

THE PASTURE WAS NEVER EMPTY · CHAPTER TWO

The Pasture Was Never Empty

Chapter Two of The Pasture Was Never Empty

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Santa Anna, A. (2026). The Pasture Was Never Empty. In The Pasture Was Never Empty (ch. 2). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989525
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Published by Luminous Prosperity Inc. for Haute Lumière. Author ORCID 0009-0008-3244-0306.

DOI 10.5281/zenodo.23989525 · this record's page: business.hautelumiere.life/library/the-pasture-was-never-empty/02-the-pasture-was-never-empty/

Please cite as: Santa Anna, A. (2026). The Pasture Was Never Empty. In The Pasture Was Never Empty (ch. 2). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989525

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A NOTE BEFORE YOU READ

This work is offered for education and leadership development. It is not legal, financial, accounting, investment, medical or psychological advice; take the advice of a qualified professional who knows your circumstances. Companies and events are described from the public record as the author understands it; characterisations are the author's analysis. Examples are illustrative, and no particular outcome is promised to any reader.

ABSTRACT

In 1833 an Oxford professor of political economy named William Forster Lloyd published two lectures on population. In the middle of them he asked his listeners to picture a common pasture. Each herdsman who adds a cow, Lloyd said, takes the whole gain of that cow for himself and bears only a fraction of the damage it does to the grass, because the damage is shared among everyone who grazes there. So each one adds a cow, and then another, and the pasture is ruined by people who were each behaving sensibly. It is a good argument, and it was meant as one. Lloyd was not describing a field he had walked. He was building a model to make a point about population, and the pasture was the model's furniture.

CHAPTER TWO

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A pasture in 1833

In 1833 an Oxford professor of political economy named William Forster Lloyd published two lectures on population. In the middle of them he asked his listeners to picture a common pasture. Each herdsman who adds a cow, Lloyd said, takes the whole gain of that cow for himself and bears only a fraction of the damage it does to the grass, because the damage is shared among everyone who grazes there. So each one adds a cow, and then another, and the pasture is ruined by people who were each behaving sensibly.

It is a good argument, and it was meant as one. Lloyd was not describing a field he had walked. He was building a model to make a point about population, and the pasture was the model's furniture.

A hundred and thirty-five years later, in December 1968, the ecologist Garrett Hardin borrowed Lloyd's pasture for an essay in *Science* called "The Tragedy of the Commons".[8] Hardin's subject, like Lloyd's, was population; the abstract of the essay is a single sentence about it. But the pasture was what readers kept, along with a line that has been quoted ever since: freedom in a commons, Hardin wrote, brings ruin to all. Within a generation the essay had become one of the most cited papers in the social sciences, and the pasture had been promoted from a thought experiment to something close to a law of nature. Shared things are destroyed. The only cures are a fence and a deed, or a fence and a government.

This book is about the woman who went and looked. Elinor Ostrom spent most of her working life finding out what people who share a pasture, a fishery, a forest or an irrigation canal actually do. She found that many of them do not ruin it. Some have kept the same resource in good order for centuries. And she found that the ones who succeed tend to share a recognisable set of arrangements, which she wrote down as eight design principles.

The claim of this chapter is narrow and useful: the tragedy of the commons is a true description of one kind of arrangement, the unmanaged and open one, and the eight principles are a description of the other kind. A reader who runs a team, a firm, a shared house or a family budget is almost always governing a commons of some sort. Which kind it is, is a matter of design.

What the fishery taught first

The idea that open access wastes a resource did not begin with Hardin, and it is worth knowing that, because the earlier version is more precise.

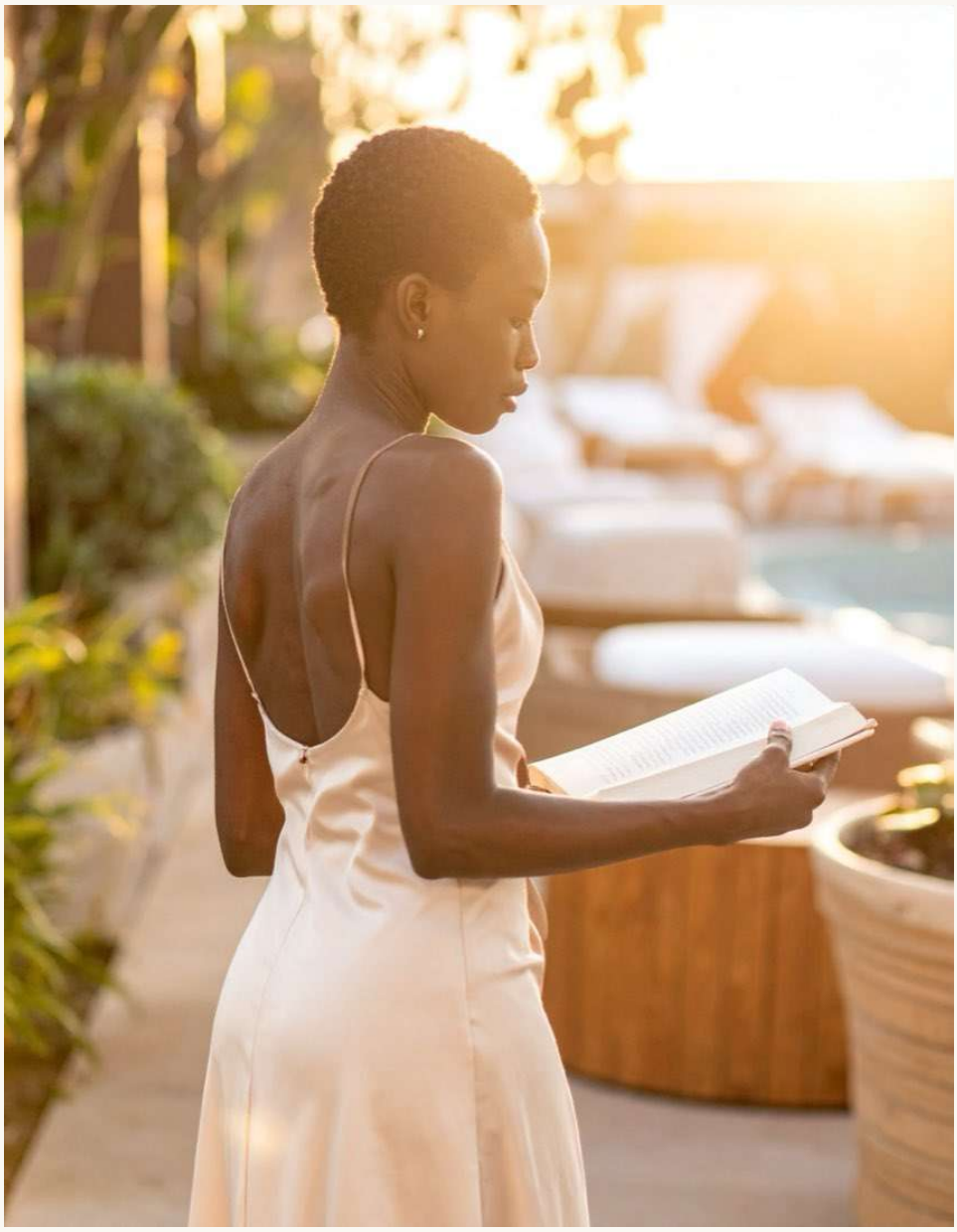
In 1954 the Canadian economist H. Scott Gordon published "The Economic Theory of a Common-Property Resource: The Fishery" in the *Journal of Political Economy*.[9] Gordon's fishermen are not villains or fools. They are ordinary firms facing a sea that anyone may enter. As long as fishing pays better than the next best use of a boat and a crew, more boats come. They keep coming until the surplus the fishery could have yielded, the rent of the sea, has been spent entirely on the extra effort of catching the same fish. The stock may or may not collapse. The money certainly does.

Gordon's argument has a condition built into it that Hardin's popular version lost: the problem is open access. Nobody can be kept out, and nobody has agreed with anybody about anything. Put a boundary around the fishery and an agreement among the people inside it, and the argument no longer goes through as written.

Hardin came to say as much. Thirty years after the essay, in a short piece in *Science* in 1998, he wrote that what he had described was the *unmanaged* commons, and that the title should have said so.[10] The correction arrived after the original had done its work in the world. In the meantime the pasture had been used to justify the enclosure of a great deal that was not, in fact, unmanaged.

Ammanuel Santa Anna's *Ecstatic Economics* states the consequence plainly, and its sentence is one reason this book exists:

> *The tragedy isn't that humans can't cooperate around shared resources. The tragedy is that we've been told they can't — and have built economic systems based on that mistaken belief.*[11]



A workshop in Bloomington

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A workshop in Bloomington

Elinor Ostrom did not set out to refute Hardin. She was a political scientist, trained at UCLA, whose doctoral research in the early 1960s concerned the groundwater basins under Los Angeles. Pumpers in those basins had been drawing water faster than rain replaced it, and salt water from the Pacific was moving in behind the falling water table. Nobody owned the basin, and the state did not run it. The pumpers, over years of litigation and negotiation, built their own arrangements: they settled how much each could take, appointed a watermaster to measure it, and paid for the injection wells that held the sea back.

That was the first commons she studied, and it already contained most of what she would later write down. A boundary, a set of agreed rules, someone accountable to the users who measured what was taken, and a way to settle disputes that did not ruin the parties.

At Indiana University in Bloomington, with her husband the political theorist Vincent Ostrom, she founded what became the Workshop in Political Theory and Policy Analysis. The word *workshop* was chosen, and it suited the method. Over two decades the Ostroms and their colleagues collected case studies of common-pool resources from all over the world, many written by anthropologists, historians and engineers who had never heard of each other, and coded them in a common form so that they could be compared.

The cases were a strange and beautiful collection. Alpine meadows above the Swiss village of Törbel, where no household might send more cows to the summer pasture than it could feed through the winter. Forests on common land in Japanese villages, managed for centuries by householders who took turns as inspectors. The *huertas*, the irrigated plains around Valencia, Murcia and Orihuela in Spain, where farmers sharing canals elected their own officials. The *zanjeras* of the northern Philippines, irrigation societies whose members dug and repaired the canals with their own labour and received shares of land and water in proportion. And failures too, among them inshore fisheries in Turkey and Sri Lanka, and groundwater basins where the arrangements came too late. Chapter 7 walks through several of these cases at the length they deserve.

In 1990 Cambridge University Press published the result as *Governing the Commons: The Evolution of Institutions for Collective Action*.[12] The book's argument is modest in tone and radical in effect. Neither the state nor the market, Ostrom argued, is uniformly successful in sustaining shared resources over the long run. Communities of users sometimes do better than either, and they do it by building institutions of their own.

Santa Anna's book reads her work as the empirical spine of a larger claim. It calls the principles design specifications

> *extracted from the study of real communities that have managed real resources over real time periods, often spanning centuries.*[13]

The emphasis is the right one. Ostrom did not deduce the principles from a theory of human nature. She read the long-surviving cases, then the failed ones, and asked what the survivors had that the failures lacked.



The eight, in her order

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The eight, in her order

What follows is the list as Ostrom gave it in 1990, paraphrased closely except where her words are quoted, with the finer point each one carries for a person who governs something shared. The paraphrase matters, because popular versions of the list drift, and the drift is often where implementation goes wrong.

1 · Clearly defined boundaries. Two boundaries, not one: who has the right to take from the resource, and where the resource itself begins and ends. A team that has agreed who may spend from a shared budget but never written down what the budget covers has drawn half the boundary.

2 · Congruence between rules and local conditions. Ostrom's phrase is "congruence between appropriation and provision rules and local conditions", and it joins two ideas. The rules for taking from the resource and for maintaining it should suit the place, the season and the resource; and what each user puts in should bear a sensible relation to what each takes out. The *zanjera* member who receives more water digs more canal. Later scholars, as Chapter 3 shows, split the principle in two for exactly that reason.

3 · Collective-choice arrangements. In her words, "most individuals affected by the operational rules can participate in modifying the operational rules". Not every rule, and not unanimously; the operative word is *modifying*. A rulebook its users cannot amend becomes, over time, a rulebook they work around.

4 · Monitoring. Someone watches both the condition of the resource and the behaviour of the users, and the watchers are either the users themselves or accountable to them. The second half is the part that matters most. Monitoring by an outsider who answers to nobody in the group is a different institution, and it tends to produce different behaviour.

5 · Graduated sanctions. A person who breaks a rule meets a response scaled to how serious the breach was and whether it has happened before, and the response comes from the other users or from officials accountable to them. The first sanction is usually small. Its job is to say *we noticed*, which is information, not punishment.

6 · Conflict-resolution mechanisms. Users and their officials have quick, cheap, local places to settle disputes. A dispute that can only be settled in a distant court at great expense is, in practice, a dispute that festers.

7 · Minimal recognition of rights to organise. Outside authorities do not challenge the users' right to devise their own institutions. Note the word *minimal*: the principle asks for room, not for independence.

8 · Nested enterprises. Where the resource is part of a larger system, the work of governing it is, in her phrase, "organized in multiple layers of nested enterprises". Small groups handle local matters; larger bodies handle what crosses between them. The Valencian canals each govern themselves, and a tribunal drawn from all of them settles what passes between their members.

Read as a list, the eight look like common sense, and Ostrom was untroubled by that. The finding was not that the principles are clever. It was that the long-lived commons in her collection tended to have most of them, and that the failures tended to lack several.

Santa Anna's book notices something else in the list, which the third and fourth chapters of this book take up at length. It reads the principles as a description of what a group feels like from the inside when they are present:

> *people feel safe because the boundaries are clear; they feel empowered because they participate in governance; they feel held because conflict resolution is accessible; and they feel connected*

> *because the whole system is organized around mutual benefit rather than competitive extraction.*[14]

Three myths, corrected

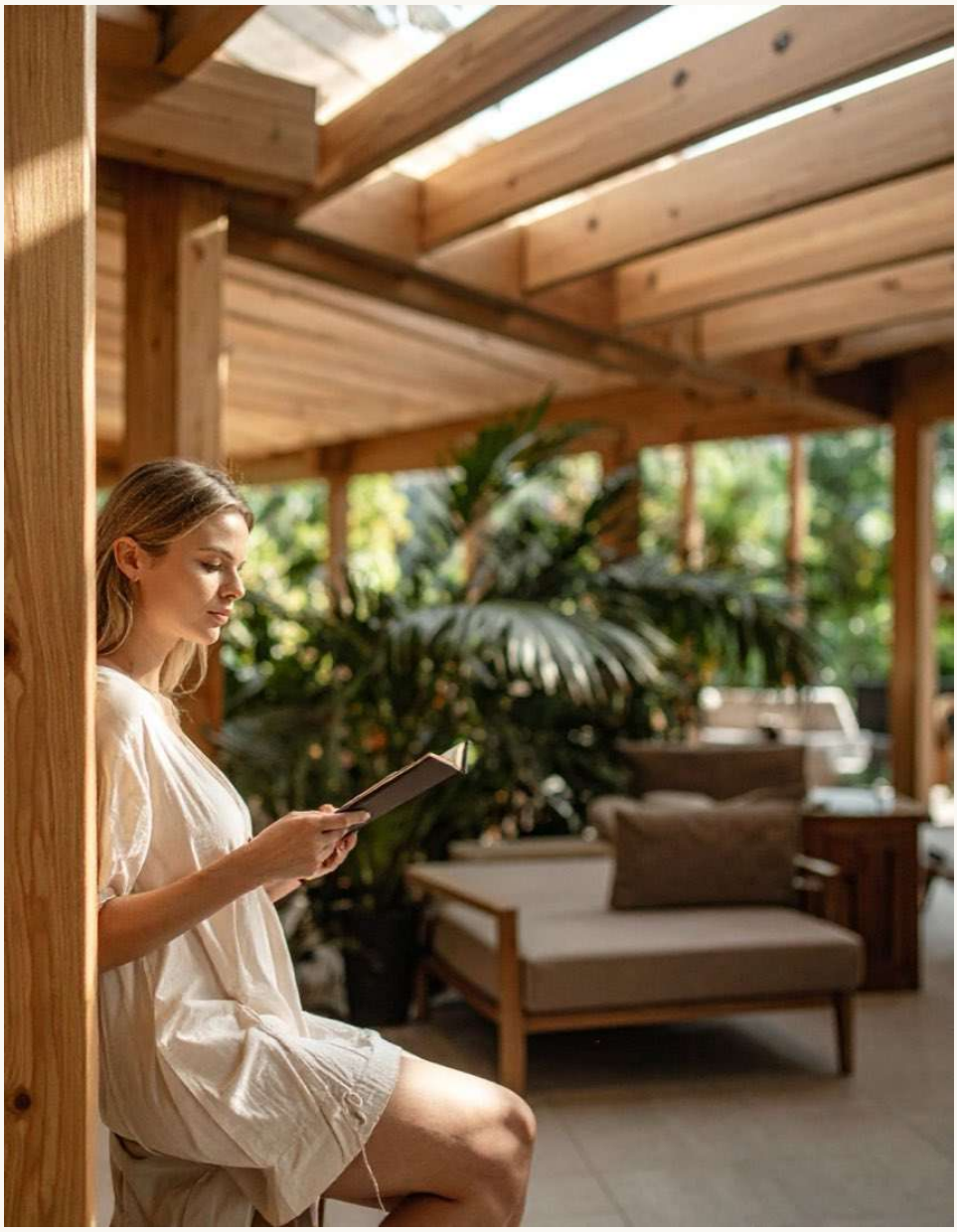
Popular accounts of Ostrom have their own myths, and three are worth correcting before the book goes further, because each one leads to a mistake in practice.

The first myth is that Ostrom proved Hardin wrong. She proved him incomplete. Ostrom accepted that open-access resources used by people who cannot communicate or make binding agreements will often be overused; her laboratory experiments with James Walker and Roy Gardner, published in 1992, began from exactly that baseline and showed that it changed when people could talk and could choose sanctions for themselves.[15] What she rejected was the step from *some* shared resources to *all* of them, and the conclusion that the only remedies were private property or central control. The leader's lesson follows directly. If your shared thing is open to everyone and governed by no one, Hardin is describing you accurately.

The second myth is that the principles are a blueprint. Ostrom resisted that reading for the rest of her life. In 2007, in the *Proceedings of the National Academy of Sciences*, she wrote against what she called panaceas: single institutional recipes, whether privatisation, state management or community control, applied everywhere because they worked somewhere.[16] The principles describe what successful cases tend to share. They do not say what a particular group should do on Tuesday. A leader who installs the eight as a template is making the very mistake she spent her last decade warning against. Santa Anna's book guards the same door from the other side, warning against a romance of the old commons:

> *Romanticizing the economic past is as unhelpful as demonizing the economic present. Every economic system has gifts and shadows.*[17]

The third myth is that she worked alone, or won alone. The 2009 Nobel memorial prize in economic sciences was shared with Oliver Williamson, for work on economic governance; Ostrom was the first woman to receive it. And the Bloomington Workshop was a collective enterprise from the start, Vincent Ostrom's theory of polycentric government as much its foundation as her fieldwork. The point is not pedantry. A body of work about collective action was itself made collectively, over decades, by people who shared a coding manual and a lunch table. That is the kind of commons this book is about.



What the book sees in it

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What the book sees in it

Ecstatic Economics reads the commons as more than an efficient way to manage grass and water. Its claim is that a well-governed commons changes what economic life feels like to the people inside it, and it makes the claim through the body. Where shared things are well kept, it says, the hypervigilance of individual self-sufficiency begins to soften, and

> *The body relaxes into the felt sense of being held by something larger than the individual.*[18]

That is an unusual sentence to find in a book about economics, and it is the house's particular contribution to the reading of Ostrom. Chapter 4 takes it up properly: the eight principles as a set of feedback loops, and the commons as a living system rather than an inventory. For now it is enough to see what the sentence implies for a leader. A shared resource with no boundary, no agreed rules and no fair way to settle disputes does not only waste the resource. It keeps everyone who depends on it slightly on guard, because each of them has to defend their own share. The principles are, among other things, a way of letting a group stop guarding.

The commons, in this reading, is one of the oldest forms of the economy Santa Anna's book describes: wealth that circulates through relationship rather than accumulating in one place. The same idea appears from different directions in the sibling volumes of this lineage, in the reading of gift and reciprocity and in the account of markets held inside the society around them.



Where to begin

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Where to begin

The chapters that follow go further: where the principles run thin (Chapter 3), how the house reads them as living-system rules (Chapter 4), a water tribunal that has met on Thursdays for centuries (Chapter 5), and how the idea reaches into knowledge, firms and the trust markets depend on (Chapter 6). The second half of the book is working ground: longer cases, a field manual, measurement, the hard conversations, and the household.

The first step is smaller than any of those, and it is the one most groups skip. Before a commons can be governed, someone has to notice that it is one. Most shared things in a working life are not called commons. They are called the meeting calendar, the senior engineer's attention, the marketing budget, the kitchen, the on-call rota, the goodwill of a key client, the family car on a Saturday. Each has users, a resource that can be overdrawn, and some arrangement, explicit or not, for who takes what.

Lloyd's pasture was never empty. It only looked empty from Oxford, where nobody could see the herdsmen talking at the gate.

The Tool: The Commons Inventory

A one-hour exercise for a leader and two or three colleagues, or for a household at a kitchen table. Its purpose is to name the shared resources you already govern and to see, for each, which kind of commons it is: open and unmanaged, or bounded and governed.

Step 1 · List the shared things (15 minutes). Write down every resource that more than one person draws on and that can be depleted, crowded or degraded by overuse. Aim for at least eight. Prompts: money (budgets, petty cash, a joint account); time (meeting hours, a shared expert's attention, a manager's open door); space (rooms, desks, a shared drive's storage); attention (a channel everyone posts in, a client's patience); trust (a brand's reputation, a family's goodwill toward one member); tools (a vehicle, a licence, a test environment).

Step 2 · For each, answer five questions in a table.

SHARED RESOURCE	WHO MAY TAKE FROM IT? (NAMED, OR "ANYONE")	WHERE DOES IT BEGIN AND END?	WHO DECIDES THE RULES, AND CAN USERS CHANGE THEM?	WHO NOTICES OVERUSE, AND WHOM DO THEY ANSWER TO?	WHAT HAPPENS THE FIRST TIME SOMEONE OVERDRAWS IT?

Write *nobody* or *unclear* where that is the honest answer. Those words are the finding.

Step 3 · Classify (10 minutes). Mark each row:

- Open: anyone may take, nobody watches, nothing happens on overdraw. Hardin's pasture.
- Fenced: the rules exist but the users cannot change them, or the watcher answers only to someone outside the group.
- Governed: a boundary, rules the users can amend, a watcher accountable to them, and a small first response to overuse.

Step 4 · Choose one (10 minutes). Pick the open or fenced resource whose overuse costs the most, in money, hours or goodwill. Write one sentence on what the overuse is costing now, with a figure if you have one and a note of where the figure came from.

Step 5 · Draw one boundary (10 minutes). For that one resource only, write down both boundaries of principle 1: who may draw on it, and exactly what it includes. Share it with the people who use it and ask them one question: *what would you change?* Their answers are the beginning of principle 3, and of the next chapter's audit.

Keep the table. Chapter 3 scores it against the principles; Chapter 6 turns it into a one-page charter; Chapter 8 builds a thirteen-week plan on it.

A note on method

The account of Ostrom's doctoral work on Los Angeles groundwater and of the Nobel award follows the published record as summarised in *Governing the Commons* and her Nobel lecture (Ostrom 2010, *American Economic Review*, https://doi.org/10.1257/aer.100.3.641). The Törbel winter rule is reported by Netting (1976) and Ostrom (1990); see Chapter 7 for the date of the village's articles and its caveat.

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