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*William Bianco and Regina Smyth**

In awarding the 2009 Nobel Prize in Economics to Elinor (Lin) Ostrom, the Nobel Committee cited her "...analysis of economic governance, especially the commons." While this language may seem obscure, Ostrom—together with her collaborator and husband Vincent—has devoted her scholarly career to studying dilemmas that are recognizable to citizens all over the globe. She has explored the conditions under which individuals successfully collaborate to allocate and preserve scarce natural resources outside of formal governmental institutions and in lieu of government regulations. In particular, Ostrom has focused on common pool resources such as grazing lands which face the danger of being depleted due to overuse, explaining how communities might work together to meet the challenge of resource preservation. Over the course of forty years, Ostrom and her students have applied their theories to explain the successful governance of common pool resources as diverse as lobster fisheries in New England, forests in Indiana, Bolivia, Uganda and Tanzania, and irrigation systems in Nepal.

Ostrom's work on the regulation of common pool resource distribution launched a revolution in the study of political economy by focusing on local communities as a viable mechanism for resolving economic conflict. Prior to her work, the field of political economy was preoccupied with debates over the appropriate role for government or markets in economic production. Ostrom observed that these debates overlooked the myriad situations in which local communities collaborated to allocate and preserve natural resources that community members relied upon for their livelihoods and quality of life. Looking beyond the simple dichotomy of market-state, she focused on what she called institutional diversity or the wide-ranging arrangements that communities sculpted to resolved common pool resource dilemmas.

Ostrom's cumulative research not only illuminated this important category of economic institutions, it also turned the conventional wisdom on its head. In the late 1960s, it was widely accepted that communities would find it all-but-impossible to successfully manage resources—a dilemma Garrett Hardin labeled the tragedy of the commons. The tragedy pointed to the belief that left to their own

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devices ranchers or fishermen would over-use commonly held resources depleting them and collapsing local economies. Conventional theories proposed only two ways to avoid these unfavorable outcomes: either common property must be privatized making way for markets to emerge, or government must step in to regulate the resource.

Tireless field research enabled Ostrom to define the conditions that produce effective and durable self-governance of common pool resources. She found that when successful, such as in Costa Rica's management of pollution in the face of growing eco-tourism, solutions developed from the ground up and rooted in local knowledge were easier to implement and more likely to be successful than regulations imposed by a central government. She has also shown that while a strong central government often offers benefits in terms of efficiency, these gains can be trumped by the value of a local government's in-depth understanding of how ordinary people will be affected by changes in public policy. This tradeoff highlights the value of what Lin and Vincent Ostrom termed polycentric governance or a system in which active local governments work in concert with a central government, as well as with private corporations and voluntary associations.

Despite its focus on self-governance, it would be wrong to read Ostrom's work as anti-governmental or anti-market. Rather, Ostrom identifies the conditions that make self-governance a viable alternative to states and markets and highlights the virtues of government that is as close as possible to the people it serves. The framework laid out in her book *Governing the Commons* goes a long way in explaining why local solutions have been effective in governing salmon fishing in British Columbia or groundwater management in New South Wales, Australia while Long Island has struggled to protect its fisheries and groundwater resources. More recently, Ostrom has explored the ways in which insights developed through the study of local governance might be applied to understand and solve problems of global climate change.

Lin Ostrom's work extends far beyond the reach of her academic papers. Over forty years, Lin and Vincent Ostrom have coordinated and encouraged the work of an enormous number of scholars from many different disciplines and countries to investigate the circumstances under which self-governance is both possible and beneficial. Together, they founded the Workshop in Political Theory and Policy Analysis at Indiana University as the basis of a world-wide network of scholars which enabled affiliated researchers to amass data on a huge number of self-governance agreements in a diverse range of environments – from coffee cooperatives in Cameroon to forest governance in Bolivia and the maintenance of coal roads in West Virginia. They also trained a generation of scholars who now pursue these questions at universities and field sites throughout the world. The Workshop stands as a model of how scientists can work together to explain complex phenomena and generate a source of deep insight into how to manage natural resources throughout the world.

Finally, Ostrom's insights gleaned from this wide-ranging field study have important implications beyond the management of common pool resources. Her research highlights the successes of local communities across the globe, offering a contrasting image to the dismal front-page stories of civil war and drought that shape our perceptions of citizens in developing worlds. In concrete terms, the exploration of common pool research management suggests that winning international aid projects should be focused at the local level, fostering the emergence of indigenous answers to difficult problems faced by citizens in developing states. Such projects are more difficult to manage compared to simply handing a check over to a representative from a central government. But locally-directed aid is much more likely to have beneficial results than aid given to far-away, powerless central governments on the basis of misconceptions about the nature of the problems being addressed.

About the Authors

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