



## How Do Institutions Address Collective-Action Problems? Bridging and Bonding in Institutional Design

**Author: Tomás Olivier**

This paper seeks to understand how collective-action problems shape the design of institutions. As case studies, this paper examines the institutions created to supply high-quality, unfiltered drinking water to Boston and New York City. The author conducted fourteen interviews with local officials in both cities between June and August 2016 to learn about the relationships among the various organizations responsible for water management, with a view to capturing the history of cooperation versus antagonism among those organizations. The author also applied the Institutional Grammar to water management documents from both cities.

### KEY FINDINGS

- The Institutional Grammar can capture how formal rules mandate patterns of interactions in an institutional setting.
- The presence of different kinds of collective-action problems informs the pattern of formal rules that exist in an institutional setting.

### Capturing Networks of Prescribed Interactions

The author used the IG to decompose the formal rules that structure the provision of drinking water in New York and Boston. These formal rules give rise to Networks of Prescribed Interactions (NPIs), which dictate when, how, and under what circumstances actors in an institutional setting engage with one another. NPIs can then be studied to see how institutions address specific challenges, such as collective-action problems.

### NPIs and Collective-Action Problems

From the interviews, the author learned that New York and Boston had different collective-action problems. Water management in New York was characterized by cooperation problems (i.e., disagreements over resource use), while Boston had issues related to coordination (i.e., disagreements over implementation) and division (disagreements over distributing benefits/costs). The design of the NPIs reflect each city's unique collective-action problems. For instance, New York's NPI mandates a lot of reciprocal interactions, while Boston's NPI centralizes many of its activities within a small cluster of actors.

For more information, please see Olivier, T. (2019). How do institutions address collective-action problems? Bridging and bonding in institutional design. *Political Research Quarterly*, 72(1), 162-176. <https://doi.org/10.1177/1065912918784199>

*This Research Case represents an interpretation of the original scholarship which was reviewed and approved by the original author(s).*