

Polycentricity in Global Governance: A Question of Constitutional Fit?

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Abstract

In a background paper entitled “**Polycentric Governance in Theory and Practice: Dimensions of Aspiration and Practical Limitations,**” I lay out a three-step (structure, process, outcome) definition of polycentric governance, the conceptual core of the Bloomington School of institutional analysis. In her final writings, Elinor Ostrom clearly articulated her vision of how policy and behavioral changes at all levels of aggregation could contribute towards more effective policy responses to the challenges of global climate change. **In this presentation, I step away from that policy domain to consider the broader relevance of this concept for global governance as a whole.** Are there compelling reasons to embrace this form of governance, beyond the sheer difficulty of building effective and accountable institutions at the global level? Do the structures and processes most closely associated with polycentric governance provide a natural fit to the nature of global policy challenges? I offer positive answers to these questions, but, since the current system of global governance falls well short of the ideal vision laid out by the Ostroms, **what practical moves can we make to take full advantage of the opportunities, and avoid the pitfalls, associated with polycentricity?**



Outline of Presentation

1. What is Polycentric Governance? And why is it important?
2. Defining Polycentricity: Structure, Process, Outcomes
3. “Fitness” in Institutional Analysis, with Two Examples
4. Taking Polycentricity to Another Level
5. Brief Examples of Polycentric Progress at Work
6. “Polycentric Failures” and Constitutional Fitness
7. Polycentric Governance in Global Climate Change Policy
(from Lin Ostrom & Dan Cole)
8. The Benefits of Thinking Polycentristically

But First, Some Personal Background

- Career stages:
 - 31 years at IU, 27 with the Ostroms, 25 before Nobel
 - Now moving to administration, reflecting on my research
- Polycentricity a subtle and deep concept, but almost impossible to define precisely !!
 - It permeated Lin's approach, but not mentioned by Nobel committee!
 - This concept has captured me at a fundamental level
 - I started in international conflict, then met the O's and ended up seeing polycentricity everywhere, most recently in health policy
 - 5 books with it in the title, and 2 more in works – low sales!

**WHAT IS POLYCENTRIC
GOVERNANCE?
&
WHY SHOULD WE CARE?**

Some Initial “Definitions”

- In general, ***governance*** may seem to consist only of efforts to “subject other people’s behavior to rules” [borrowed from Paul Dragos Aligica], but it can also take the form of **self-governance**

Polycentric governance originally used for metropolitan regions in U.S.

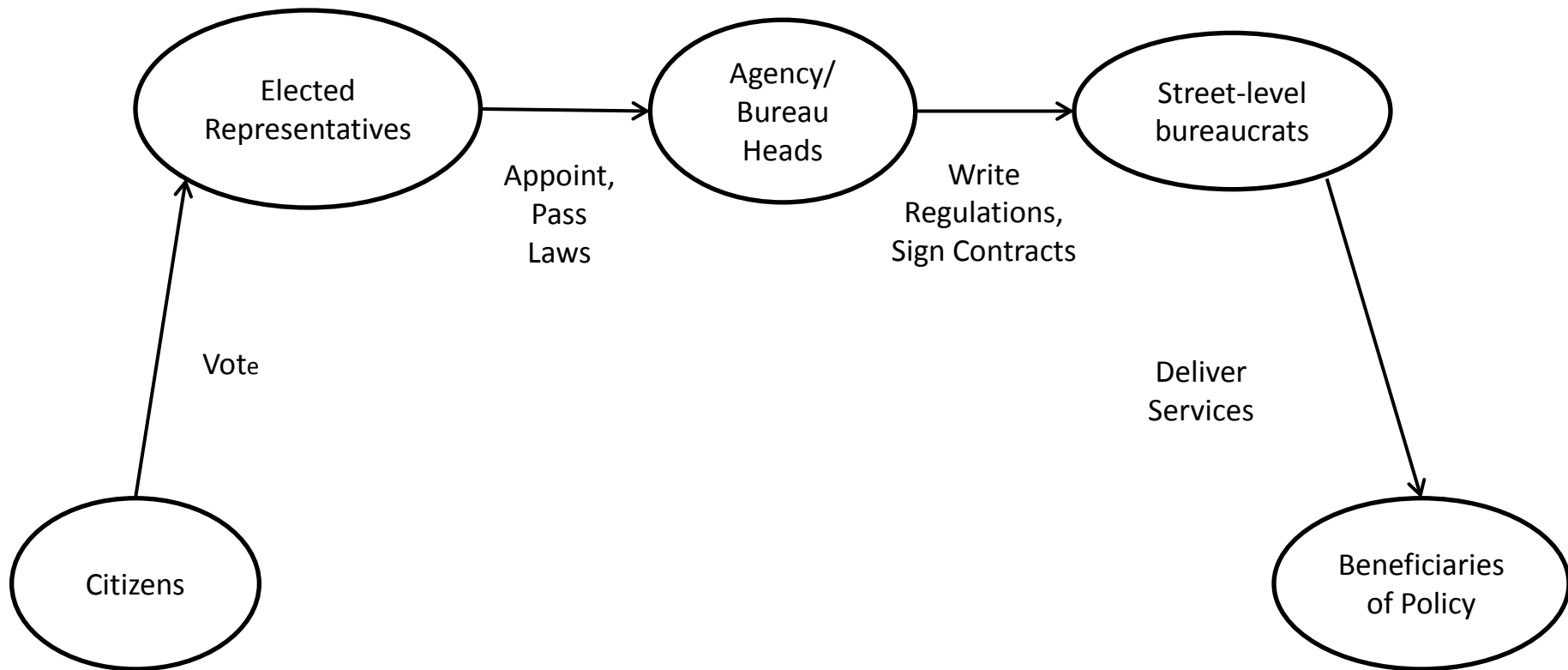
- “Polycentric” connotes many centers of decision making that are formally independent of each other. Whether they actually function independently, or instead constitute an interdependent system of relations, is **an empirical question in particular cases**. To the extent that they take each other into account in competitive relationships, enter into various contractual and cooperative undertakings, or have recourse to central mechanisms to resolve conflicts, the various political jurisdictions in a metropolitan area **may function in a coherent manner** with consistent and predictable patterns of interacting behavior. To the extent that this is so, they may be said to function as a “system.” (**Ostrom, Tiebout, and Warren, 1961: 831** emphasis added)

Aspects of Polycentricity (from my IAD Guide)

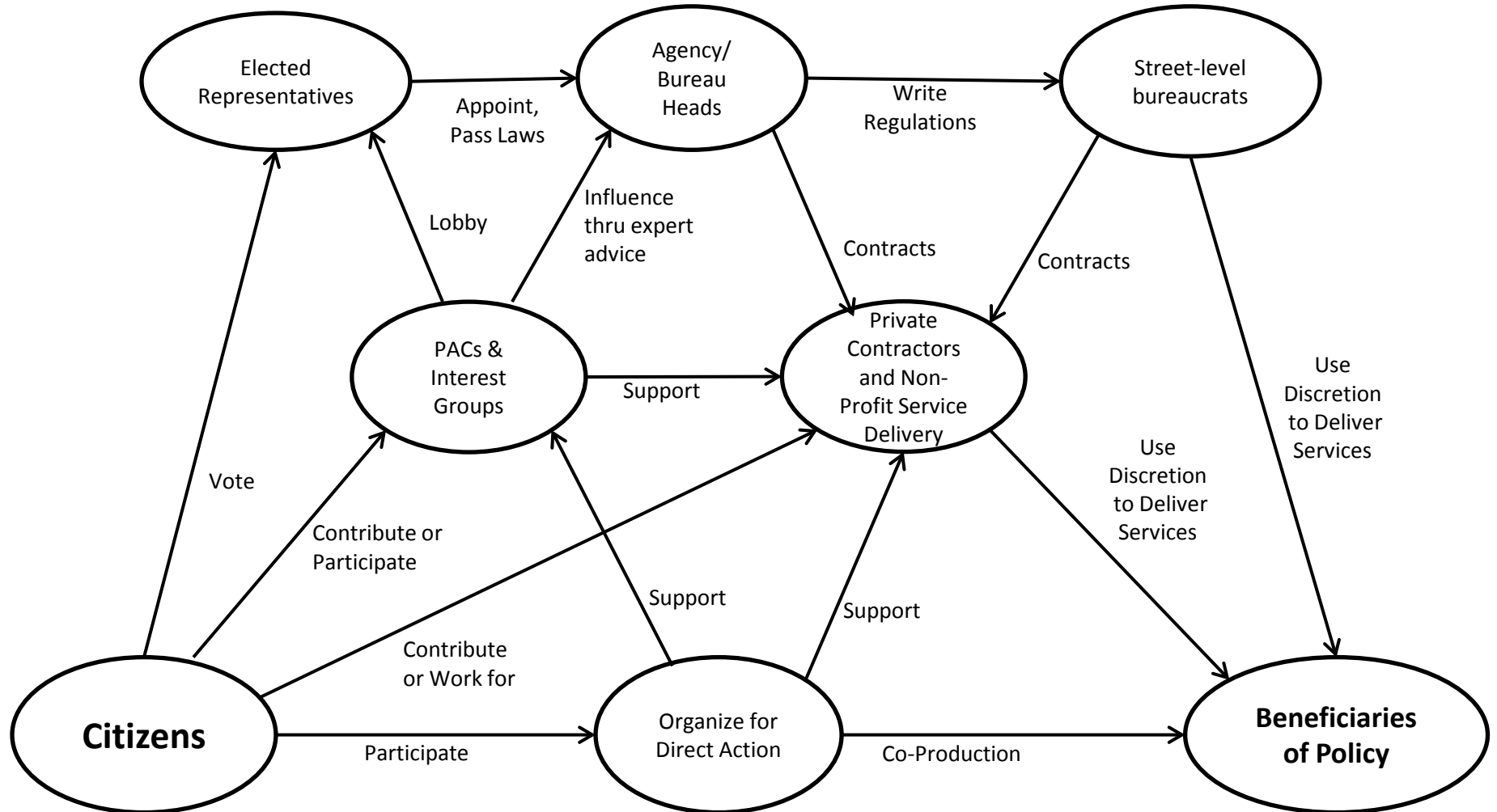
Typically, a polycentric political system includes all of the following types of formal organizations or informal groupings, and processes:

- **Multi-Level:** Local, provincial, national, regional, global units of governance
 - **All-Purpose:** general purpose nested jurisdictions (as in federalism) and special purpose, cross-jurisdictional political units (such as special districts)
 - **Cross-Sectoral:** public, private, voluntary (professional & social), community-based and hybrid kinds of organizations;
 - **Multi-Functional:** incorporates specialized units for provision (selection of goals), production (or co-production), financing (taxes, donors), coordination, monitoring, sanctioning, and dispute resolution
- **Other variants?**
 - **Polymorphic?**
 - **Polyprocessural? Multi-Channel Linkages**
 - **Polyvocal or Polyphonic ?**

An Illustration: The Accountability Chain of Representative Democracy



The Chain Augmented with Other Paths of Participation



**DEFINING POLYCENTRIC
GOVERNANCE:
STRUCTURE, PROCESS,
OUTCOMES**

Structure, Process, and Outcomes in Polycentric Governance

<i>Structure</i>	<i>Process</i>	<i>Outcomes</i>
<p><u>Multiple Centers of Authority</u> (at all levels of aggregation, each unit semi-autonomous)</p> <p><u>Overlapping Jurisdictions</u> (each authority has a limited domain of responsibility)</p>	<p><u>Mutual Adjustment</u> (results in complex mix of both cooperation and competition)</p> <p><u>Institutional Diversity</u> (innovation with isomorphic selection, but still polymorphic)</p>	<p><u>Emergent Order</u> (overarching system of rules, but with distinctive subcultures)</p> <p><u>All-Scale Efficiencies</u> (including sustainable self-governance at all levels)</p>

Structural Characteristics

Structure

Multiple Centers of Authority

(at all levels of aggregation, each unit semi-autonomous)

Overlapping Jurisdictions

(each authority has a limited domain of responsibility)

“Polycentric” connotes many centers of decision making that are formally independent of each other. (OTW, 1961)

- Right-sizing of decision units
- Each needs to be at least semi-autonomous,
- But interdependent with others
- Overlappability precludes any neat nesting of governance units
- Makes internalization of external effects a continuing challenge

Properties of Polycentric Processes

Process

Mutual Adjustment

(results in complex mix of both cooperation and competition)

Institutional

Diversity

(innovation with isomorphic selection, but still polymorphic)

“A **polycentric organization** has been defined as a **pattern of organization** where **many independent elements** are capable of mutual adjustment for ordering their relationships with one another **within a general system of rules.**” (V. Ostrom 1972, in McGinnis 199b, p. 73; emphasis added)

- Realization of interdependence should inspire practical problem-solving
- Both competition and cooperation will be common
- Low costs of entry/exit, switching, and self-organization should generate endless variations on institutional forms
- Pick the right tool for the job

Requisites for Achieving Desired Outcomes

Outcomes

Emergent Order

(overarching system of rules, but with distinctive subcultures)

All-Scale Efficiencies

(including sustainable self-governance at all levels)

... “within a general system of rules” (VO, 1972)

- Paul Dragos Aligica, for example, puts particular emphasis on how low entry/exit costs can insure the **automatic emergence** of effective order in a polycentric system.
- I see a potentially stronger role for **leadership** of higher-level authorities in coordination, even if this requires some coercion (although too much imposed coordination may be harmful)
- OTW began by observing that governance involves a **package of public goods and other services**, which may be most efficiently produced (or shared) at different levels of aggregation, so this is at the heart of their idea
- Ideally, self-governance includes at least minimal individual autonomy and large-scale cooperation, and sustainability of diverse social groupings.

Distinguishing Stages on the Road to Polycentric Governance, and Allowing for Variation within Each Stage

<i>Structure</i>	<i>Process</i>	<i>Outcomes</i>
<p><u>Multiple Centers of Authority</u> (at all levels of aggregation, each unit semi-autonomous)</p> <p><u>Overlapping Jurisdictions</u> (each authority has a limited domain of responsibility)</p>	<p><u>Mutual Adjustment</u> (results in complex mix of both cooperation and competition)</p> <p><u>Institutional Diversity</u> (innovation with isomorphic selection, but still polymorphic)</p>	<p><u>Emergent Order</u> (overarching system of rules, but with distinctive subcultures)</p> <p><u>All-Scale Efficiencies</u> (including sustainable self-governance at all levels)</p>
<p><u>Fragmented system of governance</u> (could measure varying levels of the concentration of political power)</p>	<p><u>Proto-Polycentric system of governance</u> (measure varying levels of costs of entry/exit, switching and self-organization)</p>	<p><u>Polycentric system of governance</u> (measure varying levels of performance on multiple criteria)</p>

**“FITNESS” IN
INSTITUTIONAL ANALYSIS**

Multiple Dimensions of “Institutional Fit”

- Physical scale and political jurisdiction -- Polycentricity
- Internalize externalities -- Polycentricity
- Transactions and organizational structure -- Williamson
- Type of good and organizational types (market failures)
- Functional scope and participation in a regime (or crossovers into regime complexes)
- Temporal response time – adaptive governance
- Match constitutional order to cultural foundations -- VO

- Note: my definition of polycentricity includes or implies units or processes related to all of these types of fitness

Processes that can drive institutions towards “fitness”

- **Sorting (from the T in OTW)**

- Sorting into existing units (low costs of exit, entry, switching)
- Overlap generates incentive to establish new units

- **Innovation and Selection by some criteria**

- Low costs of self-organization and innovation (if incremental)
- Mutual adjustments operate at margins, not deep beliefs
- Social expectations too flexible to impose total homogeneity, so institutional isomorphism will remain incomplete

- **Optimization**

- Selection pressures on decision units: transaction costs, etc., but no one criteria will always be the most important
- Assignment by institutional designers can't be fully optimal: unattainable informational requirements

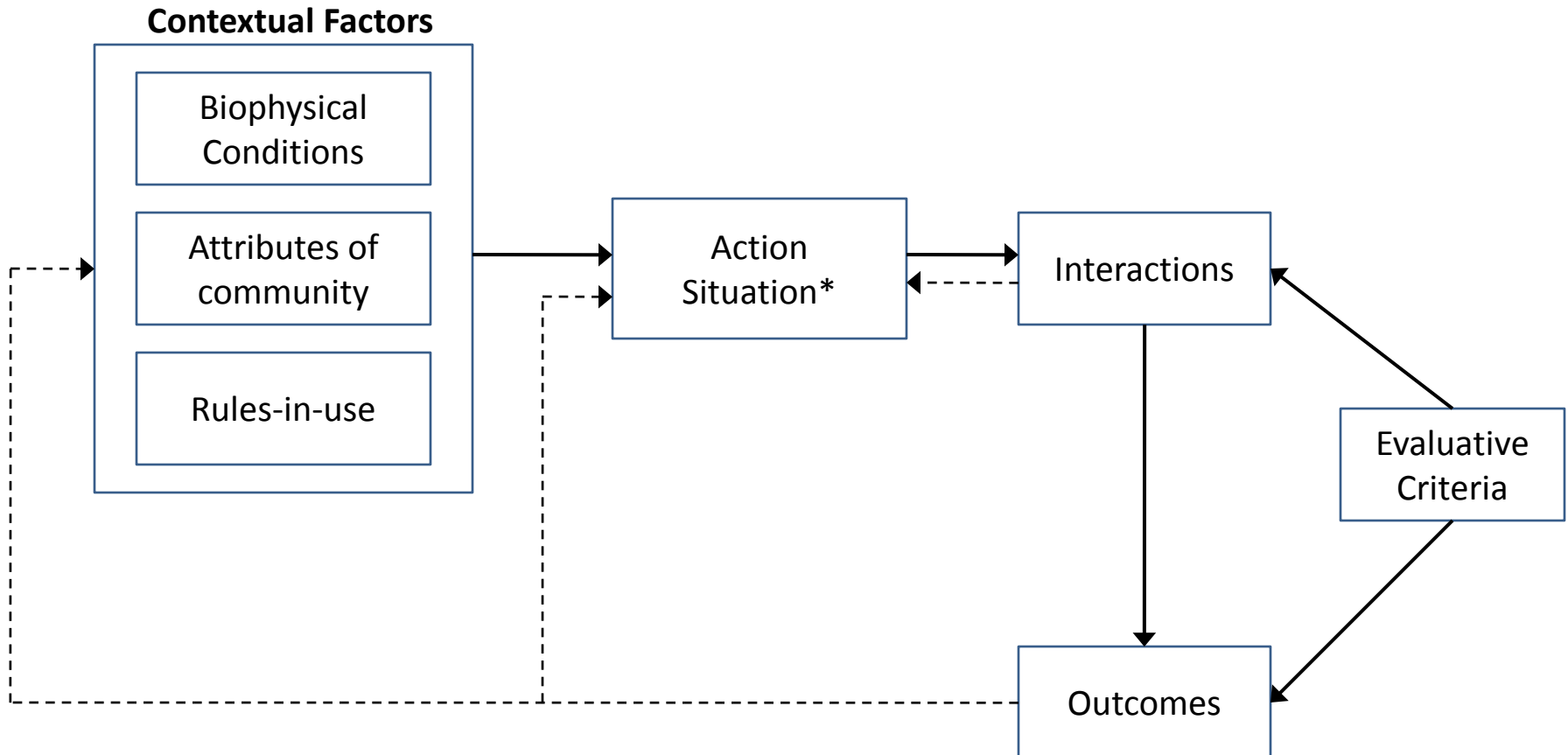
- **All this is included in my definition of polycentricity**

Two Examples of Institutional Fitness in Action

- **EO's design principles** specify conditions on effective co-evolution of rules, community, resources
- **Market failures, government failures, etc.**, and the need for **cross-sector collaborative governance**, since private, public, voluntary, and community-based organizations each have distinctive strengths and weaknesses and effective governance requires some combination of all

Institutional Analysis and Development (IAD) Framework:

Contextual Factors, Action Situation, Interactions, Outcomes, Evaluations, & Feedback



Sources: Ostrom 1990, 2005, 2010, 2011, McGinnis 2011, Aligica and Boettke 2009.

*Earlier versions divide an action situation into actors and an action arena.

“Fitness” in Ostrom’s 8 (or 11) Design Principles

Nature of good, biophysical conditions, resource units and systems

Clear Resource Boundaries

Congruence of rules with local conditions

Responsible Monitoring of Resource

Rule-in-Use, Institutional Arrangements, Governance

Recognition of Local Autonomy

Nesting of Decision Units

Congruence of rules with local norms, social expectations

Responsible Monitoring of Individual Behavior

Wide Participation in Decision-Making

Graduated Sanctions

Multiple Conflict Resolution Mechanisms Available

Attributes of Community and Actors

Clear Group Boundaries

“Fitness” of Four Sectors: Strengths

<p>Private (Firms, Consumers, Markets)</p> <ul style="list-style-type: none">•Efficient production, distribution of private goods; equilibrium of supply and demand•Responsive to individual tastes; essential component of personal liberty•Incentives for innovation and adaptation to changing circumstances•Efficient use of resources (incl. information)•Economic growth and prosperity	<p>Public (Rulers, Elected Officials, Bureaucratic Agencies, Judges)</p> <ul style="list-style-type: none">•Collect taxes for public goods (policy, property rights, dispute resolution, regulation)•Redistribution of resources•Officials held accountable by elections, other means of establishing legitimacy•Checks and balances against abuse of power•Policy experimentation (if multiple units)
<p>Voluntary (Professional Associations, Clubs, NGOs, Faith-Based Service Organizations)</p> <ul style="list-style-type: none">•Facilitates collective action by self-defined groups; essential component of liberty•Improves quality of life for members•Positive externalities (welfare, knowledge)•Self-selection of participants signals quality, reputation, lowers cost of production•Screening for leadership characteristics	<p>Community (Family, Clans, Resource User Groups, Religious Communities)</p> <ul style="list-style-type: none">•Can provide a sense of meaning, belonging; essential to personal sense of identity•Social pressure for conformity to norms•Social capital, protection in times of distress•Inter-generational transmission of culture•Local Knowledge

Market Failures and Public, Voluntary, and Community Responses

1. Little or no production of public goods (free riding); including pre-requisites for markets
 2. No accounting for externalities
 3. Natural monopolies absent or inefficient
 4. Information asymmetries
 5. Commodification of activities, endless disruption
 6. No assurance of equitable distribution
1. Public agencies provide public goods (fix market failures; other homogeneous goals); clubs for local public goods (heterogeneous tastes); social sanctions from communities
 2. Public legal systems allow compensation for externalities
 3. Public regulation of natural monopolies
 4. Disclosure laws; reputations of producer nonprofits
 5. Community standards and laws limit commodification, voluntary activists oppose abuses of private power
 6. Government redistribution of resources, voluntary relief services

Government Failures and Responses

1. Direct production of public goods can be inefficient (lack of competition)
 2. Unresponsive to heterogeneous tastes
 3. Shirking by public officials, inefficient use of information
 4. Corruption, repression, danger of hegemonic domination
 5. Rent-seeking by narrow interests, corporate capture of state policy
1. Contract out for private, voluntary production; some public goods generated by voluntary action
 2. Sort on local public (club) goods: "voting with the feet"
 3. Standards of practice set by professional associations
 4. Pressure from community and other authorities; competition from markets in other jurisdictions, options for out-migration to other communities
 5. Voluntary mobilization of latent groups, competition for votes and other forms of political support

Limitations of Voluntary Organizations

1. Uneven playing field, small homogeneous groups find it much easier to form
 2. Lack of broader accountability
 3. Lack of market discipline encourages inefficiencies
 4. May be inconsistent with general morality
 5. May be too ephemeral for civil society
 6. Limited capacity for major crises or long-term planning
1. Public officials mobilize latent groups, entrepreneurs devise selective incentives
 2. Public oversight, legal restrictions
 3. Competition from private producers
 4. Pressure to adapt practices to community standards
 5. Communities a solid basis for civil society, inter-generational transmission of norms
 6. In emergency, experimental programs can be expanded by government officials or scaled up by private producers

Community-Based Organizations

1. Can discourage innovation, re-enforce status quo, freeze existing inequities
 2. Intolerant communities can generate intense hatreds, inter-group violence
 3. Local tyrannies, continued domination by traditional leaders
 4. Practices may violate general (trans-community) standards of morality
1. Markets generate innovations; voluntary associations disseminate new ideas; governments impose standards
 2. Governments maintain law and order, voluntary associations protect victims of violence, poverty
 3. Public laws on accountability and abuse of power, out-migration for economic or political opportunities
 4. Legal limits on acceptable behavior; voluntary trans-community moral entrepreneurs, option for out-migration

Patterns of Complementarity in Multi-Sector Governance

Strengths of Sector	Weaknesses or "Failures"	Compensation from Other Sectors
<p>Private (Firms, Consumers, Markets)</p> <ul style="list-style-type: none"> •Efficient production, distribution of private goods; equilibrium of supply and demand •Responsive to individual tastes; essential component of personal liberty •Incentives for innovation and adaptation to changing circumstances •Efficient use of resources (incl. information) •Economic growth and prosperity 	<ol style="list-style-type: none"> 1.Little or no production of public goods (free riding); including pre-requisites for markets 2.No accounting for externalities 3.Natural monopolies absent or inefficient 4.Information asymmetries 5.Commodification of activities, endless disruption 6.No assurance of equitable distribution 	<ol style="list-style-type: none"> 1.Public agencies provide public goods (fix market failures; other homogeneous goals); clubs for local public goods (heterogeneous tastes); social sanctions from communities 2.Public legal systems allow compensation for externalities 3.Public regulation of natural monopolies 4.Disclosure laws; reputations of producer nonprofits 5.Community standards and laws limit commodification, voluntary activists oppose abuses of private power 6.Government redistribution of resources, voluntary relief
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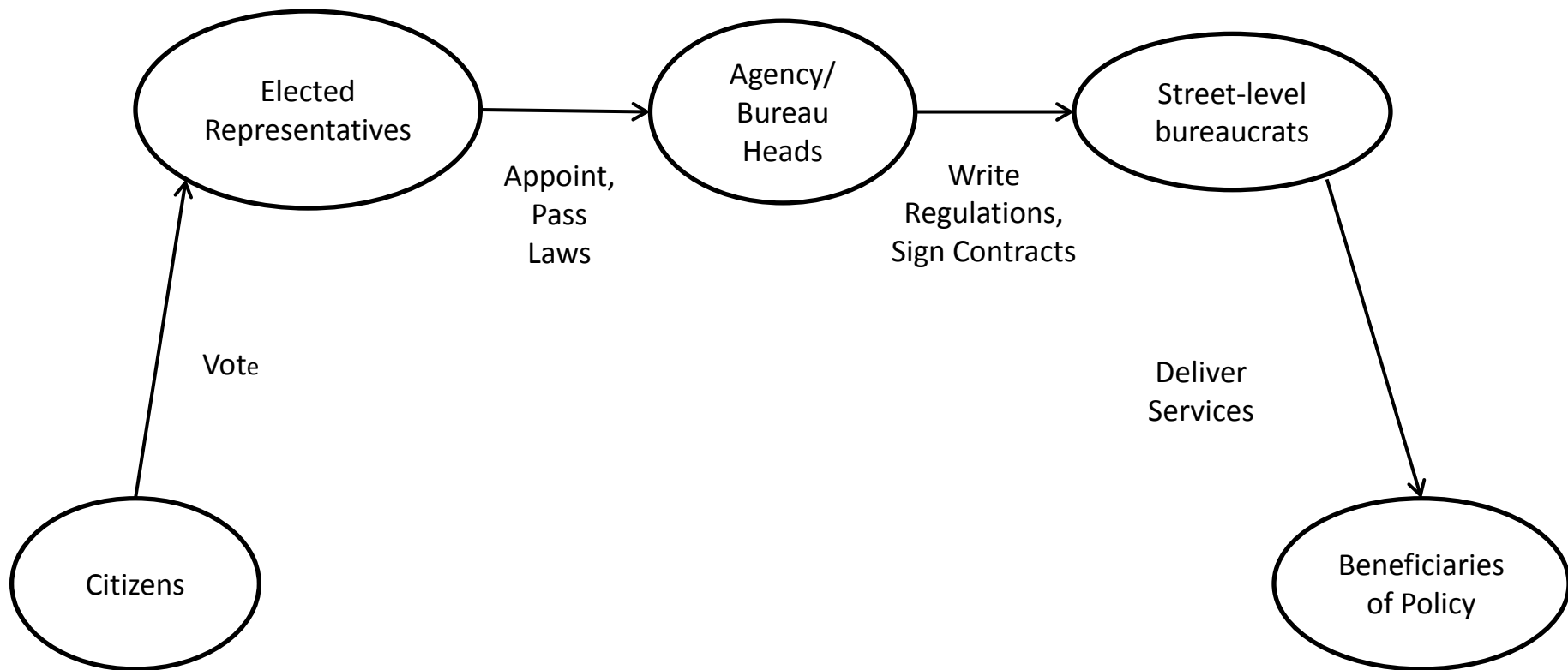
No One Sector Stands Alone

- **Efficient markets** require secure property rights, the production of other needed public goods, the availability of voluntary self-regulation, and socio-cultural limits on commodification and exploitation.
- **Accountable governments** require the involvement of an informed and vigilant citizenry embedded in dense networks of social capital, assisted by the presence of voluntary watchdogs and private sources of power.
- **Voluntary associations** need to be recognized as legitimate political actors and holders of property, provided they do not deviate too far from socially acceptable norms of behavior.
- **Sustainable communities** require easy access to peaceful means of resolving conflicts, reasonable exit options, and at least a minimal economic rationality.

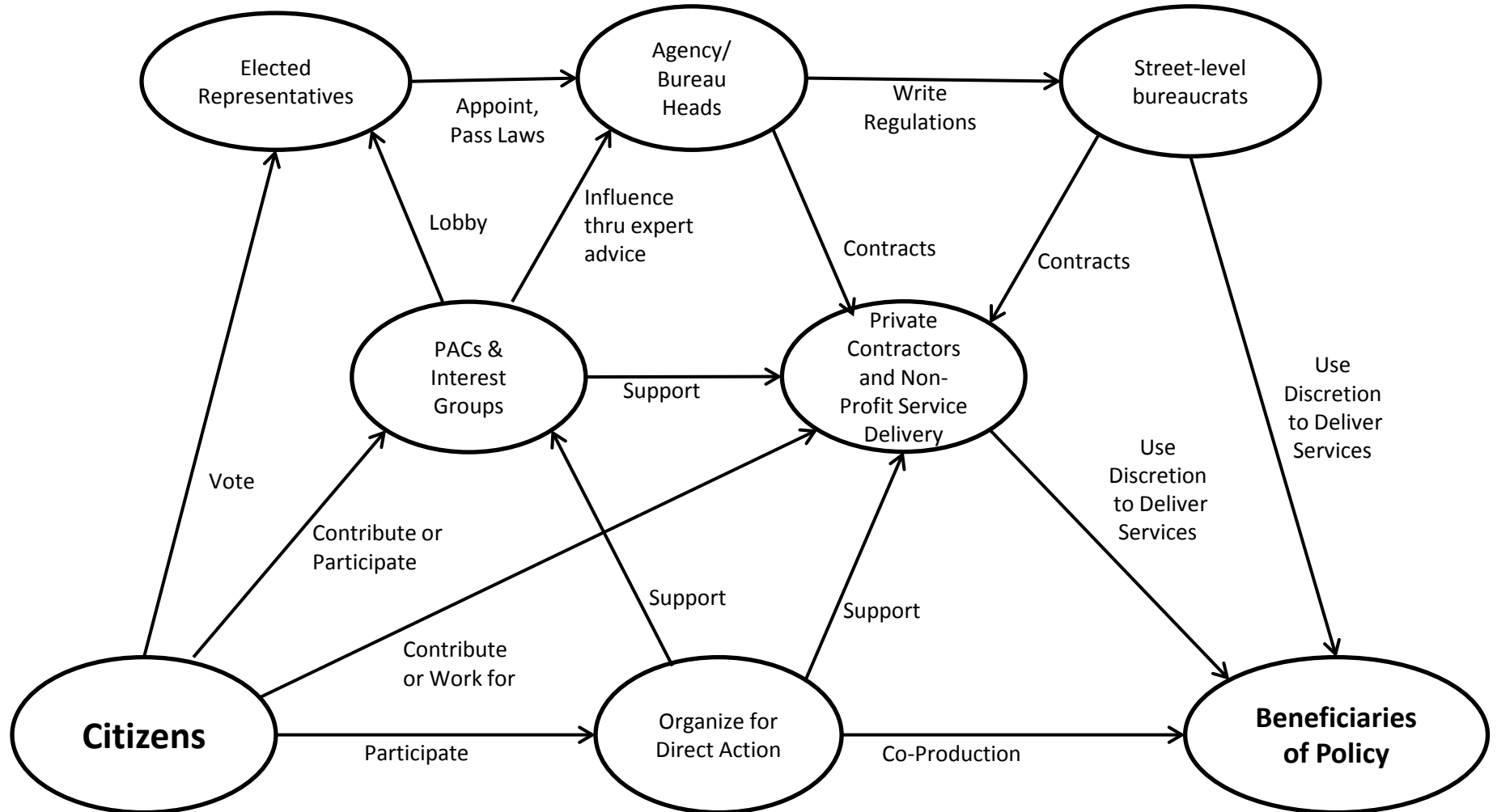
**TAKING POLYCENTRIC GOVERNANCE TO
ANOTHER LEVEL:**

**TOWARD A META OR MEGA-
POLYCENTRICITY?**

Re-Visiting the Accountability Chain of Representative Democracy



The Chain Augmented with Other Paths of Participation



Similar Complexity in Other Processes

- The accountability chain of representative democracy covers the political system; but there should be comparable complexity for markets, legal systems, social relations, professional expertise, etc.
 - Example: **supply chain in markets**: extraction, production, distribution, marketing, sales, consumption, with multiple point of intervention by regulators and other public officials
 - Vincent required **mutually reinforcing polycentricities** in partisan politics, administration, markets, law, constitutional orders, society, and science, & he might have supported extending to religions & professions & all kinds of institutions and organizations.

Vincent had huge aspirations for this concept

- “A necessary condition for federalism to exist is a system of concurrent regimes with overlapping jurisdictions. ... [A] **“highly federalized”** political system ... **has a rich structure of overlapping jurisdictions with substantial autonomy** among jurisdictions, **substantial degrees of democratic control within jurisdictions**, and **subject to an enforceable system of constitutional law.**” (V. Ostrom, 1993: 205, 229, as quoted in McGinnis and E. Ostrom, 2012, p. 22, emphasis added)
- Necessary **preconditions for polycentric order for a political system** as a whole include “Polycentricity in the organization of (1) market arrangements; (2) the legal community; (3) constitutional rule; and (4) political conditions [selection of political leadership and formation of political conditions]” (V. Ostrom 1972, in McGinnis 1999b, p. 69, emphasis added; phrase in square brackets from p. 57).
- Polycentricity stands as a challenge to traditional views of democracy
- And to all mono-disciplinary understandings of resource extraction, economic production, market exchange, legal systems, science, religion, etc.

Why No Polycentric System Can Stand Alone

- Any one sub-system might become dominated by a sovereign ruler, monopolistic firm, exclusive source, hegemonic religion, etc.
- “For any one actor to realize a fully dominating position over all others, that actor would need to monopolize the levers of power in all aspects of society, and find some way to prevent other forms of collective action from emerging to undermine the actor seeking a dominant position of ultimate power. Just having complete control over the political process would not be enough, you would also have to have total control over the economy and all social relations, including religion and familial relationships.” (Cole and McGinnis)

Doubling Down on Its Role in the Bloomington School*

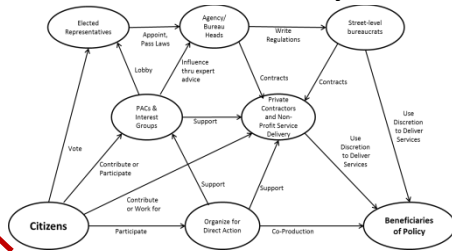
- *about as messy a process as you can imagine.*
- Polycentricity encompasses markets and democracy as components within a broader institutional context, and provides the social support needed for these processes to be both effective and sustainable.
- polycentric systems interweave economic, political, legal, and social threads into a coherent whole.
- never-ending process of learning and adaptation to changing conditions, driven by respectful contestation among individuals and groups pursuing their shared and conflicting interests in endlessly shifting configurations of competition and collaboration.
- A polycentric system is rife with redundancies, but it is this very complexity that enables the people living in and managing a polycentric order to learn from their past mistakes and to provide sufficient opportunities for new policy experiments to be undertaken and evaluated.

*Quotes from Cole and McGinnis, introduction to vol. 1 of *EO and the B School*

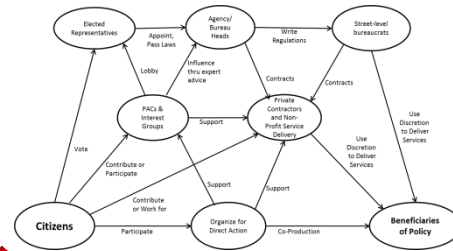
Doubling Down (continued)*

- Polycentricity, as understood in the Bloomington School, **manifests the endless striving by fallible but capable individuals** as they work together in local groups, formal organizations, and as a global community to innovate, implement, and improve the institutional arrangements they can use to alleviate their common problems and better realize their shared aspirations.
- Polycentric orders are **radically dynamic**, as new forms of collective action continue to emerge to address new problems as old ones are resolved, or vice versa. To be effective, a polycentric system of governance has to facilitate efforts by public entrepreneurs to **match up the scale of a collective-action dilemma to the scale of formal or informal modes of collaboration** intended to address that problem. If a system is going to become or remain fully polycentric, citizens need to develop and sharpen their skills at all forms of participatory governance.
- **“one may visualize the entire social system as defined by underlying currents originating in pulsating polycentric domains.** Polycentric order in one area entails and produces polycentrism in other areas. A tension is created, pushing change in the direction of more nodes of decision-making.” (Aligica 2014: 51, emphasis added)

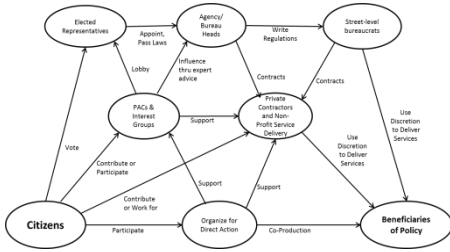
Scientific/ Professional Systems



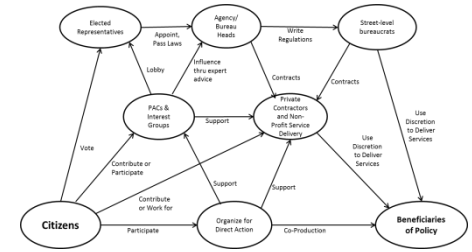
Political Systems



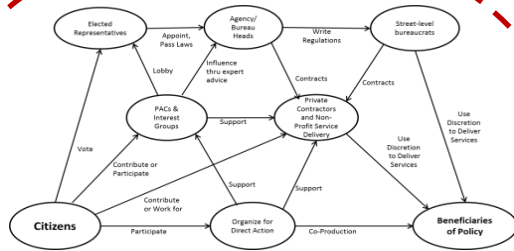
Economic Systems



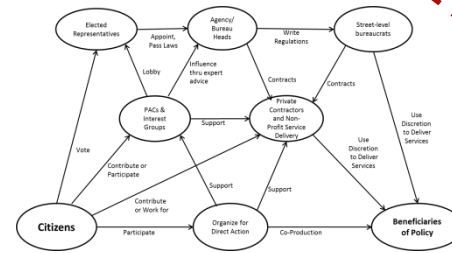
Legal Systems



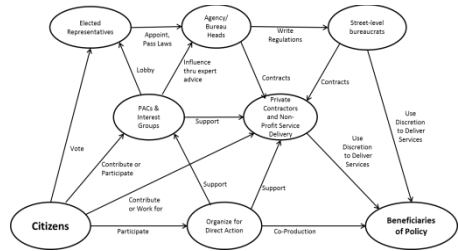
Ecological Systems



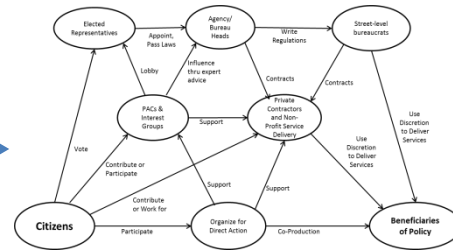
Social-Cultural Systems



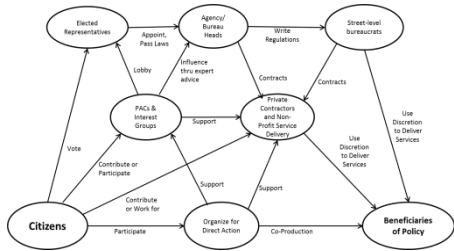
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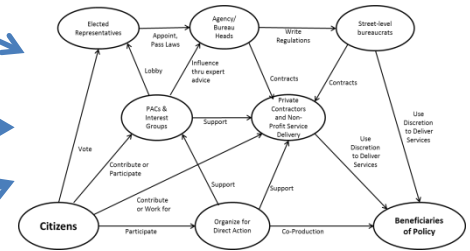
Political Systems



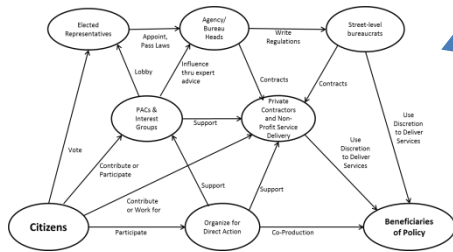
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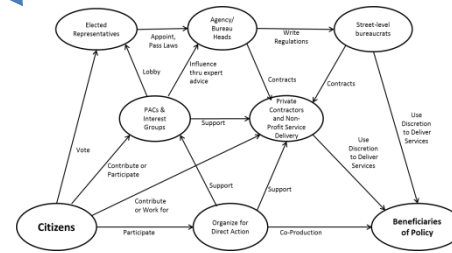
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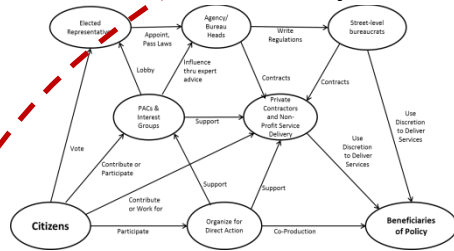
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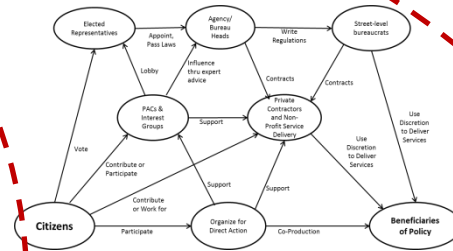
Social-Cultural Systems



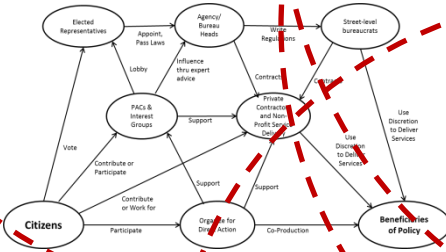
Scientific/ Professional Systems



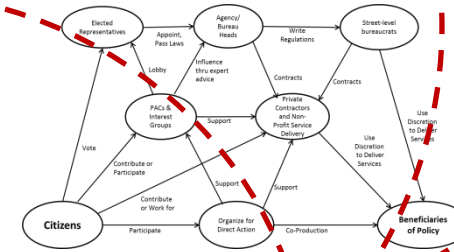
Political Systems



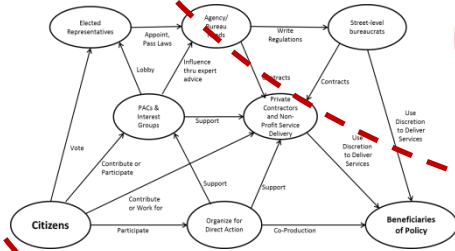
Economic Systems



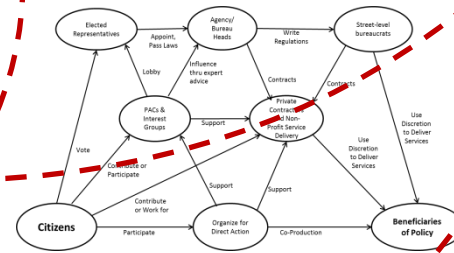
Legal Systems



Ecological Systems



Social- Cultural Systems



BRIEF EXAMPLES OF POLYCENTRIC PROGRESS AT WORK

A More Manageable Example: US Environmental Policy

Incredible improvement in environmental conditions in U.S. since 1970s

How did we get from there to here?

1. Pollution as usual: minimal corporate responsibility
2. Polluter Pays: public and expert concern led to laws & regulations, setting a “floor” on acceptable practices and levels of pollution
3. Result: “race-to-the-bottom” as industries moved to poorer areas
4. Public expectations change: non-profit environmental groups shamed corporate violators, consumers began to value green products,
5. Corporate change: producers adopt and advertise greener processes, “over-complying” with regulations, some incorporate into policies and procedures, securing a larger market share and stronger brand loyalty
6. Communities facilitate local environmental programs, and began to market themselves as great places to live and work,
7. Result: “race-to-the-top” greening of industry and improved conditions

Steps in the Campaign against Tobacco

- Surgeons' General report on Smoking and Health in 1964
- Public education campaigns, on health effects and on tobacco industry hiding information from public
- Require labels that highlight dangers, later with pictures
- Restrictions on advertising, especially directed at children
- Limit access, by enforcing laws against sales to minors
- Increased taxes, state and federal level (esp. effective for teenagers and low-income adults)
- Emphasis on dangers of second-hand smoke
- US states sue Big Tobacco companies, win big settlement, most of money used to fund anti-smoking campaigns
- Local campaigns to establish non-smoking zones (hospitals, schools, restaurants, and eventually bars)
 - Increasing limits on where smokers can light up, even when outside
 - May have gone too far, may seem intrusive and demeaning
 - Some recent increase in youth smoking
- 2014 [report](#) on even longer list of health effects
- WHO efforts at global anti-smoking treaty
 - **Framework Convention on Tobacco Control (FCTC) Treaty**

Nadelmann on Global Prohibition Regimes

<i>Stage of Policy Process</i>	Contributions from Organizations in Different Sectors		
	Public (National Government, IGOs)	Voluntary (NGOs, transnational moral entrepreneurs)	Private (Firms, TNEs)
<i>1 Activity considered legitimate, even lucrative</i>	Legalization of activity, with major governmental role	Acceptance of activity as legitimate, moral	Production and distribution of product, service
<i>2 Activity redefined as evil, violation of cosmopolitan ethics</i>	Reassert legitimacy of gov. role	Moral entrepreneurs spread doubt about its morality and gov. role	Investors divest in companies engaged in these activities
<i>3 Advocacy of national laws and international regimes</i>	“Hegemonic” leadership essential, use diplomatic tools	NGOs encourage and participate in international conferences	Incentives to develop alternative products, services;
<i>4 Laws and regimes established, but not fully enforced</i>	IGO coordinating role, but some govts. resist change	Exert social pressure, esp. on private producers	Criminal networks continue to operate
<i>5 Activity effectively suppressed</i>	All relevant states have sufficient capacity, interest in suppression	Move on to next issue; new advocacy network	Effective substitutes available

**“POLYCENTRIC FAILURES”
AND
CONSTITUTIONAL FITNESS
AT THE SYSTEM LEVEL**

Fitness of the System as a Whole?

- Vincent long stressed that democratic institutions needed to be consistent with the local biophysical and cultural context, drawing from Tocqueville
 - And that all cultures included elements that could be used to support self-governance, or to undermine it
 - Consider community capabilities assessments, not just needs
- But aren't there limits on what we can reasonably expect from a polycentric system?
 - In practice, deviations from “perfect competition” in imperfect markets or imperfect polycentricities
 - In theory, would there be “polycentric failure,” in analogy to “market failure”?
 - Just as markets can't be expected to generate public goods by themselves, perhaps polycentricity may not be the “best” choice for a workable constitutional order in some situations?

General Rationale for “Polycentric Failure”

- Requires lots of collective action, but level of difficulty varies widely by situation
- System build by multiple collective actions will be established incrementally, so important gaps are inevitable
- Initially successful groups will change system by their own actions, often to their own advantage, so should expect a heavy dose of path dependence and rent-seeking
- System likely to become more complex over time, especially since older efforts may not be totally forgotten
- System unlikely to be well-integrated, since incumbent policy networks may seek to protecting that policy network (iron triangles, etc.) from external inference
- High transaction costs for establishment & maintenance

“Polycentric Failures” – Persistent Problems

<i>Systemic Tendencies or Biases</i>	<i>Sources and Reasons</i>
A. Structural Inequities	Different groups face different costs for collective action, and high costs can be imposed by especially successful groups
B. Incremental Bias	System was built up incrementally, leaving gaps; Multiple veto points restrict range of feasible mutually beneficial adjustments
C. High Complexity	High participation costs can give current experts a big advantage on others
D. Structural Fissures	Each policy domain may be dominated by network of incumbents insulated from outside pressure
E. Coordination Failures	Dilemmas of collective action are especially difficult at high levels of aggregation
F. Lack of Normative Clarity	No single goal will be consistently pursued by all actors at all levels

But Vincent Set a Very High Bar

- He sees competitive market as a subcomponent of fully realized polycentric system of governance
 - Competitive markets can't efficiently deliver public goods, legal order, resolution of all externalities, etc.
 - But public and other sub-components of a mega-polycentric system can compensate for market failures
 - Does this work for all kinds of institutional failure?
- Shouldn't such a comprehensive polycentric system have the capacity to compensate for any unfortunate tendencies?

Persistent Problems and Potential Remedies

<i>Systemic Tendencies or Biases</i>	<i>Sources and Reasons</i>	<i>Remedies and Potential Benefits</i>
A. Structural Inequities	Different groups face different costs for collective action, and high costs can be imposed by especially successful groups	Continued access to other channels for mobilization outside existing forms of domination
B. Incremental Bias	Multiple veto points restrict range of feasible mutually beneficial adjustments	Can appeal to authorities at other levels (higher or lower) to break an impasse at any single level
C. High Complexity	High participation costs can give current experts a big advantage on others	Since no governance system can be complete, new forms of connections may provide easier paths to broader participation (e.g. cellphones)
D. Structural Fissures	Each policy domain may be dominated by network of incumbents insulated from outside pressure	Interconnectedness between policy domains will change with new technologies and systemic shocks
E. Coordination Failures	Dilemmas of collective action are especially difficult at high levels of aggregation	Gaps or failures in coordination exposed at one level can inspire efforts of other actors at lower levels, or leadership from above
F. Lack of Normative Clarity	No single goal will be consistently pursued by all actors at all levels	Reminds analysts and participants of continued legitimacy of multiple goals

POLYCENTRICITY IN CLIMATE CHANGE

(LIN OSTROM & DAN COLE)

Polycentricism at a Global Scale: Climate Change

- Is there something inherently polycentric about international law & policy?
- 1992 UNFCCC & 1997 Kyoto Protocol created by top-down United Nations negotiating process
- Not very effective so far
- Lin Ostrom started move toward more polycentric climate governance with 2009 report for World Bank
- As scholars and policy folks soured on UN process, they began to embrace various polycentric approaches



Source: Dan Cole, POLS Y673 seminar, Fall 2015, Polycentricity Beyond Metropolitan Governance

Polycentric Approaches to Climate Governance

- Precursors

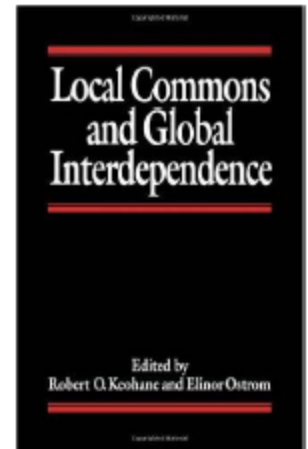
- Ostrom & Keohane, *Local Commons and Global Interdependence*
 - States as individual agents in international negotiations
- George W. Bush (2002): Called for talks between “major emitting countries”

- Keohane & Victor (2011): “regime complexes”

- Stewart, Oppenheimer, & Rudyk (2013): “building blocks”

- Leal-Arcas (2011): “bottom-up” approaches

- Heal & Kunreuther (2012): climate “tipping sets”



Advantages of Polycentric Climate Governance

- More opportunities for experimentation and learning at various levels
- Trust building for cooperation resulting from greater frequency of communication (including “cheap talk”) in various fora (not just under intense pressure and scrutiny of UN meetings)
 - US-China Climate Change Working Group
 - Climate and Clean Air Coalition (Bangladesh, Canada, Ghana, Mexico, Sweden, US + UNEP)
 - World Business Council for Sustainable Development
- Improves robustness of governance system – failure of one governance node (e.g., global-level negotiations) does not necessarily mean failure of the entire system

Limits of Polycentric Approach to Climate Change

- Can we completely do without the UN process? Ultimately, do we require a global treaty?
 - “messiness in governance implies that some of the initially high hopes that bottom-up forms of governing would magically spring up and save the day, should be tempered” (Jordan et al., 2015, p. 5)
 - Has anyone suggested bottom-up governing would magically save the day?
 - “polycentric orders need some ‘legal framework’” (Jordan et al, 2015, p. 4)
- “Self-organized polycentric systems are not a panacea. There are no panaceas” (Ostrom, 2010, p. 555), *but*
- “simply recommending a single governance unit solve global collective-action problems – because of global impacts – needs to be seriously rethought” (Ostrom 2010, p. 552)

Is There a Unique Match of Polycentricity's Strengths to Global Climate Policy?

Endogenous remedies to polycentricity failures work well here

1. Need for decision units at multiple level is obvious, and increasing pressure for facilitating quicker response time
2. No plausible threat that any single authority can achieve monopolistic control in any of the key policy domains
3. Inability to appeal to a powerful overarching authority reinforces need for existing actors to find ways to work together
4. Structural fissures are being broken down by increasing cross-policy domain interconnectedness, driven by climate change
5. The need for inter-disciplinary research and cross-sector collaboration is becoming increasingly clear to researchers and practitioners

Yet deep challenges remain, since complexity and uncertainty can seem overwhelming, especially to members of the general public

**THE BENEFITS OF
THINKING
POLYCENTRISTICALLY**

Current Research Project on Polycentricity

- Bill Blomquist and Andreas Thiel are leading a research team asking the question:
 - Is polycentricity a thing?
 - Can it be defined and measured for empirical analysis?
 - Or is it more a lens through which to see the world?
 - And is it normatively desirable in one or all of these senses?

Why Should we Think Polycentrically?

- Reminds analysts to respect the capability and creativity of local communities and entrepreneurial leaders of all kinds
- Takes the basic lessons of the ecological sciences (multiple spatial/temporal scales, co-evolution of species and environments), and translates them into political contexts
- Global climate change is so complexly multi-level and wide-ranging, that our policy response needs to be the same
- It's not always about the money, or the power, or any other single criterion – multiplicity of influence is the normal human condition
- Reminds us that we need to ensure that existing institutions sustain capacities for self-governance (see VO on Tocqueville's concerns about the sustainability of democracy)