

## Norms and rules

The social interactions between people, and the processes used by the state, market, and commons, evolve social norms and rules. These norms and rules define permissions, allocate entitlements, and resolve disputes.

State authority is governed by national constitutions. Norms related to priorities and decision making are defined by elected officials and parliamentary procedures. State rules are expressed through policies, regulations, and laws. The state influences the norms and rules of the market and commons through the rules it passes.

Market norms are influenced by economics and competition for scarce resources. Market rules follow property, business, and financial laws defined by the state.

As with the market, a commons can be influenced by state policies, regulations, and laws. But the norms and rules of a commons are largely defined by the community. They weigh individual costs and benefits against the costs and benefits to the whole community. Consideration is given not just to economic efficiency but also to equity and sustainability.<sup>9</sup>

## Goals

The combination of the aspects we've discussed so far—the resource's inherent characteristics, people and processes, and norms and rules—shape how resources are used. Use is also influenced by the different goals the state, market, and commons have.

In the market, the focus is on maximizing the utility of a resource. What we pay for the goods we consume is seen as an objective measure of the utility they provide. The goal then becomes maximizing total monetary value in the economy.<sup>10</sup> Units consumed translates to sales, revenue, profit, and growth, and these are all ways to measure goals of the market.

The state aims to use and manage resources in a way that balances the economy with the social and cultural needs of its citizens. Health care, education, jobs, the environment, transportation, security, heritage, and justice are all facets of a healthy society, and the state

applies its resources toward these aims. State goals are reflected in quality of life measures.

In the commons, the goal is maximizing access, equity, distribution, participation, innovation, and sustainability. You can measure success by looking at how many people access and use a resource; how users are distributed across gender, income, and location; if a community to extend and enhance the resources is being formed; and if the resources are being used in innovative ways for personal and social good.

As hybrid combinations of the commons with the market or state, the success and sustainability of all our case study enterprises depends on their ability to strategically utilize and balance these different aspects of managing resources.

## A Short History of the Commons

Using the commons to manage resources is part of a long historical continuum. However, in contemporary society, the market and the state dominate the discourse on how resources are best managed. Rarely is the commons even considered as an option. The commons has largely disappeared from consciousness and consideration. There are no news reports or speeches about the commons.

But the more than 1.1 billion resources licensed with Creative Commons around the world are indications of a grassroots move toward the commons. The commons is making a resurgence. To understand the resilience of the commons and its current renewal, it's helpful to know something of its history.

For centuries, indigenous people and pre-industrialized societies managed resources, including water, food, firewood, irrigation, fish, wild game, and many other things collectively as a commons.<sup>11</sup> There was no market, no global economy. The state in the form of rulers influenced the commons but by no means controlled it. Direct social participation in a commons was the primary way in which resources were managed and needs met. (Fig. 4 illustrates the commons in relation to the state and the market.)