

Welcome back to [occ]!

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No stakes quiz:
(4 minutes; no points, ungraded)

According to Mancur Olson:

1. Why do (large) groups fail to provide collective (or public) goods?
2. How do "selective incentives" help overcome this failure?

Write your (best) responses down, hold onto them for discussion

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Today is BIG!

- ▶ **Foundations:** Collective action; commons (and their tragedies); public & collective goods; selective incentives; organizations.
- ▶ **Dynamic:** Collective action; provisioning public & collective goods.
- ▶ **Cases:** Park lands; forests; lobsters; the kitchen sink; the Internet.
- ▶ **Challenge:** Sustaining collective action.)

2014-10-01

Flight Plan:



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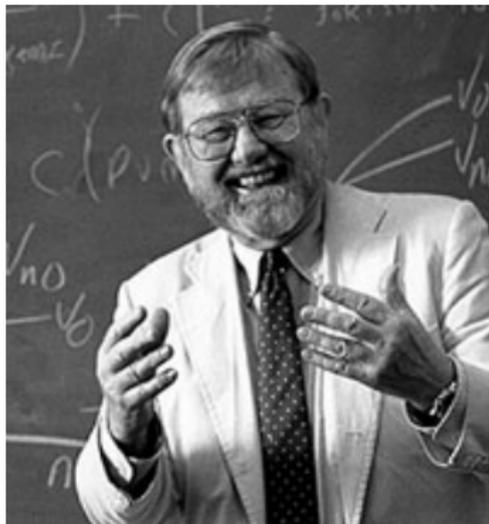
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Today's class is one of my favorites. I get to introduce you to some of my favorite ideas and my favorite intellectuals. This is why I love my job.

- Introduce you to Mancur Olson & Elinor Ostrom
- Olson's approach to public goods (defines a problem and solutions).
- I'll give you more details on Ostrom's approach to the same problem.
- We'll compare them a bit.
- In groups, you'll apply their ideas to a problem that I imagine is very, very familiar.
- Discuss how these ideas apply/extend to the Internet.
- Introduce some upcoming assignments and concluding thoughts.



Mancur Olson



Mancur Olson

Olson

- Maryland economics
- Economics, but very interdisciplinary (Harvard training)
- Provided a class of solutions to one of the biggest problems in the social sciences (!)
- Beautiful mind - clear problem definition, logical solution. Rational.

Ostrom

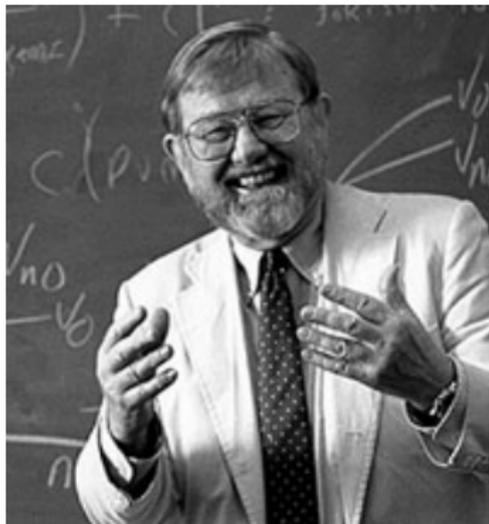
- Indiana economics/policy
- Launched a quite radical approach and alternative solutions to one of the biggest problems in the social sciences (!)
- First female recipient of Nobel Prize in Economics (!)
- Appreciated diversity; creativity & wealth of human society. Potential for human cooperation, under appropriate conditions.



Mancur Olson



Elinor Ostrom
(2009 cc-by-sa, Holger Motzaku)



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Zion Canyon, Zion National Park (photo cc-by-sa 2.5 Dilliff)



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Zion Canyon; Zion National Park.

To me, this is an amazing example of a public good (a common resource). Spending time outside in/around public lands is important to me (like bicycles) and so when I try to think of examples of public goods, I tend to think of beautiful outdoor places.

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Blue Springs reservoir. **Ask:** According to Olson (and Hardin), why should a little reservoir like this be polluted, empty of fish, maybe empty of water, etc.? (tragedy of the commons)

Use no-stakes quiz responses here:

1. Attributes of the resource:

- non-excludable.
- high jointness of supply.

2. Attributes of people involved:

- interests
- tendency to free ride.

3. Solutions:

- selective incentives (fines/rewards)
- markets/property rights
- organization (state, police, taxes, park service, sierra club).

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Ostrom's response: Ostrom sort of comes along, sniffs at this a bit, and suspects that Olson's analytical formulation of this problem and his solutions are sort of, well, bullshit. The intuition behind Ostrom's response is genius: She knows there are traditional systems of resource management that predate the emergence of the modern state, do not utilize selective incentives, do not use exclusive property rights, and yet somehow have survived for a long time (sometimes thousands of years). So she goes out to find them and study them...

Ostrom's case studies:



└ Ostrom's case studies:



Ostrom and her colleagues spend decades observing and analyzing systems through which communities manage actual common pool resources around the world. She looks at water sources, fisheries, pastures, forests, and more. They find dozens, hundreds, thousands of examples, some ancient, some not so ancient of people cooperating. Managing commons using approaches that don't fit in Olson's story. Developing solutions that are fair, inclusive, and long-lasting. To be sure, it's important not to romanticize here. There are also "traditional" solutions to collective action problems that Ostrom doesn't really talk about and that are, from an ethical, moral, and normative perspective, much worse. These involve terrible institutions like forced labor, exclusions based on race, gender, class, caste, ethnicity, language, religion, and more.

At the same time, Ostrom's got a big, important point...

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Ostrom's Design Principles for Common-pool resource mgmt:

- ▶ Clearly defined boundaries (effective exclusion of external un-entitled parties).
- ▶ Rules regarding the appropriation and provision of common resources that are adapted to local conditions.
- ▶ Collective-choice arrangements that allow most resource appropriators to participate in the decision-making process.
- ▶ Effective monitoring by monitors who are part of or accountable to the appropriators.
- ▶ A scale of graduated sanctions for resource appropriators who violate community rules.
- ▶ Mechanisms of conflict resolution that are cheap and of easy access.
- ▶ Self-determination of the community recognized by higher-level authorities.
- ▶ In the case of larger common-pool resources, organization in the form of multiple layers of nested enterprises, with small local CPRs at the base level.

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Ostrom talks about designing institutions that support sustainable common-pool resource management. We could spend a whole quarter just reading her work and the work of her collaborators.

Ask: Given what I've presented here, how would you compare/contrast Ostrom's approaches, solutions, and design principles with Olson's?

(Random) Collaboration Group Assignments:

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Please form the following collaboration groups:

1. Bidsall, Kreitman, Packer, Seo.
2. Dent, Gibson Scannell, Wolff.
3. Gilbert, Mungaray, Valkanas, Waxman.
4. Cho, Ciucina, Duner, Levy.
5. Kim, Lee, Mayor, Shepherd.
6. Habib, Lagrimas, McKinney, Negassa.
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5 minute discussion of solutions.

Ask: Which you prefer? Why?

Ask: Which seems more sustainable? Why?



In your groups take 5 minutes and:

1. Design an Olsonian solution to the dirty dishes.
2. Design an Ostromian solution to the dirty dishes.



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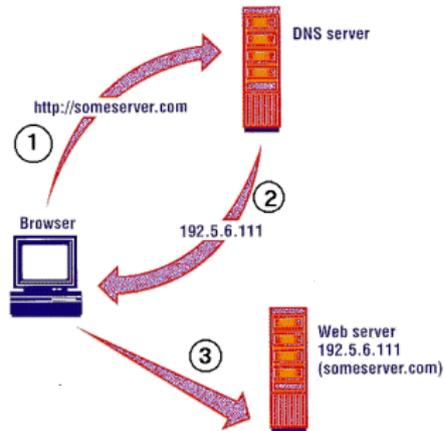
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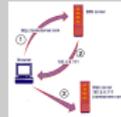
Back to the Internet!

- ▶ How was our network a commons?



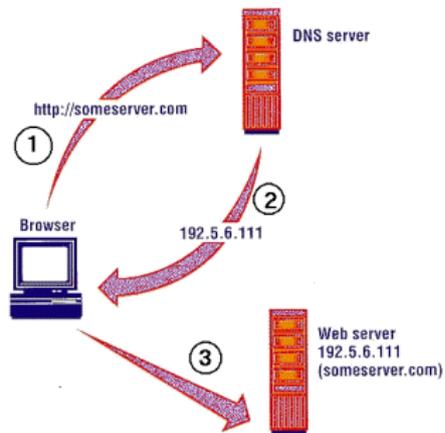
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Back to the Internet!

- ▶ How was our network a commons?
- ▶ Similarities/differences to the kitchen sink?



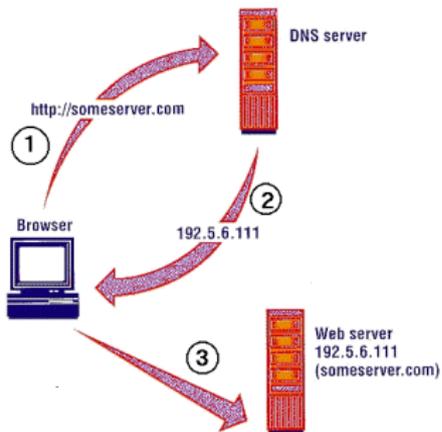
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- ▶ Mechanisms that sustain the commons of a communications network?



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Group Discussion Questions #1

Let's go to the [website](#)

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