

polycentric circles

NEWSLETTER OF THE OSTROM WORKSHOP AT INDIANA UNIVERSITY

Happy 2016!

We hope that the new year is off to a great start for everyone, and look forward to continued and new collaborations that the year will bring.



Dean Lueck

In moving forward with our Strategic Plan, we are pleased to announce that *Dean Lueck*, currently professor of agricultural and resource economics at the University of Arizona, accepted our offer to be the Director of our *Program on Governance of Natural Resources*.

We identified *Economic, Legal, and Political Development* as the second program that builds upon the intellectual legacy of the Ostroms and the Ostrom Workshop, and progress is being made toward its establishment. Dean will begin officially in July 2016, but will be visiting the Ostrom Workshop from January 28 to February 2. A roundtable session will be held on January 29 from 2:00–3:00 p.m. in order to acquaint Dean with our affiliated faculty who work in the areas of natural resources and the environment.

Filling a newly created position, *Margaret Baechtold* will begin on February 1 as Operations Manager. Margaret will direct and oversee the day-to-day operations, including supervision of staff and project management. She will also be responsible for developing long-range

strategic planning and identifying new non-research funding sources. She is a former Air Force officer and IU staff member, having served as director and coordinator of IU’s Veterans Support Services and University Military and Veterans Services, respectively. Margaret received a Bachelor of Science in Physics from Kansas State University and a Master of International Public Policy from the Johns Hopkins University School of Advanced International Studies.



Margaret Baechtold

The latter part of 2015 brought about some internal staff changes. On October 31, *Julie England* (Systems Analyst/ Programmer) separated from the Ostrom Workshop due to a reduction in force. Julie’s combined tenure with CIPEC and the Ostrom Workshop was 29 years. She is an Adjunct Instructor at SPEA this spring semester, teaching a course on Managing Information Technology. On December 16, *Ray Eliason* resigned from his position as Computing Systems Manager, which he held for 16 years.

We extend our welcome to Dean and Margaret to the Ostrom Workshop community, and wish much success to Julie and Ray in their future endeavors.

Events at the Ostrom Workshop

Did you know that the Ostrom Workshop hosts three weekly series? Each semester, the *Colloquium Series*, *Research Series*, and *Tocqueville Lecture Series* take place on Monday, Wednesday, and Friday, respectively. For a list of speakers and presentations for Spring 2016, visit our website at: <http://ostromworkshop.indiana.edu/events/index.php>.

NEW LIVESTREAM URL

Watch the *Monday Colloquium Series* via livestream. Go to: <http://go.iu.edu/15Q3>. Click the ‘Take me there’ button. Allow for up to 60 seconds for the video to start.

CONTENTS

2016 Ostrom Memorial Lecture.....	2
In Memoriam.....	3
External Board of Advisors	3
Visiting Scholars Program.....	4
Publications	5
Authors’ Workshop on Polycentricity ...	7
In the News.....	8

mission

To build upon the theme of governance to understand and address major societal problems

DIRECTOR

Lee J. Alston

FOUNDING DIRECTORS

Vincent and Elinor Ostrom

EDITOR & DESIGN

Patty Lezotte

Polycentric Circles newsletter is now published biannually in January and August. Submissions are welcome! Please send items for inclusion in the August issue to the editor (zielinsk@indiana.edu) by July 25, 2016.

OSTROM WORKSHOP

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OSTROM WORKSHOP

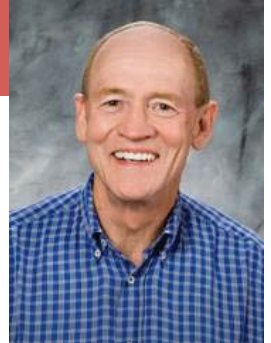
INDIANA UNIVERSITY
Bloomington

The Ostrom Workshop is a research center of the Office of the Vice Provost for Research at IU Bloomington

2016 Ostrom Memorial Lecture

PROFESSOR GARY LIBECAP

Bren School of Environmental Science & Management and Economics Department
University of California, Santa Barbara
National Bureau of Economic Research



FEBRUARY 10, 2016

**IU MAURER SCHOOL OF LAW
MOOT COURT ROOM 123**

4:00–5:00 PM

Reception immediately following in the Faculty Lounge

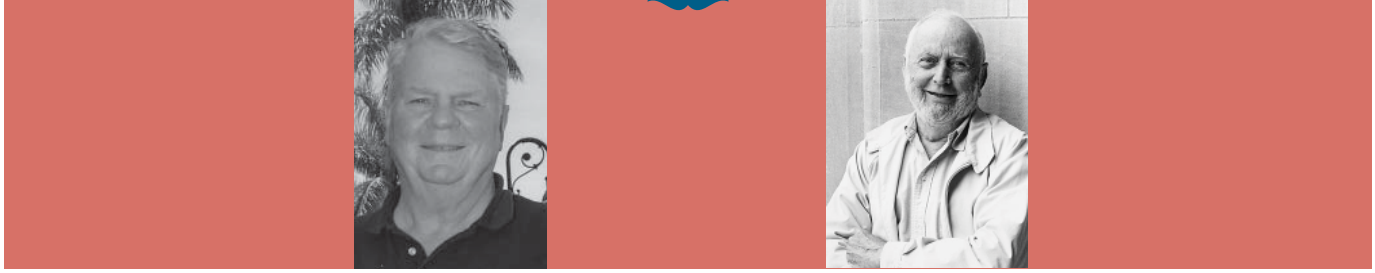
LIVESTREAM URL

“Environmental Externalities and Coasean Exchange”

ABSTRACT

I follow the development of the literature on open access problems in the post WWII period and the standard policy recommendations associated with it: Pigouvian taxes, regulation, subsidies to correct the distortion created when private agents do not bear the full social costs or benefits of their actions. I then describe the criticisms of these approaches associated with the work of Elinor Ostrom, Oliver Williamson, and especially Ronald Coase. I augment Coase’s discussion of transaction costs by adding those involved in lobbying politicians and the bureaucracy. I argue that because interest groups, politicians and agency officials do not bear the full social costs of their actions, there is a second source of externality along with *market failure—government failure*. The potential distortions arising from lobbying and political/bureaucratic incentives when private and social costs do not align has been neglected in the literature. Vincent Ostrom’s work is a basis for understanding bureaucratic behavior. I then examine how the literature and policy have responded to Coase’s arguments, particularly with cap and trade schemes. I argue that neither have fully incorporated transaction costs in property rights definition and market design. This has important implications for market performance. I conclude with recommendations for further research.

IN MEMORIAM



Timothy Hennessey

October 8, 2015

OBITUARY

Douglass C. North

November 23, 2015

OBITUARY

Ostrom Workshop External Board of Advisors

THRÁINN EGGERTSSON	Chair, 2015–2017 <i>Professor of Economics, Institute of Economic Studies, University of Iceland, and Hertie School of Governance, Berlin, Germany</i>
TOM GINSBURG	2015–2019 <i>Professor of Law and Political Science, University of Chicago</i>
GARY LIBECAP	2015–2018 <i>Professor of Economics, University of California, Santa Barbara, Bren School of Environmental Science & Management; Research Associate, NBER; Senior Fellow, Hoover Institute</i>
JANE MENKEN	2015–2018 <i>Distinguished Professor of Sociology, University of Colorado; Research Professor, Institute of Behavioral Science</i>
SONJA OPPER	2015–2018 <i>Professor of Economics, Lund University, Sweden; Research Fellow, Center for Economy and Society, Cornell University</i>
KENNETH SHEPSLE	2015–2019 <i>Professor of Government, Harvard University</i>
MARY SHIRLEY	2015–2019 <i>President, Coase Institute</i>
HENRY SMITH	2015–2018 <i>Professor of Law, Harvard Law School</i>
BARRY WEINGAST	2015–2019 <i>Professor of Political Science, Stanford University; Senior Fellow, Hoover Institution</i>

Visiting Scholars Program

2016–17 VISITING SCHOLARS PROGRAM

Application Deadline: March 1, 2016

The Ostrom Workshop promotes visits from junior and senior scholars from around the world. *Application and Instructions Information available at:*

http://ostromworkshop.indiana.edu/programs/vs_program.php

2015–16 Visiting Scholars



CRISTINA ADAMS

School of Arts, Sciences and Humanities
Institute of Energy and Environment
University of São Paulo, Brazil
August 14, 2015 – July 31, 2016



JUNAID ALAM MEMON

Pakistan Institute of Development
Economics
Islamabad, Pakistan
November 8, 2015 – October 25, 2016



FEDERICA CARUGATI

Ostrom Workshop, Political Science
Department, and Maurer School of Law
Indiana University Bloomington
August 23, 2015 – July 31, 2016



BERNARDO MUELLER

Department of Economics
University of Brasilia, Brazil
July 25, 2015 – July 15, 2016



FRANS DE VRIES

Environmental Economics
University of Stirling Management School
Scotland
April 18–30, 2016



MAIKO NISHI

Urban Planning
Columbia University
New York, NY
February 1 – May 6, 2016



LINDA KUIL

Centre for Water Resource Systems
Vienna University of Technology
Vienna, Austria
July 1 – November 1, 2015



TOMAS NONNENMACHER

Department of Economics
Allegheny College
Meadville, PA
February 1–12, 2016



FRANÇOIS-MICHEL LE TOURNEAU

National Center for Scientific Research
Universite Sorbonne Nouvelle-Paris 3
Paris, France
September 1 – October 4 and
October 31 – December 26, 2015



EOIN O'NEILL

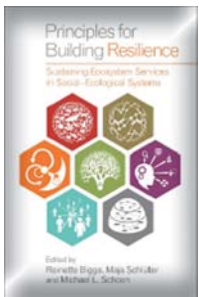
School of Geography, Planning and
Environmental Policy
University College Dublin
Dublin, Ireland
November 30 – December 4, 2015



Abelkop, Adam, John Graham, and Todd Royer. 2015. *Persistent, Bioaccumulative, and Toxic (PBT) Chemicals: Technical Aspects, Policies, and Practices*. CRC Press.

Developed from the efforts of a multiyear, international project examining how persistent, bioaccumulative, and toxic (PBT) chemicals are evaluated and managed,

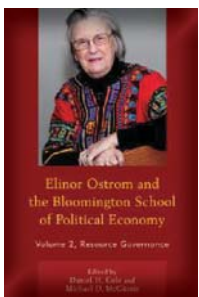
this book focuses on improving the processes that govern PBTs. Incorporating science and policy literature—as well as interviews and panel discussions featuring experts from around the world—this book provides an international perspective of PBT policies (centering on Europe, Asia, and North America), and reveals major findings and recommendations for improving PBT science, laws, and policies.



Biggs, Reinette, Maja Schlüter, and Michael Schoon, eds. 2015. *Principles for Building Resilience: Sustaining Ecosystem Services in Social-Ecological Systems*. Cambridge University Press.

Reflecting the very latest research, this book provides a critical review of the ways in which resilience of social-

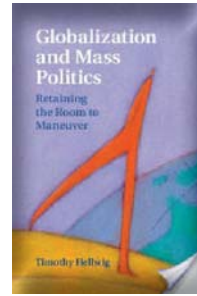
ecological systems, and the ecosystem services they provide, can be enhanced. With contributions from leaders in the field, the chapters are structured around seven key principles for building resilience: maintain diversity and redundancy; manage connectivity; manage slow variables and feedbacks; foster complex adaptive systems thinking; encourage learning; broaden participation; and promote polycentric governance.



Cole, Daniel H., and Michael D. McGinnis, eds. 2015. *Elinor Ostrom and the Bloomington School of Political Economy: Volume 2, Resource Governance*. Lexington Books.

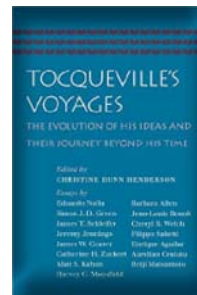
This volume examines the most well-known part of Lin's legacy: her empirical, analytical, and theoretical work demonstrating that, in many cases, local

resource users can solve collective-action problems through common-property management regimes. The volume comprises various papers relating to and building on the findings of her masterpiece, *Governing the Commons* (1990), including some lesser-known papers.



Hellwig, Timothy. 2015. *Globalization and Mass Politics: Retaining the Room to Maneuver*. Cambridge University Press.

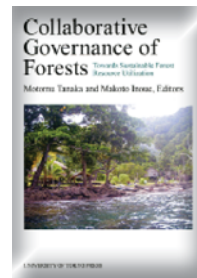
This book analyzes how increases in international trade, finance, and production have altered voter decisions, political party positions, and the types of public issues that parties focus on in postindustrial democracies.



Henderson, Christine Dunn, ed. 2015. *Tocqueville's Voyages: The Evolution of His Ideas and Their Journey Beyond His Time*. Liberty Fund.

This book is a collection of newly written essays by some of the most well-known Tocquevillian scholars today. The essays in the first part explore the development of Tocqueville's thought, his intellectual voyage,

during his trip to America and while writing *Democracy in America*. The second part focuses on the dissemination of Tocqueville's ideas beyond the Franco-American context of 1835–1840 in places such as Argentina, Japan, and Eastern Europe.



Tanaka, Motomu, and Makoto Inoue, eds. 2015. *Collaborative Governance of Forestry*. University of Tokyo Press.

This extensive reference writes a modern history of forestry in Japan, Indonesia, the Solomon Islands, and other Asian countries, reflecting industrial and colonial exploitation, periods of excessive deforestation, and the alienation of local

residents from natural resources. Drawing on their experience as “participant observers” in local practice, the authors suggest new, “inclusive” approaches to forestry governance that support sustainable development, environmental preservation, and productive collaboration by various stakeholders.

FORTHCOMING

Alston, Lee J., Marcus André Melo, Bernardo Mueller, and Carlos Pereira. May 2016. *Brazil in Transition: Beliefs, Leadership, and Institutional Change*. Princeton University Press.

Alston, Lee J., Bernardo Mueller, and Tomas Nonnenmacher. *Institutional and Organizational Analysis: Concepts and Applications*. Cambridge University Press.

- Allen, Barbara. 2015. "An Undertow of Race Prejudice in the Current of Democratic Transformation: Tocqueville on the 'Three Races' of North America." In *Tocqueville's Voyages: The Evolution of His Ideas and Their Journey Beyond His Time*, ed. Christine Henderson, 242–75. Indianapolis, IN: Liberty Fund.
- Alston, Lee. 2015. "Brazil Institutions React Well to Crisis." Op-Ed, *Financial Times*, Nov. 17, p. 11.
- Alston, Lee, and Bernardo Mueller. Forthcoming. "Economic Backwardness and Catching Up: Brazilian Agriculture, 1964–2014." In *Can Poor Countries Catch Up?*, ed. Martin Andersson and Tobias Axelsson. New York: Oxford University Press.
- Alston, Lee, and Bernardo Mueller. 2015. "Towards a More Evolutionary Theory of Property Rights." *Iowa Law Review* 100(6) (Aug.): 2255–73.
- Baldwin, Elizabeth, Camille Washington-Ottombre, Jampel Dell'Angelo, Daniel Cole, and Tom Evans. 2015. "Polycentric Governance and Irrigation Reform in Kenya." *Governance: An International Journal of Policy, Administration, and Institutions*, Early View, Aug. 14, doi:10.1111/gove.12160.
- Betz, Megan Elizabeth, and James Robert Farmer. 2016. "Farmers' Market Governance and Its Role on Consumer Motives and Outcomes." *Local Environment*, DOI:10.1080/13549839.2015.1129606
- Boettke, Peter, Jayme Lemke, and Liya Palagashvili. 2015. "Re-Evaluating Community Policing in a Polycentric System." *Journal of Institutional Economics*, FirstView, Sept. 10.
- Cole, Daniel. 2015. "The Problem of Shared Irresponsibility in International Climate Law." In *Distribution of Responsibilities in International Law*, ed. André Nollkaemper and Dov Jacobs, 290–320. New York: Cambridge University Press.
- Craiutu, Aurelian. 2015. "Tocqueville and Eastern Europe." In *Tocqueville's Voyages: The Evolution of His Ideas and Their Journey Beyond His Time*, ed. Christine Henderson, 390–424. Indianapolis, IN: Liberty Fund.
- DeCaro, Daniel A., Marco A. Janssen, and Allen Lee. 2015. "Synergistic Effects of Voting and Enforcement on Internalized Motivation to Cooperate in a Resource Dilemma." *Judgment and Decision Making* 10(6) (Nov.): 511–37.
- Frey, Ulrich, and Michael Cox. 2015. "Building a Diagnostic Ontology of Social-Ecological Systems." *International Journal of the Commons* 9(2) (Sept.): 595–618.
- Hauer, Rich, Jess Vogt, and Burnell C. Fischer. 2015. "Growing Arboriculture and Urban Forestry: One Student at a Time." *Arborist News* 24(5) (Oct.): 68–71.
- Jordan, Andrew, Dave Huitema, Mikael Hildén, Harro van Asselt, Tim Rayner, Jonas Schoenefeld, Jale Tosun, Johanna Forster, and Elin Boasson. 2015. "Emergence of Polycentric Climate Governance and Its Future Prospects." *Nature Climate Change*, published online Aug. 10.

- Journal of Theoretical Politics* 28(1) (January 2016), special issue on "Elinor Ostrom and Social Dilemmas." Guest editors: Eric Coleman & Rick Wilson.
- Kushner, Danielle, Lauren MacLean, and Jeffrey Paller. 2015. "Do Public Goods Have to be Public? Not in Some African Countries." *Monkey Cage—The Washington Post*, Sept. 23.
- Ostrom, Elinor. Forthcoming. "A Short History of the SES Club." Appendix in the introduction to special issue, "A Framework for Analyzing, Comparing and Diagnosing Social-Ecological Systems," by Pieter Bots, Maja Schlüter, and Jan Sendzimir, *Ecology and Society*.
- Sabetti, Filippo. 2015. "Tocqueville's Voyage of Discovery from Sicily to America." In *Tocqueville's Voyages: The Evolution of His Ideas and Their Journey Beyond His Time*, ed. Christine Henderson, 337–64. Indianapolis, IN: Liberty Fund.
- Steinbacher, Karoline, and Jonas Schoenefeld. 2015. "Governing the EU 2030 Renewables Target: What Role for Regional Governance?" *INOGOV Policy Brief* (Nov.): 1–4.
- Taylor, Keith. 2015. "Learning from the Co-Operative Institutional Model: How to Enhance Organizational Robustness of Third Sector Organizations with More Pluralistic Forms of Governance." *Administrative Sciences* 5(3): 148–64.
- Vogt, Jess, Burnell C. Fischer, and Richard J. Hauer. 2015. "Urban Forestry and Arboriculture as Interdisciplinary Environmental Science: Importance and Incorporation of Other Disciplines." *Journal of Environmental Studies and Sciences*, published online Aug. 11.
- Vogt, Jess, Richard J. Hauer, and Burnell C. Fischer. 2015. "The Costs of Maintaining and Not Maintaining the Urban Forest: A Review of the Urban Forestry and Arboriculture Literature." *Arboriculture & Urban Forestry* 41(6) (Nov.): 293–323.
- Vogt, Jess, Shannon Lea Watkins, Sarah Widney, and Burney Fischer. 2015. "The Need to Standardize At-Planting Data." *Arborist News* (Dec.): 26–31.

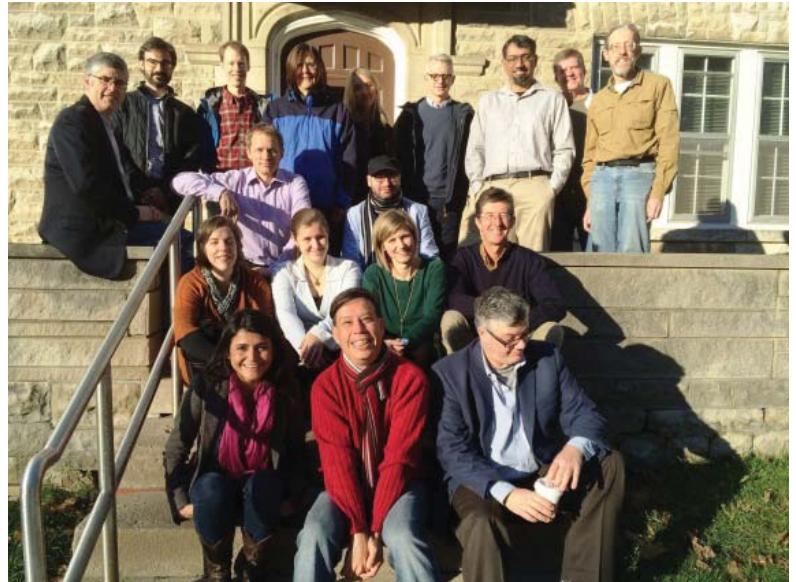
BLOG POSTS

- "Ostrom Workshop grant recipients share projects, discoveries," by Federica Carugati, December 14, 2015.
- "Legal order: lessons from ancient Athens," by Federica Carugati, Gillian K. Hadfield, and Barry R. Weingast, October 5, 2015.
- "Crop Failure Early Warning Systems Powered by TextIt: A Case Study," interview with Tom Evans by Kellan Alexander, July 22, 2015.
- "Do public goods have to be public? Not in some African countries," by Danielle Carter Kushner, Lauren M. MacLean, and Jeffrey W. Paller, September 23, 2015.

Authors' workshop on polycentricity held at the Ostrom Workshop in December

Just before everyone withdrew for the much-deserved break at the end of 2015, a diverse group of twenty scholars gathered at the Ostrom Workshop to collaborate on the topic of polycentricity. Their goals were: to take stock of recent developments surrounding the concept of polycentricity; look ahead at how it could be discussed and disseminated more coherently and in light of recent contributions; and to plan a set of publications including at least one book and a journal special issue.

This authors' workshop developed under the initiative of [Andreas Thiel](#) of Humboldt-Universität zu Berlin and University of Kassel in Germany, [Bill Blomquist](#) of IUPUI in the United States, and [Dustin Garrick](#) of McMaster University in Canada, and with funding from the German Science Foundation, the Einstein Foundation Berlin, and the Ostrom Workshop itself. It continued an effort that began at WOW5 in 2014 and included panels and roundtables at other professional meetings earlier in 2015. Overall, a group of approximately 30 scholars have participated in these efforts, 19 of whom were able to participate in the four-day workshop in December. The participants came from five countries, included senior and junior scholars, and in true Ostrom Workshop fashion, spanned a variety of disciplines. They convened in the Ostrom Room at 513 N. Park, but over the course of the four days smaller groups working on particular topics could be found in various corners throughout the building. Blog posts and more photos are available at <http://www.raulpacheco.org/2016/01/thinking-polycentrically-authors-workshop-at-the-ostrom-workshop-on-political-theory-and-policy-analysis/>. (Thanks to Raul Pacheco-Vega!)



At the close of the four days, the participants and organizers parted, fully content with days of reflection and inspiration after an exciting year and with the certainty of being part of an important publication process. New ideas were processed and networks were spun. All this would not have happened without the outstanding atmosphere of Bloomington and the Ostrom Workshop, and the warm and professional hospitality of its outstanding staff, to whom all the participants are greatly indebted. Many more such meetings should take place—Workshoppers and all interested should watch for the outcomes that the meeting described here promises to generate in the coming months and years.

—Andreas Thiel & Bill Blomquist

LEE ALSTON gave the William S. Vickrey Distinguished Address, “Brazil in Transition: Beliefs, Leadership and Critical Transitions,” at the 80th International Atlantic Economic Society (IAES) conference in Boston, MA, on October 10, 2015 (presentation slides available at <http://www.iaes.org/wp-content/uploads/2015/11/Alston.pdf>). Lee was also featured in the [Faculty Spotlight](#) on [Research@IU](#) Bloomington’s [website](#).

EDUARDO BRONDIZIO (Anthropology) and DANIEL COLE (Law and SPEA) were panelists at “The Pope’s Encyclical on Climate Change: Religious, Legal, and Social Perspectives,” sponsored by the Center on American and Global Security, IUB, September 15, 2015. The panelists explored the varied religious, legal, and social consequences of climate change as they intersect with the wider issues of human security in light of the Pope’s statement on the phenomenon.

SPECIAL ISSUE CALL FOR PROPOSALS: *BUSINESS AND POLITICS*. “Property Rights, Financial Risk, and the Politics of a Networked Global Financial System.” Guest editors: W. Travis Selmier (wselmier@indiana.edu) and W. Kindred Winecoff (wkwineco@indiana.edu). Please direct all inquiries to the editors. Publication is slated for Spring 2017.

The [Center for the Study of Institutional Diversity \(CSID\)](#) at Arizona State University has changed its name to the [CENTER FOR BEHAVIOR, INSTITUTIONS AND THE ENVIRONMENT \(CBIE\)](#) to better reflect the scope of their research and teaching (<https://cbie.asu.edu/>).

DANIEL COLE (Law and SPEA), GRAHAM EPSTEIN (PhD candidate at SPEA), and MICHAEL MCGINNIS (Political Science and SPEA) have been awarded the 2015 Elinor Ostrom Prize for “the best full-length article published in *JOIE* (Journal of Institutional Economics) in 2014” for their article, “Digging Deeper into Hardin’s Pasture: The Complex Institutional Structure of the ‘Tragedy of the Commons,’” *JOIE* 10(3) (2014): 353–69. The prize was announced at the 2nd annual meeting of the World Interdisciplinary Network for Institutional Research (WINIR), Rio de Janeiro, Brazil, Sept. 12, 2014. More information about *JOIE*’s Elinor Ostrom Prize can be viewed here: <http://journals.cambridge.org/action/displaySpecialPage?pageId=5536>.

The [INNOVATIONS IN CLIMATE GOVERNANCE \(INOGOV\)](#) network is organizing an (open and funded) workshop on legitimacy in polycentric governance settings in Florence, Italy, in May 2016 ([more information](#)). See also a more general (open and funded) INOGOV meeting in Bratislava in June 2016 that looks at “Polycentricity in Action,” which spans the INOGOV network ([more information](#)).

CALL FOR APPLICATIONS: IOEA 2016—15TH SESSION OF THE INSTITUTIONAL AND ORGANIZATIONAL ECONOMICS ACADEMY (EX-ESNIE), Corsica, France, May 16–20, 2016. *Deadline for Applications*: February 15 (<http://www.ioea.eu/ioea2016.html>).

A 12-foot-tall IU-funded tower constructed next to WonderLab Science Museum in Bloomington will provide a new home for about 250 members of a bird species whose habitat has been threatened by a number of factors over the past century. Support for the project, called “Swifts in the City,” comes from an inaugural [ELINOR OSTROM PROGRAM GRANT](#), launched by the IUB College of Arts and Sciences in 2014 in honor of the Ostroms (see <http://news.indiana.edu/releases/iu/2015/10/swift-tower-bird-habitat.shtml>).



2016 OSTROM FACULTY AND GRADUATE STUDENT RESEARCH AWARD PROGRAM. *Application Deadline*: February 22, 2016. The Ostrom Workshop invites applications to the 2016 Ostrom Faculty and Graduate Student Research Award Program (http://ostromworkshop.indiana.edu/programs/ora_program.php#oraprogram). *Applications are restricted to IU-based Workshop affiliated faculty and graduate students*.

Dedicated to Lin and Vincent, the “[OSTROM ROOM](#)” recently opened in the new School of Global & International Studies (SGIS) building on the IU Bloomington campus. Some art and handmade furniture from the Ostroms’ collection, as well as a few of their authored books, are now housed in room 2150 of the building.

[PhD dissertation defenses](#): Graham Epstein, October 30, 2015; Shannon Watkins, September 11, 2015.

AMOS SAWYER, Ostrom Workshop research associate, was honored in Liberia on his 70th birthday (see <http://viewpoints.iu.edu/policy-briefings/2015/07/10/iu-scholar-sawyer-honored-in-liberia-on-70th-birthday/>). The event included the reading of a letter from IU Bloomington Provost Lauren Robel, thanking Sawyer for his service to IU.

The 20th Annual Conference of the [Society for Institutional & Organizational Economics](#) will take place in Sciences Po, Paris, France, June 15–17, 2016 (<http://www.sioe.org/conference/2016>).