Institutional Collective Action Framework

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Institutional Collective Action Framework

1. Purpose and Objective
2. Intellectual Foundation
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1. Questions and Purpose

• *How or under what conditions* do collaborative governance arrangements emerge and evolve in fragmented system?

• How are collaborative mechanisms *selected and imposed*?
  • How do local government officials perceive and weigh the various costs and benefits of cooperation?

• How can societies efficiently, effectively, and responsively provide a multitude of public goods and services?
2. Intellectual Foundation

1. Collective action (Olson, 1965; Ostrom 1990)

2. Organizational economics (Coase 1961; Williamson 1981)

3. Local Public Economies (LPEs) (Ostrom, Tiebout, and Warren 1961)

4. Social networks, capital (Putnam 1993; Uzzi 1997; Axelord 1984)

5. Policy tools and political market framework (Salamon 2002; Feiock et al. 2014)
3. Concepts, Assumptions, and Archetypal Story

**ICA Dilemmas**

- Institutional collective action dilemmas: situations in which two or more authorities in a region make individual decisions that lead to inferior collective outcomes than would be obtained if they coordinated or cooperated

- Arise from problems of fragmented authority
  - **Horizontal** – jurisdiction/boundaries too small to achieve scale economies or avoid spillovers
  - **Vertical** – organizations at multiple levels pursuing overlapping policy objectives
  - **Functional** – spillovers across related or unrelated policy arenas within organizations
3. Concepts, Assumptions, and Archetypal Story

**Two Dimensions Define Mechanisms to Mitigate ICA Dilemma**

- **Authority (Voluntary / Coercive)**
  1) Social Embeddedness
  2) Contracting/Legal Obligations
  3) Delegated Authority
  4) Imposed Authority

- **Complexity (of actors and issues)**
  1) Narrow-single issue/bilateral
  2) Intermediate-multilateral
  3) Encompassing-complex/collective
### 3. Concepts, Assumptions, and Archetypal Story

**ICA Mitigation Mechanisms in US Metro (Feiock 2013)**

<table>
<thead>
<tr>
<th>Encompassing Complex/Collective</th>
<th>Multiplex Self-organizing Systems</th>
<th>Councils of Governments/MPOs</th>
<th>Regional Authorities</th>
<th>Externally Imposed Authority/Annexation</th>
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</thead>
<tbody>
<tr>
<td>Intermediate/multilateral</td>
<td>Working Groups</td>
<td>Partnerships/Multilateral ILAs</td>
<td>Multi-Purpose Districts</td>
<td>Managed Network</td>
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<tr>
<td>Narrow single issue/bilateral</td>
<td>Informal Networks</td>
<td>Service Contracts</td>
<td>Single Purpose Special Districts</td>
<td>Imposed District / Mandated Agreements</td>
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<th></th>
<th>Embeddedness</th>
<th>Contracts</th>
<th>Delegated Authority</th>
<th>Imposed Authority</th>
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3. Concepts, Assumptions, and Archetypal Story

*Transaction Costs of Regional Governance Institutions*

- Complexity and authority impose *decision and autonomy costs* on participants
  - Decision Costs - information, bargaining, monitoring, enforcement, and etc.
  - Autonomy Costs – loss of individual autonomy to make choices based on individual interests
3. Concepts, Assumptions, and Archetypal Story

*Transaction costs and ICA Mechanisms (Swann and Kim 2018?)*

- **Embeddedness**
  - Self-Organizing Systems
  - Metropolitan planning organizations
  - Regional Authorities
  - Externally Imposed Collaboration

- **Contracts**
  - Informal Networks
  - Service Contracts
  - Special Districts
  - Mandated Agreements

- **Delegated Authority**
  - Service Contracts
  - Special Districts

- **Imposed Authority**
  - Metropolitan planning organizations
  - Regional Authorities
  - Externally Imposed Collaboration
3. Concepts, Assumptions, and Archetypal Story

**ICA Mitigation Mechanisms in Europe (Tavares and Feiock 2017)**

<table>
<thead>
<tr>
<th>Encompassing Complex Collective</th>
<th>City-regions/ Network cities</th>
<th>Multi-Purpose Municipal Associations</th>
<th>Regional / Metropolitan Governments</th>
<th>Forced Municipal Mergers</th>
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</thead>
<tbody>
<tr>
<td>Intermediate Multilateral</td>
<td>Social Welfare Networks</td>
<td>Single-Purpose Municipal Associations</td>
<td>Intermunicipal Corporations</td>
<td>Metropolitan Transportation Authorities</td>
</tr>
<tr>
<td>Narrow Single Issue Bilateral</td>
<td>Informal Working Groups</td>
<td>Interlocal Agreements</td>
<td>Municipal Corporations</td>
<td>Consorcios and Syndicats Mixtes</td>
</tr>
<tr>
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</table>

Countries with a longer tradition of constitutional-legal framework favoring decentralization and self-government facilitate “embeddedness” type of regional governance.

Extremely high goal conflict among participants is associated with no voluntary solution to the ICA dilemma (“imposed authority”).
3. Concepts, Assumptions, and Archetypal Story

**Collaboration Risk**

- Collaboration risk: likelihood a specific governance mechanisms will fail to resolve a collective dilemma

- Collaboration risk vs transaction costs
  - Transaction costs are a function of the specific collaboration mechanism
  - Collaboration risks are a function of existing institutional conditions and nature of underlying collaboration problem

- If collaboration risk is high, actors will seek more encompassing and authoritative institutions to reduce behavioral risks in collaboration
3. Concepts, Assumptions, and Archetypal Story

*Types of Collaboration Risk*

• **Coordination problem**
  • Being unable to reconcile conflicting goals, finding partners with similar preference on specific alternatives

• **Division problem**
  • Difficulty in agreeing on cost/benefit distribution; “fair” allocation of costs and benefits

• **Enforcement problem**
  • Partners are not complying with the agreement; free-riding or reneging on commitments
3. Concepts, Assumptions, and Archetypal Story

**Sources of Collaboration Risk**

- Type/nature of collaboration problem
  - Collaborative service delivery, economies of scale in production of infrastructure, minimizing CPR problem, internalizing externalities, etc.

- Preference distribution among the actors
  - Signals of intent, trust, and commitment
  - Homophily: socioeconomic or ideological homogeneity among actors

- Existing institutions
  - Hierarchically imposed rules/higher level rules; payoffs and constraints
  - Existence of multi-regional organizations
  - Professional network of practitioners
3. Concepts, Assumptions, and Archetypal Story

Example: The Conditions and Collaboration Risk (Carr et al. 2017)

- How does the climate for interlocal collaboration in the region affect collaboration risk?

- Dependent variable: collaboration risk

- Independent variables: conditions for collaboration
  1. Regional norms: regional social capital index; MSA political fragmentation
  2. Position in the local development network: degree centrality (no. of ties); betweenness centrality (the actor lies in each network); network density (proportion of the maximum no. of ties)
  3. Racial and economic divisions
Result (1) Regional Norms (Carr et al. 2017)

• The greater social capital is related with less collaboration risk in joint venture

• The greater political fragmentation increases the level of collaboration risk
Mixed results: degree centrality and betweenness centrality are not significant.

*Denser network* is perceived as riskier; one unit increase in the density of local networks increases the likelihood of collaboration risk by 24%.
3. Concepts, Assumptions, and Archetypal Story

**Assumptions**

a) Fragmentation produces interdependencies, spillovers, and dis-economies of scale which produce ICA dilemmas

b) Motivations for cooperation are explained by “public interests” in collective benefits as well as “private interests” based on selective interests of affected policy actors

c) When coordination risks are greater, even low transaction costs mechanisms may fail and there is a need for *broader and more authoritative mechanisms* to mitigate collaboration risk
3. Concepts, Assumptions, and Archetypal Story

**Scope of the ICA**

a) *Situation*: Vertical, horizontal, and functional fragmentation

b) *Actors*: governmental entities and stakeholders in an action arena (unit of analysis is usually organization, e.g., city governments)

c) *Levels of analysis*: (mainly) focusing on collaborative arrangements among governmental entities, different levels of governmental actors, and affected organizations
4. Theoretical Emphasis and Empirical Findings

(1) The nature of collaborative problem

Likelihood of the emergence/durability of collaboration is:

(-) related to measurement difficulty and asset specificity of services (Andrew and Hawkins 2013)

(+) related to visible gains of collaboration (Spicer 2015; Anderson and Pierre 2010)

(-) related to information costs (Jung and Andrew 2014; Feiock et al. 2009)

(-) related to negotiation and decision-making costs (Feiock et al. 2009; Hawkins 2009)

(-) related to the enforcement and monitoring costs (Andrew et al. 2015)
4. Theoretical Emphasis and Empirical Findings

(2) Characteristics and preference distribution among the actors

The likelihood of the emergence/durability of collaboration is:

(-) related to **demographic and ideological heterogeneity** among participants (Lee 2016)
(+) related with **budget/personnel capacity** of participating organizations (Feiock et al 2018)
(-) related to **fiscal disparities** among participants (Boschet and Rambonilaza 2017)
(+) related with **higher-level government support** for collaborative initiatives (Spicer and Found 2016)
(+) related with **political leadership** supporting collaboration (Jang et al 2013)
4. Theoretical Emphasis and Empirical Findings

(3) The existing institutions and networks

The Likelihood of the emergence/durability of collaboration is:

(+) related to bridging “weak tie” network relationships as well as tightly clustered “strong tie” network relationships among the actors (Andrew et al 2013; Andrew 2008)

(+) related to government officials’ involvement in professional networks (Hawkins, Hu, & Feiock 2016)

(+) related to a history or reciprocal dyadic relationships across time and policy arenas (Johansson et al 2015; Kwon et al 2010)

(-) related to institutional heterogeneity in the political structure (e.g. city council representation system or forms of government) (Barouth 2017; Yi et al 2017)

(+) related with the stakeholder support and involvement (Hawkins et al 2018; Yi et al 2018)
5. Status of ICA and Future Agenda

(1) Status of ICA Framework

• 70 Empirical Studies since 2007
• Methods: 80% quantitative; 20% qualitative (approximately)
• Regional context: approximately 75% US; 25% international (Europe, China, Australia, and Canada)
• Frequently used theoretical concepts: bonding and bridging strategies, transaction costs (e.g., monitoring and information cost; measurability and asset specificity), homophily
• Types of collaboration: interlocal, intersectoral, multilevel
5. Status of ICA and Future Agenda

(2) Future agenda

• Performance? Policy outcomes?
• Comparison or interaction between different mechanisms for addressing ICA dilemmas?
• Relationship between transaction costs/uncertainty and different mechanisms for addressing ICA dilemmas?
• How can actors develop collaborative capacity?
• How can policy learning be facilitated?
• Other than US?