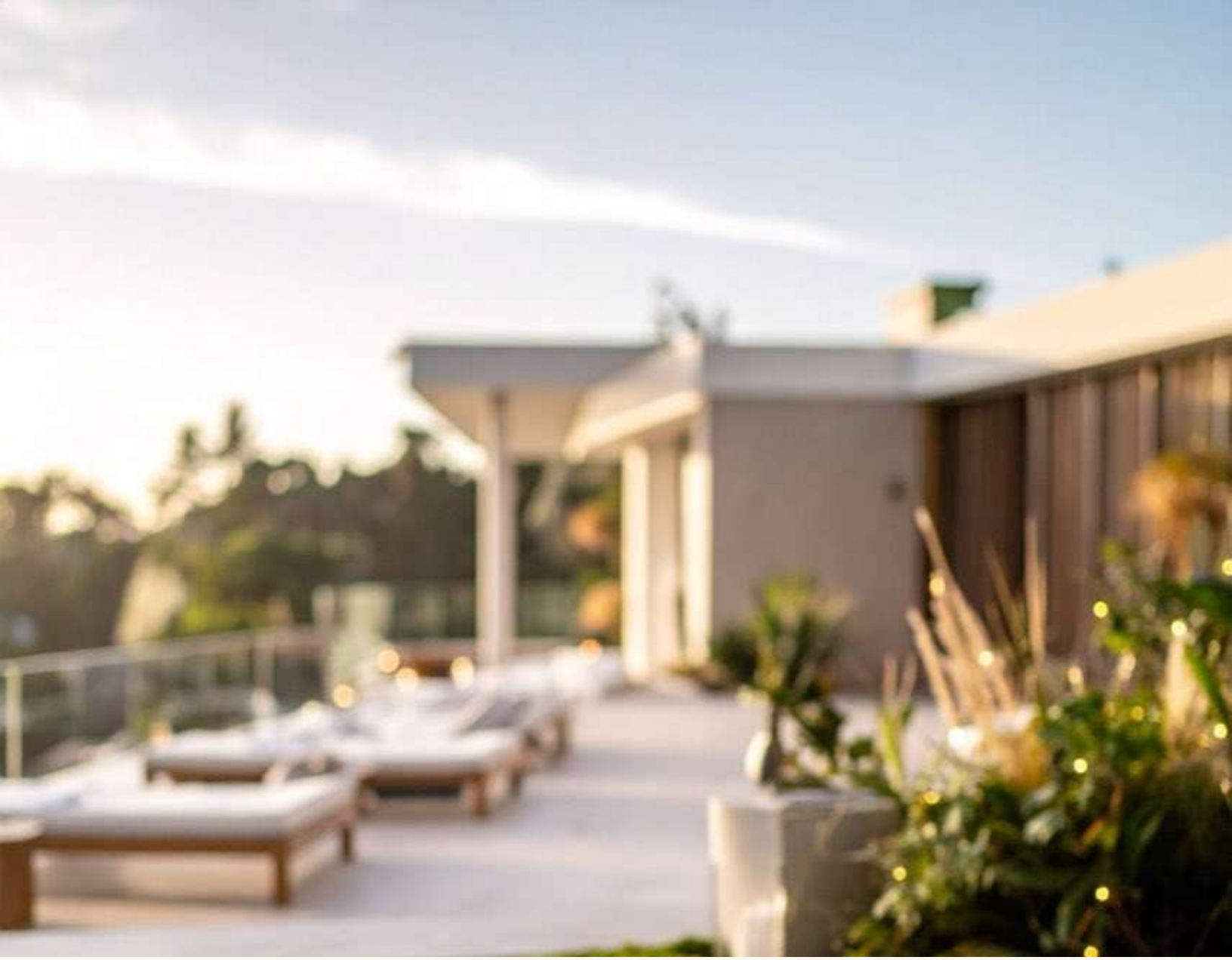


THE PASTURE WAS NEVER EMPTY · CHAPTER FOUR

Eight Loops, Not Eight Rules

Chapter Four of The Pasture Was Never Empty

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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

Write a rule down and it stops moving. No household may send more cows to the alp than it can feed through the winter. The sentence reads the same in a village archive today as on the day it was written. But the thing it governs, the meadow, the herd, the households and their winters, has never once stood still. The rule survived for centuries because something around it kept moving: people noticed, talked, adjusted, settled their quarrels and noticed again. That surrounding movement is what the house means when it calls a commons a living system. Chapters 2 and 3 treated Ostrom's eight principles as a list, first in her own order and then under the pressure of their critics. This chapter reads them the other way: not as eight rules but as the parts of one organism that keeps a shared resource alive.

CHAPTER FOUR

Eight Loops, Not Eight Rules



Eight Loops, Not Eight Rules

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A rule is a still photograph

Write a rule down and it stops moving. *No household may send more cows to the alp than it can feed through the winter.* The sentence reads the same in a village archive today as on the day it was written. But the thing it governs, the meadow, the herd, the households and their winters, has never once stood still. The rule survived for centuries because something around it kept moving: people noticed, talked, adjusted, settled their quarrels and noticed again.

That surrounding movement is what the house means when it calls a commons a living system. Chapters 2 and 3 treated Ostrom's eight principles as a list, first in her own order and then under the pressure of their critics. This chapter reads them the other way: not as eight rules but as the parts of one organism that keeps a shared resource alive.

The claim is this: every one of the eight principles is either a membrane, a sense, a reflex or a repair, and a commons lasts when all four are connected in loops. Remove a loop and the rule on paper does not change, but the system stops correcting itself.

A loop is the simplest thing a living system has that a list does not: a signal goes out, something happens, and the result comes back and changes the next signal. Santa Anna's *Ecstatic Economics* names the qualities that make the principles a loop rather than a list:

> *They describe a system that is relational, responsive, graduated, and nested*[27]

Each of those four words describes something a checklist cannot do. *Relational*: the principles live between people. *Responsive*: they change when conditions change. *Graduated*: they scale their answer to the signal. *Nested*: they close at the smallest layer that can close them.

Membrane: principles 1 and 7

Every living cell has a membrane. It is not a wall. It lets some things in and keeps others out, and it does so selectively, according to what the cell needs. Without a membrane there is no cell, only chemistry dispersing into the surrounding water.

Principle 1, the clear boundary around the users and the resource, is a commons' membrane. Chapter 3 argued that a good boundary needs a door; in the language of a cell, the membrane must be permeable in a known way. Principle 7, the recognition by outside authorities of the users' right to organise, is the other side of the same membrane. It is the outside world agreeing not to puncture it. Santa Anna's book says what the outside world owes in six words:

> *Commons governance needs protection from enclosure.*[28]

The finer point for a leader is that a clear boundary is kind. It removes the need for each person to decide, every day, whether they are entitled to draw on the shared thing. A membrane does not depend on the goodwill of each molecule arriving at it, and a boundary that works only when everyone is generous is not a boundary; it is a hope.



Senses: principle 4

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Senses: principle 4

A membrane alone is not enough. A cell that cannot sense its surroundings cannot respond to them. Principle 4, monitoring, is the commons' sense organ, and the reformulation proposed by Cox and his colleagues in 2010 makes the biology exact: users watching one another's behaviour, and users watching the condition of the resource.[29] A fishery that counts the boats but never the fish has one eye closed. Their review found something else worth carrying: of all the features of monitoring, the one the cases supported most strongly was that the monitors belong to the community or answer to it.

Two features make principle 4 a living sense rather than a camera. The first is that the signal comes from inside the body and returns to it. The second is that monitoring is cheap and frequent when it works. In many of Ostrom's cases, monitoring was a by-product of ordinary work: the irrigator waiting for his turn at the gate sees whether the one before him took too long.

Ostrom's laboratory work with James Walker and Roy Gardner showed why that matters.[30] In experiments published in 1992, groups of participants drew from a shared pool that paid them individually but depleted a common return. Without communication, groups overdrew, as Hardin would have predicted. With a chance to talk, they did much better. With repeated communication and the ability to choose a sanctioning arrangement for themselves, they came close to the best available outcome. The experiments used university students and money, not villages and grass, and they show mechanism rather than proof of what happens in a valley. But the mechanism is the point. The group that could see and speak could correct itself. The group that could neither, could not.

The finer point for a leader is the delay. Every sense loop has one: the time between overuse and someone knowing about it. A shared budget reported quarterly has a delay of up to three months, during which nobody can respond. A meeting calendar that everyone can see has a delay of minutes. Shortening the delay often does more than any new rule, because it lets the reflex fire while the response can still be small. Before adding monitoring, measure the delay of the monitoring you already have. Chapter 9 shows how.



Reflex: principles 5 and 2B

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Reflex: principles 5 and 2B

A reflex is a fast, proportionate, local response. A hand touching something hot pulls back before the brain has formed an opinion about it, and it pulls back as far as needed, not further.

Principle 5, graduated sanctions, is the commons' reflex. The first response to overuse is small and immediate, a word or a look, and it scales only if the overuse continues. Its job is information: *we noticed*. A reflex that fires at full strength on every touch is a seizure, and a commons that answers every small breach with expulsion destroys itself faster than overuse could.

Principle 2B, proportion between what each user contributes and what each receives, is a slower reflex. It is the body's metabolism adjusting to load. In the *zanjera* irrigation societies of the northern Philippines, members who received more land and water contributed more labour to the canals. When the balance drifted, the society's own accounting brought it back.

In the ordinary view, the meadow is the asset and the rule is overhead. In the living-systems view, the agreement is part of the productive equipment, as much as the canal or the fence, because it is what lets the meadow keep producing. Santa Anna's book puts the same idea as a definition of what the commons is made of: governance

> *based on trust, reciprocity, and the direct participation of the people whose lives depend on the resource's health.*[28]

Repair: principles 3 and 6

Living things are damaged constantly. What keeps them alive is not the absence of damage but the presence of repair.

Principle 6, accessible conflict resolution, is the commons' wound healing. Disputes are inevitable wherever a resource is shared. A commons that can settle them quickly and cheaply, in the users' own arena, heals small cuts before they become infections. A commons that can only settle them in a distant court at great expense lets them fester.

Principle 3, collective choice, is a deeper repair. It is the capacity of the system to change its own rules when the rules stop fitting. A living organism does this through growth and adaptation. A commons does it through the meeting at which the users decide that the old limit on cows no longer suits the new breed. Without principle 3, the rule written in one century governs the meadow of another.

The Luminous 100 describes the same capacity in its entry on sociocracy, the consent-based method of governing in linked circles. In the living-systems reading, it says,

> *the consent process becomes the organism's way of ensuring that no action proceeds until the whole system has metabolized it.*[31]

Metabolised is the right verb. A decision imposed on a group has not been digested; the group still has to do that work, usually later and more expensively, in the form of resistance. A decision reached by the people who will live with it has been absorbed already.



Nervous system: principle 8 and polycentric governance

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Nervous system: principle 8 and polycentric governance

The last principle, nested enterprises, ties the others together. A body is not one cell but a nested arrangement: cells in tissues, tissues in organs, organs in a body, each with its own membrane, senses, reflexes and repair, and each handling what it can.

In her Nobel lecture, published in the *American Economic Review* in 2010, Ostrom gave this nesting its proper name, polycentric governance.[32] The word came from her husband Vincent Ostrom, who with Charles Tiebout and Robert Warren had used it in 1961 to describe metropolitan areas served by many overlapping

units of government. Elinor Ostrom's own research on police services in American cities during the 1970s, as she recounts it in the lecture, found that many small and medium departments, overlapping and cooperating, often served residents as well as or better than single large ones. The finding cut against the reform orthodoxy of the time, which favoured consolidation. Polycentric systems, she argued, are many centres of decision, each with real authority in its own domain, linked by rules about how they relate.

A nervous system works the same way. It is not a chain of command from the brain to the toe. It is a nested set of loops, some closed locally in the spinal cord without the brain's involvement, others carried up when the local loop cannot resolve the signal. A unit solves its own problems until it cannot, then carries the context to the layer that can.

One of Alpha's thirty-one instruments, the Viable System Model, describes organisations in a closely related way: nested units, each with the functions it needs to survive, linked by channels that carry information up and authority down. The two vocabularies were built independently, Stafford Beer's from cybernetics and Ostrom's from case studies of commons. That they converge is some evidence that each is describing something real.



Why the loops generalise

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Why the loops generalise

If the principles describe how any living group governs what it shares, they should work beyond forests and fisheries. In 2013, David Sloan Wilson, Elinor Ostrom and Michael Cox published "Generalizing the Core Design Principles for the Efficacy of Groups" in the *Journal of Economic Behavior & Organization*.[33] Their argument, drawn from evolutionary theory, is that the principles are not specific to natural resources. They are the conditions under which cooperation can hold in any group whose members could profit, individually, by cheating: a classroom, a neighbourhood association, a team, a firm. The paper is a

theoretical argument with illustrative cases, and the authors presented it as a hypothesis to be tested. But it is the reason a leader can use these principles on a meeting calendar or a shared budget without stretching them.

The house goes one step further, and its step is the one this book is built on. What all the loops carry, round and round, is trust: the reasonable expectation that the others will take their share and no more, will notice if you do not, will say so mildly, and will settle a disagreement fairly. Every loop that completes adds a little to the stock. Every loop that breaks draws it down. Santa Anna's book describes what happens to a body when the stock is high:

> *This is not dependency — it is interdependence, the natural state of human beings who have lived in cooperative groups for the vast majority of our evolutionary history.*[34]

The Luminous 100's reading of systems thinking asks the generative form of the question a leader should bring to any commons:

> *Where are the virtuous cycles already alive in this system?*[35]

That question begins the tool below. Most groups looking at a shared resource ask what is going wrong. A better first question is which loops already work, so that they can be strengthened before anything is added.

The same reading of economic life as a living system runs through other volumes of this lineage, in the account of complexity economics and increasing returns, and in the account of regenerative and circular economies. Santa Anna's *Ecstatic Economics* is the root of all of them.

A rule written five centuries ago is a still photograph. The meadow it governs has been breathing ever since.

The Tool: The Loop Map

A sixty-minute exercise for a leader and two or three people who share a resource. Use the resource you audited in Chapter 3, and its scored table. You will need a large sheet of paper and two pens of different colours.

Step 1 · Draw the resource (5 minutes). In the centre of the sheet, draw a circle and name the shared resource inside it. Around it, write the names of the people or groups who draw on it.

Step 2 · Draw the membrane (10 minutes). Draw a line around the users and the resource together. On the line, write who is inside (1A) and what the resource includes (1B); the door, how someone outside comes in; and any outside authority whose rules touch the line (principle 7), and whether those rules set outcomes or methods.

If you cannot draw the line because nobody knows where it is, write *no membrane* and stop the exercise there. That is the first thing to fix.

Step 3 · Draw the four loops (25 minutes). For each loop below, draw an arrow that leaves the resource and returns to it. Label each step on the arrow. If a step does not happen, draw that part of the arrow dotted.

LOOP	THE STEPS TO DRAW	THE QUESTION THAT TESTS IT
Sense (4A, 4B)	resource or user behaviour → someone notices → they tell someone accountable to the users	How long from overuse to someone knowing?
Reflex (5, 2B)	someone knows → a small response → behaviour adjusts → contributions and benefits rebalance	What is the smallest response that has actually happened?
Repair (6)	a dispute → a local, cheap place to settle it → a settlement both parties accept	How many disputes in the last year reached that place, and how many went around it?
Learning (3)	a rule stops fitting → users raise it → users change it → the new rule is used	When did the users last change a rule?

Step 4 · Mark the layers (10 minutes). For each loop, write beside it the layer at which it closes: the team, the department, the firm, the household, the extended family. Then ask whether it closes at the smallest layer that could handle it, or whether it has been sent upward without need (principle 8).

Step 5 · Find the living loops first (10 minutes). With the second colour, circle every loop or part of a loop that already works, with an example from the last three months. Then answer, in writing:

1. Which working loop could be made faster or cheaper this month? (Strengthening a living loop usually costs less than building a new one.)
2. Which dotted arrow, if completed, would complete the most loops at once? (Often it is the sense loop: without noticing, nothing else can start.)
3. What is the one action, by whom, by when, that completes that arrow?

Keep the drawing. Chapter 5 shows a working commons in which all four loops have closed every week for centuries; Chapter 9 measures each loop.

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