The Design and Promise of the Institutional Analysis and Development Framework

William Blomquist – Indiana University Purdue University Indianapolis

Peter deLeon – University of Colorado Denver

Edella Schlager - University of Arizona

In September 2009, Peter deLeon and Christopher Weible, Co-Editors of this journal, approached Dr. Elinor Ostrom with the suggestion that she identify a list of authors who would contribute to a "state of the art' report on the Institutional Analysis and Development (IAD) Framework that had been formulated over a number of years by Dr. Ostrom and her colleagues at Indiana University's Workshop in Political Theory and Policy Analysis. The Co-Editors suggested that while there was a sizable literature on the IAD, within the policy community it was not as well circulated and utilized as should be the case. Dr. Ostrom agreed and proposed a program to develop a series of papers, which included a two-day seminar at the School of Public Affairs, University of Colorado Denver. These papers were then peer reviewed. They were given a second presentation at the 2009 meeting of the American Political Science Association.

This issue of the *Policy Studies Journal* reflects these activities. This Introduction briefly comments on the individual papers as well as suggesting avenues for the continued refinements of the IAD.

* * * *

Elinor Ostrom's "Background on the Institutional Analysis and Development Framework" (this issue) is an excellent primer for readers who are curious about—but not especially well acquainted with—how the Institutional Analysis and Development (IAD) framework developed

This is the author's manuscript of the work published in final form as:

Blomquist, W., & deLeon, P. (2011). The Design and Promise of the Institutional Analysis and Development Framework. *Policy Studies Journal*, *39*(1), 1–6. https://doi.org/10.1111/j.1541-0072.2011.00402.x

and what are its major elements. One should pay particularly close attention to the terms Ostrom uses and the way her ideas and concepts are articulated with care and precision. The essay "Am Introduction to the IAD and the Language of the Ostrom Workshop: A Simple Guide to a Complex Framework"-- prepared by Michael McGinnis and included in this issue as an appendix -- is an equally valuable resource for readers who may already be familiar with the IAD framework but could use a concise exposition of it and a reference guide for particular components of it.

As with any framework, IAD's primary value lies in providing a means of organizing inquiry into a subject and a set of variables to examine—or at least a set of questions to ask. It does not tell us what *will* happen, and it does not tell us whether what happened was necessarily good or bad. Primarily it tells us what to think about when we're observing something having to do with people's resources and literal lives in the real world. One can, therefore, think of IAD as if it were a set of related categories of questions that researchers can bring to their analysis of a situation. The other six articles in this issue can be characterized in terms of their relationship to and their application of those categories of questions.

One of the categories of questions the IAD framework encourages us to remember to ask is, "What are people really dealing with here? What are the attributes of the good they are trying to produce or consume or distribute, or the resource they are trying to use or share?" Brenda Bushouse's "Governance Structures: Using IAD to Understand Variations in Service Delivery for Club Goods With Information Asymmetry" (this issue) inquiries about the delivery of child care services. She is led to ask, what is child care, really? Answering that question leads her first to a typology of goods that Vincent and Elinor Ostrom presented in the 1970s—public goods, private goods, toll goods, and common-pool goods. Bushouse correctly notes that most empirical applications of the IAD framework over the past two decades have been to situations involving common-pool goods, and her examination of child-care services provides an extraordinary opportunity to explore a toll good situation instead. Child care resembles a toll good, she observes, because access to a given child-care facility is limited (i.e., typically you have to buy your way in), but those with access jointly consume the service.

Bushouse extends the analysis of the type of good by introducing three types of producer-consumer information situations that characterize transactions over a particular good or service. They are (1) search goods for which the consumer can obtain needed information about the quality of the goods or services prior to the purchase, (2) experience goods for which the consumer gains needed information about the quality of the good or service upon consuming it, and (3) post-experience goods for which the quality of the service may not be fully apparent until some time after both purchase and consumption.

Just as an analysis of the nature of the good or service is an essential launching point to Bushouse's article, so it is to the article by Ron Oakerson and Roger Parks ("The Study of Local Public Economies: Multi-Organizational, Multi-Level Institutional Analysis and Development," this issue). They delve into the protection of wilderness in the specific context of Adirondack Park in New York State. In similar fashion to Bushouse, they are led to ask, what is wilderness? That inquiry leads them to assess what people value about wilderness, which in turn leads them to discuss "in-location" and "out-of-location" uses of wilderness. Once they have identified that distinction, they are able to relate it to how various functions are performed and services are provided and produced by different organizations in the Adirondacks.

Another dimension of inquiry into attributes of the good is the inquiry into scale. Thinking about scale and other aspects of the nature of a good or service was critical to the development of the concept of “local public economies” which Oakerson and Parks reprise and discuss in their article. Probing a good or service for its attributes can lead researchers to a recognition that some goods or services or resources are actually composite entities whose component parts may have different scale properties. Application of the IAD framework can encourage researchers not to content themselves with simple definitions, to “unpack” as it were such convenient simplifications as “it’s an eco-region” or “it’s child care” or “it’s a river basin” and make the analysis more appropriate to the problems being addressed.

“The Role of Cross-Scale Linkages in Common Pool Resources Management: Assessing Interstate River Compacts” (this issue) by Tanya Heikkila, Edella, Schlager, and Mark William Davis deals with the institutional arrangements through which persons — whether as individuals or as corporate actors such as state governments — try to manage multi-scale resources, in this case, interstate river basins. The resource in question may indeed be an interstate river basin, but it is also composed of multiple smaller-scale local resources and communities. “Managing the river basin” therefore may not just mean managing it as a whole though a single organizational structure and a single set of rules. Furthermore, “managing” is itself a composite qualitative concept containing elements such as rulemaking, monitoring, and enforcement. The Heikkila-Schlager-Davis article demonstrates the diversity that has emerged, even within a relatively small number of cases, in the ways that people have created and combined institutions to perform various management functions at diverse scales. It also cautions us that certain policy issues, especially those detailing monitoring and enforcement, are particularly problematic.

Two key areas of inquiry for contemporary researchers using the IAD framework have become (a) the construction of linkages between institutional arrangements and even between action situations, and (b) the interactions that occur among organizations and rule systems that have been designed and that operate at diverse scales. These areas are clearly on display in Michael McGinnis' "Networks of Adjunct Action Situations in Polycentric Governance" (this issue). One of the points McGinnis clearly and emphatically makes is that, in the fields of politics and policy making, the presence of linked action situations is the norm rather than the exception. Simpler models that isolate, analyze, and predict outcomes in a single action situation or a single game have a hard time providing convincing and coherent explanations of actual policy making experiences. Despite a quarter-century's work on the IAD framework, institutional theorists still have plenty to do on what McGinnis calls "networks of adjacent action situations."

Action situations are linked by choices that are made at a different level of action. The concept of levels of action is another vital element of the IAD framework, leading researchers to pose questions not only about what rules characterize an action situation but how those rules are formulated and changed over time. The IAD framework encourages us not to think of actions and action situations as existing only at one level. Action happening within one situation is affected by rules that guide people's information and choices, and those rules in turn were made in a setting affected by other rules that guide who gets to participate in the rule making. Borrowing Ostrom's terminology, policy decisions are institutionally dependent on other institutions, or "nested" within one another.

The attention to levels of action is clear in Bushouse's article but also in Paul Dragon Aligica and Peter Boettke's "The Two Social Philosophies of Ostroms' Institutionalism" (this issue). In both articles, it is clear that different levels of action don't necessarily mean different sets of actors or different levels of government. People can and do shift levels of action—

sometimes frequently. The IAD framework rests upon a view of human beings as capable of going back and forth between being guided by rules and being rule makers.

Rules are another critical factor the IAD directs researchers to consider. This is a focus of "Dissecting Policy Design: An Application of the Institutional Grammar Tool" by Saba Siddiki, Chris Weible, Xavier Basuarto, and John Calanni (this issue). Their paper applies the "grammar of institutions" published by Crawford and Ostrom in the 1990s. As with attributes of the goods and levels of action, the IAD framework encourages researchers to look beyond the simple categorical observation—"there are rules governing this situation"—and to dig into them. Are they really rules, for instance, or are they norms? What do the rules do? Are they formal rules that are also used in practice, and are there informal rules that are at variance with the formal ones? Siddiki and her colleagues, using the proposed institutional grammar as a lens, uncover the nuances of institutional diversity. Brenda Bushouse also discusses this in the context of principal-agent issues in child care organizations. In any case, utilizing the IAD framework forces the analyst to think well beyond the obvious.

Another question the IAD framework reminds us to ask is, "Who are the people in these action situations?" Two major components of the framework are the model of the individual and the attributes of the community. The article by Aligica and Boettke amd their use of Elinor and Vincent Ostrom's "polycentricity" inquires deeply and thoughtfully into the question of what we think about people when we use the IAD framework. Although it is theoretically possible that one could bring any model of the individual and the attributes of any community into institutional analysis, some fit more comfortably with IAD than others. The IAD framework's focus on rule-governed and/or norm-governed action fits more comfortably with a model of the individual as boundedly rational. The notion of shifting levels of action resides more comfortably with attributes of a community that leaves people space to be rule makers as well as rule followers. And the idea of linked and iterated action situations suggests the presence of individuals who are learning problem-solvers collected into diverse communities of interest.

Whether they are managing child care centers, a watershed or river basin, or the Adirondacks, people never know all that they need to know, and they disagree with one another, and they make mistakes. But they are also able to engage in deliberating, learning, and building. They (we) are fallible, yet capable.

* * *

In summary, the seven papers in this issue thus provide a rather thorough look at the IAD framework itself, applications and elaborations of its major elements, and some examples of the sorts of things political scientists have been doing and can do with it. Which is not to suggest that IAD is a "finished" product. Let us suggest a few considerations towards the continued development of the IAD framework. First, for a number of excellent reasons, Ostrom and her colleagues have focused their empirical attentions on issues of natural resources; indeed, her seminal *Governing the Commons* (1990) insightfully draws upon a number of instances in which the allocation of natural resources are potentially problematic. For a framework to move towards a working theory, it needs to address a number of issue areas. In this sense, Bushouse's essay bringing day care under an IAD prism reflects a move in this direction. The local public economies work represented in this issue by Parks and Oakerson has been another.

Second, the Ostoms' concept of "polycentricity" fits readily – perhaps presciently -- into the recent recognition of and preoccupation with the term "governance" in policy studies. As such, IAD scholars might wish to expand their analytic perspectives to include explicitly the private and non-profit sectors, while maintaining the precision with which the IAD is structured and defined. Applications of the IAD framework to understanding the structure and operation of a gamut of institutional arrangements from securities trading to tenure remain to be done. As this occurs, the utility of the framework is likely to be both further demonstrated and further improved.

Third, as we alluded to in relation to McGinnis' paper, the interaction among institutional arrangements and among organizations remains an important proving ground for the application and development of the framework. To some extent this follows from the prospect of extending the use of the framework into non-governmental arenas. The connections between governmental and nongovernmental actors themselves are ripe for examination using IAD. For example, how does a public health department "nest" with a for-profit health care facility? In an age when public policy appears often—indeed, nearly always—to involve governmental, private non-profit, and private for-profit bodies, the linkages and interactions among them are a timely and vital subject for our attention.

It is commonplace to say that much remains to be done, but the fact that it's common doesn't make it less accurate. A great deal of work has been invested in the development of the IAD framework and much has been accomplished with it already, but as the papers in this issue demonstrate, the framework remains under active construction.

* * *

The editors of *Policy Studies Journal* wish to acknowledge the financial support of Dr. Paul Teske, Dean of the School of Public Affairs, and the University of Colorado Denver. Last, we wish to dedicate this symposium to the intellectual insistence of Dr. Vincent Ostrom, who has inspired all of us.

References

Aligica, Paul Dragon, and Peter Boettke. 2011. “The Two Social Philosophies of Ostroms' Institutionalism. *Policy Studies Journal* 39 (1): 29– 49.

Bushouse, Brenda K. 2011. “Governance Structures: Using IAD to Understand Variation in Service Delivery for Club Goods with Information Asymmetry. *Policy Studies Journal* 39 (1): 105– 119.

Crawford, Sue E.S., and Elinor Ostrom. 1995. “A Grammar of Institutions. *American Political Science Review* 89 (3): 583– 600.

Heikkila, Tanya, Edella Schlager, and Mark William Davis. 2011. “The Role of Cross-Scale Linkages in Common Pool Resources Management: Assessing Interstate River Compacts. *Policy Studies Journal* 39 (1): 121– 145.

McGinnis, Michael D. 2011a. “An Introduction to the IAD and the Language of the Ostrom Workshop: A Simple Guide to a Complex Framework. *Policy Studies Journal* 39 (1): 169– 183.

McGinnis, Michael D. 2011b. “Networks of Adjunct Action Situations in Polycentric Governance. *Policy Studies Journal* 39 (1): 51– 78.

Oakerson, Ronald J., and Roger B. Parks. 2011. “The Study of Local Public Economies: Multi-Organizational, Multi-Level Institutional Analysis and Development. *Policy Studies Journal* 39 (1): 147– 167.

Ostrom, Elinor. 1990. Governing the Commons. New York: Cambridge University Press.

Ostrom, Elinor. 2011. “Background on the Institutional Analysis and Development Framework. *Policy Studies Journal* 39 (1): 7– 27.

Siddiki, Saba, Chris Weible, Xavier Basuarto, and John Calanni. 2011. “Dissecting Policy Design: An Application of the Institutional Grammar Tool. *Policy Studies Journal* 39 (1): 79– 103.