7. Structuring participatory governance through particular 'rules in use': lessons from the empirical application of Elinor Ostrom's IAD Framework

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INTRODUCTION

Participatory governance can be studied in many different ways. One way is by conceptualizing participatory governance as creating an interaction setting involving other actors than those that are elected in formal representative decision making. Such an interaction setting can be seen as an action arena, where participants propose, debate and eventually perhaps decide on what to do. The Institutional Analysis and Development (IAD) Framework, developed by Elinor Ostrom (1990), is a widely acknowledged tool that can be used to analyse such interaction settings. The framework contains a basic metaphor (the action situation or arena) and a number of groups of variables that can be used to describe and analyse these situations, both in terms of the evaluation of their outcomes as well as contextual variables that influence them. Because space is limited, we will concentrate on the core concept of the action arena and the rules that are relevant in defining the interaction space for participants in the arena. It has to be noted from the start that the framework as such is not to be regarded as an empirical theory or model. It just contains the building blocks for formulating such theories. It gives direction as to which types of variables to look for when analysing an interaction space.

In this chapter we will first describe the IAD Framework by introducing its main concepts and its use as a tool for analysis and design. After that we will discuss a number of issues in

participatory governance by describing the process of institutionalization as such and by subsequently paying attention to the different rules of the framework. We will combine an analytical perspective (which issues play a role when analysing empirical examples of participatory governance) with a design perspective (which options for designing arenas by formulating rules are available and are expected to have which consequences).

THE IAD FRAMEWORK

The Action Arena and its Rules

The central unit of analysis in the IAD Framework is the 'action arena', in later work also referred to as 'action situation'. Unless stated elsewhere, we will use the 2005 version of the framework as a general reference in this section (Ostrom 2005). Action arenas include actors (participants) in specific positions in which they can choose specific actions. These choices are based on available information and the combined actions of participants result in outcomes that come with costs and benefits. The action arena is not situated in an analytical vacuum; it is embedded in a context that contains three blocks of variables: biophysical and material conditions, attributes of community and rules. By far the most developed part of the framework are the different types of rules that are connected to the elements of the action situation (arena).

The description of these rules has to start with the *position rules* as they identify the different positions (or roles) that are to be distinguished in a particular arena. Examples are: councillor, mayor, chairman, citizen, neighbourhood representative and advisor. These rules as such are not the most interesting as they only create the distinction in positions where the other types of rules are to be connected to. The positions get an actual meaning by what position holders are enabled and obliged to do as a consequence of the other rules.

The position rules are, however, not without consequences in two ways. First, they contain a label that can carry additional meaning and expectations beyond the rules that are explicitly connected to the position. Even without explicit formulation, the position of 'chairmen' for instance comes with a number of responsibilities, such as the orderly course of a meeting, and connected powers: to let someone be removed from a meeting who disturbs the process. Second, the position rules can indicate a fixed or limited number of position holders. Arenas usually have only one chairman, municipalities only one mayor and a limited number of councillors. If this is the case, entrance to these positions in not only limited by the conditions set in the boundary rules, but also by the sheer number of positions that are available.

The first type of rule that is connected to a position is the *boundary rule* (frequently called entry and exit rules). They contain the attributes that actors need to have or conditions that need to be met for entry into the position to which they are linked. As such, they indicate which persons (actors) are able to enter a position (or have the right to enter) and who are not. They can also contain rules on the process of how actually entering positions is organized (for instance, elections or appointments). Finally, they specify how a position holder may (or must) leave a position.

Boundary rule are important for (participatory) arenas because they define how people can enter the arena by entering specific positions. This refers to the 'openness' of the arena. They distinguish between those that can contribute and have influence on the outcome and those that cannot. As such, they contain mechanisms of inclusion and exclusion.

Once an actor gets into a position (becomes a 'position holder'), that position comes with certain rights and obligations. These are specified in the *choice rules*, in the original framework labelled as 'authority rules'. They indicate what a position holder must, must not or may do at particular (decision) points in the arena. They specify courses of action that are allowed or obliged given the presence (or absence) of certain conditions. Just as is the case for

boundary rules, they are specific for a position: a citizen in a participatory arena will have different rights and obligations than a chairman or an expert/advisor.

Choice rules define the core of the options that actors have in the arena and by that they are crucial in providing actors with options to influence the interactions with the other position holders. They thus define power to act (or lack of power), but since many rules are relational, they also define power over actors in other positions. The power of a chairman to give the floor to one of the participants implies for instance that other participants have to be silent. The definition of choice rules in the IAD Framework is very general as it contains, in principle, all acts that a position holder can perform. This implies a conceptual overlap with some of the rules to be discussed later, such as information and aggregation rules. If an information rule contains the obligation for a position holder to give certain information to all participants, this also meets the definition of a choice rule as 'indicating what a position holder must do'. The same holds for the example where the aggregation rule specifies the right for one specific position holder (for instance, 'the boss', or 'the president') to take the decision (and define the outcome of the arena by that). This rule is an aggregation rule, but also meets the definition of a choice rule for that position. In order to settle this conceptual overlap, in later versions of the framework it was indicated that these specific rules are not to be considered as choice rules, but as their specific form (Ostrom 2005, p. 200). So a rule that specifies how to give or receive information is to be called an information rule and not a choice rule.

As indicated above, *information rules* are distinguished as a specific type. Information rules prescribe which information is available to the various position holders; thereby, they prescribe how various position holder should relate to one another in terms of providing and granting access to information. Information rules can be linked to specific positions, but they can also apply to all position holders in an arena. They might indicate types of information to

share, but can also specify information channels that are to be used. In most cases they indicate what can or has to be done when actors are participating in the arena. However, information rules can also pertain to the public or disclosed nature of meetings and the requirement to provide explicit and written justification for decisions to outsiders. For many arenas in public organizations the general public (not being a position holder in the arena) has explicit information rights. On the other hand, some specific meetings or voting procedures might contain rules indicating that it is not allowed to share information with outsiders.

Before describing aggregation rules it is important to clarify the rules that pertain to the outcomes of the arena: the *scope rules.* Scope rules define the possible (and impossible) outcomes of interaction in a particular arena. They do not specify particular actions to be taken by position holders, but they specify the range of allowed outcomes of their combined interactions. They are thus to be seen rather as a characteristic of the entire arena than as a characteristic of specific positions (which is the case for most of the other rules). It is important to notice that the IAD Framework uses only the concept of 'outcome' for the results of the interactions of participants, thus not making a distinction between immediate 'outputs' and final 'outcomes'. In many cases the scope rules indicate the range of possible decisions that can be taken or the options that can be discussed in the arena. In case a scope rule indicates that a decision has to be made on designing and building a sports facility in a specific neighbourhood, it is clear that the outcome cannot be to build a theatre in a different neighbourhood. In this way, scope rules indicate what is 'on the agenda' and what is not. They set, in terms of their content, a range of possible outcomes. In many cases these outcomes will be decisions. However, particularly in participative arenas, a final decision is often reserved for formal public bodies like a municipal council, a mayor or a specific governmental organization. In these cases the outcome of a participatory arena can be nothing more than advice or an inventory of opinions of different participants. In these cases the scope

rules for the participatory arena not only set the possible outcomes in terms of the content, but also indicate the procedural status of the outcome in terms of the entire decision process (Klok and Denters 2005, p. 64).

Aggregation rules prescribe how (collective) decisions and other outcomes in an arena are being made on the basis of the contributions of different position holders. Depending on the type of outcomes that are possible, aggregation rules can take many different forms. In case the outcome is a decision, the aggregation rule indicates which position holders will participate in the decision making and how each contribution is to be weighted in coming to a decision. Decision rules can be either symmetric or non-symmetric. Symmetric rules assign joint control over an outcome to multiple participants so that all are treated alike. The basic principle of 'one man, one vote' is an obvious example. However, the rule also has to specify under which conditions a decision is reached. Examples are simple majority rules (half of the votes plus 1), a majority of two-third of the votes, or even a full consensus rule: every participant has to agree, providing each participant a veto position. Aggregation rules are non-symmetric when specific positions have more weight than others. This can range from having more votes to providing the entire decision-making capacity to one single position holder, being either and 'expert' or a 'dictator'.

As indicated above, there may also be other outcomes of arenas than decisions. In the case of an advisory committee presenting a report, the rule may prescribe that the outcome contains either a verbatim report of the stance taken by every actor or merely a description of the pros and cons of options that have been considered. In participatory arenas it is not uncommon that a specific position is defined with the exclusive task of taking notes and summarizing the results in terms of those points on which participants (to a large extent) agreed upon and those where agreement appeared to be lacking. In other cases the outcome of an arena is just the direct result of all the activities that participants individually decide to

employ. An example could be a neighbourhood party, where all participants bring their own food and drinks and consume them together.

The final types of rules are *pay-off rules*. They assign rewards or sanctions to particular actions by position holders or to particular outcomes. They contain prescriptions regarding the costs and benefits generated in the arena itself (for example, the municipality pays for the meeting costs, other actors participate without any costs; council members receive a reimbursement of expenses, citizens participate on their own account). Pay-off rules may also specify the costs and benefits that are part of producing an outcome (for example, the costs will be distributed on a per capita basis, according to everyone's ability to pay or on the basis of a benefit principle). They can also refer to the consequences of decisions (for example, councillors are or are not personally liable for the financial implications of council decisions).

Setting the Rules

From the very beginning (Kiser and Ostrom 1982), the IAD Framework contained an explicit specification of a multi-layer system that can be used for analysing the production of rules that are valid in specific action arenas. The rules that apply to any *operational arena* (where participants directly affect day-to-day decisions) are set by (are the outcome of) *collective action arenas*. These arenas can be analysed with the same analytical framework as the general framework. The outcomes are, however, of a specific nature, being the rules that will apply to the operational arena. For instance, the municipal executive and the council might together have the competences to set the rules for an (operational) participatory arena involving citizens and other participants in deciding about a specific project. The rules for the collective action arena are in its turn set by constitutional arenas. In the given example the constitutional arena would be the national- (or state)-level arena that decides on the content of the municipal laws that define the competences of the municipal council and executive. Later

even metaconstitutional arenas were included in the framework, such as the arena for formulating constitutional law (Ostrom 2005, p. 59). As these last two types of arenas are usually very general, we focus only on the operational and the collective action arenas.

The difference between operational arenas and collective action arenas is clear in analytical terms and in many cases also in practice, when the different competences for formulating rules are formalized and part of a clearly codified system (as in most forms of administrative processes where public authorities are involved). However, there are many situations where the distinction is not that clear in practice. If at the start of a meeting nobody has been appointed the (perhaps absent) position of 'note-taker', participants can decide on the spot to select someone to do the job, implicitly defining both a position and selecting a position holder. In analytical terms they will then, for the moment they make this decision, move from an operational arena to a collective action arena and back, once they return to the original order of the meeting (Ostrom 2005, p. 63).

The difference between rules that have been set in advance and outside the arena and those that are set by actors in the arena is somewhat related to the distinction between *formal* and *informal rules*. The extent to which rules are formalized, taken in official collective action arenas and laid down in written documents, will vary between arenas and even between rule types within arenas. The institutional rules of a municipal council taking a decision on a policy proposal will tend to be highly formalized and can be discovered by using written legal documents. However, the rules for an arena where citizens are invited to discuss a problem and its possible solutions might be less formalized and less articulated. Many rules exist only in the minds of the participants, sometimes not even conceptualized by participants as rules (Ostrom 1999, p. 53). Informal rules are behavioural norms that are decided by actors but do not count as decisions by an authoritative body. The members of a committee might for instance decide not to have meetings on Sundays. In the IAD Framework both types of rules

are considered to be relevant and they are combined in the more general concept of 'working rules' or 'rules in use'. However, in order for the concept of informal rules to be useful, it has to be distinguished not only from formal rules, but also from concepts as 'behaviour' and 'culture'. Therefore, an informal rule should:

- have an explicit normative character: it indicates how actors should or are allowed to behave (this implies that other actors can hold someone accountable if she or he does not comply with the rule);
- have a general character: it indicates how actors should behave in certain situations (this implies it is not a specific singular act);
- have been decided upon: there should be some decision by some actors that this rule applies to the arena (Klok and Denters 2005).

The IAD Framework contains a number of basic assumptions about the content of rules in those situations where rules are not explicitly formulated, either in advance or by participants in shifting into a collective action arena. For each rule type a 'default condition' has been formulated (Ostrom 2005, p. 211). Together these conditions imply that only one position exists that anyone can take and in which all acts are to be decided by actors at their own discretion. This has also been referred to as 'a Hobbesian state of nature'. This would have been correct if the rules specifically formulated for an arena would be the only rules that are relevant. This is, however, almost never the case. Arenas are always embedded in the more general context of the (legal) rules that apply in all situations in a legal system. Nobody would seriously think that the absence of specific formulations of rules prohibiting murder and theft for a specific participatory arena would grant such acts as admissible within such an arena. The implication is that when analysing the rule configuration in any action arena not only

specific rules for that arena are relevant, but more general rules have to be taken into account as well – insofar as they apply.

Arenas as Analytical Concept

In real life situations, in many cases it is 'hard to tell where one situation (arena) starts and another stops' (Ostrom 2005, p. 63). In complex decision-making processes the entire process is usually composed of a number of interrelated (sub)arenas, where the outcome of one arena becomes input in a next one (*serial* linkage), or the outcomes of multiple *parallel* arenas are to be integrated in a single subsequent arena. 'Where one draws the boundaries on the analysis of linked situations depends on the questions of interest to the analyst' (Ostrom 2005, p. 57). An example may shed some light on the considerations that the analyst may have in deciding about these boundaries. After a large fireworks explosion devastated the Roombeek neighbourhood, the Dutch city of Enschede decided to organize an encompassing participatory process to rebuild the area (see Klok and Denters 2005). The core of the first stage participation was a series of eight sessions with former residents of different small areas in Roombeek and its immediate surroundings. For these sessions the (former) residential location served as criterion for inclusion (boundary rule). Other arenas were open to participants from the entire city (anyone could drop his or her ideas in ID-boxes that were placed all over the city) or open to anyone connected to the Internet as an internet-site was constructed where anyone could express his or her opinions. In addition to these arenas, special sessions were organized for functional groups. Workshops were organized for schoolchildren, for migrants from different ethnic backgrounds, as well as for artists (who were a characteristic segment of the population of Roombeek), entrepreneurs and older people. Parallel to the sessions two groups of experts were working on draft proposals for the area. After approval of first drafts by the municipal executive board a second round of five

participatory sessions was organized, asking for consent on the proposal. After that, the municipal council had to formalize the decision.

Defining the boundaries of (sub)arenas in such processes becomes an analytical decision where considerations of admitting complexity inside or between different arenas play an important role. Surely the expert groups and the official arenas (executive, council) have to be distinguished from the participatory ones, as very different rules define different positions and outcomes. Different participatory (sub)arenas have comparable scope rules in each stage of the process, but rather different boundary rules and hence result in different interactions and outcomes. Defining these different arenas separately results in relatively simple (sub)arenas, where a limited number of positions and relatively clear rules are to be taken into account. It does, however, result in a complex system of a multitude of different arenas, where not only each arena, but also many inter-arena linkages have to be described and analysed. The alternative of defining a limited number of arenas results in very complex arenas, with many different positions that each have complex choice and possible other rules that apply in different 'situations' inside the arena. Ultimately, as in any analysis, much depends on the analytical rigour that is expected from the analyst, the time and other resources that are available.

The Framework as a Tool for Institutional Design

It may come as no surprise that a framework called 'Institutional Analysis and Development Framework' is predominantly used as a tool for the (empirical) analysis of existing practices. In this way, 'development' refers mainly to institutional change. Because of its systematic nature, the 'D' could just as well stand for 'design'. Surely, rules and arenas change as a result of the course of events of actors participating in operational and collective action arenas, but part of this activity can be seen as conscious acts of designing arenas in such a way that they

are most likely to produce valued outcomes and minimize the chances of conflict and other problems. Anyone who is given the task of organizing a participatory process has a multitude of decisions to take, many of which can be directly framed as choice on how to formulate the basic rules of the game as represented by the IAD Framework. Setting the scope of the process, both in terms of content and procedural status of the outcomes; deciding who can participate in which role and with which options and limitations, combining the preferences and actions into something that is to be seen as a legitimate outcome; sharing information and costs and benefits: all issues will neatly be put on the agenda when systematically formulating more or less specific versions of the rules of the framework. The participatory process discussed above, on the rebuilding of the Roombeek area, provides a neat example of such institutional (re)design. After differences of opinion on a particular subarea were on the brink of developing into a real conflict, the municipality decided to take the design for this area out of the hands of the main architect and organized an architectural design competition where the residents from the area would select the winning design. This resulted in a radically different interaction arena, as the new scope rule (no longer advice, but an actual design on what was going to be built) called for very clear and different aggregation, boundary and choice rules (Klok and Denters 2005, pp. 55–61). This example also provides a perfect illustration of the fact that the rules have to be analysed (and designed) as a 'configuration': the impact of (changes in) one rule depends on the content of the other rules. Changing the scope rule will only result in a viable system (arena) if other rules are adapted to it. In terms of design, this implies that the rules need not only to be designed as if they are a systematic list of decisions, they also need to be considered in terms of a *system of rules*, as the impact of one rule can only be analysed when information on the other rules is available.

ISSUES IN PARTICIPATORY GOVERNANCE THROUGH THE IAD LENS

Lack of Institutionalization

Before we pay attention to the issues related to the separate rules of the IAD Framework, an important topic is the general issue of (the process of) rule formulation itself. The traditional arenas in public organizations usually have well-developed and formalized sets of rules. Many of these rules have formal legal status and can be found in written documents. In most cases they have an extensive history, as they developed over long periods of time. For participatory arenas the picture is radically different. There are examples of general formats for 'governance charters' (Denters 2015; Denters et al. 2017). However, they are not very numerous and the rules that are formulated are usually rather abstract and not precise. More numerous are examples where clear and complete sets of rules are reported to be missing (Healey 1997; Edelenbos and Monninkhof 2001; Edelenbos et al. 2006; Klok et al. 2006; Edelenbos et al. 2009).

When analysing the process of rule formulation we are entering the realm of collective choice arenas. Little research has been done on motivations and considerations of actors that were involved in the initial formulation of rules for participatory arenas. With 'initial formulation' we mean the process of deciding about the rules for participatory arenas before interaction in these arenas takes place. Most attention in research is payed to interaction in operational arenas and subsequent collective action arenas for cases where problematic aspects of interaction in operational arenas gave rise to further specification. Despite a lack of empirical research, some general *causes of* 'under-institutionalization' of participatory arenas can be identified.

Participation usually takes the form of specific, unique *projects* or decisions with a clear start, a specific end and a limited time frame. This is different from the continuous formal

arenas such as a municipal council or a permanent advisory committee. The project character has several consequences. First, it means that the arenas have no real (institutional) history. Rules have to be formulated before the start of the project: without specific formulation for this project no clear rules exist. Formulating rules involves time and attention. It can be seen as an investment involving costs, at least in terms of effort. Second, because of the limited time frame (the project will end at some time), the return on investment will be limited to the project as such. Additional to the limited time of benefits of investments in rules, the benefits are also particularly uncertain. They consist, at the time of setting the rules, in preventing problems in the action arena, in terms of interaction or outcomes, that might (or will likely) materialize. Investing today in order to prevent possible, but uncertain cost from happening in the future is always difficult, as nobody can prove that these costs will happen without doing the investment. Third, if projects are unique, formulating the rules for the action arena needs adaption to the specific content of the task, the stakeholders that are connected to the task and their specific configuration of interests, opinions and abilities. This makes the process of rule specification one of customization rather than a routine job. Again, investments will be considerably higher if more adaptation to the specific situation is needed.

Participatory processes usually start in a very justified atmosphere of 'let's be open!'. 'Rules and regulations' are often associated with formalization, bureaucratization and red-tape. These are usually the associations that many citizens have with traditional formal public organizations and their arenas. Participatory processes are usually seen as an attempt to break away from traditional and formal ways of interest representation, by giving the floor to citizens themselves. The last thing to do would be to bureaucratize these arenas as well: they should be open! Openness is seen as a prerequisite both in term of content and in terms of procedures. The content refers to the content part of scope and choice rules, as limiting the outcomes and actions in advance will limit creativity and influence of participants in the

arena. Procedural openness refers particularly to boundary, aggregation and the procedural part of scope rules (linking to other arenas). In the IAD Framework, rules for settling disputes, or 'lack of agreement rules' are seen as a specific form of aggregation rules (Ostrom 2005, p. 205). Although the usefulness of such rules is in many cases not questioned (particularly in situations of developing conflict), they can be seen by some participants as a form of 'institutionalized distrust': why would we, as trustworthy and decent participants, need such provisions when we are actually going to work together in such a positive atmosphere? In such a perspective, spending too much effort in setting clear rules would not only be seen as a waste of time, but also seen as signalling a lack of trust. For obvious reasons, designers of participatory arenas would like to refrain from signalling such messages (even if they themselves perceive the formulation of clear rules as a worthwhile investment). At the start of participatory projects the atmosphere of 'let's be open' is in many cases combined with one of 'let's just start!'.

Rules are generally formulated in order to increase the chances of an orderly development of interactions in an arena. However, they also specify power relations, give rights to specific position holders and limit the options and influence of others (van Tatenhove et al. 2010). Clear rules provide clarity on these issues. To the extent that not all participants agree to the powers and rights that have been assigned to others and the obligations that are assigned to them, the *rules as such might be a source of conflict in themselves*. Fear of conflict over the content of the different rules might be a reason for designers of those rules to refrain from a clear specification of those rules in advance. General, abstract and ambiguous formulations of rules, let alone absence of rules, give less opportunity for difference of opinion on those rules. Of course, the formulation of rules could in principle be done with the participants themselves, in an attempt to provide rules that have broad support and do not give rise to conflicts (Edelenbos 2005). However, if part of the discussion is on whom to give the

opportunity to participate in the operational arena, how are we going to select participants for taking that decision? Additionally, the reservations in terms of the costs and benefits of investments in rules and the atmosphere of 'let's start and be open' will most likely be held by future participants as well.

The formulation of rules for participatory arenas usually takes place in collective action arenas that are part of or at least functioning under the competences of formal public organizations (municipalities, regional or national governments or special purpose public organizations). Unless these organizations decide to give full decision power to the participatory arenas (procedural scope rule), the prerogative of taking the ultimate decision will remain in their hands. Providing more decisional discretion and power to participatory arenas will limit the possibilities of actors in the formal arena to redress possible outcomes that they do not want to accept. Lack of clarity on these procedural aspects of the outcomes of participatory arenas might result from the wish of participants in collective action arenas to *keep their hands free* when final and formal decisions have to be taken (Kalk 1998). Or, formulated slightly more positive: they enable participants in the formal public arenas to ensure that outcomes of participatory processes are really in line with the general (public) interest.

After discussing the causes of under-institutionalization, the next question is: what are its *consequences?* As these consequences appear in real life operational arenas, much more empirical evidence is to be found. Rather than presenting a full list of evidence and examples of cases in which lack of clear rules have resulted in problems, we provide a categorization of most likely general consequences. Other consequences will also appear in the description of the separate rules in the next sections.

In the most general terms, indicated on a theoretical level in the IAD Framework, the result of a total lack of rules is a Hobbesian state of nature that is characterized by the 'war of every

man against every man', a constant and violent condition of competition in which each individual has a natural right to everything, regardless of the interests of others. Existence in the state of nature is 'solitary, poor, nasty, brutish, and short' (Hobbes 1651 [1994], p. 76). Luckily, as indicated above, the general rules of our legal systems, as well as the presence of some formulations of some of the specific rules, however limited in their content, make sure that participatory governance is never taking place under these conditions.

The first most obvious consequence of a lack of clarity of rules is *uncertainty* of participants once they become active in participatory arenas (Gunton and Day 2003). Uncertainty results in discussion on the content of the rules, attempts at clarifying the rules, specification of the rules and ultimately processes of formulating the rules (Edelenbos 2005). In short: in many cases the investment costs that were not made in advance, by refraining from formulating clear rules, are now made by the participants themselves. As these investments are usually seen by participants as transaction costs that could have been prevented by organizing the process in a decent way in the first place, they often result in frustration, not in the least because the real process of discussing the project at hand is halted as long as discussions on the content of the rules proceed (Galesloot 1998).

Discussing and clarifying rules is one thing, in some cases different ideas on the content of the rules result in *actual conflict* between participants in the arena (Galesloot 1998; Krouwel 1998). Open conflicts result in stalemate in the process, in lots of frustration, in a non-cooperative attitude of participants and eventually in exit of participants and strategies of moving issues to no-participatory arenas, including, in the ultimate resort, in court action (Khademian and Weber 1997; Edelenbos 2005).

Although a Hobbesian state of nature is far off, lack of clear rules does result in situations of *inequality*, where participants with more skills and more resources have more influence than those with less abilities to make themselves heard. This has been labelled as a form of

'big mouth democracy' or, as far as it refers to those that are particularly well educated, 'diploma democracy' (Bovens 2006).

Participatory processes are usually organized with the explicit aim of creating consensus and shared support for decisions to be made. However, in real life situations participants do have different interests and opinions and just getting into debate, learning each other's arguments and motivations does not mean that in the end all participants agree on what should be the outcome of the arena. Especially a lack of clear aggregation rules (either in the form of original aggregation or in the form of 'lack of agreement' rules) can result in stalemate in the process (Coglianese and Allen 2003) or confusion on whether outcomes have been reached or what their actual content is (Edelenbos 2005). In all cases, the *outcomes remain unclear*, resulting in frustration and lack of influence for at least part of the participants (Lasker and Weiss 2003).

One of the most documented effects of unclear rules is the one of a lack of clarity on the procedural status of the outcomes of participatory arenas in relation to subsequent formal decision-making arenas (Klijn and Koppenjan 2000; Edelenbos et al. 2009). Participants have often discovered that despite their great investments to come to a common outcome, involving a lot of interaction, bargaining and sometimes explicit compromise, representatives in formal arenas decide to choose other courses of action than were agreed upon in the participatory ones. In this way, outcomes of participatory arenas *lack influence in final decisions*. Frustration, distrust and lack of motivation to participate in future processes are common results (Edelenbos and Monninkhof 2001; Lasker and Weiss 2003).

After the analysis above, we turn to a *design perspective* on the general issue of *formulation of rules*. Is institutionalization of participatory arenas a burden or an opportunity? We are inclined to see it as a careful balancing act.

Reservations that designers of participatory arenas have in terms of investment costs needed to specify rules and uncertain future benefits are to a certain level an adequate reflection of reality. Money and effort invested in organizing the game is no longer available for doing the real work of solving the issues that participatory arenas are supposed to address. General rules that are already in place and cultural norms present in communities enable orderly interactions to a certain extent. However, too many examples exist where basic and clear formulations of a set of rules could have prevented considerable costs of conflicts and frustration. Formulations of rules do not always have to be detailed and cover all possible situations in order to give some guidance on behaviour and clarification on mutual expectations. Particularly in participatory arenas, management of expectations is a primary function of rules (Gunton and Day 2003, p. 14), perhaps even more than their binding nature 'in the last resort'.

That being said, it is essential that clear and binding rules are not only formulating obligations that might be perceived as unnecessary bureaucratization, they just as much formulate *rights* for those participants that need them in order to have an impact on decision processes that are without those rights dominated by others (Lasker and Weiss 2003). Lack of institutionalization means lack of empowerment of those whose influence participatory arrangements are usually supposed to support (Fung and Wright 2003; Ansell and Gash 2007; Denters 2016).

Investment costs in institutional design can be reduced by developing a set of generally formulated types of institutional arenas that can be regarded as a 'toolbox' to choose from, needing only small changes in order to adapt to specific situations. General governance charters can be of help here, but they need to contain different models or types of viable arenas in order to be flexible enough to meet demands in different situation. Such types of arenas can be differentiated in terms of the level of decision power that is transferred to them

(type of scope), and the accommodating formalization of boundary, choice and aggregation rules. A general design principle might be: the more power is transferred, the more clarity and formalization of other rules is needed. Investing in developing typical arenas that can be used more often increases the time frame and thus the number of occasions in which the cost of investments can be recouped. Use of permanent participatory arrangements on specific topics can even be considered and in fact have a long history in permanent advisory boards on specific policy fields such as care for the elderly, sports and education. However, permanent arenas also have the danger of becoming too institutionalized, not only in terms of their rules, but particularly in terms of those actors that are likely to participate in the first place and remain active over the years.

Arena Entrance

Arena entrance is guided by boundary rules. Why would one change the default condition that 'anyone can enter' any position? Obviously the answer depends on the type of positions that have been distinguished, but let us assume for the sake of simplicity that only the position of 'participant' exists. The first possible answer is that actors vary in their *interest*. If a neighbourhood development plan is to be discussed, it seems obvious that people that live in or near the area have larger stakes in the discussion than those that live far away (perhaps even in other cities). If participatory arenas are organized in order to give those that are affected by a decision a voice, then letting other actors in would decrease the chances that those that have a real interest are heard. If interaction in arenas is based on face-to- face contact, there are also obvious limits to the number of people that can both be present and make an actual contribution to the discussion. That brings up the question of which criteria to use for inclusion or exclusion. In practice, location-based criteria and specific interest criteria related to the topic are often used. These criteria are not always easy to set and stakeholders

might not agree with criteria that exclude them from participating, forcing them to try to influence outcomes through other arenas such as formal governmental or judicial ones.

In terms of the procedure for selecting those participants that meet the condition to actually enter the arena, the most common rule is that of 'invitation', where participants decide themselves whether they enter or not. This is a simple and easy to implement procedure that is also attractive because participants can decide themselves whether their interests are affected to such an extent that they bother to contribute to the process. Those with high stakes will enter and those with low stakes can stay at home. However, there is ample evidence that this mechanism results in rather *selective participation*. The typical participant is more likely to be male, white, more than average educated and middle- or somewhat higher-aged (Verba et al. 1995; Kalk 1998; Denters et al. 2011). People who perceive their capabilities for presenting their views in public are less likely to participate when they are invited in a general manner (Lasker and Weiss 2003; Ansell and Gash 2007). In order to mobilize these participants a different selection procedure can be successful, for instance by using their existing groups and networks and by offering them more safe, specific (sub)arenas where entrance is limited to those who have similar characteristics. Examples are specific groups for women from a particular ethnic or religious background or for juveniles (Kalk 1998; Klok and Denters 2005).

A different mechanism for selection is specific interest (group) *representation*, usually combined with a limited number of position holders that represent the group. In most cases it is up to the represented groups themselves to select who will represent them. This is an efficient way to reduce complexity in interaction in the participatory arenas, but may also introduce issues in terms of mandate and representation between the constituency and their representatives (Edelenbos and Monnikhof 1998).

Participatory arenas usually have some form of *professional* participants who are responsible for process management. In case this is a job that comes with a regular salary, position holders are usually appointed by the responsible authorities. Having sufficient professional skills in process management and credibility for the other participants are crucial conditions for these positions (Huxham and Vangen 2000; Gunton and Day 2003; Lasker and Weiss 2003). Selection by participants themselves, when already in the arena, is more common if all actors participate on a voluntary basis.

A specific issue in boundary rules is that of those participants that hold positions in *multiple* (related) *arenas*. This concerns mostly the position of those that play a role in the formal decision-making arenas (elected politicians, members of the executive, party leaders). In case of open invitation, they might be invited in participatory arenas as well. In principle, their position in an arena is in no other way defined than for any other participant, as the position and other rules are only relevant in the specific arena under analysis. The rights and obligations someone has in a different (formal) arena are only relevant there. However, such 'double mandates' create an unequal position if the outcomes of the participatory arena have to be formalized in the formal arena, as the holder of a double mandate has multiple options to influence the final decision. This does not mean that people holding official mandates have to be excluded from participatory arenas, but at least some provisions have to be made to make sure they hold back in terms of influencing the outcome (for instance, by giving them the position of 'listener').

Position Differentiation and Choice Rules

Many different positions can be formulated in participatory arenas, among which are specific positions with specific action possibilities such as process manager (chair), note-taker and expert advisor. It would take too long to describe all of them. Here we focus on the question

of whether position differentiation between 'ordinary' participants is common and could be a good idea from a design perspective. In practice, we see few examples of explicit differentiation of positions, combined with a differentiation in choice rules that is enabled by having different positions. This is probably related to two causes: a general idea that participants are to be treated equal (Lasker and Weiss 2003; Ansell and Gash 2007) and the difficulty of formulating specific rules on which participants have to be treated 'more equal than others'. The conception of equal treatment does, however, contain one important qualification: equal treatment is expected in those situations where participants are to be regarded as equal. However, interests and other stakes of participants might vary to a large extent. Participants whose situation is more radically affected by outcomes might rightly claim that their influence on these outcomes should be higher than those that are only marginally affected (Kalk 1998). Projects with benefits for all but very local costs or side-effects ('not in my backyard' (NIMBY) projects) form typical examples. In these cases, some form of position differentiation seems appropriate.

A second reason for position differentiation comes with inequality of participants to oversee decision consequences, formulate their own preferences or make themselves heard in the arena. Without any differentiation in positions and behavioural options, those that have sufficient skills and resources will most likely dominate interactions in participatory arenas (Gunton and Day 2003; Lasker and Weiss 2003). In such situations, providing certain position holders with rights of additional advice, support, additional speaking time or other resources can ensure a 'level playing field' (Ozawa 1993). This can be done in a particular arena, but also by creating specific (sub)arenas where participants in a comparable situation or with specific interests get the opportunity to make themselves heard.

The choice rules that set the action options that participants have can vary a lot in actual situations and depend to a large extent on the scope rules for the arena (both in terms of

content and the procedural status of the outcome). In most cases participants can voice their opinions on proposals that are up for discussion and play some role in coming to an outcome (but the process by which this happens is part of the aggregation rules). An important question is whether participants can formulate new alternatives to be discussed. This is related to the issue of 'agenda control'. In terms of process management agenda control refers to which topics are discussed when and how, but in terms of content agenda control refers to the ranges of possible options that are actually discussed (within the range of the scope rules). Formulating the right to formulate new options is a major way of ensuring that participants can influence outcomes in line with their preferences (Lasker and Weiss 2003).

Setting the Scope of the Arena

The scope rules first of all set the range of options that can be discussed in participatory arenas in terms of their content. In this way, they 'set the agenda'. Obviously, the mere description of a topic, for instance discussing a development plan for a neighbourhood, sets limits in terms of content and the relevant area. Alongside that the scope rules may vary in terms of agenda space from starting with a fully developed plan where participants can only indicate whether they accept it or not, to giving all design options to participants, starting from a blank sheet. Setting the agenda space as too limited often results in frustration, as participants get the impression that all or most decisions have already been taken by others, or they are only left with a 'choice between evils' (Lasker and Weiss 2003). Why participate in arenas if there is almost nothing 'to talk about'? Scope rules that are set too strictly limit the influence of participants considerably and thus run counter to the very idea of participatory governance. On the other hand, leaving the scope very open is likely to result in a lack of focus, in long discussions on many changing options, in new options suddenly popping up and in frustration on confusion on 'what we are actually talking about'. Arenas need clear

process management. That can be provided within the arena as such, but its task can be considerably simplified by formulating at least a couple of clear limits in terms of scope.

Defining clear scope rules in terms of content can also play a role in settling the tricky question of linking the outcomes of participatory arenas to the formal ones where decisions are usually taken. As indicated above, in many cases actors from participatory arenas were frustrated because final decisions were not in line with participatory outcomes. One way of clarifying expectations is by formulating clear procedural rules, indicating the decision status of outcomes. Three types of 'institutional embedding' are relevant here: administrative-bureaucratic, executive and representative-political (Edelenbos et al. 2009). Another way is by setting limits to participants in the formal arena in terms of their ability to disregard participatory outcomes. In this way, the outcomes of the participatory arena become restrictive elements in the choice rules (or the scope rules) of the formal arena. Formulating clear scope rules in terms of content for participatory arenas can enable participants in formal arenas to agree with such forms of 'self-regulation'. Formulating a clear scope in advance, making sure that participatory outcomes stay within the range of solutions that is acceptable in the formal arena, makes it easier for formal participants to accept those outcomes. Or formulated the other way around: they make it more difficult to reject them, as they are part of an outcome space that was officially set to be acceptable.

In some cases, parallel arenas are present, where participants discuss proposals on the same topic. This results in multiple outcomes that somehow have to be aggregated to an encompassing outcome. Although the IAD Framework does not contain a specific analytical tool for this issue, it can be regarded as an aggregation issue, which we will discuss below.

Aggregation into Outcomes

The most obvious aggregation rule that could apply to participatory arenas is that of *voting* and majority decision. Participants, particularly if there are many, with different interests and opinions, could not be expected to come to full consensus just by discussion and debate (or 'arguing'; see Chapter 1 in this volume). However, in practice we do not see too many examples of voting as the ultimate form of aggregation. To some extent, this might have to do with the fact that voting, as very clear and strong aggregation mechanism, immediately sets demands in terms of the other rules. If we need to vote, who is to be regarded as having a vote becomes a very explicit topic, raising questions of position and boundary rules (Klok and Denters 2005). Another factor might be that voting is particularly relevant for taking decisions, and many participatory arenas do not result in (final) decisions, but in advice, recommendations, preference specifications or even 'just ideas'. As voting is clearly associated with taking decisions, designers of participatory arenas might be reluctant to opt for voting as it might signal to participants that decisions are made while the outcome is actually just advice. Voting could contribute to frustration (when final decisions take another course) by creating false hope. The same mechanism can be formulated in a somewhat more cynical way: enabling clear and uncontested outcomes of participatory arenas could make it more difficult for formal decision makers to disregard the outcomes, or at least such practices would become more transparent.

As indicated above, if no decisions are taken, other aggregation mechanisms than voting are called for. Different methods are available for providing more clarity on the preferences of different participants and the amount of support for different proposals or ideas. These preferences can be visualized for participants in the arena, but eventually they have to be made visible in some form of outcome of the entire arena, commonly in the form of a report. This brings up the crucial issue of 'who write the report?', as this is in most cases the way in which outcomes become inputs in subsequent arenas. In many cases, reports are written by

specific position holders, mostly by professionals. This takes away the burden of doing the work from other participants, but – as the document is the crucial link to other arenas – specific skill in writing and political sensitivity are called for. This puts these position holders in a powerful and sensitive position, particularly if preference indication in the arena has not been very specific and explicit, but rather general and ambiguous. Again, frustration might result if participants have the impression that the report does not clearly represent (their perceptions of) the outcomes of the arena (Kalk 1998; Edelenbos and Monninkhof 2001).

The issue of 'who writes the report?' is also crucial if multiple parallel arenas produce different outcomes (Kalk 1998). Again, aggregation is called for and those responsible for the report are in an influential position, especially if clear aggregation rules between different arenas are lacking, which is rather common (Edelenbos 2005). If arenas for specific groups have been arranged, particularly in order to enable them to participate because of specific interest or to accommodate their skills, immediately questions are raised as to the relative weight of the different outcomes. Formulating these weights in advance would create transparency, but could also stir debate, as they also set the relative influence on outcomes. In case such aggregation rules are not set in advance, and weighting is left to the interpretation of those responsible for the report, consultation on the draft version of the report in the different arenas before finalizing it is an obvious mechanism for creating at least clarity on support in the arenas.

Setting Costs and Benefits

The first topic where pay-off rules are relevant is that of the costs and benefits of entering and participating in the arena. It is common that the organization responsible for organizing the arena (usually a formal public body) covers the costs of meetings, rooms and catering. Ordinary participants enter arenas usually on a voluntary basis, meaning they do not have to

pay to get in, but also do not get paid for their contributions. Only in permanent advisory bodies a small attendance fee might be rewarded. Professionals usually get paid for their work in the arena. This implies that unless specific arrangements are made in the pay-off rules, participants also bear their own costs that they might make for activities done inside the arena. If participants were to hire specific expertise for advice or hire personnel in order to develop a proposal in the arena, they themselves would have to cover the costs of these actions. Of course, pay-off rules could be formulated to give participants a budget that can be used for such activities.

A second topic where pay-off rules are relevant is the amount and possible division of costs and benefits that are related to the outcomes of the arena. It is not uncommon that those that are responsible for organizing the arena set limits to the costs involved in actually implementing the outcomes of the arena. Such limits can also take the form of an available budget (for instance, for building a facility). Such limits or budgets could also be regarded as scope rules (costs of outcomes have to stay within a range), but since different outcomes in terms of content can be selected within a financial range we prefer to see them as pay-off rules. Next to rules concerning the total cost of implementing the outcome, specific provision regarding the division of costs over the participants can be made. The default condition here would be that each participant can retain any benefits they can obtain, but also bears the cost they have to make to produce the outcome. Specific provisions, however, can be made to divide costs and benefits in a certain way, for instance if a municipality and local businesses decide to develop a programme for city marketing, organizing several events, they can decide on sharing costs and dividing costs over the different business partners based on specific criteria such as a fair distribution of costs and expected benefits (Kalk 1998).

CONCLUSION

In this chapter we have shown how the IAD Framework can be used in analysing and designing participatory governance. The framework, having a general character, is very capable of describing and analysing the large variety of participatory practices. However, as it contains predominantly a basic set of 'things to look for', the analyst is left with the task of specifying the rules and other variables in describing real life situations. The same holds for anyone who is using the framework to design viable systems of participatory governance. The framework does, however, provide guidance in such processes by offering a language and a set of design decisions that can be used in a systematic way to make sure that most design decisions are at least made in an explicit and well-considered way.

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