Political Economy of Cooperatives in South Korea

Project Overview & Democratic Implications

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Seoul National University
1. Project Overview
2. Theoretical Discussion: Democratic Aspects of Cooperatives
3. South Korean Experience
4. Best Practices at the Local Level
5. Analytic Framework for Future Research
Project Overview
Cooperative gaining worldwide recognition as a new form of governance (Korea in particular).

Cooperative as an interesting hybrid organization located within the overlapped area of the state, market, and civil society (Social Economy).

Seeking to deepen the understanding of the hybrid nature of cooperatives and social economy through an interdisciplinary approach

Organized by Program on Democracy and Economic Development at the Seoul National University Asia Center.

Three year research project funded by Korea Research Foundation
Hybrid Nature of Organization
Interdisciplinary Approach

- **Political Science**
  - Power & democratic implications

- **Political Economy**
  - Legal & Institutional arrangements

- **Organizational Economics**
  - Transaction costs & collective action problems

- **Sociology**
  - Social capital & organizational ecology

- **Anthropology**
  - Human economy & interpretative approach
Extended Research Agenda: Mapping Social Economy in East Asia

- Mapping social economy organizations in South Korea, Japan, China

- Comparing legal & institutional arrangements and policies

- Comparing SE networks and partnership

- Democratic implications
Positioning of SE in East Asia
(Defourny & Kim, 2011)

- Market
- United States
- Civil society
- Eastern Asia
- Western Europe
- State
Theoretical Discussion:
Democratic Aspects of Cooperatives
Cooperative according to ICA

A cooperative is an autonomous organization of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
Economic & Political Empowerment

- **Economic empowerment** & enhanced capacity to deal with market failures:
  - improves access to information, training, & credit; pooling skills, economies of scale, bargaining power

- **Political empowerment** & enhanced capacity to exert claims;
  - improves access to policy processes, social dialogue, capacity to contest, advocacy
“If democracy is good for politics, why is it not equally good for economics?”

“...just as the replacement of despotic regimes by democratic systems was the key to humanizing politics, so is the supercession of democratic values over authoritarianism in economics the key to humanizing economics.”

“The remedy... the protection of social values through the democratic distribution of power. At the same time, alternative forms of economic life that embody and advance more humane social values must be sought out and encouraged. This also is a function of politics and public policy.”
Decommodification and Egalitarian Political Economy (Vail, 2010)

- Decommodification conceived as any political, social, or cultural process that reduces the scope and influence of the market in everyday life.
- Promote democratic control over the market by creating economic circuits grounded in a logic predicated on social needs rather than profit.
- By ensuring basic needs, enhancing individual capacities and capabilities, and promoting social cooperation and collaboration, decommodification constitutes a central feature of an egalitarian agenda.
Decommodification Initiatives

- Fair trade/equal exchange
- Ethical trade/consumption: new consumption movements (slow food, voluntary simplicity, organic food), farmer cooperatives, socially responsible investing, corporate social responsibility, anti-sweatshop campaigns, sustainable tourism
- Open source/open access (information commons): open-source operating systems, browsers; science commons (open-access journals [Public Library of Science]; human genome project, science exchanges); Creative Commons (copyright licenses)
- Gift economy of arts/cultural commons: cultural heritage, nonprofit arts groups/individual practitioners (local cinemas, theatre companies), publicly funded arts (public television, arts festivals, museums), community arts
- Environmental commons: habitat conservation, forest stewardship, community land trusts, conservation trusts, state subsidies/protection of farmland
- Local public goods: community toilets and water provision in developing nations, free bicycle exchange in cities, public libraries, housing trusts, community gardens, recreation centers, anti-privatization campaigns for basic needs in Brazil, South Africa, Mexico, autonomous social centers
- Social economy: housing associations, tenant cooperatives, community health clinics, day care cooperatives, job training centers, social enterprises (kibbutz, Mondragon cooperatives), nonprofit environmental conservation firms, non-profit hospitals and health care providers, employee-owned firms
- Alternative financial circuits: microfinance programs, local exchange trading systems (LETS) systems, alternative currencies, gift exchanges (remittances, bequests), credit unions, cooperative banks, mutual societies
- Asset redistribution: baby bonds, stakeholder grants, title transfers
- Social protection: unemployment insurance, housing, pensions, health insurance, minimum wage, living-wage campaigns in the United States, improved paid parental leave
- Mutual aid: caring activities (family care, day care centers), health clinics, hospices, refuges
- Global labor standards/environmental protections within trade agreements
- Basic income
- Social investment funds: via pension fund democratization, wage-earner funds
- Global reconstruction funds (financed via currency transaction taxes, carbon taxes, or governmental contributions): to provide public goods, medical care (vaccine purchases, malaria net distribution), fund patent development
- Working-hour reductions, worker health and safety councils
Pathways to Social Empowerment
(Wright, 2009)

Meaning of the individual linkages

1. Social economy: social provision of needs
2. State economy: state produced goods and services
3. Capitalist-market economy
4. Democratic control over state power
5. State regulation of corporations
6. Social participation in corporate governance
Traditional Model & Historical Experience of Revolutionary Socialist Statism (Wright, 2009)

Theoretical model of democratic statist socialism

Characteristic historical outcome of revolutionary statist socialism
Social Economy Cooperative Market Economy Associative Democracy (Wright, 2009)
By encouraging a more direct and formal governance role for groups, associative democracy can improve economic performance and government efficiency, and advance egalitarian–democratic norms of popular sovereignty, political equality, distributive equity, and civic consciousness.

Worker representation, vocational training, occupational safety and health are main examples but environmental NGOs, women’s groups, housing coops, churches and other associations at the local level as well.
Associative Democracy
(Hirst, 1994)

- Basically an idea of welfare provision by a plurality of self-governing associations

- Social economy (primarily cooperatives) is the vehicle for associational economy

- Social economy conveys principles of associative democracy
  - placing service to its member or to the community ahead of profit
  - autonomous management
  - a democratic decision-making process
  - the primacy of people and work over capital in the distribution of revenue

- In light of Hirst (1993), Smith and Teasdale (2012) analyze the UK experience including the ‘Big Society’, criticizing its current legal and regulatory framework that do not facilitate a move toward associative democracy.
# Democratic Effects of Association (Warren, 2002)

<table>
<thead>
<tr>
<th>Individual Level</th>
<th>Public Sphere Level</th>
<th>Institutional Level</th>
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</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>Public Communication &amp; Deliberation</td>
<td>Representation</td>
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<tr>
<td>Information</td>
<td>Representation of Difference</td>
<td>Protest</td>
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<tr>
<td>Political Skills</td>
<td>Representation of Commonality</td>
<td>Subsidiarity</td>
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<tr>
<td>Civic Virtues</td>
<td></td>
<td>Coordination &amp; Cooperation</td>
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<td>Critical Skills</td>
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<td>Democratic Legitimacy</td>
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South Korean Experience
<table>
<thead>
<tr>
<th>Traditional Social Economy</th>
<th>Large Cooperatives</th>
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<tr>
<td></td>
<td>National Agricultural Cooperative Federation (<em>Nonghyup</em> or <em>NH</em>)</td>
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<td></td>
<td>National Federation of Fisheries Cooperatives (<em>NFFC</em>)</td>
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<td>National Forestry Cooperative Federation (<em>NFCF</em>)</td>
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<td></td>
<td>Korean Federation of Community Credit Cooperatives (<em>KFCC</em>)</td>
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<td></td>
<td>National Credit Union Federation of Korea (<em>NACUFK</em>)</td>
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</table>
# New Social Economy Organizations

*(Lee & Kim, 2013)*

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Number of Member Organizations/Branches</th>
<th>Number of Members (person)</th>
<th>Number of Paid workers (person)</th>
<th>Gross Sales (USD)</th>
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<tbody>
<tr>
<td><strong>Social Enterprises</strong></td>
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<tr>
<td>Certified SEs (2013)</td>
<td>856</td>
<td>-</td>
<td>19,925</td>
<td>610 mil. (2011)</td>
</tr>
<tr>
<td>Pre-Certification SEs (2013)</td>
<td>1,425</td>
<td>-</td>
<td>N.A.</td>
<td>N.A.</td>
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<tr>
<td>Self-sufficient businesses (2012)</td>
<td>4,172</td>
<td>-</td>
<td>98,146</td>
<td>N.A.</td>
</tr>
<tr>
<td>Total of SE-like organizations</td>
<td>7,240</td>
<td>-</td>
<td>121,216</td>
<td>653 mil.</td>
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<tr>
<td><strong>Cooperatives</strong></td>
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<tr>
<td>Medical Cooperatives (2011)</td>
<td>13</td>
<td>19,320</td>
<td>467</td>
<td>10 mil.</td>
</tr>
<tr>
<td>Childcare Cooperatives (2011)</td>
<td>71</td>
<td>1,873</td>
<td>375</td>
<td>134 mil.</td>
</tr>
<tr>
<td>General/Social Coops (2013)</td>
<td>2,388</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Total of Cooperatives</td>
<td>2,587</td>
<td>433,670</td>
<td>3,376</td>
<td>622 mil.</td>
</tr>
<tr>
<td><strong>Total New Social</strong></td>
<td>Total</td>
<td>9,827</td>
<td>433,670</td>
<td>1,275 mil.</td>
</tr>
</tbody>
</table>
Timeline of Social Economy Development (Lee, 2012)

- Crisis after IMF Bailout
  - Economic bipolarization
  - Growth without employment deepened
  - Fights for Basic Living Security Act

- Presidential Office SE TFT started
- 100 local gov’t passed SE Ordinances
- Focus on building SE eco-system
- **Cooperative Basic Act**

- SE Promotion Act

- **1910s~1970s**
  - Community tradition destroyed

- **1980s**
  - Credit Co-op movement in rural regions
  - Labor Co-op movements, etc.

- **1996~2002**
  - SE concept introduced in conferences

- **2002**
  - Presidential Counsel Committee on Economic Rights and Security
  → Social Job creation

- **2007. 7**

- **2008**

- **2012**
  - Gov’t active adoption of SE as strategies to address unemployment
## Legislations related to SE

<table>
<thead>
<tr>
<th>Type</th>
<th>Policy target</th>
<th>Laws/Ordinance (Date of Enforcement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laws</td>
<td></td>
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<tr>
<td>Social Enterprise</td>
<td></td>
<td>SE Promotion Act (2007.7.1)</td>
</tr>
<tr>
<td>Cooperatives</td>
<td></td>
<td>Cooperative Basic Act (2012.12.1)</td>
</tr>
<tr>
<td>Nonghyup</td>
<td></td>
<td>Nonghyup Act (1967.2.4)</td>
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<tr>
<td>SME Cooperatives (small and medium-sized companies)</td>
<td></td>
<td>SME Cooperatives Act (1961.12.27)</td>
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<tr>
<td>National Federation of Fisheries Cooperatives (NFFC)</td>
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<td>NFFC Act (1962.1.20)</td>
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<tr>
<td>Cigar Production Cooperatives (CPC)</td>
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<td>CPC Act (1963.5.29)</td>
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<tr>
<td>National Credit Union Federation of Korea (NACUFK)</td>
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<td>NACUFK Act (1972.8.17)</td>
</tr>
<tr>
<td>National Forestry Cooperative Federation (NFCF)</td>
<td></td>
<td>NFCF Act (1980.1.4)</td>
</tr>
<tr>
<td>Korean Federation of Community Credit Cooperatives (KFCC)</td>
<td></td>
<td>KFCC Act (1982.12.31)</td>
</tr>
<tr>
<td>Consumer Co-ops</td>
<td></td>
<td>Consumer Life Cooperatives Act (1999.2.5)</td>
</tr>
<tr>
<td>Self-Sufficiency Company</td>
<td></td>
<td>Basic Living Security Act (2000.10.1.)</td>
</tr>
</tbody>
</table>
Democratic Implications: Definition of Coop according the Basic Act

- **Basic Act’s Definition**
  Cooperatives refer to business organizations who wish to contribute to the community by collectively carrying out the purchase of goods or services, production, sales, or distribution among their members.

- **ICA’s Definition**
  A cooperative is an autonomous organization of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

=> Business over Association & Social Values
Democratic Implications: Traditional Coops

- Traditional coops overwhelm the size of new social economic organizations in Korea.

- Korea’s social economy has been known to be sizable, compared to other countries, but are the traditional large coops real social economy organizations?

- **State corporatist** organizations established as a sort of public enterprises for the political and policy needs of the military government in the 60s.

- Calls for reform and dialogue & collaboration between the old and new to create synergy?
Korean social economy’s notable growth in a relatively short time is ascribed to strong policy initiatives taken by the central government.

Government’s subsidy made parts of social economy sector dependent on the financial support from the government.

It is why some criticizes that Korean social economy sector is not sustainable and vulnerable to change of political environment.
Democratic Implications: Lack of social investment & financing

- Policy programs for creating social investment and financing system do exist: (MOEL created socially invested fund & several micro-credit banks established by the government)

- But limited and not adequate; lack of social investment and financing (from both civil society and the private sector) resulted in more dependence on the financial support from the government.
Democratic Implications: Prohibition of Politics

- Consumer Cooperatives Act Article 7 (Prohibition of Involvement in Election of Public Officials)
  - (1) No cooperative or federation shall engage in any activity to support or oppose a specific political party in an election of a public official or any activity to make a specific person succeed or fail in an election.
  - (2) No person shall use a cooperative or federation to engage in any activity specified in paragraph (1).
Democratic Implications: Governance

- Lack of control tower at the top: Each ministry has its own pet SE organizations including MOEL (social enterprises), MOSF (cooperatives), and MOSA (community businesses).
- Lack of multi-stakeholder intermediaries such as the Chantier de l’économie sociale in Quebec.
- Lack of collaborative processes of policy design and implementation (co-construction, Mendel et al.).
- From vertical and clientelist toward collaborative and inclusive relationship between the state and coops/SE.
## Stakeholders in Networks & Partnerships (ILO, 2011)

<table>
<thead>
<tr>
<th>Key stakeholders</th>
<th>Interests</th>
<th>Obstacles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and solidarity enterprises</td>
<td>Gain recognition and access to resources and development opportunities</td>
<td>Immediate needs and limited resources take priority over building networks</td>
</tr>
<tr>
<td>National and regional governments</td>
<td>Capacity for SSE to produce innovative solutions to socio-economic development challenges and to mobilize a wide range of resources</td>
<td>Tend to work in silos. Public policies are either economic or social. Difficulty in situating the SSE within existing government structures</td>
</tr>
<tr>
<td>Local development organizations and local governments</td>
<td>Contribution of the SSE to local development: local jobs, local control, local products and services, circulation of surpluses within the community</td>
<td>Lack of knowledge of the SSE. Accustomed to relying on private capitalist enterprises models to sustain economic development</td>
</tr>
<tr>
<td>Workers’ organizations</td>
<td>Contribution of the SSE to economic justice and job creation. Strategy to respond to needs of members</td>
<td>Conception of the role of trade unions gives priority to negotiating collective agreements and political action</td>
</tr>
<tr>
<td>Employers’ associations</td>
<td>Contribution of the SSE to economic activity and wealth creation</td>
<td>Perception of the SSE as unfair competition</td>
</tr>
<tr>
<td>Social movements</td>
<td>Contribution of the SSE to fighting poverty and social exclusion</td>
<td>Hesitation to become involved in economic activity for fear of weakening their political or social role</td>
</tr>
<tr>
<td>International NGOs</td>
<td>Contribution of the SSE to achieving the Millenium Development Goals</td>
<td>Funding criteria often restricted to relief work or social development initiatives and not to empowering communities through the SSE</td>
</tr>
<tr>
<td>Academic institutions and researchers</td>
<td>Social innovation within the SSE creates the possibility to create new, useful knowledge</td>
<td>Academic institutions do not give full recognition to the SSE and to working in partnership with SSE actors</td>
</tr>
</tbody>
</table>
Chantier de l’économie sociale in Quebec (ILO, 2011)
Cf. Politics of the Cooperative Sector in Developing Countries (Andres Spognardi)

- **Argentina**: populist approach; social movements lack autonomy
- **Brazil**: co-construction; partial bureaucratization of social movement activism
- **Ecuador**: active social movements; SSE seen as part of societal transformation

- The need for strong & representative intermediary organizations
Best Practices at the local level
Sungmi Mountain Village (성미산)

성미산학교
마을학교이며 자연과 어우러진 생태교육을 추구하는 대안학교, 아이들은 이 학교에 다니며 나무를 가꾸고 마을의 노인들도 함께 공통체 교육을 접한다.

마을극장
2003년 2월 지역주민들에 의해 설립됐다. 주민들이 직접 참여하는 연극·음악·제시·퍼포먼스 등 다양한 예술 행위가 시도되는 공간이다.

작은나무
성미산마을 공동체에 참여하는 주민들의 사랑의 역할을 하는 기대 가장 독서방문이나 발표회 등 작은 이벤트도 열린다.

두레생협
생산지의 음식들을 직접 판매하고 공급에 주는 장려 생협협동조합원으로 가입한 주민들은 마을에서 매일 썬고 신선한 맛과의를 구입할 수 있다.
Sungmisan Village covers an area within a one-kilometer radius around Mt. Sungmi in Mapo-gu, Seoul.

The Woori Childcare Center, the first cooperative childcare facility in Korea established in 1994 => schools

Consumer coop established 2000 => revenues of 5 billion won and membership of more than 5,000 households

After-schools & regular schools, various community clubs, Village Kitchen and other community enterprises, Village Festival......

Experience of the ‘Protect Mt. Sungmi’ Campaign between 1997–2003
Sungmi Mountain Village (성미산): Enabling Factors

- Skepticism from the rational choice perspective
- Cultural factors (e.g., Social Capital)?
- Other structural and circumstantial factors?
  (e.g., existence of mountain as a multi-stranded area? Crisis/threat?)

- Voluntaristic and Strategic Factors
  - Deliberation
  - Federal & nested structure of organization
  - Recycling strategy (network embeddedness)
  - Art performance strategy (Village Festival, Movies)
  - The Internet and the Mapo Radio
Wonju Cooperative Social Economy Network (원주협동사회경제네트워크)
Wonju Cooperative Social Economy Network
Social cooperative under the Basic Law

Network of networks: 15 coops and SE organizations & 30,800 member (10% of Wonju population)

Chronology
- 1965, founded by Bishop Ji Hak-soon & Jang Il-soon
- 1969, Research Center for Cooperatives
- 1972, Credit Cooperative (밝음 신협)
- 1970s, Community & Cooperative Movement, Democratic Movement
- 1985, the First Consumer Cooperative (한실림)
- 1989, Producer Cooperative established (원주생협)
- 2002, Medical Cooperative
- 2003, Wonju Cooperative Movement Council
- 2009, Wonju Cooperative Social Economy Network
Wonju Cooperative Social Economy Network: Enabling Factors

- Deeping Roles
  - Education, training, incubating, capacity-building
  - Resource mobilization
  - Communication & Promotion
  - Campaign activities

- Networking Roles
  - Lateral solidarity
  - Common task
  - Partnership with central and local governments
  - Global partnership
Analytic Framework for Future Research
# Grassroots Governance Model

<table>
<thead>
<tr>
<th>Role of Citizens</th>
<th>Bureaucratic Model</th>
<th>Civic Action Model</th>
<th>Grassroots Governance Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipients &amp; Clients</td>
<td>Being Persuaded &amp; Mobilized</td>
<td>Participation Leaning Cooperation</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Decision Makers</th>
<th>Bureaucrats, Politicians, Experts</th>
<th>Civic Activists, Civil Society Leaders Experts</th>
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</thead>
<tbody>
<tr>
<td>Citizens &amp; Stakeholders</td>
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</table>

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<thead>
<tr>
<th>Mode of Decision Making &amp; Problem Solving</th>
<th>Objective &amp; Rational</th>
<th>Representation &amp; Advocacy</th>
<th>Broad-based Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technocratic NPM</td>
<td>Institutional Reform</td>
<td>Agenda Setting/ Organization/ Resource Mobilization</td>
<td>Communication &amp; Consultation</td>
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<tr>
<td>Voluntary &amp; Consensual Democratic Empowerment</td>
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## Governance Goals

<table>
<thead>
<tr>
<th>Goals</th>
<th>Evaluation Criteria</th>
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<tbody>
<tr>
<td>Participation</td>
<td>Quantity and Quality of Local Participation (Presence, Voice, Representativeness, etc.)</td>
</tr>
<tr>
<td>Devolution</td>
<td>Authority and Influence of local civil society (how substantial?)</td>
</tr>
<tr>
<td>Accountability</td>
<td>Democratic Accountability Mechanisms</td>
</tr>
<tr>
<td>Efficiency and Effectiveness</td>
<td>More efficient way to address local issues than bureaucratic or market mechanisms? Any intangible and/or longer-term benefits? (e.g. political efficacy, capacity building, trust and social capital, legitimacy, etc.)</td>
</tr>
</tbody>
</table>
## Governance Policy and Strategy

<table>
<thead>
<tr>
<th>Actor</th>
<th>Policy and Strategy</th>
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<tbody>
<tr>
<td>Local Civil Society</td>
<td><strong>Self–Organizing Collective Action</strong></td>
</tr>
<tr>
<td></td>
<td>Federal or nested structure</td>
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<td></td>
<td>Provision of selective incentives</td>
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<td></td>
<td>Local network recycling</td>
</tr>
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<td>Story telling and deliberation</td>
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<tr>
<td>Local Government</td>
<td><strong>Regulatory Intervention</strong></td>
</tr>
<tr>
<td></td>
<td>Holding networks to account</td>
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<td>Centralized supervision</td>
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<td>Transparency</td>
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<td>Deliberative measures</td>
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<td><strong>Sponsoring/Cooperative Intervention</strong></td>
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<td></td>
<td>Provision of selective incentives</td>
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<td>Relational organizing with local civil society</td>
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<td>Coordination of local networks</td>
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<td>Local asset mapping and provision matching fund</td>
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<td>Strategic field–building</td>
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<td></td>
<td>Training and learning</td>
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<td></td>
<td>Reforming bureaucratic culture</td>
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</tbody>
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## Governance Capacity

<table>
<thead>
<tr>
<th>Governance Capacity</th>
<th>Evaluation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Capital of Local Community</td>
<td>Trust, Networks, Norms of Reciprocity</td>
</tr>
<tr>
<td>Institutional Capital of Local Govt</td>
<td>Leadership, Resource, Infrastructure</td>
</tr>
<tr>
<td>Reformist Capacity</td>
<td>Progressive and Countervailing Force</td>
</tr>
</tbody>
</table>
## About Contervailing Power

(Fung & Wright, 2003)

<table>
<thead>
<tr>
<th>Governance structure</th>
<th>Character of decision-making process</th>
<th>Degree of countervailing power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top down</td>
<td>Adversarial</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Conventional interest group politics</td>
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<tr>
<td></td>
<td>Collaborative</td>
<td>High</td>
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<td></td>
<td>Expert/elite problem-solving (e.g. negotiated rulemaking)</td>
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<tr>
<td>Participatory</td>
<td>Some town meetings</td>
<td>Participatory collaboration III Co-option, participatory window dressing</td>
</tr>
<tr>
<td></td>
<td>Empowered participatory governance</td>
<td>IV Empowered participatory governance</td>
</tr>
</tbody>
</table>

- **Governance institutions:**
  - Top-down administration:
    - I Captured sub-government
  - Participatory collaboration:
    - III Co-option, participatory window dressing
    - IV Empowered participatory governance
# Governance Context and Environment

<table>
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<th>Context and Environment</th>
<th>Examples</th>
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</thead>
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<tr>
<td>Size</td>
<td>Size and socioeconomic composition of local community</td>
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<tr>
<td>Issue Characteristics</td>
<td>Practical vs. Ideological/contentious issues</td>
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<td>Local knowledge and folk science vs. technical and expert issues</td>
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<tr>
<td>Political Opportunity Structure</td>
<td>Favorable political environment (regime, political force, coalition, etc)</td>
</tr>
<tr>
<td>Economic Environment</td>
<td>Favorable economic conditions</td>
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