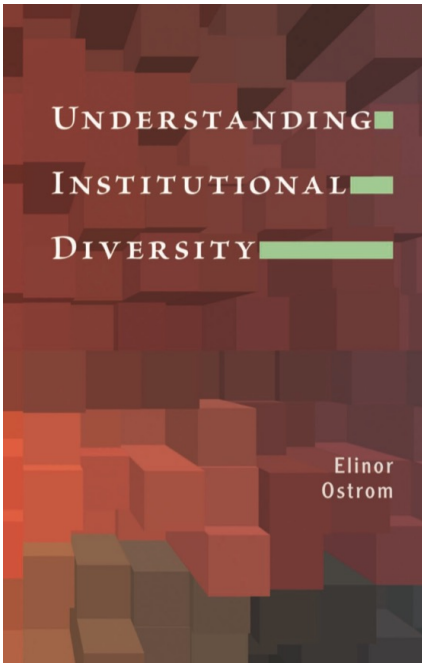
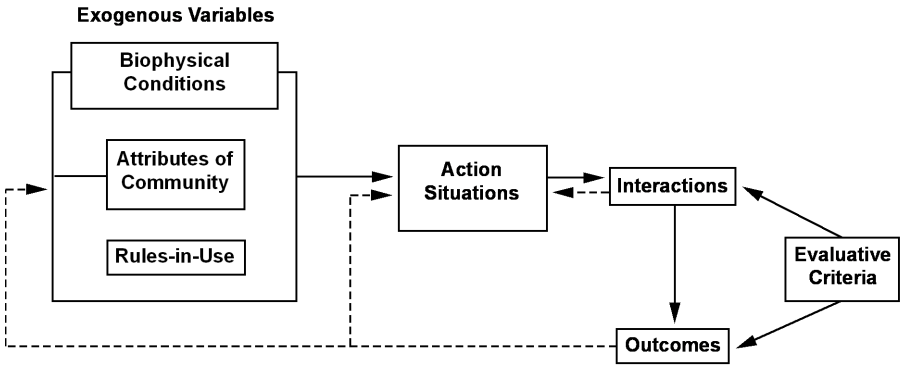


Contents

1

Institutional Analysis and Development Framework (IAD)



Source: Adapted from E. Ostrom (2005: 15).

2

2

What is a framework?

- **Framework** identifies, describes, categorises and organises those factors deemed most relevant to understanding some phenomenon
    - **Theory** posits general causal relationships among some subsets of variables or categories of factors, designating some of them as especially important and others as less critical for explanation
        - **Model** specifies the specific functional relationships among particular variables that are ***hypothesized*** to operate in some well-defined set of conditions

3

3

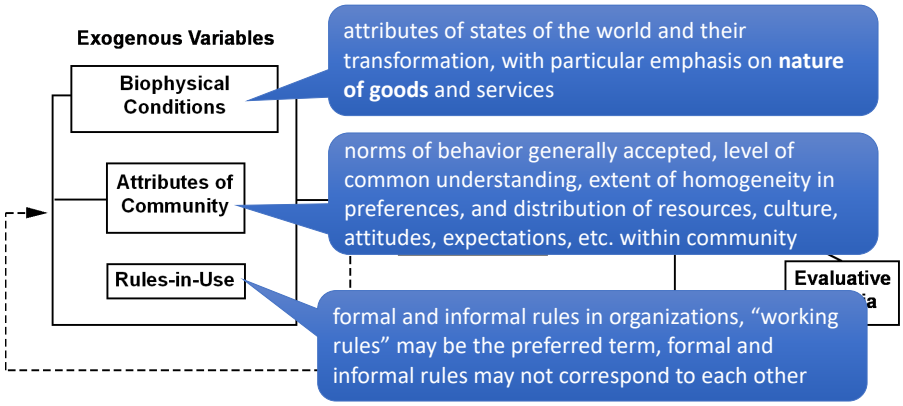
What is the Purpose of the IAD Framework?

- E. Ostrom (1986: 459): "**most analyses of institutional arrangements concentrate on a limited set of idealized institutional arrangements such as markets, hierarchies, or majority voting schemes**. …
- Not only are the types of institutional arrangements perceived to be different but **each requires its own explanatory theory**. ... Such a view **precludes a more general explanatory theory** which could be used to predict and explain behavior in all types of institutional arrangements."

4

4

Institutional Analysis and Development Framework (IAD)

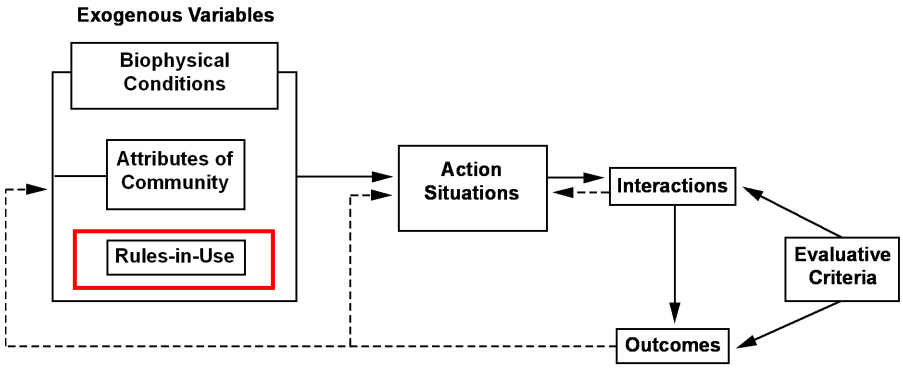


Source: Adapted from E. Ostrom (2005: 15).

5

5

Institutional Analysis and Development Framework (IAD)



Source: Adapted from E. Ostrom (2005: 15).

6

6

Rules-in-use vs. Rules-in-form

- ‚**Rules-in-use**' may differ substantially from ‚**rules-in-form**' (Adger & Luttrell 2000) → institutions/rules are not necessarily effective

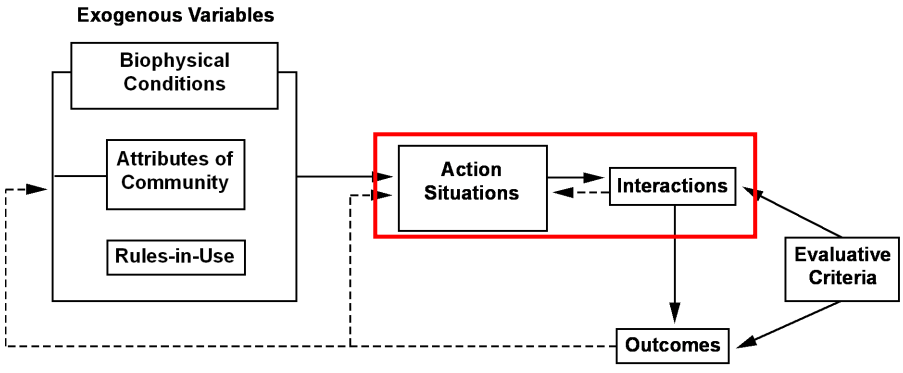
→ **Why?**

- **Traditional resource/land-use rights may prevail** (e.g., indigenous people; Sami in Lapland/Finland – hunting wolves to protect reindeers vs. strong protection in EU)
- **No sufficient/effective monitoring and/or sanctioning** of non-compliance (e.g., tropical rainforest in Brazil)
  - **Weak states** (no capacities or (qualified) personnel, corruption, etc.)
  - **Specific characteristics of the natural goods & services**

7

7

Institutional Analysis and Development Framework (IAD)



Source: Adapted from E. Ostrom (2005: 15).

8

8

Five typical action situations in CPR governance

1. **Appropriation** of resource, combined with its natural renewal or replenishment
2. **Provision** of resource/infrastructure, including contribution and investment decisions
3. **Maintenance** of resource, including any infrastructural improvements
4. **Rule-making,** the collective process of formulating rules and procedures for individual participation in appropriation and maintenance activities
5. **Monitoring** of how closely actual appropriation and maintenance activities satisfy applicable rules and procedures, **and sanctioning** rule violators

9

9

Some general examples of action situations

- Market transaction
- Election and voting: random selection among candidates (aleatoric rules) Frey 1969, against corruption and hybris
- Public tender process / bidding: 2nd best rule
- Sharing: Cake sharing solution

- Employment contract
- Labour union negotiations (employee – employer)
- Strikes – collective action situation
- Basic income
- Court cases (collective action)

10

10

Vertical hierarchy of action situations and rules

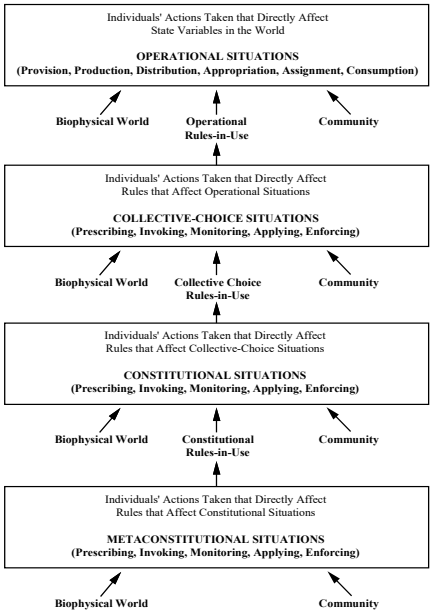


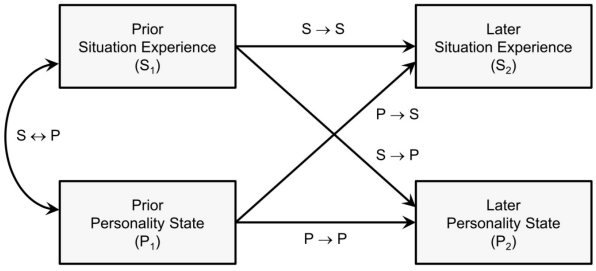
Figure 2.3 Levels of analysis and outcomes. *From E. Ostrom [1999, 60].*

11

11

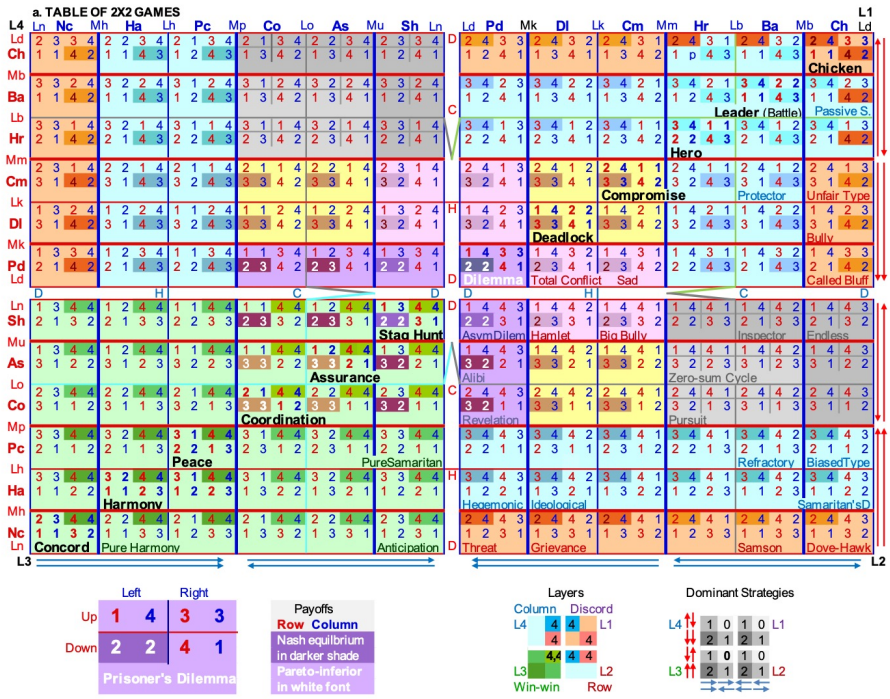
Understanding situational diversity

- Atlas of interpersonal situations in social psychology
  (Kelley et al. 2003)
- Person–situation transactions and taxonomies in psychology
  (Rauthmann et al. 2015)



12

Understanding situational diversity



13

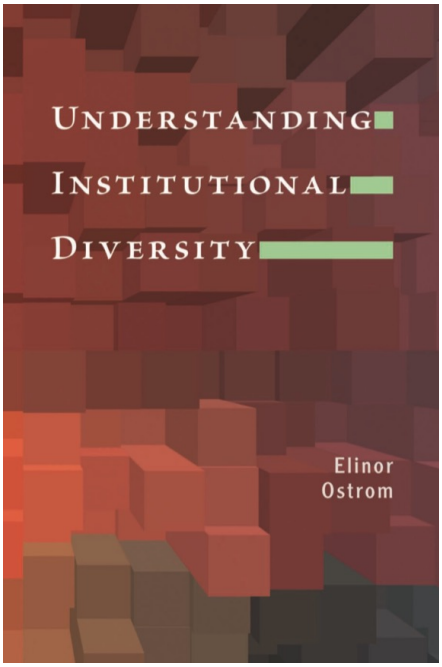
Literature: Action Situation

Action Situation as one/the core unit of analysis in

- Actor-centered institutionalism (Mayntz 2004, Scharpf 1997, Ostrom 2005, ..)
- Development sociology (Long 2003, ..)
- Transaction analysis (Commons 1931, Hagedorn 2008, ..)
- Social psychology (Kelley et al. 2003, Rauthmann et al. 2015, ..)
- Ecology of Games (Long 1956, Dutton 1992, Lubell 2011..)
- ..

➢ Situation-centered frameworks exist, incl. IAD (Ostrom 2005) and IoS (Hagedorn 2008). How can we expand them to network analysis?

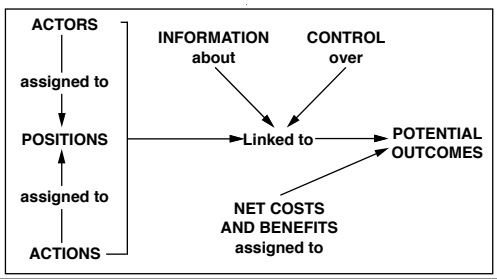
14



15

Action Situation internally

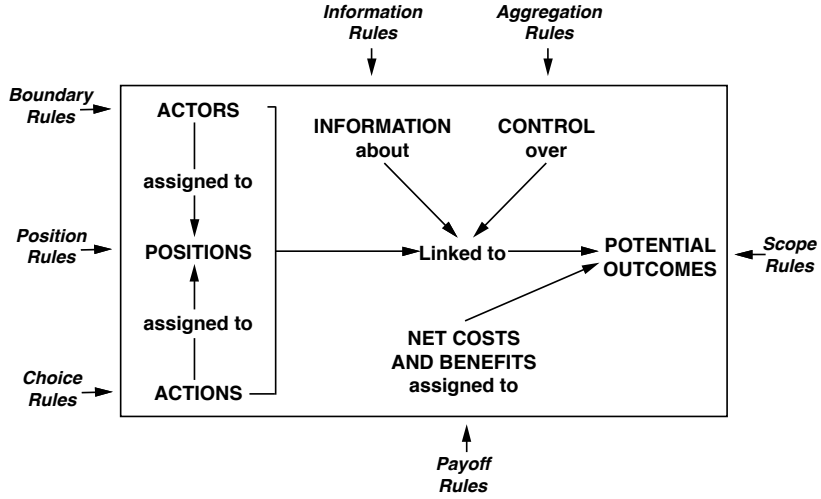
- ACTORS who hold
- POSITIONS can select with more or less
- CONTROL from a set of
- ALTERNATIVE ACTIONS in light of
- INFORMATION available about
- BENEFITS & COSTS of actions and of
- POTENTIAL OUTCOMES
  (from set of feasible ones)



16

16

Rules of Action Situation



Source: Adapted from E. Ostrom (2005: 189).

17

17

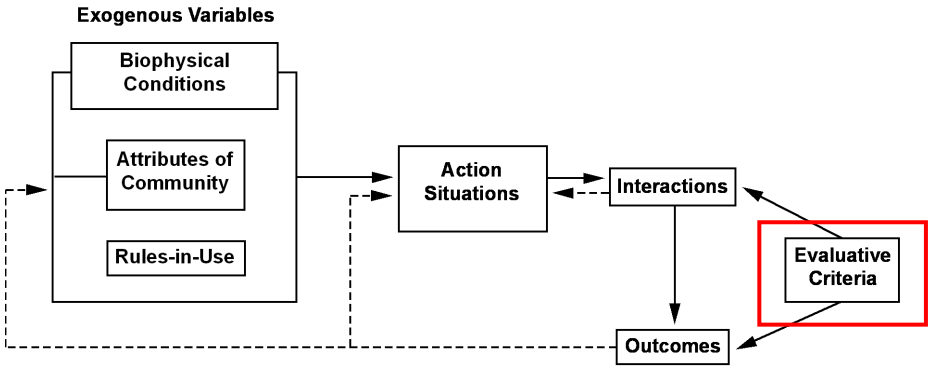
Description of rules of Action Situation

- **Position rules** specify a set of positions (each has a unique combination of resources, opportunities, preferences and responsibilities)
- **Boundary rules** specify how participants enter or leave these positions
- **Authority or choice rules** specify which set of actions is assigned to which position
- **Aggregation rules** specify the transformation function from actions to intermediate or final outcomes
- **Scope rules** specify set of (possible) outcomes
- **Information rules** specify the information available to each position
- **Payoff rules** specify how benefits and costs are required, permitted or forbidden to participants (player of game)

18

18

Institutional Analysis and Development Framework (IAD)



Source: Adapted from E. Ostrom (2005: 15).

19

19

Evaluative Criteria

- Each of the following criteria can be relevant in any single case:
  - **Efficiency** in terms of better results for lower price
  - **Effectiveness** in terms of solving the problem in a practical sense
  - **Equity** of distributional consequences (equality, proportionality, etc.)
  - **Legitimacy** of procedures, as seen by participants (fairness, autonomy, etc.)
  - **Participation** of all relevant beneficiaries or stakeholders
  - **Accountability** and/or transparency of decision makers an processes
  - **Fiscal equivalence**: the extent to which the beneficiaries of a public good or service are expected to contribute towards the cost of its production.
  - **Morality:** Consistency with the **values** prevalent in that community (or values articulated for general application).
  - **Adaptability, Resilience, Robustness, or Sustainability**: Can it last?

Note: Not all can be satisfied at the same time:

- **Trade-offs** may require to accept a lower score on one criterion to improve the score on another
- Different **levels of importance** to different criteria between actors

20

20

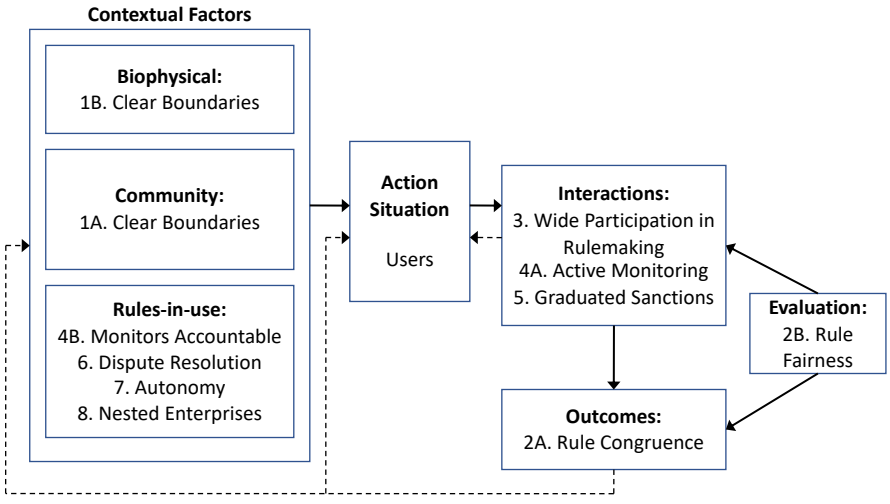
Sustainable Common Property

- **Ostrom's design principles** (see Ostrom 2005: 258-271, McGinnis 2011) apply to common property (not common pool resource)
  1. Boundaries of users and resource are clear
  2. Congruence between rules and local conditions, with results seen as fair
  3. Users have procedures for making own rules
  4. Regular monitoring of users and resource conditions
  5. Graduated sanctions
  6. Conflict resolution mechanisms
  7. Minimal recognition of rights by external government
  8. Nested enterprises (for appropriation, provision, monitoring, enforcement, conflict resolution and governance)

21

21

Design Principles linked to IAD



Design Principles numbered as in Michael Cox, Gwen Arnold, and Sergio Villamayor Tomás. 2010. "A Review of Design Principles for Community-Based Natural Resource Management." *Ecology and Society* 15(4):38

22

22

IAD Framework: Does it have any limits?

- **Critique: IAD may seem to be excessively inclusive**
  - So inclusive as to threaten to become content-free?
  - Too many variables to be practical?
  - The researcher must explicitly define his/her focus
  - State a specific (& manageable) research or policy question
  - Select a theoretical perspective and test alternative models
- **IAD framework has been applied to a very wide range of policy settings**
  - **Are there practical limits to its applicability?**

23

23

Range of Alternate Theories within IAD

- **IAD is not completely theory-neutral, since it presumes choices matter, and so does institutional context,**
  - And participants can (at least potentially) change the situations in which they find themselves,
  - Costs of such change can vary widely.
- In this sense, the IAD framework is not theory-neutral, but biased towards something choice-theoretic in nature
  - Different models of choice
    - Optimizing (move towards equilibrium, or by selection)
    - vs. satisficing (driven by internal expectations or organizational settings)
    - Incrementalism, etc.
    - Given choice-theoretic inclination, most models using IAD resemble game models
- What kinds of theories would not fit under the IAD umbrella?
  - Environmental determinism
  - Cultural determinism (binding norms?)
  - Institutional determinism (binding rules?)

24

24