

Review: *Elinor Ostrom's Rules for Radicals*, by Derek Wall

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Derek Wall. *Elinor Ostrom's Rules for Radicals: Cooperative Alternatives Beyond Markets and States* (London: Pluto Press, 2017).

I've known Derek Wall for some time as a friend on Twitter, a fellow admirer of Elinor Ostrom, an Ostrom scholar, and an official in the Green Party of England and Wales. This is not my first introduction to him as a scholar; I read his *The Sustainable Economics of Elinor Ostrom* (2014), which he was kind enough to share with me in proof.

As is customary (and unfortunately necessary) in any general treatment of Ostrom, Wall begins his introductory chapter by citing Garrett Hardin's 1968 essay "The Tragedy of the Commons" as a jumping off point. I say it's unfortunately necessary because Hardin's ahistorical nonsense has gotten around the world many times while Ostrom's truth about the governance of actual, historical commons was just getting its boots on. Never mind that Hardin himself later admitted that he knew little to nothing about the actual history of commons governance, and conceded that the title was unfortunate. He is still a perennial "authority" for neoliberal ideologues and right-libertarians (many of whom apparently know nothing of the commons beyond Hardin's reference to them) who wish to "prove" that efficient commons governance is impossible.

Elinor Ostrom's most famous work, *Governing the Commons*, was a broad survey of case studies of commons governance in history – including some commons which persist under their old governance rules to this day – and a set of eight principles of successful commons governance which she inferred from that history.

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...

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.

After a brief biographical sketch — including a childhood where she picked up a frugal DIY ethos, and the possible influence of her husband Vincent on her interest in the commons — Wall goes on to finish up the introductory chapter with an argument for the general importance of Ostrom’s work.

Although Ostrom did not regard herself as being on the Left, as Wall concedes, and could at least plausibly be accused of ignoring class conflict, her work is nevertheless of value to those of us on the Left who *do* use a class analysis. First, the commons — with the rules for successful governance she distilled from her historical studies — are an invaluable addition to the organizational toolkit for a postcapitalist society. Regardless of whether Ostrom herself paid adequate attention to the historic nature of the state as an instrument of class power, and in suppressing and enclosing the commons, those of us who are interested in resurrecting the commons as an organizing logic (e.g. the commons-based peer production model promoted by the P2P Foundation, the commons-based local economies promoted by the new municipalist movements, etc.) owe it to ourselves to take her seriously. And second, regardless of her arguable lack of historical class analysis, her findings are themselves a valuable weapon of class struggle.

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 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.... [Ostrom] 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,” Wall continues, is Ostrom’s broader argument for political and economic organizational models “beyond the market and the state.” She demolishes, obviously, the neoliberal conception of corporate “privatization” as the only alternative to state ownership. But her work is more important still for the Left. In practice, the main currents of 20th century socialism adopted either some mix of market and state as their primary organizational model — the “market socialism” of Lange and Tito, or central planning that can only be distinguished from state control with heavy-duty squinting. With the commons, Ostrom offers the Left — and in particular Marxists — a way to recover Marx’s vision of a future society that is genuinely both post-capitalist and post-state.

Although Ostrom did not regard herself as a Leftist, and the main influences on her work were fairly mainstream (e.g. institutional economics, public choice theory and game theory), she developed those influences in directions that were, intentionally or not, quite congenial to certain currents of the Left. Her approach to research, in itself, reflected considerable elements of what

would later be called a P2P ethos; her work “was based on what she termed co-production,” acting as “part of a larger network,” with knowledge and theory “constructed with the active participation of the community.”

And her idea of democracy, which she saw as the key to commons management and the solution of many other problems, was far from the conventional notions being peddled in academia at that time.

[B]y 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.... She thought the exact form that such direct democracy might take was likely to differ from place to place.

In this regard she resembles thinkers from Kropotkin to Graeber, who see “democracy” not as some crowning achievement of dead white males in a handful of privileged times and places, but something that people have naturally been doing in face-to-face groups everywhere since the beginning of humanity, in settings from folknotes to pirate utopias, when their efforts were not suppressed – often by formally “democratic” states.

But in the end, Wall dismisses the question of whether Ostrom was “really” on the Left as irrelevant compared to that of what uses her work can be put to by the Left.

I am not ultimately making any claim in this book that Elinor Ostrom was on the left, nor even trying with much precision to pigeonhole Ostrom politically.... [M]y main aim is to make her work accessible and to show how those on the left, especially the ecosocialist left, can make productive use of her diverse and provocative thinking.... The extent to which she was radical can be judged by the effects of her work.... Thus, this book, chapter by chapter, examines her work and shows how it can be of practical use.

(NOTE: Anyone who enjoys this book but would like some more detailed background on Ostrom’s early life and the specific formative influences on her work can find plenty of both in Wall’s earlier book *The Sustainable Economics of Elinor Ostrom*.)

Chapters Two through Four are an examination, at increasing levels of generality, of the lessons of Ostrom’s studies on the commons: on the subject matter of *Governing the Commons* itself in Chapter Two, on the broader lessons of her research on the commons for ecological issues in general in Chapter Three, and the implications of an organizational model “beyond market and state” for society as a whole.

Chapter Two begins with the original context of Ostrom’s research into the commons: Hardin’s unfortunate article (doubly unfortunate in its influence) on the subject, and summarizes the results (including the eight rules for effective governance she distilled from her historical investigations).

Hardin’s presumption comes across as even more egregious in Ostrom’s account of the lecture she attended: not only did he feel justified in saying, based entirely on an a priori analysis of his totally imaginary and ahistorical model of the “commons,” that they were doomed absent

massive state intervention, but he went so far as to proclaim that the only solution was mandating universal sterilization after the first child.

Hardin saw the overconsumption of resources as the inevitable result of overpopulation and human incapacity for self-restraint. I would note the irony of this, considering that: 1) the actual overgrazing of the commons in England was the work of landed interests — the same people pushing for enclosure in the interest of “efficiency” — using their political influence to ignore the rules by which villagers had up until then governed their commons quite effectively and sustainably; 2) overconsumption of resources is the result, not of a do-nothing state, but of the state actively promoting the consumption of subsidized resource inputs by capitalist industry through the enclosure of land and resource commons and giving big business preferential access to them. The real villain, in the destruction of natural resources, is not ordinary villagers overgrazing their sheep in the want of proper government or corporate oversight; it is Nestle draining aquifers free of charge and California factory farms wasting subsidized irrigation water, with the active help and encouragement of the state.

It’s also worth noting that Hardin’s right-libertarian fans have no coherent criterion for distinguishing the “private” property they favor from the “collective” property they oppose, and no basis for explaining how the capitalist corporation qualifies as “private property” but the natural resource commons does not. The corporation is every bit as much an example of collective ownership as the commons. It is legally not the property of the shareholders, either collectively or severally, but of a corporate person; the “property” rights of the shareholders consist mostly in participating in the election of the Board of Directors (in most cases a self-perpetuating oligarchy of inside directors selected by cooptation, in actual practice), and to whatever dividends management sees fit to issue.

If anything it’s the corporation that’s subject to a real tragedy of the commons because its de facto property rights are vested in a managerial oligarchy whose material interests are diametrically opposed to those of the people who are in direct contact with the day-to-day situation, experience the effects of the policies made by management, and whose situational knowledge, social capital and effort are the actual source of value. On the other hand it is in the interest of management to strip the organization of human capital and gut its long-term productive capacities for the sake of boosting quarterly earnings (and with them their own bonuses and stock holdings).

Although Ostrom was not an anarchist and not opposed in principle (or even practice) to either the state or the large corporation, her findings in *Governing the Commons* were nearly the opposite of Hardin’s assumptions. If Hardin believed humans were incapable of self-governance and could be saved from themselves only by the intervention of higher authority, Ostrom had faith in the ability of people in face-to-face groups to work out solutions to the problems they faced if they were not prevented from doing so by interference from above. Some five or six of her eight principles of governance, based on her observation of successful commons, involve either vesting ownership and decision-making authority in those who use the resources, directly experience the effects of the governance rules, and are in day-to-day contact with the situation, or preventing interference from above by authoritarian institutions beyond the control of users.

The design rule that commons should be “nested” or federated within larger systems — particularly at the bioregional level — is also the main principle of her views on environmental policy (Chapter Three). It strikes me that in Ostrom’s vision of a polycentric system of governance with the commons as its core logic, the state plays a role similar to that of Cosma Orsi’s “Partner

State,” as developed by Michel Bauwens: i.e. a platform which enables or facilitates the work of the commons, and maintains a congenial environment for their operation. In this she is in the very broad tradition going back to Saint-Simon, developed by Proudhon and Marx among others, that envisions “governance of persons” being replaced by “the administration of things.”

In her work on the commons, Ostrom showed that humans were capable of cooperative behavior mediated neither by the cash nexus nor by state administration. The larger application of this principle to society as a whole is the subject of Chapter Four. Ostrom was no one-trick pony. “Beyond Markets and States” does not mean simply the commons as a “third alternative,” but a whole ecosystem of cooperative and democratic options. She saw modern institutions like the corporation as commons prone to dysfunctions from incentive problems, and saw the stakeholder cooperative as a way to align the incentives of those in direct contact with the situation and who created the value with the success of the corporation. She also endorsed Grassroots Economic Organizing (GEO) and supported the broader vision of a Solidarity Economy.

The knowledge and incentive principles that emerged from Ostrom’s study of the commons, and led her to support other Solidarity Economy institutions like the cooperative, also informed her general understanding of democracy — the subject of Chapter Five, “Deep Democracy.” All decision-making, she believed, is apt to be improved by involving those directly affected by it. And this vision of deep democracy is extremely relevant to libertarian strands of socialism. Although Ostrom shied away from the “socialist” label and tended to identify it with top-down state control, Wall notes, her concrete principles are quite compatible with socialist models like that of the autonomists Negri and Hardt. He also draws parallels between her thought and Bookchin’s confederalism (as well as Kurdish attempts to put this into practice in Rojava).

Given this preoccupation with empowering those affected by decisions, it only makes sense that Ostrom would have a broader interest in amplifying the voices of the unheard and powerless. This is the subject of the chapter on “Feminism and Intersectionality.” She was also heavily influenced by her own experience of discrimination, as a woman (about which you can read in more detail in the biographical material in Chapter One); for example, she was denied the opportunity to major in economics because she lacked adequate background in higher mathematics, but also was prevented from enrolling in a course of mathematical studies because faculty felt such studies would be wasted on a woman who would just get married anyway.

The chapter on “Trust and Cooperation” starts with the significant influence of game theory on Ostrom’s institutional analysis. As with most issues, Ostrom shied away from adopting general positions on “human nature,” whether they made cooperation or competition the more essential human characteristic. Rather, she focused on institutional designs and procedural rule-sets to optimize for cooperative behavior.

Interestingly, the Prisoner’s Dilemma game — which influences many thinkers who are pessimistic about the potential for human cooperation — starts with the assumption that the subjects are isolated from direct communication with each other, and have all their contact with the world outside their cell filtered through authority figures. Ostrom’s approach to commons design and governance, on the other hand, assumes free and ongoing communication between those seeking to deal with their shared circumstances in an optimal manner. In other words, isolation and atomization tends to increase authoritarianism and betrayal, while communication produces the optimal result. Perhaps this is why authoritarians who promote the ugliest and most authoritarian pictures of “human nature” also have the biggest vested interest in turning groups of people against each other, and isolating them in the face of their rulers. People who are worried about

nonsense like the threat to “traditional marriage,” or “illegal aliens,” or trans women in public restrooms, or “Sharia Law,” are a lot less likely to notice their areas of commonality and work together to promote their common interest against the billionaires who are actually screwing them over.

Ostrom found that, conversely, ongoing relationships with high levels of communication tend to build trust.

She found... that research suggested that cheap talk was useful. By cheap talk, she meant that if commoners or others were able to communicate directly with each other, trust was more likely to occur than if they did not meet and exchange views.

Given everything we’ve seen about Ostrom’s views so far, it would be reasonable to expect strong sympathies for a peer-to-peer approach to science. And as it turns out, that’s right on the mark (Chapter Eight, “Science for the People”). Science, she believed, was prone to dominance by elites whose paradigms became generational dogmas. She sought to empower dissidents and outsiders to challenge these dogmas. Ostrom’s approach to research, Wall writes, was similar to Paolo Freire’s: a co-learning process in which the community was involved, not a “Knowledge Bank.” It’s reflected in her approach to investigating the commons.

Her approach to this was to suggest that the people who participate in a commons are just as likely, probably more so to have good ideas about solving this problem than outside experts. Garrett Hardin argued that the commoners would fail to maintain the commons and an outside power would need to be brought in. The outside power would be equipped with expertise that the commoners lack.

She took a similarly Freirean attitude toward education as such, arguing that democracy, commons management, and other forms of self-governance would likely fail if public school pedagogy was passive rather than participatory.

Finally, she took the position that knowledge itself was a commons and put her P2P approach to research into practice in her workshops at Bloomington.

In her analysis of institutions (Chapter Nine, “Transforming Institutions”), Ostrom’s focus was on what people actually do, not on paper rules and tables of organization. Her mapping of institutions included actual power relationships within institutions, how powerful members could use formal rules and procedures to pursue their own interest, and how technical “legality” could serve as a cover for robbery.

At the same time, the form taken by institutional rules can affect the balance of power between different interests, and rules can be rewritten to make institutions more democratic and egalitarian. For example, the rules of corporate governance can be rewritten to empower internal and external stakeholders whose interests are currently ignored by self-aggrandizing management. But because of the law of unintended consequences, there must be a tentative and ad hoc nature to institutional design and rulemaking, and a willingness to frequently reassess policies in the face of ongoing experience. And obviously, based on previously examined considerations in Ostrom’s design philosophy, the best way to promote successful adaptation to circumstances is by empowering those directly involved to assess and respond to feedback from previous decisions.

The final chapter (“Conflict and Contestation”) is Wall’s overall assessment of Ostrom’s value for lessons. The biggest lesson he takes away is pluralism: a skepticism towards schematizers

who want to build an entire society according to any one uniform blueprint, or any hegemonic organizational model. It's this quality in Ostrom that made me include a C4SS study on her in my series on "Anarchists Without Adjectives" (I know she wasn't an anarchist). Like Kropotkin and Ward, she had a fondness for the particularity and sense of place of all the different ad hoc experiments in cooperative organization that ordinary people have come up with in the nooks and crannies of history, and a faith and openness in whatever arrangements people happen to come up with when dealing with one another as equals.

At the same time, as a Marxist, Wall subjects her to some criticism. Ostrom failed to pay adequate attention – or much at all – to the class dimension in history. She treated issues like the workability of the commons as primarily a difference in ideas or understanding, a matter simply of showing where people like Hardin were mistaken and correcting his ideas, when in fact the driver of Enclosure historically has not been any disinterested concern for "efficiency" but rather naked power interest – with "thinkers" like Hardin serving, to borrow a phrase from Marx, as hired prize-fighters on behalf of the propertied classes. I noted this unfortunate tendency myself in researching my study of Ostrom: for example her dismissal as "conspiracy theories" of the suggestions that World Bank loans and other foreign aid served mainly the imperialist goals of integrating the Global South into the global system of corporate power.

Nevertheless, from Wall's Marxist perspective and from other postcapitalist and anarchist perspectives, Ostrom's functional analysis of commons and other institutions is of great value to those of us thinking about what kind of society we want to build in the future. Wall notes that Marx himself "in his later writings became more and more interested in the indigenous and actual working commons." For example, he acknowledged late in life that open field systems like the Russian Mir might develop directly into components of a socialist society, without being amalgamated (on the later Soviet model) into state property under professional administrators.

I recommend this book to anyone who's interested in learning more about Elinor Ostrom, especially as her thought relates to post-capitalist transition.

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