustafsson & Jordan, 1982). That is, “policymakers develop characteristic and durable methods of dealing with public issues . . . [which] can be linked to policy outcomes and . . . systematically compared” using this concept (Freeman, 1985, p. 467).

Numerous case studies over the last three decades have highlighted the manner in which actors in policy processes have tended to “take on, over a period of time, a distinctive style which affects . . . policy decisions, i.e. they develop tradition and history which constrains and refines their actions and concerns” (Simmons, Davis, Chapman & Sager, 1974, p.146). In response, the concept of a policy style is useful not only for describing typical policy processes and deliberations, but also for capturing an important aspect of policy dynamics involving the relatively enduring nature of these arrangements. Thus, policy styles allude to institutional patterns of interaction between policy actors which lead to the generation of distinct implementation logics (Howlett, 2000, 2004; Richardson, Gustafsson & Jordan, 1982; Gustafsson & Richardson, 1980; Knill, 1999; Bekke & van der Meer, 2000).<sup>2</sup>

Policy styles have to do with the “observed preference of national governments for certain types of instruments given the nature of state-society relations existing in each nation” (Howlett, 1991, p. 16). A dialectic can be seen to exist, therefore, between policy formulators’ affinity for choosing particular bundles of instruments and how these choices are influenced by persisting policy styles (Howlett & Ramesh, 1993; Linder & Peters, 1989).

In considering the analysis of policy instrument use in Asia, this is a useful construct which can help overcome the considerable variation in regime type, history, political structure, and cultural practices across the region. Although there has been some dispute in the literature about the nature of these styles and their definition (Freeman, 1985; Richardson, Gustafsson & Jordan, 1982), many studies have suggested that governments have tended to converge on a similar style, both cross-sectorally (Freeman, 1985) and cross-nationally (Richardson, Gustafsson & Jordan, 1982; Kagan 1991, 2000; Kagan & Axelrad, 1997).

### **Is there a distinct Asian policy style?**

A policy style can be thought of as existing as part of a larger policy regime or governance mode that emerges over time as policy succession takes place. National policy systems can be seen as the offshoots of larger national governance and administrative traditions or cultures (Dwivedi & Gow, 1999; Bevir & Rhodes, 2003), such as parliamentary or republican forms of government, and federal or unitary states. These lead to different concentrations of power in the central institutions of government, different degrees of openness and access to information, and different reliance on certain governing instruments.<sup>3</sup>

Such a regime includes not only the manner in which policy deliberations take place, but also the kinds of actors and ideas present.<sup>4</sup> The regime or mode can be thought of as integrating a common set of policy ideas (a policy paradigm), a long-lasting governance arrangement (or policy mix), a common or typical policy process (a policy style), and a more or less fixed set of policy actors (a policy subsystem or policy

monopoly). Accordingly, it is a useful term for describing long-term patterns found in both the substance and process of public policymaking.

The general idea is that policymaking tends to develop in such a way that the same actors, institutions, instruments and governing ideas tend to dominate policymaking for extended periods of time, infusing a policy sector with both a consistent content and a set of typical policy processes or procedures. Although there are distinct sectoral policy issues that are linked to common approaches taken towards specific kinds of problems (Lowi, 1972; Salamon, 1981; Freeman, 1985; Burstein, 1991; Howlett, 2000), and while Freeman (1985, p. 468) has observed that “each sector poses its own problems, sets its own constraints, and generates its own brand of conflict”, many of these matters are epiphenomenal or nested within larger national styles or arrangements. That is, in each sector there are different configurations of societal actors, such as business, labour, special interest groups, think tanks and university centers, with different analytical capabilities and policy expertise, different degrees of independence with respect to funding, and different relationships with state actors (Lindquist, 1992); but these all operate within larger national boundaries.<sup>5</sup>

From this perspective, in looking for patterns of particular policy instrument use in a region like Asia, it is important to determine first if there is a common policy regime and style throughout the region; and if so, what it is. Any such common governance style would be a critical determinant of policy fit and the prospects for success or failure of any policy design, including significant change or reform. Thus, how can such a style be identified?

Governing is what governments do: controlling the allocation of resources among social actors; providing a set of rules and operating a set of institutions setting out “who gets what, where, when and how” in society; while at the same time managing the symbolic resources that are the basis of political legitimacy (Lasswell, 1958). In its broadest sense, governance is a term used to describe that mode of coordination exercised by state actors over social ones in their efforts to solve familiar problems of collective action inherent in government and governing (Rhodes, 1997; de Bruijn & ten Heuvelhof, 1995; Kooiman, 1993, 2000; Majone, 1997; Klijn & Koppenjan, 2000). That is, governance is about establishing, promoting and supporting a specific type of relationship between governmental and non-governmental actors in the governing process.

Policymaking and policy formulation, and hence policy instrument design and use, are heavily influenced by the precepts of the governance and administrative model constituting the operating environment of a policy style (Castles, 1990; Kagan, 1991; Vogel, 1986; Eisner, 1993; Harris & Milkis, 1989). In modern Asian countries, as in other societies, this means managing relationships with businesses and civil society organisations which are also involved in the creation of public value and the delivery of goods and services to citizens (Hall & Soskice, 2001). Although many permutations are possible (Howlett & Rayner, 2007; Tollefson, Zito & Gale, 2012; Considine & Lewis, 1999; Peters, 1996), ultimately there are four ideal types of governance relationships: the legal-hierarchical and market pure types and the network and corporatist hybrid types: see Table 1. Each of these ideal types corresponds to a particular policy style, defining the kinds of instruments commonly used to create and administer policies.

What is the situation in Asia with respect to these types? Some general patterns of instrument choice in Asia have been discernible since the late 1990s as a number of countries in Asia such as Vietnam, Thailand, Indonesia, China and the Philippines have

Table 1. Modes of governance by central mode of actor coordination and significance of state role.

		Significance of state role	
		Higher	Lower
Central mode of actor coordination	Hierarchical	Legal governance	Corporatist governance
	Plurilateral	Network governance	Market governance

adopted a decentralised approach to governance and have moved from a purely legalist regime towards one more amenable to market-oriented policy solutions (eg., Bardhan, 2002; Adhikari, 2009; George, Pierret, Boonsaner, Christian & Planchon, 2009; Dam, Catacutan & Hoang, 2014). Despite the range of experiences with devolved governance of environmental resources in Asia, many programmes have emerged with a common implementation logic surrounding the creation of policies that address environmental as well as poverty alleviation goals through compensation mechanisms. The experience with these programmes, similar to that with several others in the region in healthcare, pensions and education policy realms, reflect a corporatist policy style in the Asian context in which policy designs and instrument uses reflect overall governance orientations centred around the close and evolving ties between governments and the private sector (Beeson, 2014; Haggard, 1998; Cheung, 2005; Mok, 2006; Jayasuriya, 2001; Mok & Forrest, 2008).

### Linking policy styles and policy success: the idea of critical policy capacities

While a discussion of broad policy styles has value, what are the implications for policy success and failure? It is pertinent to recognise the propensity for policy designs to utilise policy instruments congruent with a particular governance mode, such as a corporatist one in Asia. But simply selecting instruments and designs in this way does not ensure policy success.

Recent work on policy capacity outlines the fundamental nature of the skills and resources governments need to formulate and implement policy effectively (Howlett & Ramesh, 2015a, 2015b; Wu, Ramesh, Howlett & Fritzen, 2010; Rotberg, 2014; Bullock, Mountford & Stanley, 2001). The work highlights the inter-relationships between governance modes and policy styles and the competences and capabilities of governments in using the modes and styles.

The arrangements exist at three levels: individual, organisational and system (Wu, Ramesh & Howlett, 2015). Individually, those working for policy need to possess technical expertise for substantive policy analysis and the communication of knowledge, while necessary skills of those in management roles also include leadership and negotiation expertise. Individual political acumen for understanding the interests of various stakeholders and gauging political feasibility is also a fundamental capacity for successful governance. At the organisational level, information mobilisation capacities to facilitate policy analysis, administrative resources for successful coordination between policymaking agencies, and political support all contribute towards an overall policy capacity. At the system level, institutions and opportunities for knowledge creation and use need to exist alongside arrangements for accountability and securing political legitimacy. Altogether, nine forms of policy capacity can be distinguished at three functioning levels of a governance mode: see Table 2.

Table 2. Policy capacities and levels.

Level Capacity	Individual	Organisational	System
Analytical	1. Policy analytical capacity: knowledge of policy substance and analytical techniques and communication skills	2. Organisational information capacity: information and e-services architecture; budgeting and human resource management systems	3. Knowledge system capacity: institutions and opportunities for knowledge generation, mobilisation and use
Operational	4. Managerial expertise capacity: leadership; strategic management; negotiation and conflict resolution	5. Administrative resource capacity: funding; staffing; levels of intra-agency and inter-agency coordination	6. Accountability and responsibility system capacity: rule of law; transparent adjudicative system
Political	7. Political acumen capacity: understanding of the needs and positions of different stakeholders; judgment of political feasibility	8. Organisational political resource capacity: politicians' support for the agency; levels of inter-organisational trust and communication	9. Political economic system capacity: public legitimacy and trust; adequate fiscal resources

Source: adapted from Howlett and Ramesh (2015a, 2015b).

With respect to assessing the likely capacity determinants of success or failure in any policy style, including the Asian corporatist style, the central question is: what is required for each of the ideal governance modes to operate effectively? In general, governments would like to enjoy high levels of capability and competence in all aspects of capacity in order to enjoy high capacity to perform their policy functions. Each of the various types of policy capacity is fundamentally important for any system of governance to function well. Shortcomings in one or a few of the dimensions may be offset by strengths along other dimensions, but no government can expect to be capable if lagging along many dimensions (Tiernan & Wanna, 2006). At the extreme, for example, governments may find themselves overburdened with economic problems or social demands so that hierarchical governance – comprising a policy framework whereby the most important actors are government and the state implements policies by ordering and sanctioning – may no longer prove to be an efficient or effective form of governance.

Some shortfalls in capacity are especially critical in specific modes of governance and constitute their “Achilles heel” (Menahem & Stein, 2013). For example, in recent years in many jurisdictions the default reform often adopted by governments seeking to improve upon hierarchical governance has been to turn to a market or network mode of governance (Weimer & Vining, 2011). However, in order to function effectively, markets require stringent yet sensible regulations that are diligently implemented. These are conditions that are difficult to meet for many governments and in many sectors due to a lack of sufficient analytical, managerial, and/or political competences and capabilities. Technical knowledge, for example, is thus a critical competence required for market-based governance. Analytical skills at the level of individual analysts and policy workers are key, and the policy analytical capacity of government needs to be espe-



cially high to deal with complex quantitative economic and financial issues involved in regulating and steering the economy and preventing crises (Rayner, McNutt & Wellstead, 2013).

Legal systems of governance similarly require a high level of managerial skills in order to avoid diminishing returns with compliance or growing non-compliance with government rules and regulations (May, 2005). System level capabilities are especially crucial in this mode of governance because governments will find it difficult to command and control in the absence of the trust of the target population. Recruiting and retaining honest and altruistic leaders, however, is often difficult for the public sector for a variety of reasons (British Cabinet Office, 2001), while the cumbersome accountability mechanisms put in place in the public sector to prevent corruption and abuse of powers also promote risk aversion (Hood, 2010). These problems need to be comprehended, with this element of policy capacity being enhanced through a greater accountability and responsibility system capacity (Aucoin, 1997).

While network governance may perform well when dealing with sensitive issues such as parental supervision or elderly care (Pestoff, Brandsen & Verschuere, 2012), in other instances civil society may not be well enough constructed, coordinated or resourced to be able to create beneficial network forms of governance (Tunzelmann, 2010). Networks, for example, can fail when governments encounter capability problems at the organisational level such as a lack of societal leadership, poor associational structures, and weak state steering capacities which make adoption of network governance modes problematic. As Keast, Mandell and Brown (2006) have noted, networks raise severe managerial challenges at the level of competences: "Networks often lack the accountability mechanisms available to the state, they are difficult to steer or control, they are difficult to get agreements on outcomes and actions to be taken, and they can be difficult to understand and determine who is in charge". A recurrent problem faced by efforts to utilise network governance is that the routines, trust and reciprocity which characterise successful network management (cf., Klijn & Koppenjan, 2012) take a long time to emerge. Such relationships cannot simply be established by fiat as with hierarchy, or emerge spontaneously in response to forces of demand and supply as with markets. Networks are thus hard to establish where none exists already, and a very critical capacity issue for network governance is the managerial expertise capacity needed to establish and maintain them.

Each of these gaps highlights the need for adequate capacity in critical areas for a specific kind of governance system to achieve its potential. Specific governance modes are prone to specific types of failure caused by specific capacity shortages in critical areas required for that mode to function. For corporatist regimes, such as those common in Asia, effective administrative structures and processes and the level of coordination are vital. Inspired by conceptions of the chain of command in the military, corporatist regimes or reform initiatives stress hierarchy, discipline, due process, and clear lines of accountability. At the level of capabilities, corporatist modes of governance require a great deal of coherence and coordination to function effectively due to horizontal divisions and numerous hierarchical layers found in their bureaucratic structures (Lehmbruch & Schmitter, 1982; Wilensky & Turner, 1987). Unlike markets where prices perform some essential coordination functions, coherence and coordination must be actively promoted in corporatist forms of governance and combined with political skills in understanding large scale stakeholder needs and positions (Berger, 1981; Lehmbruch & Schmitter, 1982). Hence, organisational political capacity is critical and a sine qua non of successful performance for the corporatist mode of governance.

### **An illustrative case: payments for ecosystem services policy in Asia**

The relationships discussed above and the need for high levels of organisational political capacity in corporatist regimes are illustrated by examples from payments for ecosystem services (PES) policies in the region. According to the Millennium Ecosystem Assessment (2005), ecosystem services are defined as the aggregate benefits people derive from natural systems. Included under the broad classification of ecosystem services are provisioning services such as food, water and timber; regulating services such as water quality, carbon sequestration and climate regulation; cultural services such as recreation; and supporting services such as nutrient cycling and soil creation (Millennium Ecosystem Assessment, 2005; Engel, Pagiola & Wunder, 2008).

It is evident that, apart from the provisioning services that can be classified as market products, most of the other benefits obtained from ecosystem services occur as positive externalities and are, therefore, under-provided by the economy alone, making the provision of these services a policy-oriented initiative. In addition, these services emerge out of the preservation of natural capital which conflicts with most economic activities such as intensive agriculture that leads to its extraction and depletion. Also, unclear property rights linked with natural resources and a lack of ecosystem knowledge pose threats to the provision of ecosystem services. This is a major issue in newly decentralised states in Asia such as Indonesia where land tenure irregularities have led to several instances of conflict (Engel, Pagiola & Wunder, 2008; Leimona, van Noordwijk, de Groot & Leemans, 2015; Suyanto & Leimona, 2005).

Although a singular definition of PES does not yet exist in policy forums, the services are generally understood to be “voluntary transactions, where a well-defined environmental service [or land use likely to secure that service] is being ‘bought’ by an ecosystem service buyer from an ecosystem service provider if and only if the service provider secures service provision [conditionality]” (Wunder, 2007, p. 48). Consistent with this definition, PES systems follow a principle of conditional payments to address and assign value to conserving natural resources that secure various ecosystem services such as those that “forest owners generate for others with no direct rewards to themselves through the market” (de Janvry & Sadoulet, 2004, p. 2). By using compensation to link the interests of landowners and external actors, the implementation of a PES programme acknowledges the often difficult trade-offs between the conservation and transformation of ecosystems (Wunder, 2007).

While the very core of PES policies and programmes in Asia and elsewhere reflects an evolving preference for private rather than state modes of environmental conservation, the assumption is that buyers and sellers of an environmental service can arrive at mutually beneficial agreements. The programmes have emerged as a mechanism to secure environmental services by transforming positive externalities linked with environmental conservation into financial incentives for local providers. This has not been possible without public sector support. Whether in terms of law enforcement, creating a market infrastructure or formal recognition of resource ownership and extraction, the regulating and coordinating role of public intervention has been critical to the success of PES programmes and underlines the corporatist nature of these arrangements (Bayon & Jenkins, 2010; Pirard, 2012; Yin, Liu, Yao & Zhao, 2013; McElwee, Nghiem, Le, Vu & Tran, 2014; Pirard, de Buren & Lapeyre, 2014).

In the Asian context, the modern development of market-based PES programmes finds itself very much embedded in a policy space defined by the strong history of legal instruments and hierarchical institutions of governance particularly when it concerns

state-led environmental policy activities (Jayasuriya, 2001; Gillespie, 2014). Environmental policy design in the region over the last few decades has reflected a range of hybrid arrangements, with policies and programmes based on PES principles occurring as a part of what environmental policy scholars refer to as “heterogenous systems of environmental governance” (Quitow, Holger & Jacob, 2013).

Despite the variety of environmental concerns and stakeholders involved in these programmes in the region, the general common design components of PES policy in Asia can be identified: see Table 3. Most of the broad PES principles, such as the under-provision of ecosystem services by the economy and an assumption that a state-supported, market-based instrument can address the shortcomings of centralised regulation, are reflected in the high-level policy goals (cell 1, Table 3) that inform these programmes. In addition, the motivation for formulating PES policies in the Asian context results from a general idea that by espousing compensation mechanisms for mainly rural ecosystem service-supplying communities, PES programmes can address both environmental conservation and poverty alleviation goals (Leimona, van Noordwijk, de Groot & Leemans, 2015; Swallow, et. al., 2009).

At the broadest level of PES policy design, political capacities especially at the organisational level can have several effects on how well government agents are able to coordinate the interests of different stakeholders and facilitate the accurate mapping of general policy aims to overarching implementation logics. According to the Food and Agriculture Organization (FAO, 2014), annual incomes from PES policies in the Asian region constitute almost half of the global total. Despite a wide variety of slightly different hybrid arrangements in Asian countries that strive to incorporate market-based instruments in strong hierarchical realities, the capacity constraints related to the design and effective execution of PES policies are very similar (Leimona, van Noordwijk, de Groot & Leemans, 2015; Adhikari, 2009).

First, undermined political legitimacy at the initial stages of design can lead to imbalances between the understood rights and roles of politicians, administrators and programme subjects. For example, in China with state actors taking on the role of intermediaries, along with buyers through state-owned companies as well as regulators at the district levels, government actors find themselves having to represent multiple interests (Scherr & Bennett, 2011; Bennett, 2008). While designing regular management interventions may be necessary in order to ensure the sustainability of PES programmes, arbitrary intercessions can weaken the smooth operation of instruments. For example, in conflict situations involving sub-governments, community level sellers and private sector buyers in Indonesia, the central government has had to revoke ad hoc the mediating rights of district governments, thus leading to obstructions in the functioning of some PES programmes (Wunder, et.al., 2008). Similarly, as highlighted in their review of the PES experience in China, Scherr and Bennett (2011, p. 14) comment that “sufficient regulatory oversight and legal frameworks are necessary to protect both ecosystem service providers and buyers when developing contractual agreements . . . ; however, at the same time, exclusive government control of ecosystem services markets risks crowding out potentially significant sources of conservation finance”.

Second, an incomplete understanding of the needs and priorities of various stakeholders may limit the effective functioning of both political actors and administrators, while limiting stakeholder participation. As has been evinced in some PES programmes in the Philippines and Indonesia, the emphasis on monetisation of services can create mismatches in situations where financial gains are not the main reason for communities to join, with the communities instead being socially motivated to

Table 3. Components of payments for ecosystem services policy in Asia.

Policy content	Policy-level abstraction	Programme-level operationalisation	Specific on-the-ground measures
Policy aims/ends	<p>1. Policy goals: what general types of ideas govern PES policy development in Asia?</p> <ul style="list-style-type: none"> <li>• Ecosystem services, or the benefits that people derive from natural systems, need to be secured by policy as they are not accounted for and, therefore, are undercut by the economy</li> <li>• Benefits of decentralised, market-based instruments can address the shortcomings of central command and control systems</li> <li>• PES policy instruments can address both environmental and poverty alleviation goals</li> </ul>	<p>3. Programme objectives: what do PES policies in Asia formally aim to address?</p> <ul style="list-style-type: none"> <li>• Specific environmental service targets related to: <ul style="list-style-type: none"> <li>○ biodiversity conservation, where buyers pay landowners to set aside biologically rich areas</li> <li>○ watershed protection, where state-owned or private water supply companies compensate upstream farmers to control erosion, sedimentation and flooding</li> <li>○ landscape/seascape aesthetics, where payments are forwarded to local communities to conserve national park buffer zones through entrance permits or ecotourism concessions</li> </ul> </li> </ul>	<p>5. Operational settings: what are the specific on-the-ground requirements for PES policies in Asia?</p> <ul style="list-style-type: none"> <li>• Review of ecological sites or zones covered under programme</li> <li>• Fixing local parameters for selected environmental services</li> <li>• Calculations of environmental baselines, both with project and business as usual</li> <li>• Building institutions for budget management and monitoring of financial transactions</li> <li>• Accountable and transparent selection of buyers and sellers</li> </ul>
Policy instruments	<p>2. Instrument logic: what general norms guide PES policy implementation preferences in Asia?</p> <ul style="list-style-type: none"> <li>• Compensation mechanisms link the interests of landowners (sellers of service) and</li> </ul>	<p>4. Programme mechanisms: what specific types of instruments are used in PES programmes in Asia?</p> <ul style="list-style-type: none"> <li>• Compensation and transfer mechanisms:</li> </ul>	<p>6. Instrument calibrations: what are the specific ways in which PES instruments are used?</p> <ul style="list-style-type: none"> <li>• Adjusting contract terms</li> </ul>

(Continued)

Table 3. (Continued).

Policy content	Policy-level abstraction	Programme-level operationalisation	Specific on-the-ground measures
<ul style="list-style-type: none"> <li>○ external public or private actors (buyers of service):               <ul style="list-style-type: none"> <li>○ agreements are voluntary between incentive optimising participants</li> <li>○ the buyer of the service pays, thus creating a measurable demand for the service</li> <li>○ the PES transaction increases the supply of the service beyond what it would have been under normal regulatory compliance</li> <li>○ payments are conditional to the service being delivered</li> <li>○ management interventions are necessary for continued service delivery and avoidance of leakages</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ individual contracts or group funds with designated group representatives               <ul style="list-style-type: none"> <li>○ direct financial payments</li> <li>○ eco-certification of products and price premiums</li> <li>○ ad-hoc rewards or share of royalties</li> <li>○ in-kind payments such as training, capacity building, capital gains</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring environmental service provision based on both scientific and local knowledge concerning:               <ul style="list-style-type: none"> <li>○ water sampling</li> <li>○ sedimentation flows</li> </ul> </li> <li>• Adopting flexible terms for compensation and risk management</li> </ul>	

participate (Lapeyre, Pirard & Leimona, 2015; Leimona, van Noordwijk, de Groot & Leemans, 2015; van Noordwijk, et. al., 2012). A similar mismatch between broad PES policy principles and implementation logics can be caused in situations where the policies are used to meet other strategic political ends, furthering existing government regulations (Peluso & Lund, 2011). An example of this is indicated in the analysis of Vietnam's PES policies which, while engaging co-financing from private and international organisations, do not result in a creation of market institutions, but rather "in additional financial resources to implement the government's own policies in forest protection" (Suhardiman, Wichelns, Lestrelin & Hoanh, 2013, p. 96).

Third, a lack of political capacities to judge the feasibilities of PES policies at the local level can result in miscalculations without a solid understanding of stakeholder opportunity costs. PES programmes in Nepal, the Philippines and Indonesia have shown that the strict conditionality principle is less ideal than a compensation or co-investment principle that creates more equal sharing of risks. This is especially so in the event of environmental disasters that can undo the work done by stewards to secure the supply of the environmental services being considered and, thereby, jeopardise the transfer of conditional payments (Leimona, van Noordwijk, de Groot & Leemans, 2015).

### **Concluding comments**

All governments are concerned with policy success and failure. One source of failure stems from the mismatches between policy design elements which can occur when particular designs of policy instruments and the governance mode or policy style these instruments are to function within do not fit well with each other. These mismatches often result when critical governance capacities are deficient, leading to the compromised success of the entire instrument design process that follows.

In the Asian case, many sectoral policy regimes manifest aspects of an overall governance mode based on corporatist arrangements, which results in many policy designs and instrument uses being heavily influenced by the mode of governance and thus reflecting a policy style congruent with it. This finding allows the specification of some conditions or pre-conditions for effective policy design in countries and sectors featuring this arrangement. A common cluster of administrative challenges has been encountered, especially in the arena of environmental governance. Mainly, the gap between the design and effective implementation of decentralised policies for environmental management concerns "the division of labour and benefits between levels of government; the willingness of higher levels to grant authority to lower levels in practice; the complexity of [forest-related] requirements that communities are unable to fulfil; and the lack of institutional capacity and financial resources at the local level to carry out the devolved responsibilities" (Colfer, Dahal & Moeliono, 2012, p.1). An underlying lack of trust between the various levels of administration, different stakeholders, and the policy targets at the community level has been identified through experience in Asia as being a major hurdle in the way of the success of many policy schemes (Capistrano, 2012). This highlights the need for high levels of a particular policy capacity, in this case organisational political capacity, linked to the requisites of the particular policy style.

These matters are well illustrated by the case of ecosystem services policies in Asia. As To, Dressler, Mahanty, Pham & Zingerli (2012, p. 237) appreciate, although at first glance such schemes may appear to be market-based, since "PES schemes create a

market for ecosystem services, such markets must be understood not simply as bold economic exchanges between ‘rational actors’, but rather as exchanges embedded in particular socio-political and historical contexts to support the sustainable use of forest resources and local livelihoods”. PES policy development in Asia thus represents a situation where political capacities, especially at the organisational level, may be enough to determine the strength of the overall governance capacity situation.

As the PES experience demonstrates, and consistent with current theory development on governance capacity (Howlett & Ramesh, 2015a, 2015b), organisational political capacity concerns become critical for hybrid governance types such as those prevalent in environmental governance in Asia. Studies in countries such as Vietnam, Cambodia and the Philippines all allude to the important role of political legitimacy for PES programmes, as offered through secure land tenure regimes, legal support, and government issued financial regulations. These are all essential for constructing a clear framework for PES implementation and evaluation (McElwee, Nghiem, Le, Vu & Tran, 2014; Suhardiman, Wichelns, Lestrelin & Hoanh, 2013).

### **Disclosure statement**

No potential conflict of interest was reported by the authors.

### **Notes**

1. A key notion in this regard is that of “layering” (van der Heijden, 2011) or the changes made over time only to some components of an existing policy arrangement through institutional patterns that emerge over long periods of time
2. The work on policy styles has resulted in a number of categorisations for analytically distinguishing between national policy patterns such as those favouring implementation that is defined by either enforcement or consultation, or based on whether policy change factors that are either radical or non-radical (Richardson, Gustafsson & Jordan, 1982; Gustafsson & Richardson, 1980; Freeman, 1985). This work has brought to light the numerous hurdles in the way of employing this lens for comparative work, as policy styles can vary within nations by problem areas and even by policy making stages (Freeman, 1985).
3. Civil service organisations have rules and structures affecting policy and administrative behaviour such as the constitutional order establishing and empowering administrators, as well as affecting patterns and methods of recruiting civil servants and how they interact with each other and the public (Bekke, Perry & Toonen, 1993). A parallel argument can be found in the field of regulation. Knill (1999) states that regulatory styles are defined by “the mode of state intervention” (hierarchical versus self-regulation, as well as uniform and detailed requirements versus open regulation allowing for administrative flexibility and discretion) and the mode of “administrative interest intermediation” (formal versus informal, legalistic versus pragmatic, and open versus closed relationships). van Waarden (1995) argues that “National regulatory styles are formally rooted in nationally specific legal, political and administrative institutions and cultures. This foundation in a variety of state institutions should make regulatory styles resistant to change, and hence from this perspective one would expect differences in regulatory styles to persist, possibly even under the impact of economic and political internationalisation”.
4. In work on social policy, for example, Esping-Andersen found “specific institutional arrangements adopted by societies in the pursuit of work and welfare. A given organisation of state–economy relations is associated with a particular social policy logic” (Rein, Esping-Andersen & Rainwater, 1987). Similarly, in work on US policymaking, Harris and Milkis (1989, p. 25) found regimes developed as a “constellation” of ideas justifying governmental activity, institutions that structure policymaking, and a set of policies. Eisner (1993, p. xv) defines a regime as a “historically specific configuration of policies and institutions which establishes certain broad goals that transcend the problems” specific to particular sectors.

5. Similarly, Allison (1971) and Smith, Marsh and Richards (1993) have argued that the “central state is not a unified actor but a range of institutions and actors with disparate interests and varying resources” and, therefore, there may not only be different degrees of coherence within the state, but also different cultures of decision-making and inclusion of outside actors with respect to policy development (collaboration, unilateral, reactive) in different sectors. There are agency-level organisational factors that affect policymaking, with policy being shaped by the nature and priorities of departments and agencies (Wilson, 1989; Richardson, Jordan & Kimber, 1978; Jordan, Wurzel & Zito, 2003) which have distinct organisational mandates, histories, cultures and programme delivery and front-line challenges (Lipsky, 1980; Hawkins & Thomas, 1989).

## References

- Adhikari, B. (2009). Market-based approaches to environmental management: A review of lessons from payment for environmental services in Asia. Accessible at: <http://www.adb.org/sites/default/files/publication/155989/adbi-wp134.pdf>; accessed 1 October 2015.
- Allison, G. T. (1971). *Essence of decision: Explaining the Cuban missile crisis*. Boston, MA: Little Brown.
- Aucoin, P. (1997). The design of public organizations for the 21st century: Why bureaucracy will survive in public management. *Canadian Public Administration*, 40, 290–306.
- Bardhan, P. (2002). Decentralization of governance and development. *Journal of Economic Perspectives*, 16, 185–205.
- Bayon, R., & Jenkins, M. (2010). The business of biodiversity. *Nature*, 466, 184–185.
- Beeson, M. (2014). *Regionalism and globalization in East Asia: Politics, security and economic development*. Basingstoke: Palgrave Macmillan.
- Bekke, H. G. J. M., & van der Meer, F. M. (Eds.). (2000). *Civil service systems in Western Europe*. Cheltenham: Edward Elgar.
- Bekke, H. G. J. M., Perry, J. L., & Toonen, T. (1993). Comparing civil service systems. *Research in Public Administration*, 2, 191–212.
- Bennett, M. T. (2008). China’s sloping land conversion program: Institutional innovation or business as usual? *Ecological Economics*, 65, 699–711.
- Berger, S. (1981). *Organizing interests in Western Europe: Pluralism, corporatism and the transformation of politics*. Cambridge: Cambridge University Press.
- Bevir, M. R., & Rhodes, R. A. W. (2003). *Interpreting British government*. London: Routledge.
- Bobrow, D. B. (2006). Policy design: Ubiquitous, necessary and difficult. In B. G. Peters & J. Pierre (Eds.), *Handbook of public policy* (pp. 75–96). London: Sage.
- Bobrow, D. B., & Dryzek, J. S. (1987). *Policy analysis by design*. Pittsburgh, PA: University of Pittsburgh Press.
- British Cabinet Office. (2001). Strengthening leadership in the public sector. Accessible at: <http://www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/piu%20leadership.pdf>; accessed 10 October 2015.
- Bullock, H., Mountford, J., & Stanley, R. (2001). *Better policy-making*. London: Centre for Management and Policy Studies, Cabinet Office, United Kingdom.
- Burstein, P. (1991). Policy domains: Organization, culture, and policy outcomes. *Annual Review of Sociology*, 17, 327–350.
- Capano, G., Howlett, M., & Ramesh, M. (Eds.). (2015). *Varieties of governance: Dynamics, strategies, capacities*. Basingstoke: Palgrave Macmillan.
- Capistrano, D. (2012). Decentralization and forest governance in Asia and the Pacific: Trends, lessons and continuing challenges. In C. J. P. Colfer, G. R. Dahal, & D. Capistrano (Eds.), *Lessons from forest decentralization: Money, justice and the quest for good governance in Asia-Pacific* (pp. 211–232). London: Earthscan.
- Castles, F. G. (1990). The dynamics of policy change: What happened to the English-speaking nations in the 1980s. *European Journal of Political Research*, 18, 491–513.
- Cheung, A. B. L. (2005). The politics of administrative reforms in Asia: Paradigms and legacies, paths and diversities. *Governance*, 18, 257–282.
- Colfer, C. J. P., Dahal, G. R., & Capistrano, D. (Eds.). (2012). *Lessons from forest decentralization: Money, justice and the quest for good governance in Asia-Pacific*. London: Earthscan.



- Considine, M., & Lewis, J. (1999). Governance at ground level: The frontline bureaucrat in the age of markets and networks. *Public Administration Review*, 59, 467–460.
- Dam, B. V., Catacutan, D. C., & Hoang, M. H. (2014). Importance of national policy and local interpretation in designing payment for forest environmental services scheme for the Ta Leng river basin in Northeast Vietnam. *Environment and Natural Resources Research*, 4, 39–53.
- de Bruijn, J. A., & ten Heuvelhof, E. F. (1995). Policy networks and governance. In D. L. Weimer (Ed.), *Institutional design* (pp. 161–179). Boston, MA: KluwerAcademic.
- de Janvry, A., & Sadoulet, E. (2004). Conditional cash transfer programs: Are they really magic bullets? *ARE Update*, 7, 9–11.
- del Río, P. (2010). Analysing the interactions between renewable energy promotion and energy efficiency support schemes: The impact of different instruments and design elements. *Energy Policy*, 38, 4978–4989.
- Dwivedi, O. P., & Gow, J. I. (1999). *From bureaucracy to public management: The administrative culture of the government of Canada*. Toronto: Broadview Press & Institute of Public Administration of Canada.
- Eisner, M. A. (1993). *Regulatory politics in transition*. Baltimore, MD: Johns Hopkins University Press.
- Engel, S., Pagiola, S., & Wunder, S. (2008). Designing payments for environmental services in theory and practice: An overview of the issues. *Ecological Economics*, 65, 663–674.
- FAO (Food and Agriculture Organization of the United Nations). (2014). *State of the world's forests: Enhancing the socio-economic benefits from forests*. Rome: Food and Agricultural Organization of the United Nations.
- Freeman, G. P. (1985). National styles and policy sectors: Explaining structured variation. *Journal of Public Policy*, 5, 467–496.
- George, A., Pierret, A., Boonsaner, A., Christian, V., & Planchon, O. (2009). Potential and limitations of payments for environmental services (PES) as a means to manage watershed services in mainland Southeast Asia. *International Journal of the Commons*, 3, 16–40.
- Gilbert, P., & Lawford-Smith, H. (2012). Political feasibility: A conceptual exploration. *Political Studies*, 60, 809–825.
- Gillespie, J. (2014). New transnational governance and the changing composition of regulatory pluralism in Southeast Asia. *Asian Journal of Comparative Law*, 9, 65–95.
- Grabosky, P. N. (1994). Green markets: Environmental regulation by the private sector. *Law and Policy*, 16, 419–448.
- Gunningham, N. P., Grabosky, P. N., & Sinclair, N. (1998). *Smart regulation: Designing environmental policy*. Oxford: Oxford University Press.
- Gustafsson, G., & Richardson, J. (1980). Post-industrial changes in policy style. *Scandinavian Political Studies*, 3, 21–37.
- Haggard, S. M. (1998). Business, politics and policy in East and Southeast Asia. In H. S. Rowen (Ed.), *Behind East Asian growth: The political and social foundations of prosperity* (pp. 81–82). New York, NY: Routledge.
- Hall, P. A., & Soskice, D. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage*. Oxford: Oxford University Press.
- Harris, R., & Milkis, S. (1989). *The politics of regulatory change*. New York, NY: Oxford University Press.
- Hawkins, K., & Thomas, J. N. (Eds.). (1989). *Making regulatory policy*. Pittsburgh, PA: University of Pittsburgh Press.
- Hood, C. (2010). *The blame game: Spin, bureaucracy, and self-preservation in government*. Princeton, NJ: Princeton University Press.
- Howlett, M. (1991). Policy instruments, policy styles, and policy implementation. *Policy Studies Journal*, 19, 1–21.
- Howlett, M. (2000). Beyond legalism? Policy ideas, implementation styles and emulation-based convergence in Canadian and US environmental policy. *Journal of Public Policy*, 20, 305–329.
- Howlett, M. (2004). Administrative styles and the limits of administrative reform: A neo-institutional analysis of administrative culture. *Canadian Public Administration*, 46, 471–494.
- Howlett, M., & Ramesh, M. (1993). Patterns of policy instrument choice: Policy styles, policy learning and the privatization experience. *Review of Policy Research*, 12, 3–24.

- Howlett, M., & Ramesh, M. (2015a). The two orders of governance failure: Design mismatches and policy capacity issues in modern governance. *Policy and Society*, 33, 1–20.
- Howlett, M., & Ramesh, M. (2015b). Achilles' heels of governance: Critical capacity deficits and their role in governance failures. *Regulation and Governance*, doi:10.1111/rego.12091, 26 May.
- Howlett, M., & Rayner, J. (2007). Design principles for policy mixes: Cohesion and coherence in "new governance arrangements". *Policy and Society*, 26, 1–18.
- Jayasuriya, K. (2001). Globalization and the changing architecture of the state: The regulatory state and the politics of negative coordination. *Journal of European Public Policy*, 8, 101–123.
- Jordan, A. G., Wurzel, R. K., & Zito, A. R. (2003). European governance and the transfer of "new" environmental policy instruments (NEPIs) in the European Union. *Public Administration*, 81, 555–574.
- Jordan, A. G., Wurzel, R. K., & Zito, A. R. (2005). The rise of "new" policy instruments in comparative perspective: Has governance eclipsed government? *Political Studies*, 53, 477–496.
- Jordana, J., & Levi-Faur, D. (Eds.). (2004). *The politics of regulation: Institutions and regulatory reforms for the age of governance*. Cheltenham: Edward Elgar.
- Kagan, R. (1991). Adversarial legalism and American government. *Journal of Policy Analysis and Management*, 10, 369–406.
- Kagan, R. (2000). Introduction: Comparing national styles of regulation in Japan and the United States. *Law & Policy*, 22, 225–244.
- Kagan, R. A., & Axelrad, L. (1997). Adversarial legalism: An international perspective. In P. S. Nivola (Ed.), *Comparative disadvantages? Social regulations and the globaleconomy* (pp. 146–202). Washington, DC: Brookings Institution.
- Keast, R., Mandell, M., & Brown, K. (2006). Mixing state, market and network governance modes: The role of government in "crowded" policy domains. *International Journal of Organization Theory and Behaviour*, 9, 27–50.
- Klijin, E. H., & Koppenjan, J. F. M. (2000). Public management and policy networks: Foundations of a network approach to governance. *Public Management*, 2, 135–158.
- Klijin, E. H., & Koppenjan, J. F. M. (2012). Governance network theory: Past, present and future. *Policy & Politics*, 40, 587–606.
- Knill, C. (1999). Explaining cross-national variance in administrative reform: Autonomous versus instrumental bureaucracies. *Journal of Public Policy*, 19, 113–139.
- Kooiman, J. (1993). Governance and governability: Using complexity, dynamics and diversity. In J. Kooiman (Ed.), *Modern governance* (pp. 35–50). London: Sage.
- Kooiman, J. (2000). Societal governance: Levels, models, and orders of social-political interaction. In J. Pierre, J. (Ed.), *Debating governance* (pp. 138–166). Oxford: Oxford University Press.
- Lapeyre, R., Pirard, R., & Leimona, B. (2015). Payments for environmental services in Indonesia: What if economic signals were lost in translation? *Land Use Policy*, 46, 283–291.
- Lasswell, H. D. (1958). *Politics: Who gets what, when, how*. New York, NY: Meridian.
- Lasswell, H. D., Lerner, D., & Fisher, H. H. (1951). *The policy sciences: Recent developments in scope and method*. Stanford: Stanford University Press.
- Lehmbruch, G., & Schmitter, P. (1982). *Patterns of corporatist policymaking*. London: Sage.
- Leimona, B., van Noordwijk, M., de Groot, R., & Leemans, R. (2015). Fairly efficient, efficiently fair: Lessons from designing and testing payment schemes for ecosystem services in Asia. *Ecosystem Services*, 12, 16–28.
- Levi-Faur, D. (2012). From "big government" to "big governance"? In D. Levi-Faur (Ed.), *The Oxford handbook of governance* (pp. 3–18). Oxford: Oxford University Press.
- Linder, S. H., & Peters, B. G. (1989). Instruments of government: Perceptions and contexts. *Journal of Public Policy*, 9, 35–58.
- Lindquist, E. A. (1992). Public managers and policy communities: Learning to meet new challenges. *Canadian Public Administration*, 35, 127–159.
- Lipsky, M. (1980). *Street-level bureaucracy: Dilemmas of the individual in public services*. New York, NY: Russell Sage Foundation.
- Lowi, T. J. (1972). Four systems of policy, politics, and choice. *Public Administration Review*, 32, 298–310.
- Majone, G. (1994). The rise of the regulatory state in Europe. *West European Politics*, 17, 77–101.

- Majone, G. (1997). From the positive to the regulatory state: Causes and consequences of changes in the mode of governance. *Journal of Public Policy*, 17, 139–167.
- May, P. J. (2005). Regulation and compliance motivations: Examining different approaches. *Public Administration Review*, 65, 31–44.
- McElwee, P., Nghiem, T., Le, H., Vu, H., & Tran, N. (2014). Payments for environmental services and contested neoliberalisation in developing countries: A case study from Vietnam. *Journal of Rural Studies*, 36, 423–440.
- Menahem, G., & Stein, R. (2013). High-capacity and low-capacity governance networks in welfare services delivery: A typology and empirical examination of the case of Israeli municipalities. *Public Administration*, 91, 211–231.
- Meuleman, L. (2008). *Public management and the metagovernance of hierarchies, networks and markets: The feasibility of designing and managing governance style combinations*. Heidelberg: Physica Verlag Heidelberg.
- Meuleman, L. (2009). Metagoverning governance styles: Increasing the metagovernors' toolbox. Paper presented at the panel on metagoverning interactive governance and policymaking, ECPR general conference, 10-12 September, Potsdam.
- Millennium Ecosystem Assessment (2005). *Ecosystems and human well being: Synthesis*. Washington, DC: Island Press.
- Mok, K. H. (2006). The search for new governance: Corporatization and privatization experiences in Singapore and Malaysia. Paper presented at the international workshop on university restructuring in Asia. Research Institute for Higher Education, Hiroshima University, 16 January.
- Mok, K. H., & Forrest, R. (Eds.). (2008). *Changing governance and public policy in East Asia*. London: Routledge.
- Montpetit, E. (2003). *Misplaced distrust: Policy networks and the environment in France, the United States, and Canada*. Vancouver: UBC Press.
- Parsons, D. W. (1995). *Public policy: An introduction to the theory and practice of policy analysis*. Cheltenham: Edward Elgar.
- Parsons, D. W. (2001). Modernising policy-making for the twenty first century: The professional model. *Public Policy and Administration*, 16, 93–110.
- Peluso, N. L., & Lund, C. (2011). New frontiers of land control: Introduction. *Journal of Peasant Studies*, 38, 667–681.
- Peters, B. G. (1996). *Governing: Four emerging models*. Lawrence, KS: University Press of Kansas.
- Pestoff, V. A., Brandsen, T., & Verschuere, B. (2012). *New public governance, the third sector and co-production*. New York, NY: Routledge.
- Pirard, R. (2012). Payments for environmental services (PES) in the public policy landscape: “Mandatory” spices in the Indonesian recipe. *Forest Policy and Economics*, 18, 23–29.
- Pirard, R., de Buren, G., & Lapeyre, R. (2014). Do PES improve the governance of forest restoration? *Forests*, 5, 404–424.
- Quitow, R., Holger, B., & Jacob, K. (2013). *Environmental governance in India, China, Vietnam and Indonesia: A tale of two paces*. Berlin: Freie Universität Berlin.
- Ramesh, M., & Fritzen, S. (Eds.). (2009). *Transforming Asian governance: Rethinking assumptions, challenging practices*. London: Routledge.
- Rayner, J.K., McNutt, S., & Wellstead, A. (2013). Dispersed capacity and weak coordination: The challenge of climate change adaptation in Canada's forest policy sector. *Review of Policy Research*, 30, 66–90.
- Rein, M., Esping-Andersen, G., & Rainwater, L. (1987). *Stagnation and renewal in social policy: The rise and fall of policy regimes*. Armonk: ME Sharpe.
- Rhodes, R. A. W. (1997). *Understanding governance: Policy networks, governance, reflexivity and accountability*. Buckingham: Open University Press.
- Richardson, J. J., Gustafsson, G., & Jordan, A. G. (1982). The concept of policy style. In J. J. Richardson (Ed.), *Policy styles in Western Europe* (pp. 1–16). London: George Allen & Unwin.
- Richardson, J. J., Jordan, A. G., & Kimber, R. H. (1978). Lobbying, administrative reform and policy styles: The case of land drainage. *Political Studies*, 26, 47–64.
- Rotberg, R. I. (2014). Good governance means performance and results. *Governance*, 27, 511–518.

- Salamon, L. M. (1981). Rethinking public management: Third-party government and the changing forms of government action. *Public Policy*, 29, 255–275.
- Scherr, S. J., & Bennett, M. T. (2011). Buyer, regulator, and enabler: The government's role in ecosystem services markets – international lessons learned for payments for ecological services in the People's Republic of China. Accessible at: [http://www.forest-trends.org/publication\\_details.php?publicationID=2893](http://www.forest-trends.org/publication_details.php?publicationID=2893); accessed 1 October 2015.
- Scott, C. (2004). Regulation in the age of governance: The rise of the post regulatory state. In J. Jordana, & D. Levi-Faur (Eds.), *The politics of regulation: Institutions and regulatory reforms for the age of governance* (pp. 145–174). Cheltenham: Edward Elgar.
- Simmons, R. H., Davis, B. W., Chapman, R. J., & Sager, D. D. (1974). Policy flow analysis: A conceptual model for comparative public policy research. *The Western Political Quarterly*, 27, 457–468.
- Simmons, R. H., Davis, B. W., Chapman, R. J., & Sager, D. D. (1974). Policy flow analysis: A conceptual model for comparative public policy research. *The Western Political Quarterly*, 27, 457–468.
- Smith, M. J., Marsh, D., & Richards, D. (1993). Central government departments and the policy process. *Public Administration*, 71, 567–594.
- Suhardiman, D., Wichelns, D., Lestrelin, G., & Hoanh, C. T. (2013). Payments for ecosystem services in Vietnam: Market-based incentives or state control of resources? *Ecosystem Services*, 6, 64–71.
- Suyanto, S., & Leimona, B. (Eds.). (2005). *Review of the development of environmental service markets in Indonesia*. Bogor, Indonesia: ICRAF.
- Swallow, B. M., Kalleso, M. K., Iftikhar, U. A., van Noordwijk, M., Bracer, C., Scherr, S. J., Raju, K. V., Poats, S. V., Duraiappah, A. K., Ochieng, B. O., Mallee, H., & Rumley, R. (2009). Compensation and rewards for environmental services in the developing world: Framing pan-tropical analysis and comparison. *Ecology and Society*, 14, 26–35.
- Tiernan, A., & Wanna, J. (2006). Competence, capacity, capability: Towards conceptual clarity in the discourse of declining policy skills. Paper presented at the Govnet International Conference, Australian National University, Canberra.
- To, P. X., Dressler, W. H., Mahanty, S., Pham, T. T., & Zingerli, C. (2012). The prospects for payment for ecosystem services (PES) in Vietnam: A look at three payment schemes. *Human Ecology*, 40, 237–249.
- Tollefson, C., Zito, A. R., & Gale, F. (2012). Symposium overview: Conceptualizing new governance arrangements. *Public Administration*, 90, 3–18.
- Tunzelmann, N. V. (2010). Technology and technology policy in the postwar UK: Market failure or network failure? *Revue d'économie industrielle*, 129–130, 237–258.
- Turner, M., & Hulme, D. (1997). *Governance, administration and development: Making the state work*. London: Macmillan.
- van der Heijden, J. (2011). Institutional layering: A review of the use of the concept. *Politics*, 31, 9–18.
- van Nispen, F. K. M., & Ringeling, A. B. (1998). On instruments and instrumentality: A critical assessment. In B. G. Peters & F. K. M. van Nispen (Eds.), *Public policy instruments: Evaluating the tools of public administration* (pp. 204–217). New York, NY: Edward Elgar.
- van Noordwijk, M., Leimona, B., Jindal, R., Villamor, G. B., Vardhan, M., Namirembe, S., Catacutan, D., Kerr, J., Minang, P. A., & Tomich, T. P. (2012). Payments for environmental services: Evolution toward efficient and fair incentives for multifunctional landscapes. *Annual Review of Environment and Resources*, 37, 389–420.
- van Waarden, F. (1995). National regulatory styles: A conceptual scheme and the institutional foundations of styles. In B. Unger & F. van Waarden (Eds.), *Convergence or diversity: Internationalism and economic policy response* (pp. 333–372). Avebury: Aldershot.
- Vogel, D. (1986). *National styles of regulation: Environmental policy in Great Britain and the United States*. Ithaca, NY: Cornell University Press.
- Weaver, K. (2009). *Target compliance: The final frontier of policy implementation*. Washington, DC: Brookings Institution.
- Weaver, K. (2010). *But will it work? Implementation analysis to improve government performance*. Washington, DC: Brookings Institution.
- Weimer, D. L., & Vining, A. (2011). *Policy analysis: Concepts and practice* (5th ed.). Upper Saddle River NJ: Pearson Prentice Hall.

- Wilensky, H. L., & Turner, L. (1987). *Democratic corporatism and policy linkages: The interdependence of industrial, labor-market, incomes, and social policies in eight countries*. Berkeley CA: Institute of International Studies.
- Wilson, W. J. (1989). The underclass: Issues, perspectives, and public policy. *The Annals of the American Academy of Political and Social Science*, 501, 182–192.
- Woo, J. J. (2015). Singapore's policy style: Statutory boards as policymaking units. *Journal of Asian Public Policy*, 8, 1–14.
- Wu, X., Ramesh, M., & Howlett, M. (2015). Blending skill and resources across multiple levels of activity: Competences, capabilities and the policy capacities of government. *Policy and Society*, (forthcoming).
- Wu, X., Ramesh, M., Howlett, M., & Fritzen, S. (2010). *The public policy primer: Managing public policy*. London: Routledge.
- Wunder, S. (2007). The efficiency of payments for environmental services in tropical conservation. *Conservation Biology*, 21, 48–58.
- Wunder, S., Campbell, B., Frost, P. H. H., Sayer, J. A., Iwan, R., & Wollenberg, L. (2008). When donors get cold feet: The community conservation concession in Setulang (Kalimantan, Indonesia) that never happened. *Ecology and Society*, 13, 12–23.
- Wurzel, R., Zito, A. R., & Jordan, A. J. (2013). *Environmental governance in Europe: A comparative analysis of the use of new environmental policy instruments*. Cheltenham: Edward Elgar.
- Yin, R., Liu, T., Yao, S., & Zhao, M. (2013). Designing and implementing payments for ecosystem services programs: Lessons learned from China's cropland restoration experience. *Forest Policy and Economics*, 35, 66–72.