

Analyzing institutional emergence: The promise and limitations of ‘collective action’ based accounts of
rules governing the commons

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Abstract: This article undertakes critical engagement with accounts of institutional emergence and change which are conceived as a problem of collective action. I discuss the potential and limitations of contemporary accounts based on collective action and suggest seeking a more realistic theoretical account that centers the role of power in crafting institutions, and conceives of institutions as being designed not through collective action but conflict.

This article undertakes critical engagement with contemporary accounts of institutional emergence and change to manage the commons, elaborated in a vast body of scholarship characterized by collective action based accounts of institutions (e.g. Ostrom, Bates, Wade, Acheson, Berkes, etc). Institutions are rules governing human behavior by specifying the rewards and punishments of particular actions (North 1990; Ostrom 1990). Collective action based accounts of crafting rules to manage the commons typically conceive of the problem of governing natural resources as an information problem- a set of users who rely on a common forest or irrigation system can devise institutions to manage a resource sustainably if they have adequate information on users and changes in levels and flows of the resource. Resource users can then devise a system of sustainable resource use, monitor users and sanction rule violators.

While collective action based accounts both recognize the universality of human behavior and the particularity of institutional and resource contexts, these accounts are weaker in explicating the correspondence between personal motivations and collective action. These accounts focus on human ability

to process information rather than human motivations for crafting rules governing the commons. Setting up the commons' dilemma as a problem of collective action assumes that users have a shared goal or similar dependence on a natural resource. However, communities are highly heterogeneous in terms of their dependence on a resource and asymmetrical in terms of the power they command, and powerful actors may be able to impose rules on others. Thus institutions governing the commons may exhibit high stability while being profoundly unequal.

Given that the commons are a shared resource and social in that sense, it is more realistic to consider human behavior as being guided by what Knight (1992) describes as strategic rationality rather than rational choice- social actors adopt the strategy that serves their interests the best *given what others are going to do*.

Social actors try to craft rules that give them the greatest advantage from the commons, and deploy the use of power to secure an institution that gives them a distributional advantage in the benefits from the commons, or greater control over decision-making on the commons itself. A rule cannot express the preferences of all the actors governed by that rule because rules are discontinuous (Knight 1992). Social actors may obey a rule simply because they can do no better. However, power does not exist in a binary of the all powerful versus the powerless, but is enacted in a field of social relations among multiple social actors. Rules are crafted through a bargaining process among multiple social actors, and no group gains all that it desires.

Given the recent shift of subsistence communities, whether forest-based, agricultural or pastoral- to market-based production for globalized commodity markets, and the crafting of new property rights to natural resources for capital intensive modes of production, attention to the role of power in crafting new property rights and institutions continues to be critical. Using examples from empirical research and

fieldwork in western India, I discuss directions of inquiry for a more realistic theoretical account of institutions.

Watershed development represents international donor organizations', financial institutions' and governments' attempt to shift subsistence communities to market based production. Couched as the 'second green revolution' in the drylands, watershed development channelizes commercial seeds and pesticides to farmers for cash crop production, builds dams for irrigation, deepens credit to enable households to purchase capital and links rural producers to external markets through commodity production contracts with parastatal or state-supported firms.

Watershed development's emphasis on cash crop production for external markets overrides the subsistence priorities of landless households and marginal farmers who make up the majority of the inhabitants of rainfed areas. The intervention shifts the site of state action from common grazing lands and forests to privately owned cultivated land by channeling disproportionately large resources for farm ponds and farm bunds in cultivated land, and chemical inputs and machinery for individual farmers. This constitutes the privatization of development policy- the upward distribution of policy in favor of landowning farmers who are best able to undertake cash crop production.

Watershed development is implemented by elected local bodies called panchayats, who build small dams across stream beds which are watershed development's landmark feature. Dams have in-built distributional rules and alter property rights to stream beds in which farmers cultivate rice, as well as rights to water. Dams impel surface irrigation through motors and pipes, giving motor owners an advantage in irrigation. Dams are literally sites of conflict over water rights, land rights and control of stream beds and water flows, with dam structures being marked by irrigators' and cultivators' struggles over changes in access to these natural resources. A scrutiny of small dams in eastern Gujarat revealed that farmers tore off

dams' sluice doors, dug beneath dam foundations to let water seep through, and blackened out the tin notice boards planted by panchayats bearing information on dam construction costs, contesting dam building, dams' distributional rules and panchayat legitimacy both materially and symbolically. The augmentation of water for surface irrigation through dams led to changes in farmers' expectations, leading them to sow water-intensive crops such as paddy rather than maize. All motor-owners adopted this strategy, resulting in contentions over water, and farmers stealing one another's pipes and breaking motor fans. While conflict over dams suggests a failure of governance, seen another way, it also reveals more or less effective restoration of older property rights to water, land and soil. My attempt is to show that rules are crafted through micro-politics.

Watershed development constitutes institutional change through the intervention of an increasingly market-friendly state in India, and in this way, the policy may be considered to be crafted by both the market and the state. As the role of markets in natural resource governance expands in the 21st century, the state's role in mediating the relationship between the community and the market and in governing markets becomes more critical. (Economic) governance is inherently political- the work of scholars such as Oliver Williamson and Elinor Ostrom work illustrate that entities as varied as business firms and communities make decision not on the basis of price signals but through social and political relationships of authority, power and reciprocity.

This has implications for a theory of institutional emergence and change on the commons. Endogenizing both the state and the market in a framework of institutional emergence and change, and accounting for inequality and the role of power may enable considering institutional change as the outcome of conflict inherent in our shared social life.

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