

THINK BIG, ACT SMALL

Elinor Ostrom's Radical Vision for Community Power

Dr Simon Kaye

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Any remaining errors or omissions are mine alone.



Dr Simon Kaye

Senior Policy Researcher, New Local

FOREWORD

In an age characterised by ever greater levels of political polarisation there is a desperate need to look for ways of addressing shared problems that might transcend traditional political boundaries. Nowhere is this a more pressing concern than in the search for ways to empower the many communities in the UK that feel ignored, 'left behind' and increasingly alienated from the centres of decision-making in Westminster and Whitehall.

In one sense of course, there is nothing new or radical about this analysis. For decades politicians of all parties have complained about the lack of real local power in what remains one of the most centralised governmental systems in Western Europe. Yet such analyses have lacked a coherent framework of understanding that can open a space for institutional reform that can be embraced across the political spectrum. Traditionally, 'left wing' accounts have seen the case for devolution only in terms of expanding the resourcing and ownership portfolio of local governments. 'Right wing' accounts on the other hand have conceived of empowerment only in terms of expanding consumer choice in a competitive market. It is in this context that the work of Elinor Ostrom, superbly summarised in this report from New Local, offers a framework for genuine dialogue in seeking to create a space 'beyond markets and states'.

Ostrom's contribution in many ways defies political labelling. She was not opposed to the use of markets or of centralised state power where these mechanisms are most suited to the challenge at hand. Equally, she was keen to avoid the 'panacea trap' which sees the solution to all socio-economic problems through a one-dimensional lens – whether of markets, states – or of community power. What Ostrom's work does, however, is to emphasise a much greater scope for communities to craft institutional hybrids that cannot easily be categorised as 'private' or 'public' and where decisions on the institutional mix emerge through a process of 'self-governance'.

In common with other writers in the institutional economics tradition – such as Ronald Coase – Ostrom’s work demonstrates that, if given the space to do so, communities are able to solve a wide range of dilemmas with institutional arrangements far more nuanced than anything an economist or political scientist can devise on paper. Understanding these models can help us move away from a style of government where economists and political scientists design solutions ‘for’ communities on the basis of pre-conceived ideals that are then ‘imposed’ from above and move instead towards genuine ‘self-governance’ where our ideals are derived from communities discovering, cataloguing and analysing ‘what works’ for themselves. This is a vision that might just have the potential to forge unexpected and productive alliances across the political spectrum and New Local are to be commended for bringing it to a wider audience.

Professor Mark Pennington

**Director of the Centre for the Study of Governance and Society
King’s College London**



EXECUTIVE SUMMARY

Elinor Ostrom humanised the study of economics and politics. She discovered what is possible, and the problems that can be solved, when we trust each other. Her work inspires optimism, but she was also a realist, basing her findings on decades of tireless work in the real world.

This quietly revolutionary research led her to become the first woman to win a Nobel prize in economics. She demonstrated that people's motivation and ability to cooperate, participate, and sustainably control their own resources are far greater than is usually assumed.

Ostrom's work offers grounds for ambitiously re-imagining the relationship between people and institutions. It should inform and inspire policy debate about community power, devolution, public service reform, and organisational transformation.

This report draws out Ostrom's insights for the UK in the context of a growing crisis in the relationship between people and institutions. It adapts and contextualises her work into a new set of practical lessons for 'self-governance' – where communities take control over the things that matter to them – and connects these with contemporary examples of community-powered projects in the UK.

It offers a new analysis of Ostrom's key insights: that a different model, "beyond markets and states", is possible in communities with high levels of autonomy and internal trust. Recognition of these insights could lead to more diverse and creative solutions to our problems.

The experience of mutual aid in response to the Covid-19 pandemic shows the power latent in our communities. Growing and sustaining it will involve learning Ostrom's lessons for community power, with strong civil society and empowered, facilitative local government in place to safeguard community rights and act as guarantor for three key conditions: *locality, autonomy, and diversity*.

Three Key Insights

This report distils three important, overlapping arguments from across Ostrom's scholarship to form a case for decentralisation and enhanced community power:

- 1. The commons: Communities can manage their own resources.** Beyond markets and states, there is a third model where communities establish their own systems without the need for regulation or privatisation. These communities can be found all over the world and are demonstrably capable of managing common resources and assets in a more sustainable and productive way than comparable state or market systems.
- 2. Self-governance: Democracy is more meaningful at a local level.** Legitimacy and social trust can only flourish when people have a reasonable expectation of influence over the things that affect their lives. Mobilised communities will tend to benefit from having decision making power and control over resources to develop local services and facilities.
- 3. Polycentricity: In complex social and environmental systems there are no one-size-fits-all solutions.** What is needed is a dynamic system that permits experimentation, and which can tolerate the existence of diverse and layered institutions of different kinds. The alternative – where top-down, monolithic systems dominate – diminishes resilience. Rather, it centralises risks and quashes creative, adaptive solutions to problems.

Three Core Conditions of Community Power

Ostrom's best-known and most celebrated work is her scholarship on self-governance of 'the commons' – an asset or resource shared by a community rather than privately or state-owned. Importantly, she set out a series of design principles that the most successful and long-lived self-governing communities tended share. This report rearticulates those principles, distilling them into three *core conditions*, which correspond with the three key insights above:

- 1. Locality: Systems should be designed for specific places.** Systems – including the way that resources are managed, rules are designed, and decisions are made – should be originated within, and appropriate for, the particular places where they operate. Ostrom's evidence shows this makes it more likely that people will collaborate and cooperate with each other, and that overall outcomes can be improved this way.
- 2. Autonomy: The rights of communities to create and run local systems must be respected.** Communities will have few incentives to come together without a basic expectation that their decisions and participation will have meaning and impact, and will that their decisions will be respected by external parties.
- 3. Diversity: Each community is different – and will take different approaches.** Context-driven, autonomous communities will experiment with different systems. Taking different approaches in different places means people have a range of opportunities to get involved, enriching civil society. This diversity should be promoted, as it may reveal strong new approaches.

Through a series of case studies, this report establishes how incentives are important for communities to continue collaborating beyond whatever situation or crisis first brought them together, and that the relationship with local institutions can be a key determining factor in whether local, autonomous, and diverse self-governance can find space to function at all.

Conclusions

The most important Ostromian conditions for community power in the UK are locality, autonomy, and diversity. Without these, institutions will be too distant from the real needs and preferences of communities, and local-scale action will tend to be ignored – removing the incentives for self-governance.

The best way to realise the goals of *locality* and *autonomy* is through reform to the way the state – at both national and local levels – functions, and a rebooted relationship between people and institutions. This means institutions taking steps to become neither indifferent nor controlling but *facilitative*.



...nothing should be done nationally that would best be handled locally, and nothing should be done locally without real engagement and participation from communities.

The only way to realise a more facilitative state is through an Ostrom-inspired approach to devolution, one that places communities' rights at its centre and works to a principle of *subsidiarity*: every system should operate at the most local level consistent with its success. This means that nothing should be done nationally that would best be handled locally, and nothing should be done locally without real engagement and participation from communities.

Recommendations

1. Reimagine devolution in the UK

- The UK government should move away from deal-making and consolidation, recognising meaningful community rights, and actively looking for opportunities to disperse power away from the centre.
- There should be an Ostrom-informed audit of the UK's balance of power, designed to identify the reasons for the UK's over-centralisation and make proposals for a new model of devolution built around the principle of subsidiarity.


- A 'community right to organise' should be enshrined in central legislation, incorporating explicit rights to local autonomy, self-determination, and deviation from the norms and systems used elsewhere when localities deem this to be necessary.
- A community wealth fund should be established to ensure financial viability of much-needed civil society and community groups.

2. Escape the duopoly of markets and states

- Central government should properly empower local authorities, who should in turn lead a culture-shift toward less centralised ways of working within services, with more openness and horizontal relationships between institutions, the social sector, and communities themselves.
- Specific policy areas would benefit from pilots of Ostromian, decentralist reforms to grow a stronger evidence base of the value of reforms that do not revolve around finding efficiencies and economies of scale.
- Local government finance should be revolutionised, allowing more local control of revenue-raising and ensuring councils are resourced to be more autonomous and facilitative – convening and supporting communities in their objectives.

3. Galvanise the change within localities

- Positive change can start to emerge, even without the above recommendations being taken on, if localities work to facilitate and create stability for nascent community groups, and take a whole-place approach when making plans and taking decisions.
- Communities themselves should reach beyond their localities to build a new collaborative network for shared learning between community-led groups, businesses, and projects in the form of an open-access digital commons.
- Local councils, the social sector, and informal community groups can create a stable environment for neighbourhood-level projects by reviving the idea of local charters.



1. INTRODUCTION: THE GAP BETWEEN PEOPLE AND INSTITUTIONS

Something must change in the relationship between people and institutions.

Local authorities have borne the brunt of a decade of budget tightening, but even if this were not the case, many of our essential public services would by now be buckling. Demand is rising and becoming more complex as our populations and demographics shift. The service needs of different parts of the country are becoming markedly different, deepening inequalities that in turn trigger yet more critical demands. Further, there is a prevailing sense – captured by our 2019 *Community Paradigm* report – that all of these systems are stuck within old operating models based on one or another big, central reform agenda, and that these old approaches are no longer capable of keeping up with what people increasingly require from them.¹

These social pathologies share an important cause. There is a persistent, basic separation between the people who use services and the increasingly untrusted institutions that make the most important decisions about them.² The useful levers for people to influence these institutions are few and inaccessible. Key parts of our formal civil society – the membership groups, voluntary outlets, and venues for mutual support that have played such an important role in the development of the UK – are starting to crumble.

¹ Lent & Studdert, *The Community Paradigm* (New Local, 2019)

² This has resulted in a long-term trend of collapsing trust in social institutions (though recently complicated by the impact of the Covid-19 pandemic): see the [2020 Edelman Trust Barometer](#) and the [2019 Hansard Society audit of Political Engagement](#) (both accessed 29/09/20).

Community initiatives already underway in the UK make it clear that a different approach is feasible. Our relationships with institutions do not need to be one-directional. Communities of place and interest can mobilise and commission some of their own services, take control of their own shared spaces and local assets. Indeed, recent experience makes clear the potential for spontaneous, grassroots-led action at the neighbourhood level. The Covid-19 pandemic catalysed the emergence of thousands of spontaneous mutual aid groups, and without their voluntary contribution many aspects of the government's emergency response would have been impossible.³ This *community power movement* involves growing activity across charities, community businesses, delivery organisations, volunteer groups, and local authorities which all place the self-organising potential of ordinary citizens at their core.⁴

Mobilised communities – with objectives, plans, and resources – can have a more meaningful say over the systems and institutions that affect them. Under the right circumstances, people will invest more time in connecting deeply with each other, their places, and neighbourhoods than policymakers usually assume. They also stand a chance of maximising their own flourishing with more preventative interventions and outcomes that are better tailored to their specific needs. But to realise these benefits, a bigger set of arguments must be won – in central government, the policy sphere, and public discourse. These will be arguments about the benefits and best mechanisms of radical devolution, the legislation that will be needed to make it happen, the underlying wisdom of subsidiarity, and what giving people power and deepening their sense of belonging to the places where they live really looks like.

This will not be easy. The UK is one of the most politically, fiscally, and economically centralised countries in the world.⁵ The state of public alienation from institutions is such that the 'yes' to Brexit in 2016 hinged, in part, on an appeal to the usually-politically-disengaged to "take back control". Enormous differences in productivity, social mobility, and

³ Tiratelli, L., Kaye, S., *Communities vs. Coronavirus: The Rise of Mutual Aid* (2020)

⁴ According to [analysis from Power to Change](#), the number of community businesses in the UK grew from an estimated 5,000 in 2015 to an estimated 9,000 at the end of 2019.

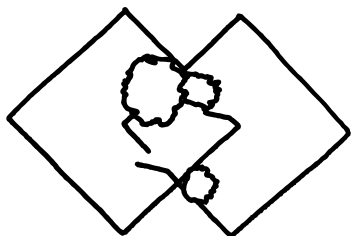
⁵ As recently argued by, among others, reports from the [Institute for Public Policy Research](#) (2019) and the [UK2070 commission](#) (2020) (both accessed 29/09/20).

quality-of-life persist in different parts of the country. The UK's seemingly endless devolution project has resulted in a series of settlements with national and local governments that seem to have satisfied nobody. While state- and market-centric paradigms for public service provision and community engagement seem clearly to be failing, there has been no coherence or shared direction in the adaptations or reforms that are emerging in response. A radical rethink of devolution is needed, with the right to community autonomy and diversity at its heart.

Three Key Insights, Three Core Conditions

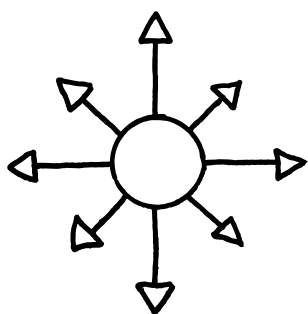
This report distils Elinor Ostrom's enormous body of work into **three key insights**, each of which corresponds with a **core condition** for effectively decentralising power to communities. These ideas will be explored over the course of the report.

Key Insights



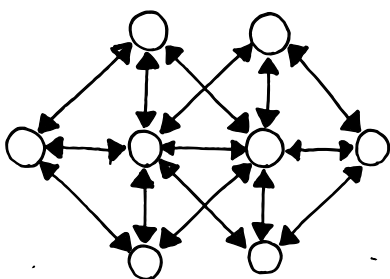
The commons

Mobilised and trusting communities can manage services, assets, and resources without intervention from state or market – and often achieve better outcomes.



Self-governance

Democratic legitimacy is best achieved by ensuring people have meaningful control over their lives – as active participants and citizens rather than passive clients, customers, or users.

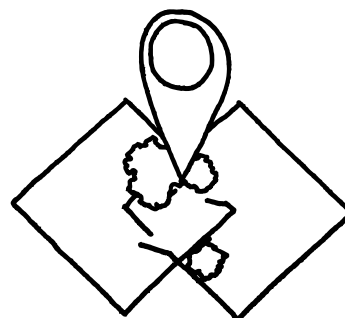


Polycentricity

There are no simple solutions or quick fixes within complex systems. This makes monolithic policy approaches and centralised structures less desirable than layered and varied systems.

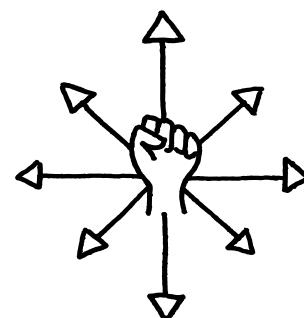


Core Conditions



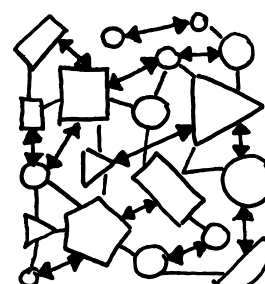
Locality

The objectives, approach, decision-making and design of systems should be driven by mobilised local communities and tailored to their particular needs.



Autonomy

Community power, participation, and social capital can only emerge if people can reasonably expect that their plans and decisions will be valued and taken seriously, and if they have the power to shape their own futures and the future of the places in which they live.



Diversity

Autonomous, context-driven communities will experiment with different systems. This diversity should be promoted, as it may reveal powerful new ways to flourish for everyone.





Who was Elinor Ostrom?

Born in 1933, Elinor Ostrom grew up as – in her words – a “poor kid” in post-Depression California. She went to college against the wishes of her own mother. Like many girls at that time, she was dissuaded from studying mathematics at school – and this led to her eventually being rejected from studying for a PhD in economics at UCLA. Ostrom was later forced to leave for Indiana when her and her husband’s research irritated their department because it, against the fashion of the times, criticised governmental centralism.

In her varied academic career, Ostrom worked on environmental sustainability, police reform, local government, and the capacity for communities to come together to solve problems. These decades of painstaking work generated an extraordinary evidence base that allowed Ostrom to influence academic debates even though she was working against the grain of most of her peers.

Ostrom ultimately won the Nobel Prize in economics in 2009, having totally overturned some of the longest-standing assumptions in economics and politics to show that, under the right conditions, communities could self-govern without central management or recourse to private property. She built her insights from the ground up, drawing out evidence from research of real-world examples of communities working together and wielding meaningful power. This principle – that theory should reflect reality – led to ‘Ostrom’s law’: an arrangement “that works in practice can work in theory”.

Ostrom also built a lasting legacy around her approach to scholarship, which was highly collaborative and singularly focused on the ideal of generating grounded new insights for the 'knowledge commons'. She donated her Nobel Prize money to the workshop that she founded with her husband to sustain its support for interdisciplinary and mould-breaking research.

In the latter part of her career, Ostrom became interested in pressing global challenges, such as articulating small-scale community solutions to climate change when it became clear that the international community was unlikely to overcome its 'collective action problem' in time to generate solutions. This was the subject of her last article – *Green from the Grassroots* – which was published on the day she died in 2012.

An Ostromian Framework?

The work of Nobel Prize-winning political economist Elinor Ostrom was the scholarly foundation of the *Community Paradigm*.⁶ This New Local report argues that her work can provide the broad basis for a full-scale rethink of the relationship between people and institutions. It engages in a systematic way with Ostrom's scholarship, establishes its relevance to contemporary challenges, and aims to give ballast to the top-level debate about the role of community power in the coming century.

Ostrom's research overturned many longstanding academic assumptions, demonstrating beyond doubt that communities can manage their own resources, assets, and services – and showing that they often do so with more sustainable and efficient results. Some of her empirical case studies revealed self-governing community systems that had been in operation for a thousand years. This informed her wider call for a different and much more participatory realisation of the ideal of democracy, with assertive, engaged, and resourceful communities at its centre.

⁶ Lent & Studdert, *The Community Paradigm* (New Local, 2019)

This is a vision of community power that goes far beyond emerging institutional norms of enhanced consultation exercises by public bodies, or the ‘stakeholderism’ that is now often mooted as a solution to the results of ‘shareholder capitalism’.⁷

Instead, Ostrom’s arguments for self-governance establish the value of mobilised communities that originate and develop their own approaches and systems to handle decisions, assets, and resources. By working ground-up, they can tailor these systems to the needs of their own local context. This in turn creates the conditions for a healthy diversity of layered and overlapping approaches – live, contained, localised experiments with in-built legitimacy and co-production for the communities involved in them.

These radical implications may explain the relative lack of interest in Ostrom’s insights among UK policymakers. While her scholarship has disrupted many debates in the world of academia, Ostrom’s influence over political discourse and UK policymaking has been limited. This report is, in part, an attempt to (re-)introduce her insights to those who are unconvinced about the plausibility of the community paradigm as a working model for the self-governance of community assets, spaces, and public services. At the same time, it aims to provide fresh authority to those who are already working toward and advocating for community power.

This report also uses Ostrom’s work as a lens to discuss community-powered projects, businesses, assets, and services that are already at work throughout the UK, via case-studies of communities demonstrating Ostrom’s arguments and showcasing the importance of her design principles.

⁷ For an interesting and recent discussion of stakeholder capitalism, see Sundheim & Star, *Making Stakeholder Capitalism a Reality* (Harvard Business Review, 2020). URL: <https://hbr.org/2020/01/making-stakeholder-capitalism-a-reality> (accessed 24/09/20)

Self-Governance in the UK?

This report features a variety of case studies, and there are many different lessons to draw from them. For example, several demonstrate that, in places where self-governance is possible, a permissive, and preferably a facilitative, stance from local government is a necessary (though not a sufficient) condition for the emergence of community power. This confirms that local government has new roles to play within the Community Paradigm: as a facilitator, as the bridge between different institutions and tiers of governance, and as a key player in sharing learnings from the effects of community action.

Another important trend notable across several of the cases is that a lot of community activity is triggered by some kind of crisis or outside threat.⁸ It seems that, in a heavily centralised system, these challenges can motivate more trusting, coherent, and mobilised communities. This raises important questions – and makes it doubly important to look at examples of self-governance that are self-sustaining enough to outlast the crises that brought them together in the first place.

These studies include examples where environmental resources and spaces, high-value assets and properties, major funds, businesses, and public services are all under direct community management. *Big Local* projects around the UK offer a proof-of-concept for the idea of communities managing their own discrete funds – and for the many different kinds of assets and services that can emerge from such community control. *Community businesses* – enterprises that are rooted in, accountable to, and work explicitly toward the betterment of their localities – can give an insight into how spaces and assets are taken on, improved, and managed by communities. Many successful community groups transform into registered charities with a big role to play in supporting particular places through different kinds of crises or supporting particular communities to gain a meaningful say over the commissioning and design of services.

⁸ As noted above, the global crisis of the COVID-19 pandemic has had an extraordinary galvanising effect on communities in the UK, with 2,773 mutual aid groups listed by mid-April 2020. It remains to be seen whether this community mobilisation will be sustained after the end of the UK's epidemic. See the [report from the APPG on Social Integration](#) (2020, accessed 29/09/20).



2. OSTROM'S KEY INSIGHTS: SELF-GOVERNANCE, POLYCENTRICITY, AND THE COMMONS

Elinor Ostrom's work was grounded in real-world examples and case studies.⁹ These empirical foundations, anchored in the real lives of people all over the world, have made her insights relevant to many disciplines. Over her career, Ostrom's contributions ranged from granular discussions of specific policy areas in particular places, to sweeping new paradigms of thought that altered the course of whole fields of study.

Within this diversity, a few themes stand out: ideas and lines of argument that Ostrom returned to again and again, layering and reinforcing her insights over time. Far from being dry demonstrations of abstract points in economics, some of Ostrom's most important ideas are to do with foundational problems such as the nature of democracy, the fundamental relationship between individual and state, and how to grapple with the extraordinary complexity of social and environmental systems.

The following three key, overlapping insights give a condensed account of Ostrom's findings about democratic legitimacy, localism, complexity, and human nature. They are not an attempt to capture Ostrom's entire thought in a comprehensive way, but to summarise some of these core 'families' of insight and the way they relate to each other and the objective of community power.

⁹ Her work also involved a huge range of different methods: collaborative and individual investigations, empirical field work and lab-based game theory experiments, social science and political theory.

Together, these arguments add significant weight to three important ideas:

1. A distinct third governance model of community control – one that lies “beyond markets and states”, as Ostrom put it – is not only possible, but often preferable under the right conditions.
2. The self-governance that makes this alternative model possible arises from localism and communities with high levels of autonomy and internal trust.
3. One important product of such autonomy should be the generation of a layered, diverse, ‘polycentric’ system of institutions as the best way of identifying and securing good outcomes for everyone.

1. The Commons: Beyond Markets, States, and ‘Tragedies’

The Insight: Local communities can do it

Communities, under the right conditions, are demonstrably capable of managing their own affairs, and can even do a better job of it than the state or the market because the systems they come up with will be more likely to be *localised* – that is, tailor-made to their own specific needs and circumstances.

The Argument: Respect beats regulation

Through an ongoing research programme that incorporated political theory, empirical social science, game theory, and economics, Ostrom identified the existence of a third ‘type’ of institutional arrangement – beyond markets and states – to resolve the ‘tragedy of the commons’.

For many years there was an economic and political consensus around the idea that, without some kind of regulation, individuals would tend to ruin and degrade any resources that they attempted to share. Self-interest would lead them to try to maximise their gains from the ‘commons’, with the effect that the resource would eventually be wrecked, throwing away all future potential.

The way to escape such an outcome was to allow either the state or the market to take control. Resources would need to be divided up as private property – creating an incentive to manage the resource more sustainably without fear of ‘losing’ it to some other ‘appropriator’ – or protected by state ownership and/or regulation. Otherwise the uncoordinated actions of individuals would destroy the longer-term potential of all resources.

In this way, the assumption that ‘tragedies of the commons’ are inevitable provided justification for governance that fitted into two broad ‘families’ of institutional arrangements: private property rights, and state control. The asset or resource in question would need to be directly owned, so that the property-holder can extract fees in exchange for its use and so prevent over-exploitation. Alternatively, the state would impose top-down regulations, along with a scheme of direct enforcement or fines to manage demand.

Elinor Ostrom identified a third approach. She demonstrated that community ownership models do exist and that they can produce more efficient and sustainable outcomes than state monopolies. For example, in the management of complex irrigation systems in Nepal, or in Japanese villages that have sustainably managed forested commons for hundreds of years without any external regulation or privatisation.¹⁰ The mere existence of such communities contradicts the classic economic assumption that self-interested individuals will ruin their shared resources unless privatisation or a coercive state monopoly steps in.

What makes such ‘commoning’ possible is that, in practice, individuals are capable of acting in pro-social, sustainable, and collaborative ways that standard behavioural modelling often assumes to be impossible. They are also able to constructively influence each other to cooperate rather than compete within communities. This cannot happen in every case – indeed, several important conditions must usually apply for any such management of common-pool resources to occur, as discussed in the next section. But the results can be far preferable than one-size-fits-all policy and regulation, because such systems will often be adapted to the preferences of participants and the constraints of particular places.

¹⁰ Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (Cambridge University Press, 1990)

Many of Ostrom's empirical studies demonstrate this point. The case of a Maine lobster fishery using top-down rules that "were not credible among users" and so depleted its stocks and ran into trouble, for example, is a powerful contrast to the competing lobster fishery which, "governed by formal and informal user institutions", continues to flourish to this day, and with more sustainable and environmentally friendly results.¹¹

Similarly, much of the irrigation infrastructure that is so critical to agriculture in Nepal is managed within 100 per cent farmer-managed systems. This means that it is the farmers themselves who must manage and maintain the entire system. The lucky farmers nearest to the water sources resist the urge to take advantage of their privileged position in order to sustain the agriculture of potential competitors. And every farmer must contribute maintenance, no matter how much they individually benefit from the system. All the rules and arrangements within these systems are informal and based on mutual trust. Ostrom found that not only does this collaboration work long-term, but the farmer-managed irrigation systems usually *outperform* the comparable state-managed systems.¹²

Internal trust within a well-incentivised community is important if 'commoning' is to function well. Ostrom found that diverse systems and a localist concept of democracy are both contributors to a community's chances of being able to manage resources without privatisation or state supervision. Importantly, Ostrom identified 'community' itself as a powerful source of incentives for self-governance, since it creates the conditions for the longer-term, deeper, and more close-knit local relationships that make real cooperation most plausible.¹³

The deterioration of such a sense of community, meanwhile, can have enormous negative implications. As Ostrom wrote, "local governments depend upon a reciprocity of interests among members of the communities being served". So when "a sense of community is lost, public facilities ... may become a no-man's land where the law of the jungle prevails. The strong and the powerful can drive out the weak."¹⁴



a sense of community is lost, public facilities ... may become a no-man's land where the law of the jungle prevails. The strong and the powerful can drive out the weak."

¹¹ Dietz, Ostrom & Stern, 'The Struggle to Govern the Commons', (*Science*, 2003) p. 1907

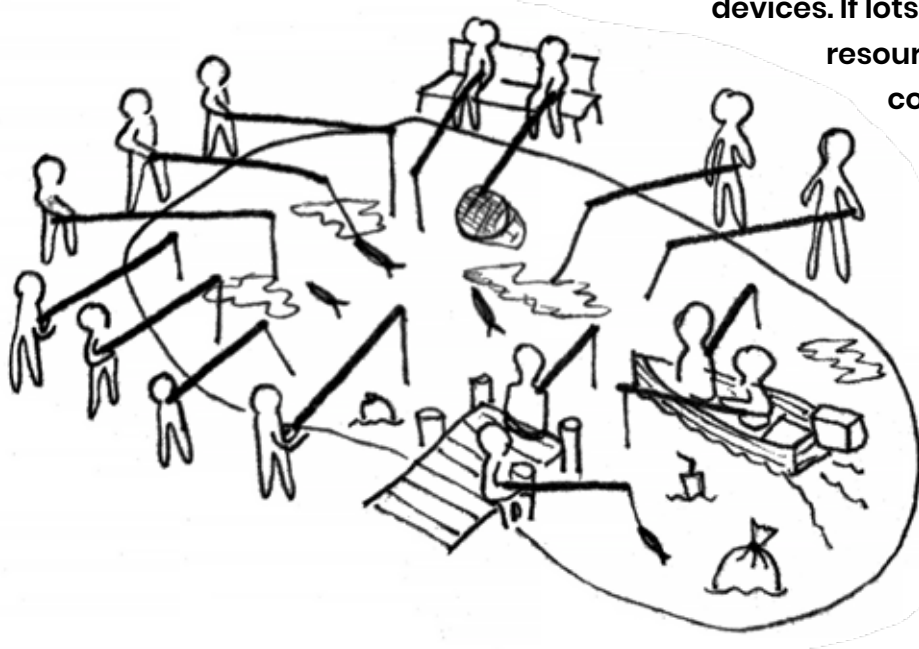
¹² Ostrom, 'How Farmer Managed Irrigation Systems build social capital to outperform Agency Managed Systems that rely primarily on physical capital' (Proceedings from the second international seminar on farmer-managed irrigation systems in a changed context, 2002)

¹³ Ostrom, 'Community and the Endogenous Solution of Commons Problems' (*Journal of Theoretical Politics*, 1992) pp. 343-51

¹⁴ Ostrom, Bish & Ostrom, V., *Local Government in the United States*, (ICS Press, 1988) p.96

What is the Tragedy Of The Commons?

The 'tragedy of the commons' is an assumption about what happens to shared resources – 'commons' – if people are left to their own devices. If lots of people value the same resource, they could ruin it as they compete to make the most of it.



This is because people have lots of incentives to extract value - but don't have many incentives to plan for the future and look after the resource. This leads to the 'tragedy' – the resource is wrecked instead of being managed sustainably, which would have been better for everyone.

To escape this outcome, you need a third party to step in –

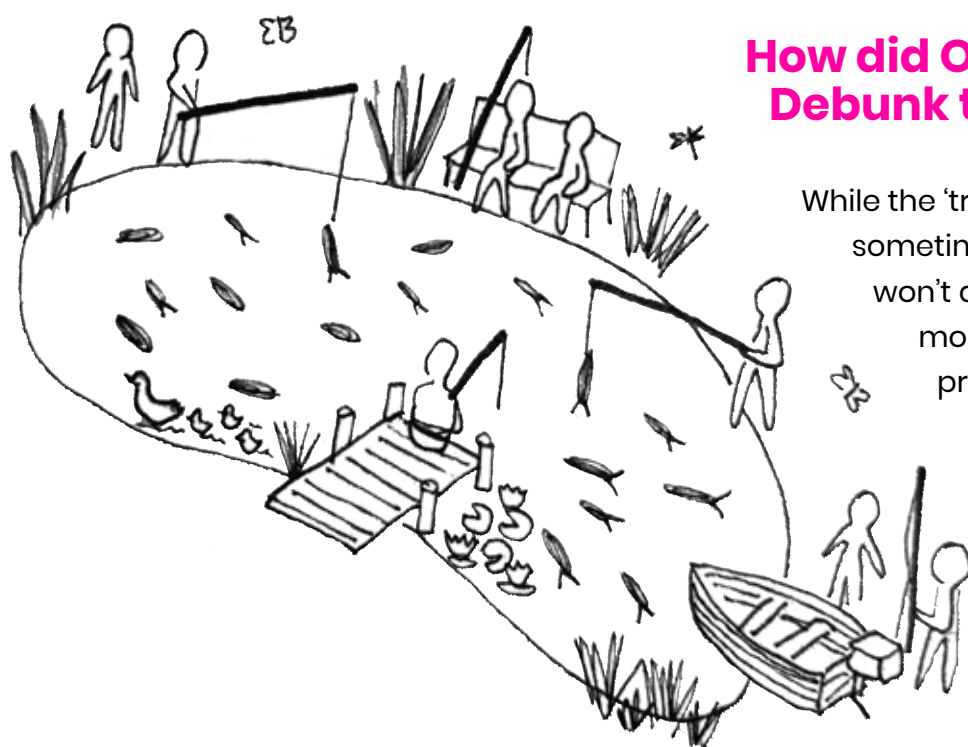
- To give some people property rights over parts of the resource so they have incentives to use it sustainably
- Or to set up state regulation so people will face consequences if they ruin the resource.

Example One – if a number of local farmers want to use the same pasture for their livestock they may run into a tragedy of the commons.

- Unless they come to some agreement and stick to it, each farmer is incentivised to maximise their use of the pasture...
- ...because of the likelihood that the other farmers *will think the same way*, and also make maximum use of any of the pasture.
- This degrades the pasture quickly, so that in the end it's useless for anyone's livestock.

Example Two – climate change is arguably an example of a supersized tragedy of the commons.

- We all know it's better for everyone to stop wrecking the shared resource of Earth's atmosphere...
- ...but individually we have strong incentives to keep doing the things that are causing the damage.
- And now we're working toward international agreements to try to regulate all that damaging activity.



How did Ostrom Debunk this Idea?

While the 'tragedy' does play out sometimes, Ostrom proved that it won't always, and that we have more options to prevent it than private property and state regulation. She found many real-world examples of communities sustainably managing the commons without state involvement or breaking it down into private ownership.

Ostrom also found evidence that this can lead to **better outcomes** than when the resource is managed by states and markets.

Her key discovery is that **when people talk to each other and communities can build up high levels of mutual trust**, the 'tragedy' does not take place. This was the insight that led to her winning the Nobel Prize in economics.

The Implications: Local solutions to local challenges

Ostrom's insights about governing the commons highlight the value of locality. This is made possible by placing communities at the heart of planning and decision-making. The resulting context-specific design of systems allows for the emergence of better outcomes. The one-size-fits-all or top-down planning of systems – including how to manage resources or assets and how to design and deliver public services – destroys any chance of a system being context-sensitive, and the incentives for community collaboration with it.

While it is possible to establish, as Ostrom did, both the realism and the desirability of more localised and community-powered approaches to the management of assets and resources, it is also clear that this alternative approach is often made impossible by the pre-existing institutions and actions of state and private actors. Simply not noticing the possibility or discounting the realism of community power is itself a danger to the possibility of its uptake. As Ostrom put it, one of the biggest risks to self-governing communities are interventions that make the mistake of “ignoring them or presuming they [do] not exist”.

In reality, community-based models can provide a “solid foundation on which to build broader-based democratic institutions”, allowing “individuals from all walks of life to perceive and articulate the problems that are most important to them and find ways of overcoming them.”¹⁵ In other words, there is a risk that the actions of state or market actors undermine community power if they do not recognise its existence and value. At the same time there is an opportunity for institutions to play a role nurturing community power – and thereby helping to create a strengthened civil society.

¹⁵ Ostrom, 'How Farmer Managed Irrigation Systems build social capital to outperform Agency Managed Systems that rely primarily on physical capital' (Proceedings from the second international seminar on farmer-managed irrigation systems in a changed context, 2002)

2. Self-Governance: Real Democracy



The larger the scale of politics, the harder it becomes for people to participate meaningfully in democracy.

The Insight: Deeper participation is impossible at larger scales

The larger the scale of politics, the harder it becomes for people to participate meaningfully in democracy. When important decisions happen exclusively at a national scale, the result is disengaged and untrusting citizens who think of themselves as clients, customers, or users rather than active participants. When communities set up local systems, a different culture and mindset of democracy can emerge. This requires that local groups' *autonomy* to arrive at their own objectives, ideas, and decisions should be respected by those with power. This creates the conditions for a more legitimate politics and incentives that can sustain community power.

The Argument: Legitimacy through subsidiarity

It is easier to make a fair and legitimate decision if fewer people, with more shared interests, have a stake in the outcome. It is therefore good when decisions are taken by the people most affected by them. This is the basic justification for the principle of *subsidiarity*, which states that decisions should always be made at the smallest scale compatible with their fulfilment. By implication, this also means that national- and international-scale decision-making should be reserved for only the issues that must be orchestrated at such a high level. Subsidiarity is a principle that finds expression throughout Ostrom's work, and in particular in the way that she framed her case for genuine self-governance.

Broadly speaking, self-governance can be achieved in two ways. The first is literal control over assets, resources, and decision-making by the smallest-possible institution or community. The second is through a democratic process that genuinely legitimises decision-making and administration at larger scales. For Ostrom, localism was the best and most legitimate scale for politics. There are 'collective action problems' in many decisions – where unintended effects occur and incentives break down as people try to pursue their ends in ways that affect each other; the tragedy of the commons is an example. These too often stymie efforts at a larger scale or create unintended consequences.

Democratic systems that neglect local-scale governance tend to disincentivise civic engagement and unravel the social fabric of real communities, Ostrom argued. It is also quite clear that the public prefers power centres that are more localised. “Voters,” she wrote, “when provided with the opportunity, have repeatedly rejected proposals to consolidate governments in metropolitan areas.”¹⁶ Larger-scale democratic life also creates the conditions for a huge variety of inefficiencies which are only rarely compensated by the benefits and economies-of-scale that can occur when centralised provision takes over.

Ostrom claimed that it is a mistake to think of democracy in purely procedural terms. Properly understood, she wrote, democracy is “a way of life”, one in which “people take responsibility for as much as possible of what happens around them” rather than leaving their lives “totally in the hands of others.”¹⁷ This is the only way to become practiced in a “science and art of association”.¹⁸

People may not always be in a position to become experts over complex and national-scale economic dilemmas or policy problems, but they do have very good reasons to become ‘experts’ of another kind. They have access to local knowledge about their everyday lives – the things they need, the concerns of their families and neighbours, the persistent problems that are distinct to the places where they live. This is the kind of knowledge that a centralised system will always struggle to capture.



Moving towards localism is not just a matter of trying to ensure good outcomes, but of fostering a more full-blooded notion of what it means to be a citizen.

What this means is that even if the good intentions of a highly centralised state are beyond doubt, it will not always be able to access the information that it needs to deliver on them. Unlike local people, a state bureaucracy may not understand why some aspect of one public service is replicating the effort of another in a particular place, or how a certain family could be kept from creating complex and lasting service needs if it were engaged earlier or more locally.

In this way, the practice of public service should also respond to these arguments about scale. As this report and Ostrom’s work shows, it is

¹⁶ Ostrom, ‘The Comparative Study of Public Economies’ (The American Economist, 1998), p. 6

¹⁷ Ostrom, ‘[A Communitarian Approach to Local Governance](#)’ (National Civic Review, 1993)

¹⁸ De Tocqueville: “In democratic countries the science of association is the mother science; the progress of all the others depends on the progress of that one.” *Democracy in America* (this edition: Chicago, 2002) p. 492

not always economical to concentrate power rather than disperse it – precisely because it excludes the most knowledgeable people of all from the key decisions.

Centralism, then, is more likely to produce untailored, one-size-fits-all solutions, while also creating a highly transactional, top-down social model that excludes most people from both meaningful decisions and any hand in co-production. Moving towards localism is not just a matter of trying to ensure good outcomes, but of fostering a more full-blooded notion of what it means to be a citizen.¹⁹ In Ostrom's own words:



In the current interpretation, people are viewed as clients who receive what others provide for them. Their fate is totally in the hands of others, rather than being something over which they have some control If one presumes that teachers produce education, police produce safety, doctors and nurses produce health, and social workers produce effective households, the focus of attention is on how to professionalise the public service. . . . Ignoring the important role of children, families, support groups, neighbourhood organisations, and churches in the production of these services means, however, that only a portion of the inputs to these processes are taken into account when policy makers think about these problems.”²⁰

The Implications: Fostering a culture of mobilised communities

For local self-governance to emerge – and bring with it the advantages of a more legitimate, context-sensitive, and informed politics – communities must be able to act with a certain amount of *autonomy*. This means that the spontaneous activities of communities should have weight and be respected and taken seriously by both the state and private sector institutions. In the UK, such autonomy would require

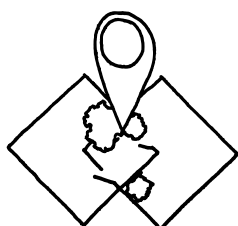
¹⁹ This resonates with many efforts to rethink the relationship between state and citizenry – see, for example, Ridley's work on [the 'enabling' local state](#) (Centre for Policy Studies, 1988) (accessed 29/09/20)

²⁰ Ostrom, 'A Communitarian Approach to Local Governance' (*National Civic Review*, 1993)

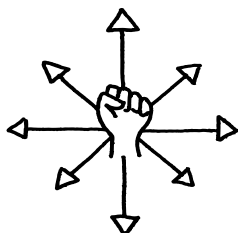
a significant culture shift – one which may well ultimately require that communities' rights to self-organise are formally and legally recognised.

Autonomy matters. During the Covid-19 pandemic, thousands of spontaneous mutual aid groups appeared as communities sought to support each other. Some of these groups undertook to supplement public services; others coordinated with existing networks or charities to supply new resources to get everyone through the lockdown. But significantly, in many places the work of these groups was held back by local or national state action. National-scale efforts to coordinate volunteers were both less effective than community-scale efforts, and ran the risk of crowding them out.²¹ Councils sometimes failed to collaborate with mutual aid groups because of bureaucratic requirements. Some well-meaning interventions by the state – such as attempts to train and ensure the safety of mutual aid participants – made it harder for communities to participate in their own defence against the effects of the virus. By contrast, councils that respected the autonomy of both communities and individuals – who offered to facilitate, give support, and improve safeguarding without being didactic – magnified the impact of mutual aid groups in many places.

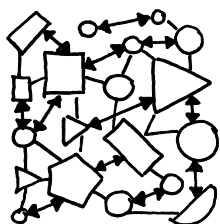
²¹ For an early analysis of the mutual aid experience and evidenced comparison with national-scale volunteer coordination, see Tiratelli & Kaye, [*Communities vs. Coronavirus: The Rise of Mutual Aid*](#) (New Local, 2020)



Locality



Autonomy



Diversity



Case Study 1: Self-governing through crises – The Brockham Emergency Response Team

In many ways, the Brockham Emergency Response Team (BERT) is a classic Ostromian case-study. A spontaneous, voluntary, and community-managed organisation that emerged in response to major local floods in 2013, BERT evolved from existing informal groupings and structures that had arisen from the normal flow of life in a rural Surrey village with a population of less than 3,000.

This group responded, in part, to a collective action problem. Central government legislation in the years prior to the floods had shifted the responsibility for rural watercourse maintenance – such as drainage, streams, and ditches – out of the hands of local authorities. It became the responsibility of the people who own property that approximates these watercourses to ensure that they are in good condition. Failure to maintain these watercourses can impose huge risks and costs on the wider locality, but most people are unaware of their responsibilities, and often lack the skills required to effectively maintain nearby ditches.

This situation exacerbated floods in places like Brockham at the end of 2013. In response, an organic, community-powered solution arose in the form of BERT, which organised an autonomous response to flooding. More than 90 homes were evacuated. Like Ostrom's case studies, BERT has developed its own internal structures, adopted some home-made

governance procedures, and now forms an integral part of local life. It solves the collective action problem by sharing the burden of watercourse management over a network of mutually interested volunteers, offering a more skilled and efficient way of minimising flood risk than any of the responsible private landowners could manage on their own.

BERT has now registered as a Charitable Incorporated Organisation, and expanded its mission to include: support for elderly and infirm residents, information-sharing and environmental management support for the local council, community support during severe weather and power outages, in addition to ongoing flood prevention and management of ditches, green spaces, environmental resources. Its primary function, when not responding directly to an emergency, is to inform private landowners and to pool local resources to ensure proper management of the local watercourse. Otherwise, BERT's explicit aim is to shore up the wider resilience of the local community.

In 2020, BERT played a key part in the local response to the Covid-19 pandemic, and the group now serves other roles beyond supplementing emergency and council services. The participants manage a shared central resource of supplies and tools, as well as offering support and training to younger locals (ages 13 and up). This group has even inspired some young people to study disaster management at university.

How is it that this organisation appears to be maintaining its importance within the local community, regardless of the immediate risk of flooding? One answer is that the exceptional success of BERT – which has now won an award for community service – inspires continued confidence. The diversification of BERT's service offerings and the range of opportunities it supplies for socialising and developing relationships may also play a role. These are all key elements of how a real community builds up social capital that, from an Ostromian perspective, can both secure self-governance and create the conditions for the emergence of more institutional forms.

BERT is deeply enmeshed in local institutions and networks, and has developed a functional and symbiotic relationship with both the community that it serves and the local state. As one key figure in the organisation explained, BERT emerged as a spontaneous response to an immediate crisis: “You’ve got to have a problem; you’ve got to have a threat. This gets people to come together in the first place. If you’ve never had a big local issue play out it just won’t happen.” But sustaining BERT long-term later became a “deliberate decision”, since “if a watercourse goes to wrack and ruin in one place then it becomes a problem for everyone else upstream. It’s better to work together to keep the whole system working properly. We all benefit from it – in lots of different ways. BERT generates skills, puts things together, makes things happen.”

Critical to the continuation of BERT’s efforts is the relationship with the council. “A lot of the time, communities moan at the statutory authorities about what hasn’t been done. We take a completely different approach. These authorities have a vast area to cover and limited resources. We can moan every day about what we think they should do – but the reality is that they can’t do everything, they don’t have the resources. So we thought about what the community should do for itself. We concentrate on the stuff we can manage, and point out to the council where there are things that we can’t tackle on our own.” The result is “a working relationship, rather than one where we just berate one another. It’s more sustainable. Our relationship with the local authority has been transformed. I actually think they quite enjoy working with us.”

This suggests that BERT has asserted a community’s right to self-organise and help itself, partnering with and being facilitated by other institutions whenever necessary. These layered responses, tackling different elements of a shared problem, are highly Ostromian in nature – and help to explain why Brockham’s community response has flourished.

3. Polycentricity: Embrace the Mess

The Insight: Complexity is a hallmark of resilience

Autonomous and locally-working communities – those with the conditions for Ostromian self-governance – will tend to diverge from each other as their approaches and solutions become more specialised and locally-tailored. While this increased complexity may seem daunting, it can be highly advantageous, mitigating wide-scale risks, building up the resilience of the whole, and offering lots of room for experimentation and innovation in order to find good outcomes. To embed these benefits, community systems should be allowed to overlap and layer with one another, interrelate horizontally rather than hierarchically, and therefore produce a nested *diversity* of outcomes.

The Argument: No universal answers, only experimental solutions

In policymaking, there are no 'silver bullets'. Human systems are staggeringly complex. For every seemingly simple relationship there are a multitude of unknown factors and confounding variables which could lead to serious unintended consequences when new policies and approaches are introduced. This is why Ostrom warned social scientists and policymakers alike against the tendency to seize upon particular models as *panaceas* – including her own.

Community-controlled institutions and self-governance are powerful contributions to the range of available systemic responses to social problems, but turning to such approaches will always be contentious. Some issues must be addressed at the more distant level of the central state, while others would best be regulated by local authorities. At other times, the best and most efficient outcomes can only be achieved with the help of privatisation and market forces – for example, when competition can drive down prices and raise quality of life for more people than other approaches might. What is needed, then, is a structural emphasis toward experimentation, with room for shifting institutional arrangements that overlap with each other and nest within each other at different scales.

Embracing ‘messiness’ in this way feels counterintuitive. Ostrom noted as early as 1978 that “conventional wisdom alleges that overlapping jurisdiction leads to wasteful and inefficient duplication of functions.” Yet markets are a kind of institutional arrangement where efficiency is *only* possible when monopolies are avoided: “overlapping service areas and duplicate facilities are necessary for the maintenance of competitive forces.” For non-market players to benefit from the same set up, “they would need to be coordinated through patterns of interorganisational arrangements rather than patterns of hierarchical control alone.”²² Autonomous, contextually-working communities should relate to each other horizontally and as peers, rather than referring back ‘up’ to some higher authority for coordination.

The complexity of polycentricity may seem off-putting to reformers who envision a streamlined, coherent, and joined-up future for public services. Ostrom points out, though, that this is really “no more complicated than shopping in several establishments – some of which are general purpose stores and others of which are specialised.”²³ From a policymaking perspective, the real challenge is in fostering – without quashing – an environment that leads to institutional “designs that facilitate experimentation, learning, and change.”²⁴

While we may be concerned by the potential costs of such diversity and people’s responses to it, Ostrom would note that monolithic, simplified systems also come at a cost. Human society throws out a complex “diversity of puzzles and problems”, Ostrom wrote. Humans have “complex motivational structures and establish diverse private-for-profit, governmental, and community institutional arrangements that operate at multiple scales”, with the result that “one size fits all policies are not effective.”²⁵ And, perhaps most importantly, diverse systems also supply some degree of resilience. In Ostrom’s own words:

²² Ostrom & Ostrom, V., *Public Economy Organisation and Service Delivery* (Indiana University Workshop in Political Theory and Policy Analysis, 1977) (accessed 29/09/20)

²³ Ostrom, *Local Government in the United States*, p. 97

²⁴ Dietz, Ostrom & Stern, ‘The Struggle to Govern the Commons’, (*Science*, 2003), p. 1907

²⁵ Ostrom, ‘Beyond Markets and States: Polycentric Governance of Complex Economic Systems’ (*American Economic Review*, 2010)

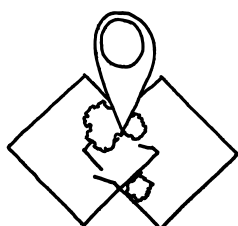


Institutions must be designed to allow for adaptation because some current understanding is likely to be wrong, the required scale of organization can shift, and biophysical and social systems change. Fixed rules are likely to fail because they place too much confidence in the current state of knowledge, whereas systems that guard against low probability, high consequence possibilities and allow for change may be sub-optimal in the short run but prove wiser in the long run.”²⁶

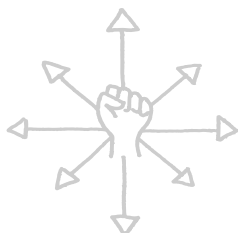
The Implications: The state as one system among many

If communities are empowered to participate in and design systems that are well-adapted for context and enjoy the autonomy to do so effectively, then a *diversity* of approaches will surely emerge. It is important to see the advantages of such diversity. Rather than starting from the assumption that all problems have a single best answer, a polycentric and locally diverse approach recognises that there may be multiple viable solutions. Some of these work better in particular contexts, and others will only function if nested within other layers that involve many different kinds of institutional forms working in concert. Such variation will also help to avoid the emergence of nationwide disasters when inadequate approaches, policies, or systems are instituted in a way that affects millions of people. A more polycentric order would not remove the need for efficient central and local government. Rather, it calls for a facilitative approach to strengthen, rather than undermine, the kind of diversity that could help everyone to innovate more and discover new solutions.

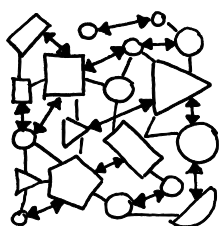
²⁶ Dietz, Ostrom & Stern, 'The Struggle to Govern the Commons', (*Science*, 2003) p. 1909



Locality



Autonomy



Diversity



Case Study 2: Self-governing services – ‘Revolutionising Recovery’ in Essex

Communities can – and increasingly do – take on important roles in the defining, designing, delivering, and owning the critical elements of public service provision. More often than not, they do so as one layer of insight among many, or in collaboration with other systems that work in quite different ways. Essex County Council has led the way in introducing community engagement and commissioning into its services.

A particularly innovative example is ‘Revolutionising Recovery’, a major new community commissioning project supported by the council and Social Finance.²⁷ The organisation is set up as an independent charity, co-led by a board of expert Trustees and a Recovery Advisory Committee comprising local people with experience of addictive substance recovery and services. Through a grant agreement with the council, the committee plays a major role in selecting and commissioning drug and alcohol recovery services in Essex and simultaneously works to reduce stigma around addiction and recovery. Involving the community allows for the identification of on-the-ground issues in a way the council may never be able to on its own.

Revolutionising Recovery shows how community-powered services can make meaningfully different judgments, informed by experiential evidence. At one important early meeting in this initiative, some attendees from the recovery community pointed

²⁷ Essex Recovery Foundation (‘Revolutionising Recovery’)- [website here](#)

out that a newly created facility was broadly less favoured by community members than the older, existing sites. As a result, the service users tended to simply use the old facility. Several members of the assembled board pointed out that the money spent on the new facility could arguably have been better spent elsewhere – a fact that may not have emerged without such direct community involvement in this service area.

Another interesting feature from this scale of community involvement is the potential for productive differences of opinion between the community representatives, the commissioned service providers, and the evidence-led experts who also have a role to play. For example, the community could decide that it wants a facility to be accessible on weekends, and the formal service provider could argue that this would be too costly or even contribute to overdependence on the service through constant availability. A disagreement like this requires the opening of a new kind of discussion: one that would be impossible if the community were relegated to the role of passive service users.

One facilitator who is closely involved in Revolutionising Recovery pointed out that only under a process that truly involves the community could such a difference of perspective be discovered in the first place, which is surely preferable to its never being recognised or addressed at all. The need, then – as Ostrom indicated in her design principles – is for a set of governance norms that provide the conditions for a real forum, with enough internal trust between the members of the community and those they interact with to enable the discovery of a mutually agreeable course of action. The facilitator added that the relative open-mindedness of participants had become an important selection criterion in the recruitment of board members.

Revolutionising Recovery demonstrates the potential for solution-finding and experimentalism within the many layers of existing institutional arrangements.²⁸ Notably, the participation and good

²⁸ For further exploration of community commissioning approaches, see Lent, Studdert & Walker, *Community Commissioning: Shaping public services through people power* (New Local, 2019)

will of the local authority has been a necessary condition for the emergence of a more community-centred approach that goes far beyond mere consultation. To work effectively, this project has also had to develop its own internal processes, all within the useful organisational structure of a charitable organisation – but to get to this point has required support from the state, the third sector, and many volunteers. Without the presence of these diverse elements, such an experiment could not take place.

Structural Lessons: Economies of context vs. economies of scale

Regardless of the three key Ostromian insights – each of which works as an argument against the centralisation of systems into monolithic, hierarchical structures – we are used to seeing policy debates and public service reform agendas that revolve around very different assumptions.

With public institutions under constant pressure to demonstrate efficiency and cost-effectiveness, patterns emerge:

- 1.** Consolidation programmes are often considered an intelligent way to achieve economies of scale.
- 2.** When major reforms to the distribution of a resource, the management of an asset, or the running of a service are introduced, there is often an effort to strengthen the centre to maintain continuity and universality over whole systems.
- 3.** To ensure cohesion with this stronger centre, local institutions are usually also saddled with hierarchical accountability structures and target-setting.

All these linked norms of governance reform are, from an Ostromian perspective, highly counter-productive. Rather than fostering an innovative diversity of approaches, they apply one-size-fits-all thinking in an effort to standardise outcomes. Rather than increasing the autonomy of communities and frontline teams, they force them into rigid patterns of behaviour with few opportunities to make local change.

Economies of Scale are not Universally Desirable

Police reform is a salutary example of the dangers of service and institutional reforms that prioritise economies of scale and the goal of consistency over large jurisdictions. In the UK, there are regular calls to consolidate police forces in a similar way to the 20th Century police department consolidation projects that took place within the USA.²⁹ In Scotland, similar calls were heeded when regional police organisations consolidated into a single Scotland-wide policing body in 2013. A subsequent review by Holyrood's Justice Committee concluded that this approach had failed to realise any savings while also magnifying issues in leadership, staffing, and logistics for the police.³⁰

The case for a consolidation approach here is easy to state. Unified and merged police forces would require less collaboration between different departments and jurisdictions to get things done, so larger-scale or geographically mobile crimes are easier to address. Consolidation would also allow rationalisation of everyday activities, so more could be done with a smaller force and at lower cost. Rather than a proliferation of local offices, each with its own distinct administrative team and approach, a single central bureaucracy could run the whole operation. When a major challenge emerges, the consolidated force would be able to deploy all its resources to address it, rather than waiting for outside support. And – perhaps most important of all – consolidation allows easier auditing and supervision in general, and so may help prevent the speciation of undesirable police practices in particular places (for example, the emergence of a racist or authoritarian culture in a particular local department).

The only problem with this consolidating approach, as Ostrom and others have shown, is that it does not work.³¹ While certain savings are made possible through consolidation, other, harder-to-see costs are also likely to emerge. The potential for lighter-touch and more informal

²⁹ In 2019, a significant debate was triggered by Sir Mark Rowley, former head of counter-terrorism in the UK, when he [called for consolidation of forces](#) throughout the UK. These calls were [echoed in 2020](#) by the chief constable of Greater Manchester and by the head of the National Police Chiefs Council (both accessed 29/09/20). In 2017, there was an abortive attempt – amid significant funding pressures – to unify Dorset, Devon, and Cornwall police forces into a single body.

³⁰ [Review of Police and Fire Services](#) (Scottish Parliament Justice Committee, 2019) (accessed 25/09/20)

³¹ Boettke, Palagashvili & Lemke, 'Riding in Cars with Boys: Elinor Ostrom's adventures with the police' (*Journal of Institutional Economics*, 2013)

engagement with communities becomes much more difficult at larger scales – so preventative action, community-orientated solutions, and efforts to keep smaller misdemeanours from scaling up to costly criminal activities all become harder. Similarly, it becomes less likely that police officers will be personally embedded within the areas where they work or the communities that they serve – so sense of place and of nuance are both likely casualties of a serious consolidation programme. Other services find it harder to coordinate with or otherwise influence policing in bigger departments, worsening outcomes overall. And while consolidation may make it less likely for small, isolated departments to end up with undesirable internal cultures, it also risks embedding those undesirable traits at a much larger, systemic scale – where it can have a worse impact and be harder to dislodge.

Ostrom’s extensive research into US policing outcomes showed that larger and more distant departments ultimately generated higher costs and worsened public perceptions of the police.³² In a time where the institutional biases and behaviours of police in both the USA and the UK are under unprecedented scrutiny, the idea of making police more distant from the public they serve in the name of efficiency would seem misguided.



‘economies of context’: smaller-scale efforts, better connected to communities, and with more autonomy and decision-making power for those with the best local knowledge.

Policing is just one example. Other policy areas, from the structure of social service provision to the operational culture of local government could also benefit from the Ostromian insights set out above. Through them, there is the potential to transform outcomes through what might be called ‘economies of context’: smaller-scale efforts, better connected to communities, and with more autonomy and decision-making power for those with the best local knowledge. Efforts are already underway to introduce these new norms, for example in children’s social care.³³

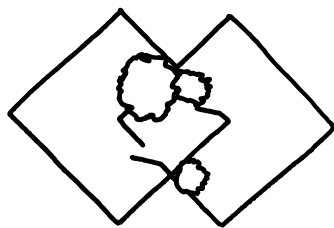
To translate Ostrom’s insights into wider experimentation with smaller-scale work and ‘economies of context’ across the public services, we are in need of design principles: a sense of the conditions that would allow self-governance and polycentricity to emerge in both communities and reformed institutions.

³² Vansintjan, *What Elinor Ostrom’s Work Tells Us about Defunding the Police* (Grassroots Economic Organising, 2020) = (accessed 29/09/20)

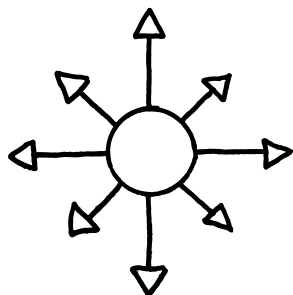
³³ For a powerful recent example, see *A Blueprint for Children’s Social Care: Unlocking the potential of social work* (Frontline, Centre for Public Impact & Buurtzorg, 2019).

2. OSTROM'S CORE CONDITIONS OF COMMUNITY POWER: LOCALITY, AUTONOMY, AND DIVERSITY

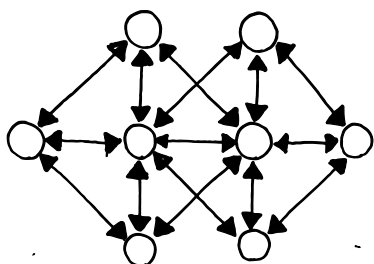
Key Insights



The commons



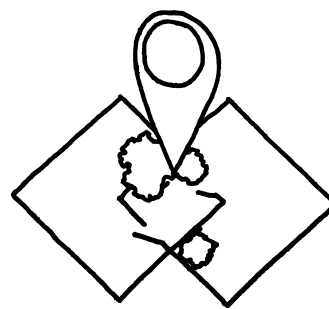
Self-governance



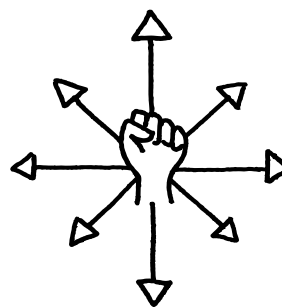
Polycentricity



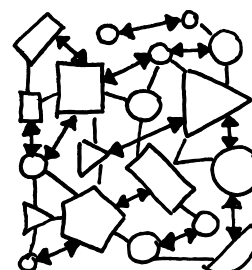
Core Conditions



Locality



Autonomy



Diversity



To unpack the particular circumstances that Ostrom identified as integral to the success of what is sometimes called ‘commoning’, this section sets out three of the core conditions that can be used to discuss and inform community power in the UK. Each of these corresponds with one of the critical insights outlined in the previous section.

One of Ostrom’s most lasting contributions is a set of eight design principles for successful self-governance, derived from her observation of the shared attributes of the best community-managed common resources.³⁴ These are reproduced in a slightly simplified form in this report’s *Appendix I*, with some explanatory notes, and a description of how these design principles stand in the specific context of the UK.

This report argues that, just as there are three major areas of Ostromian insight for decentralisation and community power in the UK, Ostrom’s eight design principles can be summarised into three corresponding *core conditions* for the success of self-governance and long-term, sustainable collaboration within communities.

These core conditions are:

- ≡ Locality:** Communities should wield meaningful control over their own shared resources, act collectively to make decisions about them, and make their systems as closely-informed by the particulars and specifics of their context as possible.
- ≡ Autonomy:** Communities can and should self-govern without the need for outside intervention in order to foster active citizenship and create the incentives that sustain real collaboration and build up social capital.
- ≡ Diversity:** When working locally and with autonomy, different communities will also generate a multitude of different solutions to their challenges. These will vary from place to place, overlap with each other, and function at different scales – creating the conditions for experimentation and innovation.

³⁴ Ostrom, *Governing the Commons*, p. 90

Three Core Ostromian Design Principles for Sustainable Community Power in the UK

As argued in *The Community Paradigm*, the growing complexity and scale of social and environmental challenges calls for new kinds of response. Among other things, institutional measures must become more trusted, connected, early-intervening, and locally tailored. Ostrom's work demonstrates the tangible existence of a third model – 'beyond markets and states' – which will often be better placed to create the conditions for these desirable traits. This potential is visible in community-powered programmes and projects that are already playing out all over the UK.

An Ostrom-inspired vision for community power in the UK would not be about finding the 'right' answers to questions or problems (many of which will have multiple possible solutions anyway). A key lesson from Ostrom's work is the need to escape from assumptions of 'common sense' universal solutions. The result of Ostromian community empowerment is not a stable, set outcome but arrival at a dynamic, layered set of experimental relationships and institutions that include people, empower communities, and can respond to changes as they occur.

Ostrom set out many important requirements for the flourishing of self-governance – and some of these are only occasionally met in the social and political environment of the UK. Most importantly, three core conditions can be distilled from these design principles, particularly in the context of Ostrom's key insights about democracy, the commons, and polycentricity.

These overarching conditions – locality, autonomy, and diversity – must be in place for community-powered projects to reach the point where they can self-sustain. They are requirements that establish the ground for much that is desirable and empowering in Ostrom's vision of decentralised self-governance.

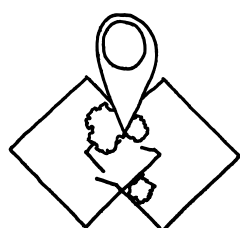
1. Locality: Context is King

This is the stipulation that systems – including the way that resources are managed, rules are designed and sustained, and key decisions are made – should be originated within, and appropriate for, the particular context in which they operate. Ostrom's evidence shows that such proximity to context and ability to tailor systems to meet the specific needs of a community make it more likely that people will collaborate and cooperate with each other. The 'locality' of work – and its proximity to those with the best idea of how things ought to function in particular places – is key to realising of the promise of the commons.

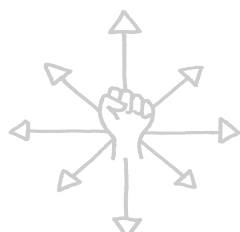
Ostrom found that a mobilised community will be more likely to work in line with rules that it has had a meaningful amount of influence over, for example. This is because the people expected to abide by rules will also have been the ones with a hand in their design, so they have a stake in them. At the same time, the products of such cooperation – the mutual benefits, the social value, and any gains in efficiency – are more likely to emerge and be visible at such a scale. These incentives can then contribute to a virtuous cycle that leads to more social capital, higher levels of trust within the community, and deeper cooperation. This positive feedback loop is visible in the case of Bramley Baths community business, for example, or many successful Big Local programmes (see case studies 3 and 5).

As Ostrom explained, the incentives to find ways to build trust and collaborate are strongest at smaller scales.

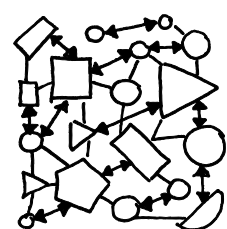
The *locality* core condition requires defining the scope of the resources being managed and the community that is managing them. This will involve stipulating that rules are contextually adjusted, in part by allowing community members a meaningful say over how things should work. Without this basic opportunity for individuals to deploy their local expertise, a community power project is unlikely to succeed. This is because locality is also about a shift in incentives. Participants would be less likely to collaborate over long periods in a self-governing system over a large scale, or within one whose processes are externally designed, because some of the principle advantages of self-governance would not be possible under those circumstances.



Locality



Autonomy



Diversity



Case Study 3: Self-governing assets – Bramley Baths, Leeds

The direct management of assets, resources, and service hubs through the organising structure of ‘community businesses’ is growing in importance. Community businesses have a variety of different forms, governance structures and purposes, and can include things like pubs, village halls, bookshops, farms, energy production facilities, and leisure centres. There are an estimated 9,000 community businesses operating in the UK.

The historic Bramley Baths in Leeds were taken on by local people as a community business when it became clear that the council was getting ready to sell them. The way this asset was taken on is a testament to its importance to the local community, but also to the significance of the stance of local authorities for the success of community-powered projects. Most significantly, this case demonstrates that communities are capable of making more of a valuable resource than a managing local authority – in this case, by running a steady surplus where council management was resulting in steady annual losses. This is not to diminish the capabilities of Leeds City Council, which remains an important component in the Baths’ current success – rather, this illustrates Ostrom’s point that larger-scale administration will sometimes not be best-placed to engage in the particular and detailed business of resource management in the same way as a fully mobilised community with skin in the game.

The baths are now run by the community as a company limited by guarantee. It operates a tiered membership scheme that

grants voting rights over the composition of the baths' board, and provides a diversity of services, employment opportunities, and affordable health-and-fitness facilities to its community.

One important participant in the work to set up Bramley Baths as a community business said the fact it was community managed had helped create a deep resilience, even in the context of a global pandemic that has forced the baths to suspend their operations. He argues that their fundamental value is such that “even if we completely collapsed, and lost all our members, we would be able to bring it back. The essentials are all there, and we know people want it and want to use the services we provide, so we know the Baths can come back from anything.”

The community's ambitions for the Baths extended far further than the council's did. Rather than operating on a limited schedule to control costs or using the space as a kind of museum, under community ownership Bramley Baths has been enhanced by the addition of community gardens, a gym and pool with regular classes, training facilities, special events, and a sauna. Dozens of employees work on various aspects of the community business and are developing useful skills as a result.

Participants in this project are clear that the relationship with Leeds City Council has been key. “At first, the volunteers were hostile to the council, and the council were hostile to us. But we realised that we couldn't win without the council on board, so we worked hard to build a respectful relationship based on negotiation. By the time the council came to make a decision over whether to lease the baths to us, we had already ‘saved’ them through a sort of ‘use it or lose it’ campaign. So we proved that the baths could be popular. By the end the council wanted a seat on our board, but we decided to maintain an appropriate distance from them.”

The architects of the Bramley Baths success story are also ambitious in a wider sense, and suggest the potential to use neighbourhood-led approaches to revive locally important resources of different kinds: “I'm convinced that this model could be used to revive community assets all over the place,” said one.

2. Autonomy: The Right to Self-Organise

The rights of communities to originate and sustain local systems must be respected by external parties. Without the basic expectation that their decisions and participation will have meaning, communities will have few incentives to come together or to self-govern. Instead, they are strongly incentivised to enter into transactional relationships with more detached representatives, service providers, and institutions. Very often, these relationships will lead to dashed expectations, lack of engagement, and collapsing trust.

With a fundamental principle of autonomy in place, the incentives for community power have a better chance of being embedded. This in turn will allow the emergence of experimentalism – different approaches being tried in different places, as appropriate.

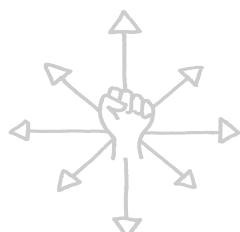
Such a ‘duty of respect’ for a mobilised community’s choices can be realised in several ways. The ‘Revolutionising Recovery’ example of community-powered service design and delivery in Essex, for example, cements a productive relationship between institutions and communities (see case study 2 on page 37). Very often, however, the burden of proof is placed on communities themselves to demonstrate the viability of an alternative approach before bigger players will give them the space to flourish, as with Bramley Baths in Leeds (see case study 3 on page 46).

In Ostrom’s original design principles, several of the shared traits of successful self-governing systems are to do with mediation, localised decision-making, and frameworks for imposing sanctions within a local context.³⁵ This is because localised systems and rules are more likely to be adhered to by communities than those established top-down via outside enforcement or regulation. In this way, the internal governance – and its functional independence from larger institutions – establish the potential for their *autonomy*.

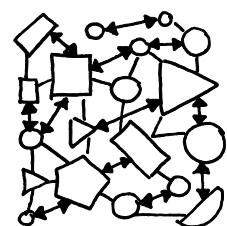
³⁵ See the appendix to this report for further specifics from the design principles.



Locality



Autonomy



Diversity



Case Study 4: Self-governing spaces – Green spaces in Withdean, Brighton

Institutional complexity can lead to a challenging diversity of outcomes. This is the case for various community-powered efforts to manage green spaces in the Withdean area of Brighton. While some projects, such as the Westdene Green space and barn – now operating as a community business – are increasingly successful in engaging community support even without direct support from local government, others, such as The Withdean-Westdene and Eldred Avenue Copse Keepers organisation (TWEACK), are struggling to remain active.

Previous research in this area has found that the management of shared spaces seems to be particularly dependent on a few highly dedicated individuals: "the very survival of the groups appeared to depend on intensely committed individuals who were prepared to shoulder the full costs of organising and maintaining the groups' political presence, because of the intensity of their ideological commitment to environmental protection issues and the enjoyment they personally derived from being involved in this way."³⁶ This is a familiar challenge in community-powered projects: the risk of a 'turn-up-ocracy' dominated by a few pivotal, community-spirited individuals who are not necessarily representative of a cross-section of views in their area. An associated risk is that activities can quickly cease if these organisers move on or lose interest.

³⁶ Pennington & Rydin, 'Researching Social Capital in Local Environmental Policy Contexts', (*Policy & Politics*, 2000) p. 244

An example of this is TWEACK – a community group dedicated to environmental management of some large, healthy green spaces and publicly accessible woods with strong environmental value – was created in response to the risk of commercial redevelopment. To preserve this environmental resource and local amenity, TWEACK partnered with the Sussex Wildlife Trust to gain control of the spaces, and proceeded to autonomously manage them for 25 years, planting trees, maintaining hedges, and collecting litter.

One key organiser, who has participated in TWEACK since its founding, explains that there has been slowly declining interest in the project, and that he expects that voluntary management of these copses will soon end altogether. The core group of volunteers dispersed over the years, as did the incentives for younger people to get involved, as they had less personal investment in their immediate neighbourhoods and were living busier lives: “This is just a place where their houses are, their lives are somewhere else.” In this case, the organiser argues that the management of these spaces could be sustained if the local authority offered more support, connecting specialists and experts and facilitating the volunteers and community members who remain interested. In practice, the council is strongly incentivised to focus its efforts on green spaces that are likely to help generate revenue streams.

Where TWEACK is an impressively long-lived community project that is now losing out to changing priorities and local demographics, the nearby Friends of Westdene Green (FWG) – which maintains a sizeable green space as well as a community hub – is a more recent project and a community business success story. Like TWEACK, FWG was galvanised by the potential loss of a community asset when the council advertised the barn on Westdene Green for commercial let on the Gumtree website. A campaign emerged to save the barn, which had been quietly operating as a community asset for some time, and eventually involved more than 300 people.

The campaign to gain control of this asset from the council was complex, again showing how crucial the council-community relationship can be for self-governance projects. FWG moved to register the space and barn as assets of community value, and then petitioned a full council meeting. The local authority initially turned down the ownership bid, despite the existence of a longstanding covenant that the space should not be put to commercial use. Ultimately, FWG were able to save this crucial local asset and run it to the benefit of the community.

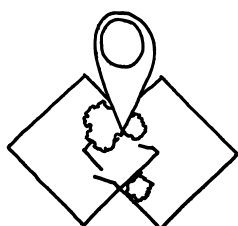
At this point, the Friends of Westdene Green have become conveners and supporters for other community groups in the area – including TWEACK – while the central asset of the barn has become increasingly central to nearby residents' lives. This is all the product of the community's hard work. The relative power of the local state means that FWG have important reasons to foster a mature and constructive rapport with the council: "At first, the relationship with the council was a challenge – 'this isn't your asset, this is our asset'. Since then, they've recognised the amount of social value we bring to the community. We are definitely saving money by adding to local wellbeing, though of course this is hard to measure well enough to demonstrate that point. And we have to hope that the council will bear this in mind when the time comes to renegotiate our lease."

3. Diversity: The Power of Allowing Different Approaches to Emerge

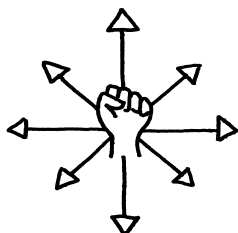
When the rights of communities are respected, and they can tailor their systems and plans more closely to their local needs, diversity and variation in approaches will necessarily follow. This throws up a series of new opportunities and challenges. The state's role does not disappear within such a 'polycentric' order – it must support, facilitate, and safeguard the action of communities where possible, fostering horizontal relationships and identifying useful innovations as they emerge.

Accordingly, Ostrom's eighth and final design principle is about allowing the conditions for experimentation and creativity in the way that resources are handled and services are designed. When communities have a reasonable expectation of autonomy and work locally to solve local problems and address local needs, their approaches will be likely to diverge. Rather than constraining this diversity in the name of universalism, the *diversity* condition suggests that this kind of speciation should be perceived as a legitimate and desirable outcome: overlapping, variable, and layered systems give communities space to innovate and experiment – which in turn offers wider society a chance to find out which approaches and combinations work best, and under what circumstances.

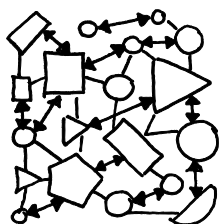
This condition leaves open an important role for local authorities whose participation are in many cases a necessary condition for the success of such projects.



Locality



Autonomy



Diversity

Case Study 5: Self-governing funds: Big Local

Allocating funds – from charitable sources or otherwise – for direct community management can create the conditions for a powerful test of Ostrom’s assertions about the capacity of unregulated communities to manage common resources. Like a natural resource, a fund of money can be managed in ways that makes it grow or shrink; invested in order to generate some return, or spent-down to realise outcomes that deliver value in a different way.

The Big Local initiatives demonstrate both the potential and the challenges of the self-governance of resources. Organised by Local Trust, the scheme hands a substantial fund into the control of a community, which then makes largely autonomous decisions about what to do with it. Big Local has invested millions of pounds into resident-led, long-term projects around the country. In each case the spending is managed by a steering group populated with facilitators and advisors, principally composed of and controlled by local people themselves.

Governance within projects such as these can be difficult to establish. Big Local’s many projects are a powerful source of evidence for the practicability of meaningful community management over a common resource. The money given to communities by Big Local is under genuine community control: it belongs to them. As a result, the services and facilities that are bought with this money are directly responding to a community’s perception of its own needs and gaps in provision.

In Barrow Island in Cumbria, the community decided to maximise the impact of its cash by investing it in the creation of a new community centre and sports facility within an existing space that was being under-used. Post-investment, the centre now provides a hub for many more relationships within the community.³⁷ This is an approach which focuses on a core community asset rather than investing more widely. Almost all of the Big Local funds were invested in improving and building upon a single facility, which has now – or at least before the current pandemic – achieved financial self-sufficiency.

But Barrow Island's experience has also been complicated by bureaucratic barriers, which contrasted starkly with the community's more pragmatic 'just do it' attitude. As one participant in the steering group put it: *"This is a group that needs to gain new knowledge to sustain its success. It has been hard to convince them of the need for getting things like the paperwork right because they're basically so successful. The way things are, there is a need for formality sometimes. This community is brilliant at problem-solving, but does less future planning."*

The Ostromian autonomy evident in the Barrow Island story has also been notable since the start of the Covid-19 crisis. Barrow Island has been central to the local response – organising hundreds of meals every day, and helping to tackle loneliness and isolation – while the council supported local groups to cooperate and coordinate their own response.

In Barrowcliff Big Local in Scarborough, the money was spent in a wider range of areas. This is a community with a similar historic experience of low public and charitable investment and relatively high rates of crime. As the project has gone on, the community's planning and ambitions have become more long-term and more clearly directed toward identifying and heading-off endemic service needs.

The resident-led projects have been manifold: they aim to improve public health, strengthen community ties, create new spaces and

³⁷ Herman, R., *A Level Playing Field* (Local Trust, 2019), p. 14

outlets for families and young people, set up drop-in surgeries for people with disabilities, make small loans to local businesses, and establish a multi-purpose coaching, advice and support unit for families and working-age people. The centrepiece of the Barrowcliff project, a new park and play facility replacing unused land in the middle of the community, was up and running within a year of the publication of the first Barrowcliff Big Local plan, and is now maintained through a combination of self-policing and council support.³⁸

Other Big Local projects have faced challenges familiar to Ostrom scholars. The dynamic and highly diverse nature of communities in urban environments can make it difficult to forge consensus about the way forward. A participant in the steering group of one metropolitan Big Local project suggests that thinking in terms of the governance of common pool resources has been key – and that the more closely the top team has reflected the context of the community it is embedded in, the more useful its work has become: “Reflecting the diversity of this area has been a huge challenge. It is hard to engage with different groups, and hard to get them to join up. It was critical to get to a point where we are really representative of the community. It is helpful to think of the Big Local funding as a kind of commons, with different ideas for the best way to put it to use – so a sort of collective action problem.”

The Covid-19 crisis has galvanised a response from many communities, and in the ‘urban commons’ of some Big Local sites seems set to help draw the community further together to collaborate over the best use of its common resources: “The pandemic has created an opportunity to expand and grow our reach through the new networks that have emerged from voluntary groups and mutual aid. At present we mainly connect with the wider community through already-established networks, which tend to be organised along the lines of the key cultural and ethnic groups in the area. So the pandemic creates an opportunity to reach further, and across those lines.”

³⁸ *The Halfway Point* (Local Trust, 2019)

The Conditions for Community Power

Ostrom's eight design principles offer a powerful understanding of the traits of particularly successful self-governing communities. The condensed 'core principles' set out in this report – *locality*, *autonomy*, and *diversity* – allow for a more focused sense of the central requirements for the emergence of sustainable self-governance in the UK, a country with a highly politically and economically centralised environment, where community rights are generally side-lined or ignored altogether.

Her body of work shows how the right conditions must be in place for highly context-specific systems and solutions to emerge, and for those systems and solutions to be plausibly respected – that is, not side-lined, overridden, or crowded-out by the state or the market. When this happens, Ostrom is clear about the potential benefits: real systemic diversity can develop at larger scales, allowing innovation and experimentation and setting up a discovery process for the best and most contextually appropriate answers to problems.



4. TOWARD OSTROMIAN POLICYMAKING AND THE FACILITATOR STATE

What might an Ostrom-informed approach to policy look like?

The range of relevant policy areas is enormous, and includes: the enablement of neighbourhood-level community power and communing, the flourishing of community businesses and the role of civil society organisations, the structure and design of a plethora of public services, the empowerment of local government for true subsidiarity, and the reimagining of the distribution and devolution of power throughout the UK. The core conditions identified above – locality, autonomy, and diversity – are a starting point, and the case studies show how these conditions can find practical expression.

What Can We Learn from the *Think Big, Act Small* Case Studies?

The case studies presented throughout this report have each discussed a slightly different governance situation, illustrating the Ostromian point that a *diversity* of systems is needed, since different things will work in different places and in response to different kinds of challenge. Each of these studies also illustrates the importance of – and challenges around – the other two core design principles identified in this report: *autonomy* (particularly with respect to the relationship with the state) and *locality* – the in-built value of bringing systems closer to communities and tailoring them to smaller contexts. The community businesses of Bramley Baths in Leeds and Westdene Green in Brighton make clear the potential for community ownership of local assets. The Big Local projects in Barrow Island and Barrowcliff are case studies in how communities can collaboratively manage resources. BERT and TWEACK showcase spontaneous environmental management, while the work of Revolutionising Recovery is an indicator of the need for diverse and layered systems.

These diverse examples demonstrate the value of an Ostromian analysis of community-powered projects in the UK. Each case study includes a number of challenges – highlighting ways in which the governance norms and general centralisation of the UK can make life difficult for communities that seek to work autonomously. Yet they also show how a diversity of systems, each finding subtly different ways to put communities in the driving seat, can find the space to flourish in this country.

In different ways, both BERT and Big Local function as fundamental proofs-of-concept for Ostrom's claims about self-governance. These examples show communities resolving collective problems and managing shared resources in a cooperative way. Several also shed light on the question of community mobilisation. BERT, Bramley Baths, and the examples from Brighton's green spaces each showcase community actions that are galvanised in response to a major, shared crisis: genuine environmental disaster in the case of BERT, or the risk of losing valuable local or environmental assets in Leeds or Brighton.

Several of the Big Local projects discussed here, as well as Bramley Baths, indicate the potential for communities to make better custodians of such important assets than the local state, ultimately deriving more value from them and getting them into the position of being financially self-sufficient institutions in their own right.

In every case study, the posture of the local authority was critical to the outcome. A facilitative council can help communities flourish, and even play a central role in the diverse responses needed for innovative new approaches to emerge, as in the case with Essex County Council and its role facilitating Revolutionising Recovery. Meanwhile, an indifferent or controlling local authority can have the opposite effect. This chapter will consider what it means in practice to play an effective facilitation role.

Ostromian Approaches in Wider Policy Areas

The five main case studies in this report set out examples of localised solutions, autonomous community activity, and diverse approaches in the areas of: environmental management, public hubs and spaces, local assets, fund-management, and public service delivery. But the usefulness of an Ostromian approach could go much further than this. This table sets out the implications of Ostrom's insights for a wider set of important policy areas.

Policy Area	Ostromian Insight	In-practice Example
Digital Infrastructure	<p>Poor access to a good internet connection has been a severe barrier for some communities, particularly during the Covid-19 pandemic. Digital infrastructure of this sort is also a tool to build resilience and organise local social capital.³⁹ Where communities are poorly served by the private sector there is scope for a self-governance solution.</p>	<p>Some communities have already demonstrated a willingness to cooperate in the production of a mutually desirable outcome in this area. Residents of the Welsh village of Michaelston-y-Fedw established a community interest company to provide fast broadband, and dug the trenches for the cables themselves to minimise costs, contributing thousands of hours of voluntary work to do so.⁴⁰</p>
Energy Production	<p>Electricity is a resource that is highly amenable to collective ownership and by a self-governing community.⁴¹ This could produce the kind of resilient self-sufficiency and grassroots change that will ultimately help to address otherwise intractable large-scale collective action problems, such as climate change.</p>	<p>There are thousands of active community groups with energy production objectives active in the UK – including commonly owned renewable projects involving solar panels and wind farms.⁴²</p>
Housing Management; Social and Affordable Housing	<p>Most of the social housing models in the UK leave tenants with little control over their situation. The quality of homes and their immediate environment have implications for their general welfare. More sustainable and legitimate approaches would democratise the governance of housing, increasing stakeholderhood in turn.</p>	<p>Various community-powered models include housing association co-operatives and tenant management organisations. Collaborations between adjacent co-ops can also lead to deeper improvements to social capital – e.g. the ‘Coin Street Community Builders’.⁴³ Community land trusts represent a way for communities to manage land long-term and create genuinely affordable housing as a result, as well as developing non-housing assets that are important to the local area.</p>

³⁹ Tiratelli & kaye, *Communities vs. coronavirus* (New Local, 2020)

⁴⁰ See [the webpage](#) for the ‘myfi’ project (accessed 29/09/20)

⁴¹ Melville *et al.*, ‘The Electric Commons: A qualitative study of community accountability’ (*Energy Policy*, 2017)

⁴² UK Government Department of Energy & Climate Change, *Community Energy Strategy* (Gov.uk, 2014) (accessed 29/09/20)

⁴³ See [the webpage](#) for the Coin Street Community Builders (accessed 29/09/20)

<h3>Planning and Development</h3>	<p>By localising and empowering the planning process, mutually agreeable outcomes are more likely to emerge from bargaining and deliberation processes that lead to the building of more houses overall.⁴⁴</p>	<p>The potential result here would be a greater proportion of successful planning applications alongside a higher overall level of public satisfaction with all developments. In some places, – such as the ‘on the rise’ redevelopment in Clapham, London – residents have collectively pushed for higher-density and higher-quality housing.</p>
<h3>Police Structures and Reforms</h3>	<p>Ostrom contributed to a broad research agenda exploring the impact of ‘consolidation’ policies on public trust and general relations with police forces. More negative perceptions tend to emerge when police forces are less local.</p>	<p>Benefits can emerge from more informal, localised, and neighbourhood-orientated policing models that are embedded within, and contributed to, by communities themselves.</p>
<h3>Prison Reform and Anti-Recidivism</h3>	<p>Prisoner councils – with meaningful participation, civic interaction, decision-making for convicted criminals – could have an important role to play in reducing the incidence of reoffenders and building skills.</p>	<p>Experiments in prisoner democracy – with varying extents of actual impact on internal prison policies – are quite common in some jurisdictions. They have also been experimented with and evaluated in several UK prisons.⁴⁵</p>
<h3>Public Information and Archives</h3>	<p>Ostrom wrote widely on the possibility of treating knowledge as a commons.⁴⁶ While knowledge-generation is sometimes a competitive process, the management of archives or resources of information can be collaborative, inclusive, and widely co-produced to make the most of the distributed information throughout an entire population.</p>	<p>Many online resources function as effective common-pool-resources for the public good, with varying levels of hierarchy in how contributions and additions are approved or modified. <i>Wikipedia</i> is the definitive example.</p>

⁴⁴ Myers, ‘Fixing Urban Planning with Ostrom’ (*Urban Economics*, 2020) (accessed 29/09/20)

⁴⁵ Solomon & Edgar, *Having Their Say: The work of prisoner councils* (Prison Reform Trust, 2004)

⁴⁶ Hess & Ostrom (eds), *Understanding Knowledge as a Commons* (MIT Press, 2006)

The State's Role is Crucial for Realising Self-Governance in the UK

The relationship between spontaneous community organisations and councils can be challenging. One anecdote from a former council officer illustrates the difficulty that spontaneous community groups can have in having their value recognised by councils – even those providing support to people who would otherwise require service interventions.

Here, officers became belatedly aware that a social forum for minority ethnic pensioners had been meeting in a room on council premises. It had been providing will-writing advisory services, tackling loneliness and holding educational events on ailments and diseases common within their community. Relevant council staff only became aware when the group requested a larger room for its expanding membership. The council was set to decline this on a technicality, since the forum was not fulfilling an officially recognised 'service need' according to the council's own guidelines. In the former officer's words, "because they were largely a self-sustaining community group who didn't interact that much with the council, and didn't respond to one of our professionally defined, siloed service 'needs', we weren't obliged to support them in the way we would for other organisations. It speaks to the perverse way that institutions work: actively neglecting the good stuff that is happening 'out there' if it isn't directly commissioned by the council itself."⁴⁷

So, how can the three fundamental Ostromian conditions identified in this report best be realised and facilitated by policymaking in the UK? As this report has shown, much depends on the stance of both the local and national state. If local authorities are sufficiently enabled to work closely with communities and minded to support their choices, community power has a far greater chance of establishing and sustaining itself – as in, for example, the cases of 'BERT' in Surrey and Bramley Baths in Leeds. But the state can become an obstacle to community power if local authorities are hamstrung by their own narrow definitions of value or their operating framework determined

⁴⁷ As told by an interview subject for this project. This story has a happy ending: the council was ultimately persuaded of the value of the social forum and allocated a better space where it continues to operate to this day.

by central government leaves them little room for manoeuvre. This can create strong incentives towards a primarily transactional or otherwise top-down relationships with communities – which sometimes proves fatal to lasting community mobilisation.

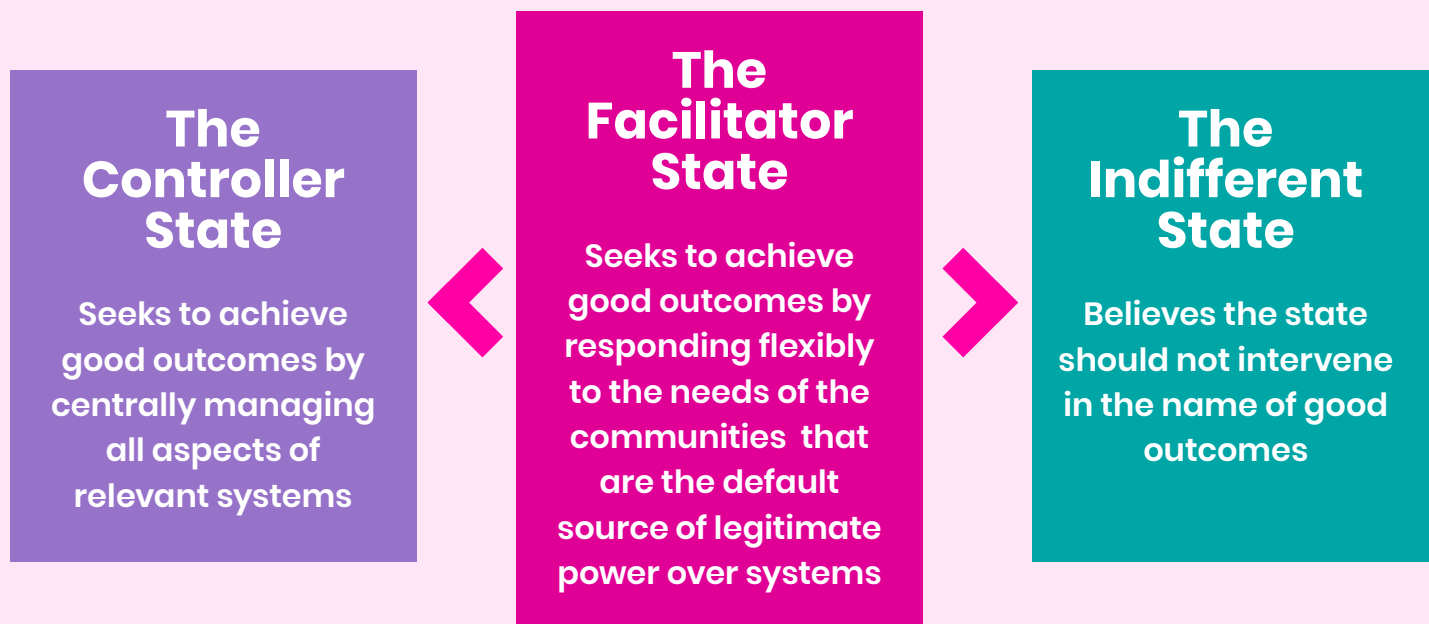
It is possible to categorise state activity into three broad types: controlling, indifferent, and facilitative. In practice, a given regional or national authority will probably operate in a combination of these ways at different times. There is certainly room for these different ‘styles’ of state activity to run concurrently within the full range of possible solutions to complex social problems and dilemmas.

- **The Controller State** seeks to play a central role in every aspect of a given area of activity. For example, in public services, the controller state would be responsible for the design, funding, and delivery of a given service; it would coordinate both the discovery of service need and the evaluation of the impact of its interventions. Its connection with the public operates via a framework of minimal democratic accountability and, in many cases, a limited degree of consultation.
- **The Indifferent State**, by contrast, is wholly *laissez-faire*. Where the controller state seeks to manage every aspect of a given activity area, the indifferent state simply stands back and allows other institutional solutions to operate instead – for example, in the form of a 100 per cent market-driven response to some community’s needs.
- **The Facilitator State** – also sometimes called the ‘partner state’ or the ‘enabling state’ – charts an alternative path. It meets needs where appropriate and where state action has emerged as the best systemic response to a problem. At the same time, it does not establish itself as the default arbiter of which systems should evolve: it creates the space for alternative approaches to emerge, while also supporting and protecting their activities when possible and when these non-state institutions are best-placed to sustainably meet people’s needs.

In this framework, one clear conclusion from the available arguments and evidence is that the UK tends to veer wildly between ‘control’ and ‘indifference’ in the stance of both national and local state behaviour. These baselines, for example, help to explain the dominance, by turns, of the ‘state paradigm’ and the ‘market paradigm’ in public services.⁴⁸ What is needed, rather than another pendulum-swing in one of these directions, is a pivot to the facilitator state model.

The facilitator state, by allowing the emergence of localism, safeguarding the autonomy of communities, and supporting (while also placing itself within) a productive diversity of systems and institutions, would be the most effective boon for the decentralised flourishing of community power in the UK. Any Ostrom-inspired policy platform should be built around the objective of working toward the emergence of a genuine facilitator state.

Figure: Models of State Activity



⁴⁸ See Lent & Studdert, *The Community Paradigm* (New Local 2019), p. 10 for an in-depth analysis of these governance paradigms in public services.

A controller state cannot plausibly manage systems that are contextually tailored and locally embedded, even when these would be best. It also crowds out the community-level activity that might more plausibly lead to such solutions because it fails in the duty of respect that must be in place to incentivise sustained activity from a mobilised community. Meanwhile, an indifferent state would certainly leave enough space for these alternative arrangements to emerge – but would then also fail to support, insulate, and add expertise to community-powered efforts when needed.⁴⁹

Toward the Facilitator State

To safeguard both the autonomy and locality conditions we have gleaned from Ostrom, we require this different kind of state – facilitative, supportive, and deeply grounded in the needs and expectations of real people and a diverse array of other systems.

This can be achieved through realising devolution through recognition of community rights, as a precondition to then fostering a closer relationship between councils and communities, two themes to which this section will now turn.

1. Realising devolution through recognition of community rights

Devolution in England been a patchwork affair – one which has done little to reform the nature of the state itself or create the conditions for communities to take meaningful control and participate in their own flourishing. In practice, the result is that this country remains, by most measures, one of the most politically, fiscally and economically centralised in the world.

From an Ostromian perspective, this approach – in its top-down design, its emphasis on deal-making, and its side-lining of actual communities – is wholly inadequate. Rather than helping to create the conditions

⁴⁹ Academic research has explored the extent to which a totally *laissez-faire* approach can result in community activities – and, by extension, community rights – being quashed by competition from other systemic approaches or unintended risks. A more active and facilitative approach can take on a safeguarding and support role to insulate community power. Richards, 'Common Property Resource Institutions and Forest Management in Latin America' (*Development and Change*, 1997)

wherein newly mobilised communities can assert themselves and begin to revise institutional structures from the ground up, English devolution is compartmentalised, underfunded, driven by the quest for efficiencies. Even when powers are localised, the existing incentives tend to lead to command-and-control anyway – only originating from the local, rather than the national, state.

Unconditional devolution and community rights

In 2019 New Local's *Community Paradigm*, inspired by Ostrom, called for unconditional and fiscal devolution, and an overall approach driven by community empowerment. This report suggests that the best way to realise the new model of devolution is by upholding Ostrom's insistence that the autonomy of communities be respected as a "right to organise".⁵⁰ This was Ostrom's seventh design principle revolving around the idea that "external governmental officials give at least minimal recognition to the legitimacy" of locally-devised systems: something she deemed impossible in any situation where those officials "presume that only they have the authority to set the rules".⁵¹

Without this minimal recognition of local organisational rights at the heart of policymaking, community power will remain marginal. But with that right formally reflected as an operating principle for the further devolution of power from the centre, the nature of the UK's devolution agenda can begin to shift. To make the difference, these must go much further and be far more balanced than the community rights recognised in previous central government legislation (for example, the rights to challenge local service provision approaches, bid on assets, or veto council tax rises that were incorporated into the Localism Act of 2011).⁵² These rights defined exceptions to a top-down norm; an Ostromian right to community organisation would entail an inversion of the norm so that the source of all legitimacy moves back toward local communities.

⁵⁰ Ostrom, *Governing the Commons* (1990)

⁵¹ See the appendix to this report for an exploration of Ostrom's eight design principles.

⁵² See (then) DCLG's [guide to the Localism Act](#) (Gov.uk, 2011)

2. Fostering a closer relationship between councils and communities

Devolution, rather than being institutional in character and establishing a few exceptions to the rule that the centre maintains as much power as it can, should become about fostering a symbiotic relationship between the local state and communities of both place and interest. Local authorities shouldn't be set *against* communities or vice-versa. The rights of communities are the prime reason for all kinds of devolution – and such rights are only sustainable via enough devolution to create a facilitative state. Rather than obsessing over performance, accountability, and functional economic geographies, devolution in this approach becomes an incremental policy solution for a longstanding problem: *at present, our institutions do not reflect communities' rights to locality, autonomy, and diversity.*

Reduce scale whenever possible

The state must accept its new facilitative role at both the local and national scales – not through a series of one-off deals, but through the establishment of a new set of norms: actively looking for opportunities to share power, involve communities, bring decisions closer to people, and respect their choices. Councils should seek to support and reflect the will of the communities within its jurisdiction, just as the centre should embrace a general preference for subsidiarity. Nothing should be done centrally that would be better done locally. People should stop being assumed to be users, clients, customers, or dependents: the working assumption should instead be that communities will have a distinctive insight into how things ought to be done, and so their decisions should not be contradicted under any ordinary circumstances.

Embrace diverse approaches

While the state will always have an important role in determining what our key social objectives should be (supported by democratic processes at every scale) there should not be a presumption about 'best practice' in *how* different localities work toward the realisation of such goals. Such micro-management would be inappropriate if the autonomy and diversity of different local approaches are to be respected as rights, and

certainly not if the best consequences of these rights are to be given the time they need to emerge.

Horizontal, not vertical; learning, not targeting

This paradigm shift will also mean different ways of thinking about impact, performance, and accountability. Rather than demanding efficiency and high performance through vertical accountabilities, Ostrom points the way to networks of horizontal relationships. The diversity that emerges from community power will itself generate innovation and improvement that is suited to particular places, and the facilitator state can help by connecting, networking, and sharing the things that are learned as communities iterate upon their solutions to problems. This new approach would mean prioritising learning and adaptation for the improvement of practice rather than target-setting and top-down performance monitoring.

The final section of this report offers a series of recommendations to deliver genuinely Ostrom-informed policymaking in the UK.



5. RECOMMENDATIONS

Some practical policy proposals flow from the Ostrom-inspired analysis set out in this report. These recommendations are for both local and national government, where rights-driven devolution and the creation of a facilitator state are the main objectives, as well as for civil society organisations and community groups themselves. The recommendations range from the wholesale reinvention of how power is distributed in the UK, to pragmatic steps that individual councils and community groups can adopt now to help foster locality, autonomy, and diversity within an overly centralised system.

1. Reimagine Devolution

English devolution, as currently conceptualised, replicates the top-down norms of the wider system. It is effectively seen as one more policy tool or means to realise central objectives, rather than as the basis for an essential and fundamental shift in the country's centre of gravity. The 2011 Localism Act created a weak set of entitlements rather than truly recognising community rights and coupled these with an all-encompassing need to manage dwindling budgets by cutting back on services. It was, in effect, decentralisation of blame in challenging times, and a decade of funding cuts since then has created an ever more fraught operating context for councils. An undermined, underfunded, and undercut local government sector cannot function in the facilitative way that Ostrom's research suggests is needed.

The emergence of deal-based devolution was led by the priorities of Westminster and Whitehall – creating new sub-regional governance structures operating at strategic scale in order to receive new powers

and funding. The approach has defined recent years of reform intended to shift power from the centre and looks set to continue with plans for two-tier areas to be incentivised to merge in order to secure new powers. Devolution seems to be driven by the requirements of the centre, rather than any great notion of subsidiarity or strengthening civic connections between the public and local institutions.

While Ostrom had plentiful criticism for the state of local government and democratic participation in the USA, the norms of regional autonomy and localism are more thoroughly embedded that side of the Atlantic. As a highly centralised country, England has a different starting-point for community power: we must begin by challenging the power and initiative held by national government. This means a new approach to devolution is needed – to reset the balance between the centre and the locality and create the conditions for real self-governance at smaller scales.

The insights from Ostrom's research – and the lessons from the deep crises of 2020 – suggest that the time has come for a much more radical approach. Local institutional structures do not need to be made bigger to take on more powers; Ostrom's research shows that, if anything, the opposite is true.

A reimagined, Ostrom-informed devolution programme would:

- 1. Move away from deal-making**, because local autonomy should not be transactional and is not supposed to be a bargaining chip in a longer play for endless, efficiency-driven restructuring.
- 2. Recognise a core set of community rights**, similar to those outlined in Ostrom's design principles, and associate the distribution of power to localities with the further and continual empowerment of civil society organisations and community groups themselves.
- 3. Actively look for opportunities to disperse power** away from Whitehall and Westminster in line with a core principle of subsidiarity. Any programme of institutional streamlining at the core would be incomplete without a binding commitment to localism, particularly in times where there is a clear need to urgently build up resilience and self-sufficiency in every part of the UK.

To realise these objectives, we recommend the following measures:

Launch an Ostrom-informed audit of the balance of power in England.

This should be a full-scale, high-profile examination of the constitutional structure of England with the objective of analysing the relative powers of central and local government, and identifying how both can work more collaboratively with communities and civil society groups and move definitively toward a facilitator-state model.

Crucially, the audit will have a remit to scrutinise the truth of operational assumptions – such as those around economies of scale – that lie behind efforts to centralise and consolidate. This will also involve meaningful reforms to the way things are done in Westminster and Whitehall, because real devolution isn't just about change outside the centre, but will involve a fundamental streamlining of the core. The audit's final report should identify the obstacles that stand in the way of real local autonomy and structural subsidiarity, and offer proposals to see that these obstacles are removed.

Legislate for community rights – in particular, an Ostromian 'right to organise'.

This should take the form of a new legislative commitment to recognise the rights of communities to organise, including the establishment of localised rules systems, approaches, and internal methods of deliberation and decision-making. The act should stipulate that, unless there is a wider, democratically identified strategic priority, the democratically agreed choices of a given well-defined locality will always entail a responsibility on the part of national and local government to respect that decision.⁵³ This should also include the right to deviate significantly from the norms and systems established elsewhere.

⁵³ Lent, A., *Communities are Being Failed. It's Time to Enshrine their Rights* (New Local, 2020).

Establish a Community Wealth Fund.

A succession of governments have put forward a plethora of strategies for the strengthening of civil society, the rebuilding of the social fabric in local places, and the empowerment of communities. But even legislating toward these ends is meaningless in the absence of the money and resources that such endeavours often need in order to prosper. There is urgent need for hyper-local investment, long-term civil society development, and the facilitation of more community-centred decision-making along Ostromian lines. Just as local authorities need a (long-overdue) fairer and more flexible funding settlement, a dedicated fund is required for a new generation of civil society projects and informal community groups. It should be organised in a grassroots-led way, with clear prioritisation for the least advantaged communities. This fund should also be a permanent endowment, with monies dedicated from the 'shared prosperity fund' that is being brought online to succeed EU investment after Brexit, and potentially supplemented by the realisation of dormant assets.⁵⁴

2. Escape the Duopoly of Markets and States

As this report has set out, one of the main obstacles between the current centralised status quo and the alternative approaches explored in Ostrom's work is a certain narrowness of view - that every service must be fulfilled by either the market or the state (or some combination of the two), or that every asset or resource should be organised and managed via a state monopoly or competitive private ownership. This excludes a whole universe of possible approaches and models. In many cases community businesses, cooperatives, voluntary groups, or micro-democracies could be best placed to do the job. For the greater resilience that emerges from diversity, the latent creativity of local communities and third-sector organisations must now be fully unleashed.

⁵⁴ See [the webpage](#) for the Community Wealth Fund Alliance (accessed 29/09/20).

The state/market duopoly can be disrupted with a concerted effort to:

- 1. Empower and resource local authorities** so that they can become truly facilitative of diverse approaches by local communities.
- 2. Explore less centralised ways of working within services** and discrete policy areas in order to demonstrate the value of 'economies of context' and other benefits.
- 3. Break down barriers** between institutions, civil society organisations, and communities themselves.

We recommend the following measures in pursuit of the above objectives:

▬ Pilot Ostromian autonomy in specific policy areas.

What might policing, social services, or planning look like in ten years if they were reformed in line with Ostromian ideas about locality, autonomy, and systemic diversity? They would be embedded in communities – not via cycles of consultations, but because the fabric of these systems would originate from each community's idea of how things should operate, and how resources should be disposed. They would incorporate community-led activities not as an attempt to plug a gap in services, but because a new norm has emerged that communities have a hand in the things that make a difference to their lives and the lives of their neighbours. They would be more diverse in every sense, with exciting new approaches trialled in different places. They would have better and more extensive working relationships with existing civil society structures. Their work would be at smaller scales – whatever scale seems most appropriate in each place – and built from the autonomy and local expertise of communities themselves and front-line operatives who really know their patch. And they would be less bureaucratic, accountable not 'upward' into the administration, but horizontally to the public with which they are so closely enmeshed. The time to attempt these ways of working together has come.

Reform local government finance so councils can facilitate communities and diversify approaches.

Councils are positioned to support local efforts beyond markets and states, to resource and enable communities to meet their objectives, and respect the new organisational rights detailed above. So the centre must empower them to act with more autonomy and independence, and ensure they have access to the resources they need to play an effective role. Devolution of powers would be meaningless if councils simultaneously face a funding crisis, as they would not be able to train, resource, learn, or network in the ways required to truly become facilitative of community groups. A generous funding settlement for community development, engagement, and facilitation is needed, alongside more fiscal devolution so different localities can begin to evaluate and meet their own resource needs more flexibly, whilst the centre still retains a legitimate role in equalising between different local authority starting points.

3. Galvanise the Change within Localities

Local government and civil society groups should not wait for Westminster and Whitehall to deliver a meaningful programme of local devolution, community rights, and resourcing for autonomy. Experience tells us that, if they do, they may be waiting for a long time! As Ostrom's work demonstrates, many of the steps to localise, democratise, and tailor public services – bringing them closer to communities – also function as a way to head-off and manage complex demand on our systems 'upstream'; solving problems before they become too huge to handle. It is harder to make community power and self-governance a reality under present conditions, but there are some practical steps toward more Ostromian practices that can be taken now. Many places have already seen a great deal of work done in this area; many have not.

The following recommendations are intended to provide some 'next steps' for localities that are at any stage in this process. This kind of change-making, if informed by Ostrom's research, would be about creating the conditions and incentives for the emergence of community power even within less-than-ideal circumstances. The objectives should therefore be to:

- 1. Create a stable environment** within which new kinds of collaboration and community-led projects can emerge.
- 2. Facilitate learning and connections** between communities and social sector organisations within jurisdictions.
- 3. Involve the entire locality** in the big plans and decisions that will need to be made to realise more autonomous, local, and diverse ways of doing things in future.

To kick-start a new set of Ostrom-inspired approaches at the local level, we propose that councils, civil society organisations, and communities:



Plan now for hyper-local collaboration by including communities from the start.


Councils and civil society organisations should work together to map the formal and informal networks within each locality, and begin a genuinely open dialogue at the neighbourhood level to understand the contours of public need and potential mobilisation in each area. When engaging without a pre-set agenda, what kinds of suggestions and issues surface? How diverse are people's ideas? Where can they be connected and encouraged to develop distinct solutions to problems? Does every part of the local social fabric have the space and time needed to connect, organise, and be heard? Local institutions may be in a position to create the conditions for truly mobilised communities – and these are an effective precondition for the autonomy and diverse outcomes that Ostrom's research prizes.

Build a new network for shared learning between community-led groups, businesses, and projects.

Many resources already exist for community groups, even within the current centralised and institution-led context. And, as this report has set out, there are Ostromian experiments taking place within forward-thinking councils, civil society organisations, and spontaneous community projects. This proves that communities can realise some aspects of Ostrom's core conditions on their own terms – and, indeed, that they must do so if a compelling evidence base for community power is ever to be constructed. A comprehensive learning and information-sharing network for UK communities and third-sector organisations would make a huge difference as these new approaches proliferate, serving as both a catalogue of the potential outcomes for autonomous, local, and diverse self-governance and a crucial resource for those who are at the start of that journey. This network should be wholly independent of state and market actors and function as a digital information commons in its own right.

Develop local ways of explicitly respecting and honouring the objectives of community groups.

A key part of the facilitator state model is that councils can act as a guarantor of stability within which community groups and their partners can feel confident about getting to work. Even in the absence of strong, centrally enshrined community rights, councils can and should find compelling new ways to signal their commitment to community autonomy. A charter system of agreements and commitments between communities and town halls – with enough flexibility to allow creative approaches to emerge



– would allow all participants in new local partnerships to reflect the facilitative new relationships and agreements that emerge.⁵⁵ This would provide all parties with the stability and security they may need to be fully incentivised to work together over longer periods of time, and provide a sound basis for further collaboration as communities gain confidence.

Pursue internal transformation and culture change to mirror the outside collaboration.

Ostrom's insights apply not only to the way that organisations and institutions should relate to communities, or to the way that communities themselves should operate. They also have important implications for the way that organisations themselves can and should function internally. The general insight that problems are sometimes best solved at smaller scales – because this limits the complexity of the collective action problem in each case – can be a transformative way of thinking about how organisations can go about their business. This runs counter to the usual logic that favours the pursuit of shared costs and economies of scale to maximise impact from investment. But more tailored activity can find efficiencies of a different sort – more impact, more legitimacy, and more efficacy are all possible. Councils could start by finding ways to empower their 'on-the-ground' employees to solve problems more autonomously, and allow the emergence of very local processes and techniques that are able to engage completely with the context they must operate within.

⁵⁵ These should build upon the local charter approaches explored more than a decade ago by the Young Foundation, among others – see Savage, V., *How to Develop a Local Charter* (DCLG & Young Foundation, 2008).

Conclusion

Elinor Ostrom's brilliant work could revolutionise our public services, motivate a renaissance on community autonomy and power, and inform a badly needed redistribution of power in our country. Unfortunately, there is a yawning gap where Ostrom's insights should be playing a key role in our national conversation, much like the gap between people and institutions. This report is an attempt to bridge those gaps by explaining the enormous potential for more localised systems and services, more autonomous and trusting communities, and the diverse innovations that may emerge as a result. The case studies presented here demonstrate that community power can emerge even against the odds – imagine the possibilities if such efforts had the wind at their backs.

Many of this report's recommendations are to do with establishing a true facilitator state: a way of imagining a role for the state which could finally allow for a break from our old patterns of centralised dominance or transactions with big businesses, with little in-between. With newly devolved powers and funding streams, and with communities' rights safeguarded, local government would be positioned to actively encourage systemic diversity in community-powered projects, including community businesses and self-governing spaces, services, and assets.

This new approach – built outward as the policy expression of communities' rights – could yield many benefits. Invigorated communities with a repaired social fabric. A new take on the best relationship with the state built upon coproduction rather than compliance. Diverse approaches leading to innovative solutions. Localised systems that are tailored to the particular needs of places and people. Greater resilience, both socially and economically, in what may yet prove to be a century filled with crises and challenges.

Ostrom made it clear that we can escape the duopoly of markets and states. In essence, she advised us to think big enough to notice that it is at the smaller scale – with our systems arising from and closer to real people and places – that genuine legitimacy and creativity can emerge. For that reason, it would be no abdication of responsibility to create enough space for communities to govern themselves. Rather, it would represent the attainment – long-postponed – of real democracy.



APPENDIX: EXPLAINING OSTROM'S EIGHT DESIGN PRINCIPLES

Ostrom's design principles codify some of the most important findings from her empirical research. They set out the shared traits of self-governance systems that can sustain themselves, even outlasting comparable private or state-managed systems. In this report, we have condensed these design principles further, to three 'core conditions' of community power, namely *locality*, *autonomy*, and *diversity*. These are intended to capture the content of Ostrom's design principles in a simplified and – appropriately enough – contextually-adapted way.

There remains significant value in a reiteration in full of Ostrom's original principles, however. In this appendix, each of the eight principles is set out below in the original order, defined as clearly as possible, and explicitly connected to the conditions for community activity and self-governance that operate within the UK. While some of the original design principles are powerful provocations that give rise to some key policy proposals in this report, others are more difficult to digest from the perspective of the UK's entrenched liberal institutions.

The first few design principles essentially define the contextual boundaries – the *locality* – for effective self-governance. The systems in question must be clearly definable, and to succeed they should enjoy a close correlation between local conditions and the particulars of the system's operation. Later design principles are primarily features that ensure that the local community is capable of originating and modifying its own design for the local system – and has robust methods in place for dealing with internal disagreements and dissuading people from shirking responsibilities or taking advantage of others. As such,

these principles establish the plausibility of allowing communities to exercise a right to self-governance – in this report, this is broadly identified as the *autonomy* core condition. Finally, the eighth design principle recognises the importance of situating such self-governance within a wider array of layered and overlapping systems. This experimental polycentricity is captured in the main text of this report as the core condition of institutional *diversity*.

Ostrom's Self-Governance Design Principles

1. **Clearly defined boundaries** – The people with rights/claims to shared resources must be clearly defined.

Ostrom's analysis is focused on 'collective action problems', applied to a certain kind of shared resource: common-pool resources which, though shared by a discrete community, are not generalised 'public goods' (that is, universally available to absolutely everyone). You need clearly defined limits on who gets to use the resource and has a say over its governance in order to make the usage, and the rules, legitimate for the whole community. If an outsider can enter the system and appropriate resources and assets or ignore the rules, the system is likely to break down.

Relevance to UK communities: This design principle can be interpreted, from the perspective of community power and public service reform in the UK, as a general argument for localism. It's easier to legitimately govern anything, after all, within a smaller basic political unit. Beyond this, some kinds of common assets, services, and goods in the UK are effectively limited to a given community of place or interest – and Ostrom is arguing that those communities should have a big say, if not outright control, over the things they have a stake in.

2. **Congruence between rules and local context** – The ways that resources are managed, decisions are made, and rules are designed should be well-tailored to specific requirements imposed by local conditions.

Even between neighbouring examples of self-governance, handling the same kind of resources in generally the same way, Ostrom noted a high degree of variation in the rules imposed by the respective communities.⁵⁶ This reflects one intuitive advantage of localism: it is possible to design systems to perfectly suit the particular needs and constraints of a specific place or community. This is clearly desirable compared to one-size-fits-all and top-down planning from one or another distant institution.

Relevance to UK communities: This design principle is already implicit in the case for decentralisation and greater community power in the UK. As discussed in the previous section, a key question is whether the efficiencies possible from local tailoring will outweigh the economies of scale against which they are traded-off. Another objection to this (and the other *contextualism* principles) is that meaningful variance from place to place could lead to a ‘postcode lottery’, where some places will simply be worse than others. The Ostromian point here would be that uniformity of experience is seldom achieved by our systems as they stand – and when they are, it is generally by levelling-down rather than levelling-up. Diversity is better understood as an opportunity to discover new ways of doing things: if communities control the variance and tailor it to their needs, the results are more likely to be desirable than not.

3. Collective-choice arrangements – The people affected by local rules should be able to participate in their design and modification.

This design principle – essentially one requiring community decision-making – generates two kinds of advantage. First, it enhances the legitimacy of the local system; second, it takes advantage of people with ‘skin in the game’ – people who have something at stake from the operation of self-governance and who are therefore very strongly motivated to get it right. This principle helps to ensure that rules are well-tailored to their context. It also increases the likelihood that any such rules will be adhered to by the whole community, a critical finding from Ostrom’s empirical work.

⁵⁶ *Governing the Commons*, p. 92

Relevance to UK communities: This design principle is a critical component of most conceptions of how community power ought to work in the UK. The main limiting factor here is motivating and mobilising entire communities to participate in decision-making in this way. Shifting their incentives by bringing important decisions closer to them is a necessary, but probably not a sufficient, part of avoiding a ‘turnupocracy’, where the key decisions, the main rules, and indeed the entire style of communities’ self-governance are defined by a very active core of participants. This could work well – indeed, a turn-up-ocracy may well work better than distant decision-making in many cases – but does not capture the full legitimacy and informational benefits of large-scale community participation. Framed as a *right*, it is difficult to dispute the idea that, for example, frequent service-users should have at least an *opportunity* to an important say over how services are designed and delivered.

4. Monitoring – Conditions of community-managed resources/assets/spaces/services should be monitored, as should the behaviour of community members with respect to them. The monitors should be drawn from within the community itself, or at least be accountable to the community.

Localised, well-tailored systems that communities have a stake in and a chance to influence will be less prone to uncooperative behaviour and undesirable outcomes. However, Ostrom’s empirical work makes it clear that these features are not, by themselves, enough to guarantee cooperation and rule out exploitation. A system of monitoring is thus a regular feature of long-lived self-governance; the legitimacy of the monitors themselves is established through connection back to the community.

Relevance to UK communities: Monitoring and evaluation of community-powered projects is a good idea – not only for the reasons set out by Ostrom. New approaches to governing useful resources and important public services should have some means of recognising the basis of good outcomes when they happen, learning from less desirable outcomes, and sharing this

information. Ostrom's stipulation that this monitoring function should be embedded within the community is more problematic in the UK, where the dominant norm is that misconduct monitoring, sanctioning, and enforcement should be handled by a dispassionate, abstracted arbiter. The avoidance of bias is the main gain from this liberal approach, but for Ostrom, the reliability and strength of rules, sanctions, monitors, and enforcers is explicitly enhanced by their proximity to communities.

5. Graduated Sanctions – violation of community rules is disincentivised by the existence of a sanctions scheme with severity proportional to infraction, decided within the community.

“In ... robust institutions, monitoring and sanctioning are undertaken not by external authorities but by the participants themselves. The initial sanctions used in these systems are also surprisingly low.”⁵⁷ Ostrom explains that, against expectation, community members seem to be willing participants in deciding sanctions schemes and enforcing them – and where this happens, self-governance tends to successfully operate for longer periods of time.

Relevance to UK communities: As discussed in the ‘monitors’ design principle section above, the concept of community-designed and -enforced sanctions does not sit easily within the normal concept of rule of law in the UK. Notably, of course, private property rights do confer some exclusion and sanctioning capabilities under particular circumstances.

6. Conflict Resolution Mechanisms – a rapid, low-cost, local way of addressing conflicts between members of the community.

Even the best-designed governance system will contain unforeseen loopholes, fail to account for outliers, or not provide indisputable grounds to support one side or another in some kind of dispute. It is wise for self-governing communities to plan ahead for these circumstances so that these kinds of conflict can be addressed.

⁵⁷ Ibid. p. 94

Relevance to UK communities: Again, such a community-specific system would need to fit carefully within the frameworks of adjudication and dilemma-resolution that already exist at multiple scales in the UK. The key here is to recognise that some differences of opinion will emerge within even the most cohesive and trusting communities, so it is prudent to plan for them rather than allow them to become a breaking point for community-powered efforts or an excuse for third parties to step in.

7. **The Right to Organise** – community self-governance – including the ability to devise rules and sanctions – should not be challenged by external government.

This design principle is about creating the space for self-organisation at the scale of communities. If there is doubt over the relative authority of external government vs. self-government, or if external officials do not recognise in a minimal way the legitimacy of institutions created by communities, it becomes extremely difficult for self-governance to flourish. Ostrom explains that part of the reason for this is that there is a strong possibility that community members who wish to sidestep local systems will do so by appealing to larger-scale authorities.

Relevance to UK communities: The rights of communities to initiate projects, participate in decisions, own and manage assets and resources, and design and deliver public services, are all contingent on a basic assumption that government will not intervene unless absolutely and demonstrably necessary. Safeguarding these rights relative to different tiers of government may yet require support from purpose-designed central legislation.

8. **Nested structures** – all governance activities should be organised over multiple, overlapping layers (more complex cases only).

Explanation: This asserts that accounting for the wider network effects of governance choices and recognising the enormous complexity of social systems are central to their survivability. It

may be best for a sub-community to design its own governance rules, but these may not be universally acceptable or appropriate for the locality to which they belong, or the layers of local government that organise the wider jurisdiction. Even very similar community assets in nearby places may have legitimate reasons to diverge, but will simultaneously need to belong to a larger and more general structure in order to cooperate with each other and work efficiently.

Relevance to UK communities: As Ostrom suggests, the importance of nested organisation is probably minimal – and may even be counterproductive – in the case of discrete and highly-targeted community-powered projects. A single community-controlled asset or space or a community business without very complex relationships with other parts of the local economy can probably ignore this design principle. Community commissioning or design of public services, or larger-scale and more comprehensive community-powered projects, however, could benefit from accepting such complexity. In particular, this principle leaves open an important role for local authority structures whose participation are in many cases a necessary condition for the success of such projects.

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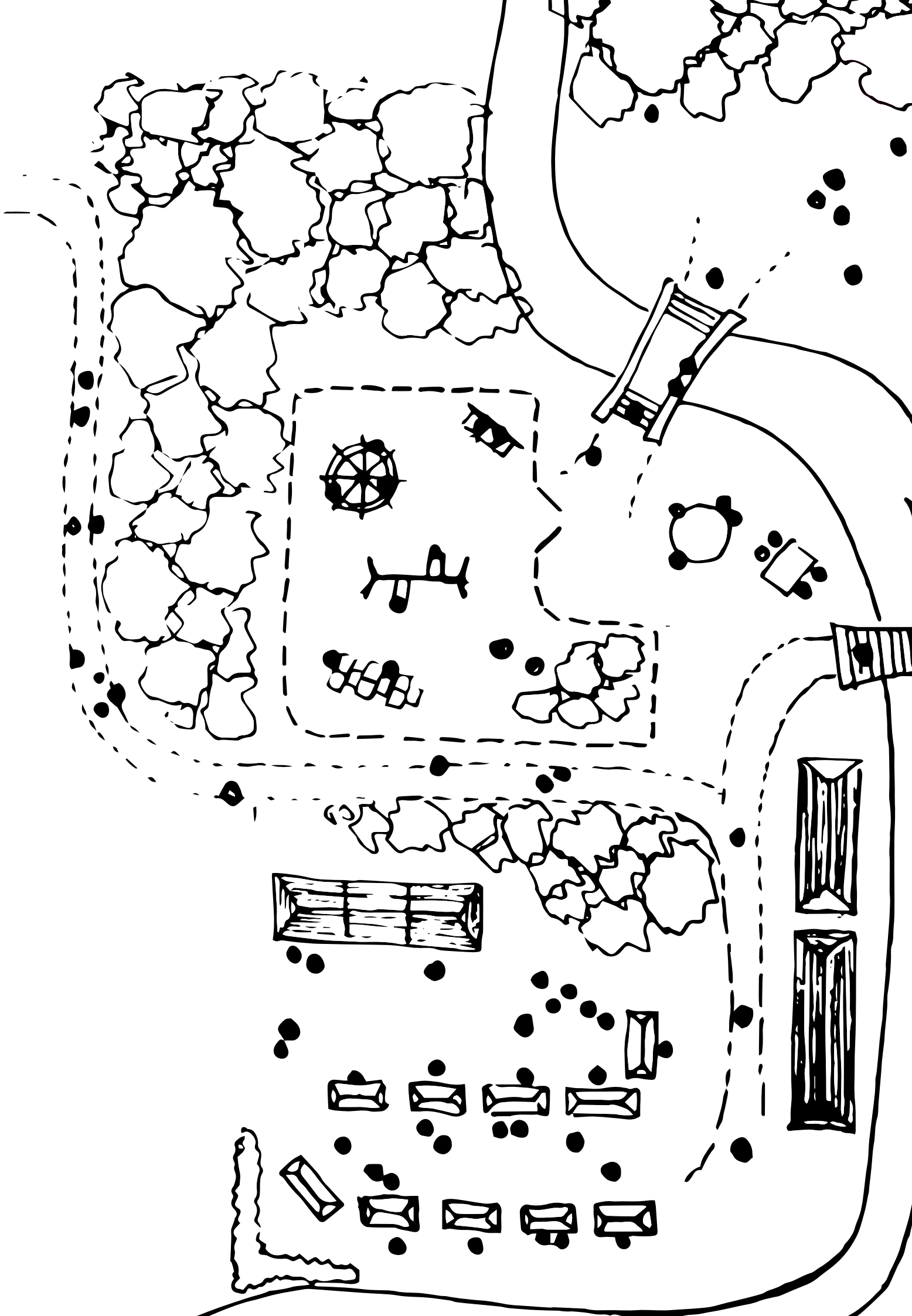
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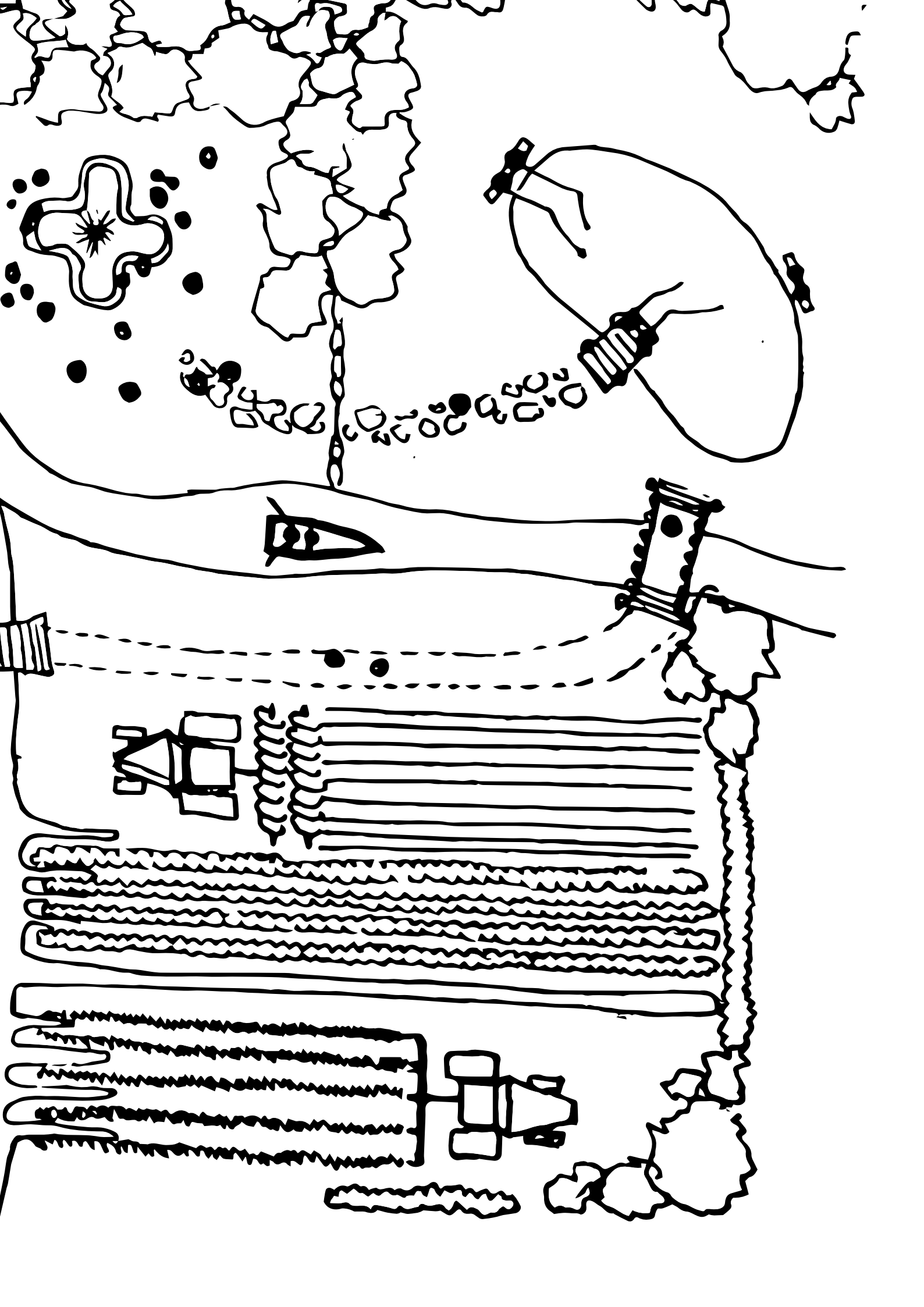
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There is a growing crisis in the relationship between the people of the UK and their institutions of public service and political authority – a crisis that is only deepened by the effect of the many challenges our society faces in the 21st Century. *New Local's* Community Paradigm set out the blueprint for a localist transformation to address that crisis, and *Think Big, Act Small* explores the revolutionary work of its intellectual hero, and the first woman to win the Nobel Prize in Economics: Elinor Ostrom.

This report draws on Ostrom's huge body of scholarship to find insights for community-powered assets, spaces, services, and funds. Taken together, these insights form an incisive case for a more decentralised, diverse, and self-governing country in every respect.

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