



 **CATOLICA**
CATÓLICA PORTO BUSINESS SCHOOL

PORTO

2nd Year Specialization offered by the Portuguese Catholic University (Porto)

**Sustainable Management of Mediterranean Forests:
an Institutional Economics Approach**

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#1-Good morning to all Medfor students from this year's harvest.

My name is Miguel Sottomayor, and I came from Porto, in Portugal, to present you the 2nd year specialization we offer you at the Catholic University.



Why this specialization?

- 1) Course contents
 - A particular focus..
 - Key concepts
 - Key issues
 - Courses offered
- 2) Thesis topics favoured

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My presentation will cover the following points that seemed to us the most relevant to give you a good idea of what we offer: (1) the field of study and major contents of the courses, and (2) a sample of thesis topics themes we favour

Why this specialization? A particular focus...

Fundamental mistake of forest management

- To manage forests **IS NOT**, first of all, to manage **trees**, forest stands, or forest landscapes
- To manage forests **IS**, first of all, to manage **people**, who own, value and use, trees, forest stands, or forest landscapes, to sustain their livelihoods



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Our specialization is neither worse nor better, it is just different, because of the perspective it offers you on how to see forests:

We think it is a fundamental mistake to consider forest management as just the management of trees and forest plantations!

Why? Because we believe that managing forests is fundamentally managing people. People who make their lives out of these forests, and everyone else who takes advantage or harm out of these forests.

Why this specialization? Key concepts

Types of **THINGS** people value

- Typology of goods/services on appropriateness (combined exclusion and rivalry):
- Private, free access, club, and public goods



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In our approach, I would like to highlight the following key concepts as fundamental ones for what we think is part of a “complete” view of forests: (1) a particular economic classification of forest services, and (2) the typology of the economic values behind the demand for the different forest product services.

It is based on the former that we can distinguish between private, public, club and free access forest services. This distinction is based on the degree to which those forest services have the properties of exclusion and rivalry. These degrees of exclusion and rivalry combined determines, for example, which policies are most appropriate to promote their provision to the Society when it seeks them.

Why this specialization? Key concepts

Types of **VALUES** people give to things:

- Use and Exchange Value, but also
- Option, Existence, Bequest, Moral, Etc.

Regarding the values, its knowledge also has a very important role for such “complete vision”, as they are the “internal regulators” of forest stakeholders’ behaviours.

For example, is very diverse the source of the value that one gives to the enjoyment of a beautiful forested landscape, to the wood we use in the fireplace, the honey from the forest we eat for breakfast, the pleasure of take acknowledging that the forest near us contributes to carbon retention, etc..

When we think of economic value normally the first thing that comes to our mind is the arket or exchange value, and we tend to forget other types of value sources also important. For example is it the same type of value the one that motivates our monetary contributions to a particular campaign to “save an old forested landscape” in a remote zone we will be very unlikely to ever visit?!

Why this specialization? Key concepts

- VALUE people attach to actions, intentions and personality traits (**MORAL VALUES**) as the **internal regulators** of human **BEHAVIOUR**



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Those different types of values people attach to forest (or other) goods and services are indeed very important “internal regulators” of the forest stakeholders’ behaviour towards those services, and therefore is fundamental knowledge if we are to influence such behaviours. Particularly economic behaviour, that is, how much the different stakeholders are willing to pay for such services.

Why this specialization? Key concepts

SOCIAL NORMS (or INSTITUTIONS) as the **external regulators** of human behaviours:

- Genesis of social norms: cooperation, coordination, conflict resolution
- Rights (human, property, etc.)
- Social capital

I mentioned internal regulators (the ones inside our mind) of behaviour, but my story would not be complete without also talking about external regulators. These external regulators are the social pressures to which we are all subject to behave in one way or another. That is, the social norms, that exist within the so-called institutions, formal (laws, law reinforcement, etc.) or informal (many times we don't want to look strange, dishonest, awkward,...).

Why this specialization? Key concepts

HUMAN SOCIETIES and GOVERNANCE:

- Concept of human society
- Concepts of governance

Finally, it assumes particular importance for the vision that we would like to pass on to you the two concepts of human society, and of governance.

Why this specialization? Mediterranean forests

Awareness of institutions needed to approach Mediterranean forests because:

- Several externalities likely to be present
- Land use conflicts (agricultural/forest, urban/forest uses)
- Multifunctional systems
- Special importance of stakeholders values besides use and exchange values, often the most relevant
- Wide diversity of institutional settings

So why do we consider these types of concepts to be so important for the management of the Mediterranean forest? Because the Mediterranean forest has its own characteristics where this human dimension is especially important for its correct understanding.

Courses offered

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- i. Foundations of Social Economics**
 - ii. Economics and Management of Social Economy Organizations**
 - iii. Sustainable Development**
 - iv. Governance of Mediterranean Forests**
 - v. Research Methods (quantitative, qualitative)**



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Theoretical resources mobilized across the 5 courses offered

i. Welfare Economics

ii. New Institutional Economics

e.g. Collective Action Theory, Agency Theory

iii. Public Economics

iv. Environmental Economics

e.g. Ecosystems Services Economics

Note: “Non-quantitative”, more conceptual, approach favoured



Why this specialization? Main Key issues to probe

Forest land expansion (or decrease) in the long run

Forest land uses and market dynamics

Conflicting “multifunctional” uses of forest resources

Forest property rights

Forest risks

Forest Public policies



Suggestions for dissertation themes

Long run trends in forest and non forest land uses across Mediterranean countries

Non market use values of Mediterranean forests

Forest ecosystem services trade-off

Forest property rights

Modes of forest owners' and users' collective organization

Forest fires

Forest Public policies

Why study Economics and Management at Católica Porto?

The School of Economics and Management recognized as a leading Management and Economics School in Portugal. Come and discover what we have to offer. We look forward to seeing you soon!



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Hope to see you soon!

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