

Elinor Ostrom's Rules for Radicals

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Cooperative Alternatives
Beyond Markets and States

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PLUTO  PRESS

First published 2017 by Pluto Press
345 Archway Road, London N6 5AA

www.plutobooks.com

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British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN 978 0 7453 9936 2 Hardback
ISBN 978 0 7453 9935 5 Paperback
ISBN 978 1 7868 0122 7 PDF eBook
ISBN 978 1 7868 0124 1 Kindle eBook
ISBN 978 1 7868 0123 4 EPUB eBook

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental standards of the country of origin.

Typeset by Stanford DTP Services, Northampton, England

Simultaneously printed in the United Kingdom and United States of America

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I was doing a bunch of research through the years that many people thought was very radical and people didn't like. As a person who does interdisciplinary work, I didn't fit anywhere. I was relieved that, after all these years of struggle, someone really thought it did add up. That's very nice.

—Elinor Ostrom,
interview with Fran Korten in 2010 (Korten 2010)

Rules for Radicals

1. Think about institutions
2. Pose social change as problem solving
3. Embrace diversity
4. Be specific
5. Listen to the people
6. Self-government is possible
7. Everything changes
8. Map power
9. Collective ownership can work
10. Human beings are part of nature too
11. All institutions are constructed, so can be constructed differently
12. No panaceas
13. Complexity does not mean chaos.

Elinor Ostrom's Radical Life

[A] core goal of public policy should be to facilitate the development of institutions that bring out the best in humans.

(Ostrom and Ostrom 2014: 197)

Elinor Ostrom (1933–2012) was the first and, as I write, so far the only woman to win a Nobel Prize for economics. Strictly speaking there isn't a Nobel Prize for economics, but the Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, which Ostrom shared with another institutional economist, Oliver Williamson. She won the award, according to the Nobel Committee 'for her analysis of economic governance, especially the commons', and is best known for her book *Governing the Commons* (1990). So, what is meant by the commons and why are they a subject of interest?

Commons are collective forms of ownership. In Britain, commons often take the form of land which is open to members of a community to graze livestock, fly kites or walk upon. An example that I am familiar with and often have the pleasure of visiting, because it is relatively local to me, is Cricklade North Meadow. North Meadow, near Swindon in the English county of Wiltshire, is one of the UK's most important wildlife sites. It is famous for beautiful flowers including the rare snake's head fritillary. The meadow has been maintained as a commons since before the Norman conquest of 1066. As it is the commons I am most familiar with it will be discussed as an example at various points in this text. Fisheries and forests may be commons, and the concept as a legal form has been extended to free software and the World Wide Web. The biologist Garrett Hardin wrote 'The Tragedy of the Commons' in 1968, arguing that collective property was inevitably doomed to failure, because it would be abused by users (Hardin 1968). For example, too many cattle would be placed on the village green and it would be over grazed. The tragedy is that if no

one individual privately owns a resource such as a field, people tend to exploit the good nature of others, fail to look after it and eventually it is wrecked. Or at least this is what Hardin argued. Yet increasingly, commons have been seen, on the left as a form of social collective ownership, perhaps even the basis for a communism (Hardt 2010).

Elinor Ostrom won the Nobel for ‘demonstrating how local property can be successfully managed by local commons without any regulation by central authorities or privatization’ (Nobel.org 2009). She argued that commons, including common land, forests or fisheries that were owned collectively, could be conserved. This was radical stuff; other economists argued, along with Garrett Hardin, that collective ownership would always fail because of the ‘tragedy of the commons’ which led to over use and disaster. However, she was not a leftist in a traditional sense and did not see commons as a straightforward alternative to private ownership in all circumstances.

According to Ostrom indigenous people and others have often maintained commons for hundreds or even thousands of years without destroying these environments. Ostrom argued that democratic control, rather than top-down management or simple privatisation, works to conserve nature. She can be seen as an ecological thinker, an advocate of cooperation and a subverter of economic notions of purely private ownership. This chapter provides a brief biography before discussing her potential contributions to radical political, economic and social transformation.

ELINOR OSTROM

Elinor was born in 1933 in Los Angeles, California, the daughter of Adrian and Leah Awan. Leah was originally a musician from South Dakota. Adrian was a set designer who worked for the Hollywood Bowl and Civic Light Opera, among other projects. Her parents divorced when she was a child. Her early years, shaped by divorce, the depression and the Second World War, seem to have instilled a frugality in her that is perhaps unusual for economists and might have contributed to her later passion for ecological living. She helped in the garden and with canning fruit produced by her mother. She felt

that part of the solution to environmental problems would come with us consuming less and downsizing.

She saw her first step on the road to the commons as occurring when she became a student at Beverly Hills High School. Beverly Hills High School is well known for its students who went on to become Hollywood film directors and actors. Elinor felt that it was an accident of geography that she attended the school. In turn, the school promoted academic achievement; without attending Beverly Hills it is unlikely that she would have gone to university,

‘Technically, we lived in Los Angeles, but the high school was literally across the street,’ she said. ‘I’m very grateful for that opportunity, because 90 percent of the kids who went to Beverly Hills High School went on to college. I don’t think I would have gone to college if not for being in that environment.’ (Leonard 2009)

She suffered from a stutter and was encouraged to join first the poetry society and then the debating society, supposedly to help her with this problem. The debating society promoted both an interest in politics and mental flexibility derived from the fact that she would often have to debate one side of an argument before then arguing the case against. She completed high school in 1951 and went to study politics at University of California Los Angeles, where she graduated in 1954. She married a fellow UCLA student Charles Scott and moved with him to Boston. Charles studied law at Harvard and she worked in personnel departments to fund him. “Basically I put my husband through law school and he entered a corporate law firm,” she said. “I was thinking of doing a PhD, and he was not too enthusiastic” (Leonard 2009). They divorced, but it seems to have been a relatively amicable break up. “That’s problem solving, too,” she observed. “Sometimes, with couples, it’s OK to say it’s not working and it’s not going to work and you move on” (ibid.).

In deciding to pursue an academic career, she believed that economics was an obvious choice. Some of her work towards her politics degree was in the form of economics units, and she had enjoyed and excelled in them. Sadly, she was prevented from taking

economics because it was claimed she had not studied enough mathematics at high school. In turn, at school when she had asked to study further mathematics this had been refused because she was a woman! Her school advisor, she claimed, had asked what use trigonometry would be when she was 'barefoot and pregnant in the kitchen' (Cronin 2012: 90).

Even carrying out her second choice of a politics PhD proved controversial:

Surprisingly, the Financial Aid Committee awarded four assistantships to women that year after 40 years without a woman on the faculty or as a PhD student. The four of us learned mid-semester that this decision had been strongly criticized at a faculty meeting. Some faculty members were concerned that allocating four out of 40 assistantships to women was a waste of departmental resources. They feared that none of us would obtain good academic positions, which would harm the department's reputation. Fortunately, fellow graduate students encouraged the four of us to ignore the concerns of the faculty who opposed our appointments. They also advised us whom to stay away from during our graduate program if we could. (Ostrom 2010b: 3)

Elinor found that much of the political theory she was taught, typically dealing with figures such as Hobbes, Machiavelli and Rousseau covered the biographies of such important thinkers but did not lead to a clear accumulation of knowledge. She was frustrated because she felt that political science did not attempt to build analysis in a step by step way, but focused on personalities and conflicting schools of thought. To her it was as if biology was continuing to debate Lamarck and Darwin, focusing on their lives, loves and disagreements, rather than gaining an understanding of the natural world from their work. She found more inspiration from Vincent Ostrom, whose seminars she attended. It seems to have been love at first sight and they married in 1965.

Vincent was born in Nooksack, Washington on 25 September 1919 (New 2012). His parents were recent immigrants from Jamatland in Sweden and the name Ostrom means 'island in the river'. The

Ostroms farmed mink, and for Vincent conservation and farming were a lifelong fascination. He studied politics at UCLA, teaching in Ontario, California and gaining his PhD in 1950. His academic work linked local government, economics, ecology, game theory and much else, he was a multidimensional thinker. He was passionate about medieval city states, indigenous politics, the origins of the US constitution, the African revolutionary Amílcar Cabral and deep democracy based on self-government rather than state action. He was fascinated by how farmers managed their land and cooperated with each other to solve practical environmental problems. He was also intrigued by how language and culture shaped politics including our relationship with the environment. It would over simplify his work to say that he was an anarchist but he saw politics as something beyond formal governments and political parties.

When I met Elinor Ostrom in 2012, shortly before she died, she insisted that Vincent had been interested in commons long before meeting her. When he died just days after her, his inspiration for her work was noted:

In 1943, while earning his M.A., Vincent began teaching at Chaffey Union High School in Ontario, Calif. It was here that he made observations that not only created a foundation for his master's thesis, but also the work his wife would later dedicate her career to.

During the two years he taught in Ontario, Vincent noticed that citrus-growing smallholders created a system of land and water rights that provided what the farmers needed to sustain the farms' incomes. The community also created an endowment for the local high school and a planned college.

In short, he realized that a group of people with common interests and needs could create their own systems and institutions to achieve complex objectives – without any outside governance. (New 2012)

Whereas Garrett Hardin talked about the tragedy of the commons, Vincent had studied the management of common pool resources and collective environmental management with care. His interest in ground water basins dealt with a classic potential tragedy of the

commons, and one of his early books was entitled simply *Water and Politics* (V. Ostrom 1953). His PhD examined the theme of ‘Government and Water: A Study of the Influence of Water upon Governmental Institutions and Practices in the Development of Los Angeles’. He was very much a political ecologist from his early academic work in the 1940s, long before the term ‘green politics’ had been invented. In 1960 he was approached by both the Kennedy and Nixon presidential campaign teams to draft their environmental policy platform. He chose the Democrats simply because they asked him first (Walljasper 2014).

At his suggestion Elinor studied West Basin, a water source underlying Los Angeles.

My assignment was the West Basin, which underlay a portion of the city of Los Angeles and 11 other cities. During the first half of the twentieth century, water producers ignored the facts that the level of groundwater underlying Los Angeles was going down and seawater was intruding along the coast. Toward the end of World War II, several municipal water departments asked the U.S. Geological Survey to conduct a major study of the area and agreed to fund one third of the study. The report detailed a grim picture of substantial overdraft and threat of further saltwater intrusion that could eventually ruin the basin for human use. (Ostrom 2010b: 4–5)

If too many users took too much water out of West Basin, it would lower the water level and tend to suck in salt water from the Pacific. Salinization made the water unusable and threatened the whole Basin. Elinor discovered that despite huge difficulties the different users were able to cooperate, ration their extraction of water and maintain the system. They prevented a tragedy of the commons from occurring.

While her academic career eventually wound its way to her Nobel win it was a long and often difficult journey. Elinor completed her PhD and she and Vincent moved to the Bloomington campus of the University of Indiana in 1965. He was appointed as a lecturer and she eventually was given work in the politics department. Initially

she had to teach US constitutional politics at 7.30 in the morning, but eventually was able to carry out research and develop her own teaching topics. She developed a research project into policing, arguing that input from local communities led to better policing. This political research was based on anthropology and specifically participant observation; she worked both with African-American citizens and rode in the back of police cars. She began to focus upon governance, local politics and environmental problems. Research visits to what was then West Germany saw her develop an interest in experimental economics and game theory. Her work increasingly focused on commons, and her best known book, *Governing the Commons*, was published in 1990.

ELINOR OSTROM'S RADICAL POLITICAL ECONOMY

Elinor Ostrom may have won a Nobel, or at least shared a Swedish bank prize, for economics, but she was very clear that her discipline was political economy not economics. She saw economics as powerfully shaped by institutions, so in turn saw herself specifically as institutionalist. Institutions are sets of rules created by human beings; economists sometimes forget that economic activity does not just happen, but is shaped by political institutions too.

This emphasis on institutions provides a sophisticated way of viewing economic activity and it is useful for understanding political and social change. She felt that democratic control made for effective problem solving as well as being desirable in its own right, so political institutions needed participation rather than centralised top-down management.

It is my sincere belief, having studied Elinor Ostrom's work with obsessive passion over a period of years and having had the pleasure of meeting her on two occasions, that if human beings are to create a future which is democratic, socially just, equal and, above all, ecologically sustainable, we would do well to examine her arguments with care.

In contrast, some on the left have bluntly argued that her ideas have nothing to offer those of us who seek social change. The Marxist economist Ben Fine suggests that she ignores issues of class struggle

and power and, at worst, her work is a form of ‘economic colonialism’ (Fine 2010). Indeed, while she focused on micro issues, looking at the rules that might be put in place to help or hinder conservation by local communities, she rarely examined the macro issues of why common land might be enclosed and simply taken by more powerful actors including colonisers and corporations. Much of her work appears dry and technical, using the unfamiliar language of game theory, additional formal models and forays into mathematics. While some argue she subverts mainstream economics, Fine contends that she actually applies mainstream market-based economics to new areas, potentially taming the commons with her analysis. It is economic colonialism because it is part of a wider tendency to apply economic logic to non-market areas of human society, such as Becker’s analysis of the family or James Buchanan’s Public Choice Theory. While I feel that Ostrom would have rejected Becker’s work, she drew upon Buchanan and was, at one point, President of the Public Choice Society, normally seen as a right-wing body. Like her good friend Amartya Sen, she seemed to have a paradoxical love–hate relationship with such conservative economists. While a defender of the commons and collective ownership, she was far from being a Marxist or far-left thinker in any conventional sense.

Indeed, Ostrom never claimed to be on the left of politics. She often cited thinkers seen as far from radical, including the conservative economists Friedrich Hayek, Joseph Schumpeter and Frank Knight, and, of course, James Buchanan. She was not a woman who delivered passionate polemics, attended protest marches or involved herself with political parties or social movements. She proudly rejected the notions of utopias, policy manifestos or demands. For a variety of reasons, she seems an unlikely author of a set of rules for radicals.

Yet, despite some caution, I think we can view Ostrom’s work as helpful to those on the left seeking positive social change. The French sociologist Pierre Bourdieu argued that ‘sociology is a combat sport, a means of self-defense. Basically, you use it to defend yourself, without having the right to use it for unfair attacks’ (Bourdieu 2000: 3). While Ostrom was not a sociologist, in the broadest sense she was a social theorist, concerned not only with economics but politics, human psychology, linguistics and the wide culture that is shaped

by, and in turn shapes, human behaviour. She developed a body of research that can be used to defend the commons and commoners. Theory, including Ostrom's, can have a material effect. For hundreds of years, perhaps for thousands, collectively-owned resources have been stolen from communities with the simple justification that the commons was inevitably 'tragic'. Left to collective ownership, it is often claimed, individuals would abuse the system and wreck the commons. Either privatisation or strong state control was needed to prevent catastrophe, both alternatives demanded the destruction of the commons and removal of the commoners. While Ostrom felt that there was a possibility that commons could be abused and that this point had to be taken seriously, she argued that this dilemma could be overcome. She found that commons could be made to work and were not automatically doomed because of an intrinsic flaw in human nature. Her careful research is a powerful weapon of self-defence for those who wish to protect a commons under threat.

Equally radical and useful is her notion that economics and politics, potentially, move beyond the market and the state. It is difficult to imagine another economist or even most political economists lecturing on this topic; demand and supply versus government action might appear to be all that we have. On the left we might pay lip service to Marx's notion of the 'withering away of the state' but generally we see either the state or the market. We usually forget that there is more to economics than money or government decisions. The left is often a Keynesian left, agreeing with the economist John Maynard Keynes that markets left to themselves create economic instability and recession, so we need state regulation to make them work better. Marxism, in practice, seems to suggest that central planning is an alternative to the market, rather than promoting Marx's anti-state perspective. Market socialism has become a response for a disillusioned left, who recognise the limits of centralised state-run economies. The argument is that if state socialism fails, more market is needed and if the market fails, more state intervention is desirable. Yet if both fail, what is to be done? The notion that there is something other than the market or the state is apparently unthinkable and is generally unthought of on both the left and the right. Ostrom, in contrast, explicitly saw economics as something that, while including

states and markets, could go beyond them. She rather boldly entitled her Nobel lecture ‘Beyond Markets and States: Polycentric Governance of Complex Economic Systems’ (Ostrom 2010a).

In turn, Elinor Ostrom had an unorthodox and refreshing approach to education and research. Her academic work was based on what she termed co-production, knowledge and theory was constructed with the active participation of the community. She had no time for the kind of academic work that was removed from the population that it sought to study. Her perspective was based not on telling but listening, dethroning academic expertise and asking academics to take note of the people. She believed teamwork was generally more effective than individual work in creating knowledge. She stressed that while she had authored *Governing the Commons* and won an economics prize for doing so, she was part of a larger network. Many of her books and articles were co-authored. She also felt that in researching the commons and allied issues both social and natural science were needed; her interdisciplinary enthusiasm was another reason why she valued team work. Her belief that economics should use qualitative data to understand human behaviour rather than relying on mathematic methods was also far from conventional.

Many of Ostrom’s key interests reflect those of an ecosocialist left. If, like me, you are a left-wing member of a Green Party, you will find many of your concerns shared within her work. She focused on ecological sustainability and showed a lifelong commitment to promoting equality. She was an advocate of diversity, celebrating the fact that academic life was beginning to open up to diverse ethnicities and that the status of women in university life was improving. Elinor Ostrom can be seen as moving beyond Eurocentrism, recognising the insights of indigenous people within her work.

She was also radical in that she believed that democracy was key to solving ecological problems and by democracy she meant not just traditional liberal democracy but popular involvement through direct participation, not top-down institutions. She and her husband Vincent spent a lifetime arguing that the more that people were involved in constructing the rules of governance, the better the rules would work. Her inspiration was that of the New England township meeting, where the community made decisions