

Review Article

Informal Institutions in Comparative Politics

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Shelby Grossman, *The Politics of Order in Informal Markets: How the State Shapes Private Governance*, Cambridge Studies in Economics, Choice and Society (Cambridge: Cambridge University Press, 2021).

Nadya Hajj, *Networked Refugees: Palestinian Reciprocity and Remittances in the Digital Age*, Critical Refugee Studies (Berkeley: University of California Press, 2021).

David Skarbek, *The Puzzle of Prison Order: Why Life behind Bars Varies around the World* (New York: Oxford University Press, 2020).

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Comparative politics has a rich tradition of analyzing informal institutions. Helmke and Levitsky advanced this research agenda by distinguishing informal institutions that arise within government, like corruption or patrimonialism, and those that operate in society, like custom and traditional forms of governance.¹ While Helmke and Levitsky's own research centered on norms within legislatures and country, a robust research tradition in comparative politics analyzes the consequences of informal institutions in political communities that are relatively independent from government control.² The latter tradition is captured by scholars like Elinor Ostrom and James Scott, both of whom emphasized that such communities are often able to govern their affairs without substantial government presence.³ The three books reviewed contribute to the research agenda on informal institutions in comparative politics by showing that self-governance can be significant even in contexts where the state is present as well as by unpacking the mutually constitutive relationship between public and private orders in comparative politics.

The books reviewed in this review article each seeks to understand the dynamics of private governance. Governance refers to the study of good order and working relations.⁴ Private governance can, therefore, be thought of as good order and working relations among people who do not or cannot rely primarily on the state to govern their economic, political, and social relations. The subject of private governance contrasts with comparative politics' usual focus on political order, that is, how governments are structured to provide order.⁵ The authors link private governance and the state by showing how government policy necessitates private governance and by articulating the reasons why self-governance is more successful in some contexts than in others.

Nadya Hajj's *Networked Refugees: Palestinian Refugees and Remittances in the Digital Age* explores how norms of reciprocity and shame enable communities to leverage Information and Communication Technology (ICT) to improve the well-being of people living in refugee camps. Her evidence mainly comes from interviews with Palestinian people living in the Nahr Al-Bared refugee camp in Lebanon, as well as community members currently living around the world. Hajj uses these interviews to show that communities separated by great distances leverage traditional social norms and opportunities presented by the Internet to improve the living conditions of people living in refugee camps. What emerges is an innovative, empirically rich, and conceptually clear analysis of how communities with strong social ties can use the Internet to overcome classic challenges with collective action; this work also demonstrates that communities can maintain close connections even when they are separated by vast distances.

Shelby Grossman's *The Politics of Informal Order: How the State Shapes Private Governance* is a study of governance of informal markets in Lagos, Nigeria's booming megacity. After providing several examples of the ways in which business leaders in informal markets in Lagos use their power to promote trade—by punishing traders who cheat, sharing information about dubious suppliers, and mediating disputes—Grossman presents examples where they choose predation, including embezzlement and extortion of traders. The richly detailed case studies motivate the following question: What explains why private governance promotes peaceful dispute resolution and commercial activity in some markets, while in others, the leaders of these informal markets choose to engage in predatory behavior? Grossman's theory is that market leaders are more likely to embezzle funds they are responsible for and extort traders through the imposition of unfair fees when the state adopts a hands-off approach and that the threat of government intervention in the market is what creates incentives for market leaders to fairly resolve disputes among market participants and to promote commercial activities. Much like a diaspora or people living in camps, market leaders in Lagos care about their reputations, and, in many of these markets, they do well for themselves and for traders. As Grossman shows, however, it is where the state is a more pressing threat, rather than where the state's presence is minimal, that self-governance is more effective.

The Puzzle of Prison Order: Why Life behind Bars Varies around the World, by David Skarbek, is a study of how prisoners govern themselves around the world. Through analysis of sixteen prisons from the United States, England, Latin America, and Scandinavia, Skarbek shows that prisoners often develop effective institutions of private

governance. Skarbek's main hypothesis is that prisoners form their own institutions to facilitate market exchange, to resolve disputes, and to protect their property when official governance is inadequate. However, as he argues, there are important differences in the way private governance is organized. Skarbek argues that when prison governance is more centralized, it generally makes life behind bars for prisoners worse; centralization, in turn, is more likely with larger prison populations, when prisoners are less connected socially, and when they have fewer opportunities to interact with the outside world. One of the reasons why it is such an intriguing study is because Skarbek is interested in private governance among incarcerated people, a situation where one would think that the state has an especially significant role in governance. But as Skarbek shows, even prisoners have substantial opportunities to develop their own governance institutions.

Individually, each book makes a significant contribution, and, collectively, they offer three new insights for how comparativists might approach the study of institutions. First, they demonstrate the significance of informal institutions and private governance even in contexts where the state maintains a very strong presence. This complements previous research on self-governance. James Scott, for example, analyzed situations in which people actively evade the state and how they govern themselves in hiding. Anarchy, for Scott, means something like the absence of a state, and choosing anarchy can be an improvement for people when the alternative is a government bent on destroying a people and their way of life. All three books consider private governance, but in contexts where the state is often present: in refugee camps whose boundaries are strictly enforced by governments, in urban markets where government can intervene if it wants to, and in prisons, where the state has an obvious role. Yet private governance still matters a great deal to understand how people live their lives and the quality of their lives. In this regard, each of these works joins a recently burgeoning literature that recognizes the importance of analyzing private governance in urban settings, thus, complementing the earlier research which primarily shed light on private governance in predominantly rural communities. In addition, Elinor Ostrom's research is perhaps best known for analysis of governance of natural resources, such as a communally owned forest or fishery, especially when those communities are tightly-knit and members are geographically proximate. Though Ostrom herself applied her insights to much more than the natural resource commons (for example, she helped develop the concept of neighborhood policing), these books may be of special interest to anyone who thinks that private governance is mainly useful for understanding management of natural resources in the developing world.

A second takeaway from these books is that each is explicit that systems of public and private governance involve tradeoffs. Economist Harold Demsetz coined the term the Nirvana Fallacy to refer to situations where social scientists and policymakers compare an imperfect institution to a hypothetical perfect one.⁶ Demsetz questioned whether government intervention could automatically improve social welfare in the presence of market failures, such as uncontrolled pollution. The problem is that governments can fail, too; hence, it is useful to think of markets and governments as imperfect alternatives. The authors of these books see public and private governance as imperfect alternatives, thereby complementing previous work that sees markets and governments

as imperfect alternatives. Whether public or private governance is more effective is an empirical question, and why private governance sometimes works well is a theoretical puzzle. This theme of comparing imperfect alternatives speaks to scholarship in international relations as well, where the starting point is often that absence of state control contributes to a Hobbesian war of all against all. The authors of these books do not see anarchy as leading inevitably to conflict nor do they see private governance as better than public governance. Rather, the authors see value in shifting from a consideration of anarchy as a structural condition or as a consequence of efforts to escape an extractive, predatory government to rigorous theoretical and empirical inquiry into variation in the quality of private governance under conditions of anarchy or near-anarchy.

A third contribution speaks to debates about whether norms, expectations, rituals, and reputations are informal institutions. Political scientists have been less inclined to focus on ritual, superstition, or shame, each of which have been emphasized more by economists and anthropologists interested in informal institutions. The books considered in this article are more like economics and anthropological traditions which see expectations, rituals, and reputations as informal institutions insofar as they embody rules and ways to enforce those rules. They differ from economists and anthropologists in their concern with how government policies give rise to the necessity of such institutions to make people's lives more bearable in the face of harshness or indifference. In addition, these books extend previous research in comparative politics and international relations on the topics of rebel governance,⁷ governance of criminal enterprise,⁸ and the ways in which non-state actors, such as warlords, provide public goods and services⁹ by explaining which features of the informal institutional context enable more effective private governance, as well as how features of public governance set in motion the need for, and contribute to the effectiveness of, private governance.

Beyond these three contributions that collectively move forward comparativists' research agenda on informal institutions, each author explains how they were able to collect and analyze data on informal institutions. One of the reasons why analysis of informal institutions is challenging is because the norms are not always easy to see or understand, and in some cases, people do not want to talk to outsiders. In addition, even when researchers share an identity with community members, they may have a hard time gaining access to communities. Hajj offers insight on how to scrape data about use of apps by online communities. This is not in itself unique, though online communities may not be as well understood in comparative politics as other sorts of communities. Perhaps more significantly, Hajj shows why interviews with community members are essential to understand how and why "traditional" social institutions matter in the Internet age. Grossman used collection data from the Lagos Waste Management Authority to map out the locations of informal markets. This information is available because the city collects trash in these markets, even though the businesses are essentially illegal (or at least illicit). Grossman then selected shops randomly from the list and interviewed participants in these markets, including community-acknowledged market leaders. These innovative methods enabled Grossman to get a reasonably representative sample of participants in informal markets, even though the participants in these markets have incentives to hide

their activities from government. Skarbek is explicit about the importance of selecting cases to enable tests of a theory of prison governance while acknowledging that his earlier (and equally impressive) book, *The Social Order of the Underworld*, benefits from a research design that explicitly compares the U.S. with other cases, including the ideal case of effective official governance (which comes from Norway, in his study).¹⁰

Private Governance in Refugee Communities: Nadya Hajj's *Networked Refugees*

Networked Refugees begins by explaining that economic remittances are extremely important to understand the quality of lives of people living in refugee camps. Part of the reason is that they are what people use to “fund public goods and welfare services with little or no state or aid agency involvement.”¹¹ But many of these communities face an ever-present threat, which is that remittances tend to decline over time. Hajj gets into the debate about the role of technology in society: does the Internet erode cultures and communities, or can it make them stronger and more resilient? It turns out that, contrary to the techno-pessimism that sees the Internet as undermining traditional society, technologies such as email, WhatsApp, and FaceTime are “vibrant hubs of activities, focusing on images, videos and narratives that affirm traditional communal values of honor, collectivism, steadfastness, and loyalty.”¹² Rather than exacerbate vulnerability by eroding culture, the combination of technology with robust traditional and cultural norms can maintain flows of money and reinforce social bonds among people who are separated by great distances.

One of the many contributions of Hajj's book is a wealth of information about life in refugee camps. Her eighty-two interviews are with Palestinians who grew up in the Nahr al-Bared refugee camp, some of whom currently live elsewhere. In addition, Hajj scraped data from websites mentioned by refugee-camp and diaspora respondents. She uses these interviews and the web-scraped data to construct a compelling narrative of how traditional norms in Palestinian communities contribute to overcoming social dilemmas across great distances.

Demonstrating how self-governance operates in geographically-distant communities is a significant contribution. Ostrom's and Scott's research on self-governance, and much of the economic analysis of relational contracting, focuses on people who are in relatively close spatial proximity.¹³ For example, Robert Ellickson's *Order without Law* considers how ranchers in contemporary Shasta County, California, use norms to enforce good behavior even though they have access to government and contract law.¹⁴ The ranchers live close to each other and tend to live in the same place for a long time. The number of ranchers is also not especially large. What happens when the people do not live close to each other, or when the community includes a large number of people? Research on collective action typically presumes that as the number of individuals grows, collective action becomes more challenging to sustain.¹⁵ Technology enables the creation of communities, including online communities, at a much larger scale.¹⁶ Does shame work in digital communities, when people are not physical neighbors and when there may be no geographic restriction on the size of the community? Diaspora communities establish order without

law over tremendous distances by leveraging social norms to make technology work for their community, thus demonstrating that relational and reputational governance institutions can work over large distances in the Digital Age.

Networked Refugees begins by discussing the origin of legal gaps that contribute to the need for self-governance. Hajj emphasizes the 1948 Palestine war, which displaced many Palestinians, and the United Nations Relief and Works Agency for Palestinian Refugees, which she explains in some instances contributed to or exacerbated the vulnerability of people living in the camps. The specific challenges include burdensome restrictions on movement of Palestinian people, on participation in political processes, and on ownership of property that she traces to, first, the global community's broken Geneva Convention promises to help Palestinian refugee communities in Lebanon, Jordan, and Syria and, second, Israel's occupation of Palestinian homelands.¹⁷

The specific outcome of concern is remittance decay, which refers to declining bonds of loyalty to camp communities, as well as less money flowing to people in camps, as a primary threat to the well-being of people living in camps. Importantly, remittances are not limited to money coming back to people in the camps. Remittances also include reciprocal cultural and social relationships. In addition, the remittance process is mutually beneficial to those in the camps and those living abroad.

Hajj's thesis is that digital platforms such as Facebook improve overall well-being and that such technologies enable communities to rebuild because they are melded with Palestinian norms and values that inspire new generations of Palestinians and others who are suffering to provide money and services to those living in the camps, including their families and clans. Community scouts, who travel abroad to find economic opportunities and send remittances back to their origin countries, have a significant role in providing resources, though their seeking of economic opportunity is not the only way that they contribute to improving life in camps, as they also do so by reinforcing longstanding social norms and values.

It turns out that traditional social institutions remain relevant in an increasingly interconnected global society. *Networked Refugees* complements Hajj's previous research on governance in Palestinian refugee camps. In her previous work, Hajj showed how social institutions in camps—notions of honor, shame, steadfastness, and loyalty—have adapted to current conditions to allow refugees to negotiate property sales, adjudicate conflict, and negotiate claims.¹⁸ Her most recent book considers how these norms operate in Internet communities. Technology creates opportunities to establish a virtual space, but it is refugees' ability to link technology to a shared culture and history that ultimately explains how technology generates real-world material benefits in the form of remittances. Hajj shows that it is primarily the strength of *ahl* (family) and *hamula* (village-tribe) networks in the Palestinian diaspora community that ensures technology improves wellbeing of people in refugee camps.

The importance of reputational contracting has been emphasized in the economics literature on prosocial behavior. One of the findings is that people care, at least to an extent, that others can see what they do.¹⁹ Hajj's study of shame is not unique in this regard. Indeed, she provides an extensive discussion of Amish communities in Lancaster

County, Pennsylvania, which also use shame and shunning to enforce social rules. Such comparisons lend further support to her conclusion that shame is a significant institution of governance. What comes across most clearly is the importance of understanding that there are layers of social institutions. Family honor, and a significant family structure, are norms through which shame operates. For example, Hajj provides a story about how members of a camp family whose diaspora family did not contribute enough (or what the community thought was enough) faced social and economic obstacles in the camp because of the perception that their family was shirking on their obligations.

Another significant feature of Hajj's perspective is that while it emphasizes traditional norms, they are not seen as overly static or so powerful as to eliminate individual agency. Similar to James Scott's *The Art of Not Being Governed*,²⁰ Hajj sees people as strategically dipping into wells of communal experience to protect themselves in challenging spaces. For Scott, traditions among stateless people take the shapeshifting, pliable form of custom and law. It takes a political calculation to exploit identity and history to combat power structures and fill gaps in protection by states. Strategic conversations about identity hinge on values. Hajj argues that one way to address biases in social norms is by recognizing that notions of shame, to an extent, malleable.²¹ Addressing bias is significant because reputational systems, including those based on shame, are imperfect. For example, shaming can be wielded indiscriminately and may be too blunt an instrument to appreciate the nuances of why a family contributes or does not contribute to the cause of people living in refugee camps.

Private Governance in Markets: Shelby Grossman's *Politics of Order in Informal Markets*

Shelby Grossman's *The Politics of Order in Informal Markets: How the State Shapes Private Governance* explores how people who are excluded from legal opportunities to start businesses develop their own institutions to regulate their businesses.²² She uses a wealth of original evidence to demonstrate how market associations and market leaders provide a framework that enable people to buy and sell goods and to earn a living, even though their activities are not formally authorized by the government. While individual businesspersons have an important role in this book, her focus is on market leaders. These market leaders have a major role in governance. In the context of Lagos' informal markets, governance activities include encouraging repayment of debts, providing market participants with limited access to contract law, and sharing information about honest suppliers, all of which are necessary for a thriving informal market. The legitimacy of these leaders comes from members of their community, not from the government. Yet they provide services, such as protection of property and regulating the sale of land, as well as resolution of day-to-day business disputes, that are normally performed by governments. While previous research by economists has shown the unmistakable value of entrepreneurs in informal economies,²³ Grossman's book offers a theoretically compelling and empirically rich account of where the rules governing these markets come from.

Though analysis of informal and traditional governance is common in comparative politics, the evolution and role of norms in urban markets has received less attention.²⁴ For example, Jean Ensminger's *Making a Market: The Institutional Transformation of an African Society* and Kathryn Firmin-Sellers's *Transformation of Property Rights in the Gold Coast: An Empirical Study Applying Rational Choice Theory* each focuses on rural political economy.²⁵ Grossman's study sites are all in Lagos, the commercial capital of Nigeria and a megacity with around 15 million people that recently has been adding over 700,000 people annually.

The book offers vivid insight into the economy of Lagos. What tends to arise in cities with rapid population growth is emergent demands for new institutions that provide legal opportunities for people living in the city. This is the case in Lagos, where most markets are located on land that is owned privately or by local governments. What people want is for the rules to evolve to create legal opportunities for a growing population. The challenge is that preexisting institutions, including widespread state ownership of property, tend not to adapt quickly to the new demands of people interested in starting businesses. Government ownership of property, along with few opportunities to secure private property rights to land or businesses, are what create the necessity of self-governance in Lagos.

Market associations fill the gap between state institutions and what people want. A typical (informal) market in Lagos is governed by a committee of executives elected by traders in the market—*iyaloja* (market mothers) and *babaloja* (market fathers) or the president or chair. They also tend to include a vice chair, secretary, task-force chair (who collects fees from traders), public relations officer, and treasurer. Collectively, the rules governing these roles serve as the de facto constitution of market associations. The associations are essential to such actions as sanctions and revenue collection, all of which are necessary to understand how well these markets work for the participants.

One of the many contributions of this study is its innovative method to gather a representative sample of informal markets when the participants in those markets have at least some incentive to remain hidden. A list of shops served by a trash-collection agency provided a way to map markets in Lagos. The map enabled Grossman to conduct a survey of traders that asks questions including whether leaders represent trader interests, whether market leaders provide promised services, whether traders feel free to complain to market leaders, and whether market leaders helped traders resolve any disputes in the past year.

Grossman compares several informal markets to test her hypothesis that state regulatory threats create the incentives for market leaders to establish, through their market associations, rules and procedures that promote trade. Four markets in Lagos constitute the core of the empirical analysis. These cases were selected to include a well-governed wine market with around a thousand traders and several not-so-well-governed markets that sell cosmetics, food, and some wine. In the well-governed market, the market leader investigates complaints—for example, complaints of false branding—and at times organizes boycotts of suppliers who engage in behavior that members of the association feel is dishonest. But good governance is not ensured. Grossman provides examples of

markets where leaders extort market participants, such as by collecting fees to pay security guards but hiring few of them or by not paying for waste collection even though they collected fees to do so.

The comparative case design enables Grossman to show how government interventions in these markets influence the behavior of market leaders and the operation of market associations. The wine market faces extensive government intervention, and the market leader wants to avoid more intervention by keeping the people that are doing business in the market happy. The threat of state regulation, rather than the absence of the state, is what sets in motion improvements in informal governance. When market leaders are autonomous, they often engage in the same sorts of socially costly behavior as unaccountable governments. This is a significant finding insofar as much of the economics literature on anarchy sees good governance as arising from absence of the state. It turns out that when the state is absent, market leaders are more likely to predate on the people they are entrusted to govern.

Grossman studiously avoids the Nirvana Fallacy: there is no presumption that government regulations hostile to entrepreneurs necessarily lead to the spontaneous emergence of markets that make everyone better off. Market leaders can be as predatory as governments. This is a significant point when one considers that the economics literature often presumes that markets emerge and thrive in the absence of the state. For example, a large literature considers how private judges enforcing the rules known as the medieval law merchant contributed to long-distance trade prior to the development of modern commercial law.²⁶ However, it is not absence of the state that leads to more effective governance of informal markets, but the presence of government: Grossman shows that the threat of government intervention—the threat that government could come in and use its coercive force to bulldoze informal markets—is what sets in motion improvements in private governance. This regulatory threat is what keeps market leaders honest.

One of the lessons is that all markets, including informal ones, require governance if they are to work effectively. Studies of informality often emphasize that there are entrepreneurs in all areas, but that they are hidden. Such studies bring their activities to light. What is often missing is the account that the informal markets are often highly structured and more like the formal market than we might imagine. Market associations provide rules and regulations governing traders; these functions are typically provided by governments. Grossman's study of market associations demonstrates that informal markets require an effective regulatory and institutional framework to prosper.

Grossman's second contribution is to show that the absence of the state is not necessarily good for private governance (and relatedly, she shows that private governance often works less well than many economists seem to assume). Economists interested in private governance tend to be more optimistic about anarchy and especially critical of the state.²⁷ Economic studies, for example, offer many insights into how trade and property rules emerge absent a state, which they think contrasts with the presumption of even Adam Smith that commerce depends on a government to provide rules that enable market exchange.²⁸ Grossman sees this as a problem. She quotes Edward Stringham, an economist interested in private governance: "The more seamless private governance is, the fewer

people notice or appreciate its beauty. Private governance is so often missed” (p.8). Grossman disagrees, noting the abundance of research focused on cases of good private governance. It is an apt observation, as arguably much economic research on anarchy is guilty of selecting cases because they fit a preferred model.²⁹ Grossman considers markets that do not work well despite the common presumption among many economists that spontaneous orders are necessarily good.³⁰ Vigilantism, for example, can serve a social function, but it can also be a tool for racists to enforce rules against minoritized communities.³¹

Private Governance in Prisons: David Skarbek’s *The Puzzle of Prison Order*

The diverse range of prisons from around the world and through time provides specimens of prison governance and helps answer questions about why prison life varies, why forms of prison governance differ, and why it is important to care. When governments fail to establish effective rules to govern incarcerated people, prisoners must turn to private governance for relief. David Skarbek’s book describes and explains variation in prison governance and shows how it matters to prisoners.

One thing that stands out in considering prisoners in global perspective, as well as within countries, is that while many prisons are especially violent places, some are not. Skarbek shows that violence is more likely when prisoners are housed far from their community, have limited contact with the outside world, and are too crowded in their prison units. Proximity to one’s community and contact with the outside world provides prisoners with items to trade, gives them something to look forward to, and leverages community norms that can be used to compel certain behaviors. All of this improves the wellbeing of prisoners and increases their ability to rejoin society without violence, which makes all of society better off. But it is not just about violence. There is much more to living behind bars than the extent of fighting. The quality of life behind bars is what Skarbek wants to understand, including opportunities for economic exchange, learning new skills, and figuring out ways to resolve day-to-day disputes.

The Puzzle of Prison Order is explicitly grounded in insights from Elinor Ostrom’s studies of self-governance.³² Like Ostrom, Skarbek is concerned with the relationship of self-governing communities to government. But Ostrom did not consider self-governance in prisons. Instead, her emphasis was on rural self-governance. In this regard, Skarbek’s study is a major extension of the Ostromian perspective. His description of day-to-day life in prisons, including how private governance can reduce conflict and violence, as well as his description of markets and commercial activity in prisons, is especially informative. Skarbek also clearly articulates gaps in official prison governance. Official governance is often indifferent or even hostile to the goal of rehabilitation. Prisoners may turn to private governance for relief, though success is not ensured. In some contexts, private governance results in good order and working relations, while in others it results in conflict and violence—a sort of Hobbesian war of all against all.

Skarbek’s appendix is a useful coda on how to construct cases using existing qualitative and secondary sources.³³ He quotes Elinor Ostrom, “The power of a theory is

exactly proportional to the diversity of situations it can explain.³⁴ Skarbek puts this wisdom into practice by assembling information from in-depth qualitative studies of prisons and then using this to test his theory. The case of Brazil's San Pedro prison is based on criminologist Sacha Darke's analysis of prison life.³⁵ For example, Skarbek takes advantage of fieldwork done by criminologist John Pratt, whose study of sixteen prison facilities in Norway, Finland, and Sweden demonstrates that smaller prisons with more opportunities for interactions between prisoners and staff, better amenities, more programming, more open layout, less militarized culture and practices, and greater focus on rehabilitation than on punishment are possible, though certainly not inevitable.³⁶ Skarbek's contribution is not in collecting new data but in organizing existing empirical evidence into case studies, which he constructs to evaluate his novel theory of prison governance. This is a significant contribution insofar as Darke and Pratt did not specifically evaluate a mechanism that explains variation in the outcomes they are interested in. Hence, Skarbek's study is an extension of a vast array of excellent, yet somewhat disparate, studies of prison governance. One might not know from individual studies of prisons, most of which focus on a single country or a small selection of prisons within one country, that there is tremendous variation in how prisoners organize their lives when they are behind bars.

This is Skarbek's second significant book about prison order. The first, *The Social Order of the Underworld*, focused on U.S. prisons.³⁷ In his earlier work, Skarbek argued that for prison gangs to govern effectively, they must clearly delineate membership in each gang, develop ways for groups to monitor members' behavior, and figure out ways to determine where new prisoners should affiliate. Prison gangs do this by excluding prisoners who seem tougher to control, making membership relatively permanent, and sorting themselves in visible ways (such as through race). What was missing from his first book, and what the second does exceptionally well, is develop and test a theory which can explain variation in the quality of life behind bars. One of the rather unique features of *The Puzzle of Prison Order*, among studies of prisons, is that it analyzes prisons in comparative perspective, with case studies from around the world and various times. The comparative case studies also enable evaluation of a richer set of hypotheses about the origins of good order and working relations in prisons.

One of the key takeaways of Skarbek's book is that there is nothing inevitable about dysfunctions in prisons, which one might assume by focusing on a specific case, such as men's prisons in the United States. Still, he is clear that there is a great deal of dysfunction in prisons, which, he explains, is a serious policy problem.

The case studies are organized into four ideal types of prisoner governance. The first of the four ideal types is what Skarbek calls official governance, as illustrated by the Nordic countries. In these countries, formal rules are designed well in that they reduce (though do not eliminate) the need for private governance by ensuring prisoners are closer to their communities, have opportunities to interact with the outside world, and are not packed as tightly. Official governance, as in Nordic prisons, features less violence and better behavior on the part of prisoners once they are released. The Nordic model contributes to rehabilitation of prisoners, which prison should theoretically do.

Private governance in prisons works well when prisons are less crowded and reputational mechanisms are available, which they are if prisoners are still reasonably close to their communities and, in turn, their social networks. The worst-case scenario is the second category of the typology, which Skarbek calls minimal governance. This aspect of his theory comes close to anarchy in the sense of a war of all against all, as the concept is conventionally used among scholars of international politics. Skarbek's case study is the Andersonville prisoner-of-war camp, a Confederate prison housing Union soldiers for the last fifteen months of the American Civil War, between February 1864 and May 1865. Andersonville had no guard presence in the prison, no exit options, and no access to the outside world. The lack of access to the outside world is how Andersonville differed from San Pedro. The Andersonville camps involved very little cooperation because the Confederate overseers located the prisoners in the middle of nowhere and gave them almost no opportunities to do anything to better themselves. A consequence of these policies was tremendous suffering and violence. As Skarbek explains, it is surprising that the soldiers did not figure out how to govern themselves, but his theory can explain why. Official governance was not merely ineffective; it prevented prisoners from responding to the harsh conditions. Prisoners had no access to the outside world: there were no trade opportunities, and the prison was in a remote location. As a result, prisoners had few opportunities to improve their condition and few incentives to do so. It was unlike Bolivia's San Pedro prison, where connections to the outside world provided opportunities for prisoners to acquire things to trade and, hence, incentives for them to find ways to govern themselves. One of the reasons the Andersonville prison case is important is because it illustrates that private governance can sometimes lead to the nasty, brutish, and short life that Thomas Hobbes envisioned. Though, it is also clear that the reason for this is not that it was pure anarchy, as it was the government (in this case, the Southern overseers of the prison) that made private governance challenging, if not impossible. In this regard, Skarbek's book shows that the concept of anarchy need not be limited to situations in which there is no government, as the Confederates in charge of Andersonville essentially set up a laboratory where anarchy could prevail.

The third category includes examples where the prison gangs are centralized. This includes both examples of co-governance (joint governance by the prison administrators and the prisoners), such as some of the jails in Rio de Janeiro in Brazil, and self-governance, such as Bolivia's San Pedro prison and men's prisons in California. Skarbek's case study of men's prisons in California shows how centralized self-governance of prisons can result in extreme levels of violence. In contrast, in Bolivia's San Pedro prison, where officials provide neither governance nor material resources, prisoners developed housing associations, markets and exchange with the outside world, and parents' associations. The risks from centralized governance within prisons is reduced when prisoners have some autonomy to earn and to interact with the outside world. As Skarbek explains, the development of these private governance institutions reduced incentives to engage in predation, including by allowing prisoners to earn while in prison. San Pedro's prisoners also have some semblance of ownership over their cells, which creates incentives for them to treat them better than in U.S. prisons.

The fourth category is decentralized governance, which also includes co-governance (as illustrated by the cases of gay and transgender prison units in California) and self-governance (as illustrated by men's prisons in England and women's prisons in California). The key difference here is that the prison gangs are more egalitarian, which ultimately contributes to better quality of life behind bars. The quality of prison governance in these cases is perhaps not as good as in official governance, but in each, the prisoners appear to do well for themselves. Co-governance and self-governance, thus, vary in the degree of centralization, which Skarbek shows has important consequences for the quality of prison life. In contrast with men's prisons in California, women's prisons self-governing structure is highly decentralized. The women tend to be governed not through external means or strict hierarchies of their own. Rather, they tend to enforce rules through social norms, such as gossip and ostracism. They are also less violent, which Skarbek argues reflects the rules governing prisons. Compared with men's prisons, women's prisons in California are smaller and less crowded and more often house prisoners close to their community. The last of these factors, Skarbek argues, gives the women a support network and something to look forward to upon release. One might argue that the reasons for the different outcomes have to do with gender, but men's prisons in other contexts are governed much better than men's prisons in California. In England, prisons are smaller, and the prisoners are housed closer to their homes. This reduces the demand for violent social organizations within the prisons. One sees similar mechanisms at work in Skarbek's case study of one of California's prison units housing gay and trans prisoners. The small number of inmates, robust social networks, and proximity to communities contribute to very low levels of violence.

Lessons for Comparative Politics

We now return to the lessons for comparative politics and for comparativists interested in informal institutions. First, these books show that self-governance and informal institutions remain significant in urban settings outside of governments, neither of which has been sufficiently emphasized to date in the two research agendas on informal institutions in comparative politics. Helmke and Levitsky extended the scope of analysis of institutions in government by noting that "Political actors respond to a mix of formal and informal incentives. . . . Informal structures shape the performance of formal institutions in important and often unexpected ways" including "by creating or strengthening incentives to comply with formal rules" in areas such as legislative politics, judicial politics, party organization, regime change, federalism, public administration, and state building.³⁸ Helmke and Levitsky's argument for a comparative research agenda on informal institutions endogenous to formal government institutions constituted a renaissance of Vincent Ostrom's research on governance, which showed the significance of norms and working rules within metropolitan governments and the ways in which federalism, as a formal institutional arrangement, enables opportunities for self-governance.³⁹ The norms-in-government approach stands alongside a rich tradition analyzing informal

institutions in communities that evade the state (as in James Scott's research) or maintain systems to manage their resources even as the state emerges and sometimes challenges their local institutional arrangements (as in Elinor Ostrom's research).

The books reviewed complement and move this agenda forward through the study of informal institutions in communities where the state maintains a strong presence, as well as by highlighting the interplay between the state and self-governing communities. These books are also a reminder that state formation and consolidation, one of the major themes in comparative politics,⁴⁰ is always incomplete. To be sure, the gradual replacement of roving bandits with centralized authorities has significant consequences for peace and prosperity,⁴¹ but a monopoly on coercion—the standard definition of a state in comparative politics—is an idealized scenario, as there is no such thing as an all-powerful Leviathan that enforces all rules. Even when the state is quite powerful and able to implement its rules, self-governance remains significant.

A second contribution is clarifying that one of the tasks of comparative politics is comparing government with self-governance as imperfect alternatives. Grossman notes that much of the economic analysis of self-governance considers the success cases of self-governing communities rather than the failures. Economists sometimes err by assuming people always do better when a corrupt or predatory government fails. Political scientists tend to have more faith in a rational-legal state to make people's lives better off. In some situations, this faith is also misplaced. In either case, scholars romanticize one type of governance—government or self-governance—without appreciating that they are imperfect alternatives.

Grossman is certainly correct that there are many economists interested in anarchy who see the government as a problem and community governance, or self-governance, as a solution. However, some economists who have written widely on self-governance studiously avoid doing so. Consider Peter T. Leeson's *Anarchy Unbound: Why Self-Governance Works Better Than You Think*.⁴² As the title indicates, self-governance works better than one might think, and Leeson is explicitly concerned with comparing imperfect alternatives. In this regard, *The Politics of Informal Order* is largely in agreement with *Anarchy Unbound*.⁴³ Indeed, a rich tradition in economics compares formal and informal institutions, such as whether and why traditional institutions of criminal justice in Liberia work more effectively than formal courts.⁴⁴ Another question is whether customary and traditional forums to define and enforce property rights are more effective than formal institutions.⁴⁵ The reason to point this out is to invite collaboration with economists who have also done much to avoid the Nirvana Fallacy.

These books also offer a positive account for government, which is sometimes missing in the economic analysis of anarchy and self-governance. These books see relationships between governments and self-governing communities as more reciprocal than is often presumed in economic studies which see society and government as essentially separate spheres. Grossman recognizes that self-governing communities are deeply engaged with the state. Indeed, the state and the incentives of politicians are critical to explain informal governance. Local politicians fear protests and the mobilization of votes. Their higher-office ambitions make them vulnerable to the associations. These

politicians also act in their own interest, which may include kicking out all market traders in efforts to renovate markets and, they hope, to raise tax revenue. What emerges is an account of mutual dependence: local politicians have the power to make life more challenging for informal-market participants, but because the market participants are collectively organized, the politicians have some incentive to help ensure that they are happy, or at least quiescent; still, to achieve a prosperous equilibrium, the associations must have leaders who can anticipate the threats posed by government and do what is necessary to avoid it while managing the everyday needs of the entrepreneurs who depend in part on effective rules and regulations to ensure they can participate in exchange at reasonable cost to themselves. Skarbek also recognizes that the state is not always a problem, most obviously in his discussion of prisons in Nordic countries, which are well governed mostly because the government has established sensible rules to govern prisons. Palestinians living in refugee camps or traders in Lagos's informal markets would probably prefer more legal opportunities.

Third, these books demonstrate that norms, expectations, rituals, and reputations are significant informal institutions insofar as they are used to enforce rules that reduce the vulnerability of marginalized communities. Studies in the Ostromian tradition may focus on norms that govern political participation or dispute resolution. Hajj shows how reputations provide a significant source of governance because they influence how people contribute to good order and working relations in camps. Grossman shows how leaders with good reputations emerge in informal markets and how this influences successful provision of public goods. Skarbek's analysis of prisons provides many examples of how prisoners use reputations to decide who is in good standing and who is not, and how this affects prisoners' ability to resolve conflict without violence.

One might see that such a perspective on institutions is perhaps common in sociology or anthropology, as well as in economics. What these studies have done is show their relevance to politics. In each context, the rationale of why such institutions are necessary has to do with politics. The sources of the institutions that enable effective governance may be the kind that other disciplines have emphasized, but their political origins and political consequences are not typically considered in other disciplines. These books invite further analysis of the ways in which reputational arrangements explain how people do better for themselves and more investigation of the relationship between self-governing communities and the state.

Extending the Research

Together, these books demonstrate the emergence and challenges of self-governance. We mentioned a few of the key lessons for comparativists' research agenda on informal institutions. Here, we mention a few ways that the books, taken as a whole, might be improved: by expanding the scope of comparisons of self-governing organizations, increasing the number of cases, and consideration of a greater diversity of informal institutions.

First, there are enticing opportunities for comparisons of different types of self-governing organizations. For example, *Networked Refugees* focuses on only one aspect of digital governance, namely use of technology to improve and maintain social remittance flows, within a defined community. Comparisons of different types of online communities could serve to develop design principles for governance of digital spaces, more broadly, much like Elinor Ostrom's analysis of the commons, which focuses on explaining variation in the success of self-governance. Skarbek's analysis, unlike Hajj's, does something like this by exploiting variation in self-governance across cultural contexts to explain variation in the success of self-governing communities. Combining a focus on digital governance with Skarbek's comparative-case approach seems especially useful.

The potential for comparisons includes analysis of self-governance in different communities. For example, both Hajj and Skarbek are interested in self-governance. What is the role of technology access to self-governance? Hajj's study shows that Palestinians can maintain community over vast distances. Skarbek, like Hajj, sees distance as a major challenge to effective prison governance, but one that often leads to worse outcomes—it is something that serves as a binding constraint on self-governance. One reason why distance is a binding constraint in the prison case likely concerns prisons' severe restrictions on social media and apps like Facebook as well as internet access. Comparisons of this sort would be useful to further understand successful self-governance. In the example just mentioned, for instance, a more comparative perspective might have led Skarbek to consider how technology access influences governance behind bars.

Second, more case studies—a larger N—is almost always useful, but with these books, additional cases seem critical before one might see each work as offering definitive answers to the questions they are asking. Grossman acknowledges Elinor Ostrom's insights but emphasizes how her approach differs in important ways from Ostrom's analysis: Grossman focuses on a few theoretical mechanisms, with a few cases to demonstrate them. A significant feature of the Ostromian research agenda was that lessons for governance are found through examination of many cases. Ostrom famously developed her design principles for self-governance based on perhaps thousands of case studies. That approach became a key feature of Indiana University's Workshop in Political Theory and Policy (later known as the Ostrom Workshop, after its founders, Elinor and Vincent Ostrom).⁴⁶ Grossman's study has an N of four in terms of the number of case studies of informal markets, and only one market is well governed. For this reason, there are opportunities to extend the research as Ostrom did to develop design principles by considering more markets, both those governed well and not so well.

Skarbek, as noted, is quite explicitly Ostromian in his analysis, though there are also lessons from the Ostrom Workshop relevant for future analysis of prisoners' self-governance. Skarbek's book, which has an exceptional research design, still covers only a very small sample of prisons: while an N of sixteen could be considered a "medium N" case study design (where the scale is single case, small n, medium N, and large N), it is important to keep in mind the number of prisons. In the United States, there are around 100 federal prisons, 1,500 state prisons, 2,800 local jails, thousands of juvenile

correctional facilities, and around 200 immigrant detention centers. There are also hundreds of jails on American Indian reservations. In this regard, one might conclude that Skarbek's study includes still a rather small number of cases, given the population he is interested in. Skarbek nicely illustrates his theory using case studies focusing on a few questions, but one can ask whether the theory generalizes, given that there are many other possible cases that could have been selected as well as many historical examples of prisons in which life was nasty, brutish, and short. Additional cases, especially additional cases using ethnographic methods to understand the interesting ways that prisoners govern themselves, would be welcome. A consequence of the unfortunate predominance of the modern carceral state is that there could be a Workshop on Self-Governance in Prisons, like the Ostrom Workshop, to construct case studies of prison governance.

Hajj's study confronts a similar issue as Grossman's, which is that it is in some sense based mainly on a single case. There are of course many refugee camps in many countries, and more in Lebanon than the Nahr Al-Bared refugee camp. Some camps may be better governed, and some may be less connected to the community members living in other places. This is not a critique of the research in each book, but an observation that there is a lot more work that could be done to further the goals of these important studies.

Third, consideration of more types of informal institutions would be useful. Each of these books focuses on a relatively small number of institutional features to explain outcomes. Hajj considers shame with significant depth, but there is not much discussion of other institutions (Hajj's book is rather short, as is Grossman's, which has advantages, but seems to sacrifice some depth in describing the range of informal institutions operating in their respective contexts). Both Skarbek's and Grossman's books focus on a few categories of variables. Both argue that this enables them to isolate critical mechanisms. But as Ostrom emphasized, most interesting phenomena are the product of the interactions of many social, economic, and political variables. Greater emphasis on what else may matter, rather than effort to rule out all other explanations, would likely be useful as we seek to understand the multiplicity of institutions that ultimately enable good governance within these various communities.

Also worth noting is that Grossman contends that Ostrom's design principles for self-governance (principles, such as inclusive local institutions and autonomy from the state) do not necessarily explain where informal rules come from, who enforces sanctions, or who adjudicates disputes. Our reading is that Ostromians are quite concerned with these issues. The difference is that Grossman's book is an excellent study of market institutions, whereas many Ostromians are deeply concerned with commons governance.⁴⁷ We do not see a need to choose between these approaches, as subsequent studies can add insight into how the diversity of theoretical mechanisms can contribute to effective governance of informal markets. In addition, Ostrom was more of an institutionalist in that she did not focus much on leadership, though in the most mature versions of the Ostromian perspective, leadership is part of the Institutional Analysis and Design framework as leaders have a significant role in the action space that shapes prospects for successful self-governance.

Conclusion

Much of comparative research on informal institutions considers norms in government or ways that rural communities govern themselves. The three books reviewed in this review article each shows how private governance remains significant in urban contexts where the state has a strong presence, that private governance can be an improvement over formal or official governance, and reputational institutions such as shame are politically significant insofar as they contribute to provision of collective goods and services. In this regard, these books expand the scope of analysis of informal institutions in comparative politics. The next steps in this research agenda might include examining more types of organizations and communities that rely on private governance and investigating a broader set of informal institutions that contribute to effective community self-governance.

Each of the authors also offers reason for optimism. Private governance can sometimes alleviate vulnerabilities caused by government policy. Indifference or hostility to Palestinian refugees, unwelcoming regulations on small businesses, and a prison-industrial complex that is, outside of the Scandinavian or Nordic countries, not very concerned with rehabilitation of prisoners do not doom marginalized communities. But these authors are not overly optimistic, or idealistic, about private governance. They do not cheer for anarchy. Rather than presume these legal gaps lead to improvements in wellbeing, or that they inevitably will lead to conflict (as some of the international relations literature on anarchy might suggest), each of the authors provides a theoretical explanation as to why private governance works well in some instances but not others. The authors offer insight into how government can be better organized and how public policies can be improved; they also provide a powerful justification for why community autonomy ought to be preserved even as governments adopt more welcoming policies to marginalized and minoritized communities.

NOTES

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1. Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda," *Perspectives on Politics*, 2 (December 2004), 725–40.

2. One of their many contributions is Gretchen Helmke and Steven Levitsky, eds., *Informal Institutions and Democracy: Lessons from Latin America* (Baltimore: Johns Hopkins University Press, 2006).

3. This is especially the case in Ostrom's *Governing the Commons* and Scott's *The Art of Not Being Governed*. Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (New York: Cambridge University Press, 1990); James C. Scott, *The Art of Not Being Governed* (New Haven: Yale University Press, 2009).

4. Oliver E. Williamson, "The Economics of Governance," *American Economic Review: P&P*, 95 (May 2005), 1–18.

5. Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

6. Harold Demsetz, "Information and Efficiency: Another Viewpoint," [Journal of Law and Economics](#), 12 (April 1969), 1–22.

7. Ana Arjona, Nelson Kasfir, and Zachariah Mampilly, *Rebel Governance* (Cambridge: Cambridge University Press, 2014).
8. Anja Shortland, *Kidnap: Inside the Ransom Business* (New York: Oxford University Press, 2019).
9. Dipali Mukhopadhyay, *Warlords, Strongman Governors and State Building in Afghanistan* (New York: Cambridge University Press, 2013).
10. David Skarbek, *The Social Order of the Underworld: How Prison Gangs Govern the American Penal System* (New York: Oxford University Press, 2014).
11. Nadya Hajj, *Networked Refugees: Palestinian Reciprocity and Remittances in the Digital Age* (Berkeley: University of California Press, 2021).
12. *Ibid.*, 45.
13. Economists also have considered relational contracting over long distances, especially in the context of long-distance trade. See, for example, Karen Clay, "Trade without Law: Private-Order Institutions in Mexican California," *Journal of Law, Economics, and Organization*, 13 (April 1997), 202–31. Hajj's study extends these earlier works by considering diaspora communities and by focusing explicitly on shame as a mechanism governing remittance flows. See also Ostrom, 1990; Scott, 2009.
14. Robert C. Ellickson, *Order without Law: How Neighbors Settle Disputes* (Cambridge: Harvard University Press, 1991).
15. Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge: Harvard University Press, 1965); Pamela Oliver, "Rewards and Punishments as Selective Incentives for Collective Action: Theoretical Investigations," *American Journal of Sociology*, 85 (May 1980), 1356–75; Gerald Marwell and Pamela Oliver, *The Critical Mass in Collective Action* (New York: Cambridge University Press, 1993).
16. Yochai Benkler, "Commons and Growth: The Essential Role of Open Commons in Market Economies," *University of Chicago Law Review*, 80 (June 2013), 1499–555.
17. For the historical review, see *Ibid.*, Chapter 2.
18. Nadya Hajj, *Protection amid Chaos: The Creation of Property Rights in Palestinian Refugee Camps* (New York: Columbia University Press, 2016); Nadya Hajj, "Institutional Formation in Transitional Settings," *Comparative Politics*, 46 (July 2014), 399–418.
19. Dan Ariely, Anat Bracha, and Stephan Meier, "Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially," *American Economic Review*, 99 (March 2009), 544–55.
20. Scott, 2009.
21. Hajj, 2021, 68.
22. Shelby Grossman, *The Politics of Order in Informal Markets: How the State Shapes Private Governance* (New York: Cambridge University Press, 2021).
23. Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).
24. Exceptions include Daron Acemoglu, Tristan Reed, and James A. Robinson, "Chiefs: Economic Development and Elite Control of Civil Society in Sierra Leone," *Journal of Political Economy*, 122 (April 2014), 319–68; Kate Baldwin, *The Paradox of Traditional Chiefs in Democratic Africa* (New York: Cambridge University Press, 2015); Jennifer Murtazashvili, *Informal Order and the State in Afghanistan* (New York: Cambridge University Press, 2016).
25. Jean Ensminger, *Making a Market: The Institutional Transformation of an African Society* (New York: Cambridge University Press, 1996); Kathryn Firmin-Sellers, *The Transformation of Property Rights in the Gold Coast: An Empirical Study Applying Rational Choice Theory* (New York: Cambridge University Press, 2007).
26. Paul R. Milgrom, Douglass C. North, and Barry R. Weingast, "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs," *Economics & Politics*, 2 (March 1990), 1–23.
27. There is an extensive literature on the economics of anarchy. See, for example, Peter T. Leeson, *Anarchy Unbound: Why Self-Governance Works Better than You Think* (New York: Cambridge University Press, 2014); Peter T. Leeson, "Efficient Anarchy," *Public Choice*, 130 (January 2006), 41–53; David Friedman, "Law as a Private Good," *Economics and Philosophy*, 10 (1994), 319–27; David Friedman, "Efficient Institutions for the Private Enforcement of Law," *The Journal of Legal Studies* (1984), 379–97; Benjamin Powell and Edward P. Stringham, "Public Choice and the Economic Analysis of Anarchy: A Survey," *Public Choice*, 140 (September 2009), 503–38.
28. See, for example, Vincent Geloso and Peter T. Leeson, "Are Anarcho-Capitalists Insane? Medieval Icelandic Conflict Institutions in Comparative Perspective," *Revue d'économie Politique*, 130 (2020), 957–74;

Rosolino Candela and Vincent Geloso, "Trade or Raid: Acadian Settlers and Native Americans Before 1755," *Public Choice*, 188 (September 2020), 549–75.

29. The problem of selecting cases to fit a theory is more generally a problem of neoclassical economics, which has traditionally used cases to confirm deductive models of choice rather than to derive empirically testable propositions. On this issue, see especially Daniel W. Bromley, *Sufficient Reason: Volitional Pragmatism and the Meaning of Economic Institutions* (Princeton: Princeton University Press, 2006).

30. Nona P. Martin and Virgil Henry Storr, "On Perverse Emergent Orders," *Studies in Emergent Order*, 1 (2008), 73–91.

31. Dara Kay Cohen, Danielle F. Jung, and Michael Weintraub, "Collective Vigilantism in Global Comparative Perspective," [*Comparative Politics*, 55 \(January 2023\), 239–61.](#)

32. Ostrom, 1990.

33. David Skarbek, "Qualitative Research Methods for institutional Analysis," *Journal of Institutional Economics*, 16 (August 2020), 409–22.

34. Skarbek, 2020, 149.

35. See, for example, Sacha Darke, *Conviviality and Survival: Co-Producing Brazilian Prison Order* (Cham, Switzerland: Palgrave Macmillan, 2018).

36. See, for example, John Pratt, "Scandinavian Exceptionalism in an Era of Penal Excess: Part I: The Nature and Roots of Scandinavian Exceptionalism," *The British Journal of Criminology*, 48 (March 2008), 119–37.

37. Skarbek, 2014.

38. Helmke and Levitsky, 2004.

39. Vincent Ostrom, Charles M. Tiebout, and Robert Warren, "The Organization of Government in Metropolitan Areas: A Theoretical Inquiry," *American Political Science Review*, 55 (December 1961), 831–42; Vincent Ostrom, *The Meaning of American Federalism: Constituting a Self-Governing Society* (San Francisco: Institute for Contemporary Studies, 1994).

40. Karen Barkey, *Bandits and Bureaucrats: The Ottoman Route to State Centralization* (Ithaca: Cornell University Press, 1996); James C. Scott, *Against the Grain: A Deep History of the Earliest States* (New Haven: Yale University Press, 2017).

41. Mancur Olson, "Dictatorship, Democracy, and Development," [*American Political Science Review*, 87 \(1993\), 567–76.](#)

42. Leeson, 2014.

43. The public choice literature explicitly argues that governmental, private, self-governing, and nonprofit organizations are each imperfect alternatives and that which works best depends on context. See Peter J. Boettke, Christopher J. Coyne, and Peter T. Leeson, "Quasimarket Failure," *Public Choice*, 149 (July 2011), 209–24.

44. Peter T. Leeson and Christopher J. Coyne, "Sassywood," *Journal of Comparative Economics*, 40 (February 2012), 608–20.

45. Jennifer Brick Murtazashvili and Ilia Murtazashvili, *Land, the State, and War: Property Rights and Political Order in Afghanistan* (New York: Cambridge University Press, 2021); Ilia Murtazashvili and Jennifer Murtazashvili, "Anarchy, Self-Governance, and Legal Titling," *Public Choice*, 162 (December 2015), 287–305.

46. Erwin Dekker and Pavel Kuchař, "The Ostrom Workshop: Artisanship and Knowledge Commons," *Revue d'économie Politique*, 132 (2021), 637–64.

47. There are exceptions, as some recent work applies Ostromian insights to the emergence of market institutions. See especially Erwin Dekker and Pavel Kuchař, eds., *Governing Markets as Knowledge Commons* (New York: Cambridge University Press, 2021).