Institutional grammar, causality and scripts

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Abstract

In this paper what is called ‘Institutional grammar’ is complemented with an ‘institutional syntax’, the composition of regulations, by means of the multiple causality of action from Aristotle and the notion of a script. An example and test case is given of a scheme of child support that misfired in the Netherlands.

Institutional grammar and causality

Institutions regulate actions. How is that done? How is a regulation composed? That is the subject of a stream of literature called ‘Institutional grammar’ (IG), which arose from the Institutional analysis and development (IAD) framework initiated by Crawford and Ostrom (1995)

In IG the ordering has the following elements (Siddiki et al., 2019; Sabatier, 2007a):

Attribute (A): an individual or collective agent

Aim (I): the objective, goal of its action

Deontic (D): what the action should do, how it should be performed

Or else (O): sanction on non-conformance

Conditions (C): action parameters, such as intertemporality, space, scope

Object (B): the recipient or object of the action. This element was added later

This ordering can be complemented with Aristotle’s multiple causality of actions (MCA), and it seems obvious that any theory of the control of action should include a theory of the causality of action. (cf. Sabatier 2007b). The ordering in that causality of action (MCA)is as follows:

Efficient cause: the agent, comparable to A

Final cause: the goal, comparable to I

Formal cause: how things are to be done, comparable to D

Material cause: with what the things are to be done

Conditional cause: environmental factors that affect the other causes, comparable to C

Exemplary cause: the example or model to be followed

An example of MCA is a follows: A carpenter (efficient cause), makes furniture for earning a living (final cause), using wood (material cause) according to a craft (formal cause), under conditions of markets and other institutions (conditional cause), emulating a model (exemplary cause).

This causality (MCA) and institutional grammar (IG) are complementary. The material and exemplary cause are absent in IG. The sanction against non-conformance to the regulation (O) and recipient (object O) are absent in the MCA. The formal cause of how to do things (deontology D) is comparable to the formal cause.

The different orders are compared in Table 1.

Table 1: comparison of orders

IG: attribute (A) aim (I) ----------- deontic (D) conditions (C) object or else(O).

MCA: efficient c. final c. material.c formal c conditional c -------- -----------

In the comparison, there are overlaps and gaps, The question now is what, if anything, the institutional grammar can learn from the causal order.

In IG, Siddiki et al.(2019) distinguish between the ‘regulatory’ function, in what is obligatory (D) and what the sanctions are against non-conformance (O), and the ‘constitutive’ function, in A, I, B and C. The addition of the regulatory is characteristic of IG. Siddiki et al. call the IG that includes only A, I, C and B the ‘strategic’, and the addition of the deontic is called a ‘norm’, and the further addition of sanctions yields a ‘rule’.The full specification would be ADIBCO. In the causal order, the regulatory function is absent or tacit, implicit in the formal cause.

In IG, the attribute (A), aim (I), conditions (C) and the recipient (B) indicate who is to do what, why, when, where, how, and for whom. When the order is limited to that, (AICB), and the ‘deontic and or-else’ (D and O) are lacking, the normative is implicit, and there are no sanctions on violation.

If one compares IG with MCA, what is striking is the absence in the IG of the material cause. Would it be useful to add that to the IG, indicating what is needed for the activity? The deontic is conditional on these means being available. The deontic as what one needs to do can be expanded by the formal cause of what one needs to know, and the competence one needs. Another addition inspired by MCA may be the exemplary cause. Rather than specifying the modus operandi in detail, which may not be sufficiently possible, one may set an example, or provide a role model. This may leave more room for interpretation than a protocol, and can therefore be more motivating.

Adopting these options, the IG would be expanded with three items: what means the action or regulatory control requires, what competence is needed to follow it, and the example or role model that might be set,

Institutional syntax

If we have an institutional grammar, how about the syntax; how are institutional rules or habits put together? How do the causes have their effects, what are the roles of the agents, what is obligatory (the ‘deontic’), what are the sanctions (the ‘or else’, O) and the conditions for their application?

This can be elaborated with the notion of scripts, which is useful, among other things, for the ‘multi-level’ issue of nested institutions (Ostrom, 2007). It yields a structure to specify the activities or roles , their order, the conditions and their interaction.

A script is a network of components called ‘nodes’, connected links. The nodes may be words in sentence, connected by grammar, or activities, connected by causal effects, or propositions in a theory, connected by a logic of implication or inference, or an activity in an institutional arrangement, connected by causal or conditional links. The links between nodes can be one-or bi-directional, as in deliberation between nodes. They can indicate temporal succession, logical implication, causal influence, communication, the sharing of resources The system is multi-level, with subscripts specifying alternative ways is which a component nodal actvity may be performed, and superscripts in which the script functions as a node.

The classic example is the restaurant script, with nodes of arriving, seating, food selection and ordering, eating, paying and leaving. An example of subscripts is the repertoire of ways of paying, by cash, cheque, bank card, or credit card smart phone. The notion of a script was used to specify the innovation of a self-service restaurant, with a different order of the same or similar nodes, in arrival, food selection and payment, seating, eating and leaving.(Nooteboom, 2000) The subscripts are not exactly as they were in the service restaurant; for example seating now includes carrying a tray with selected items.

There are different ways of deviating from the script or changing it: an addition, elimination or change of subscripts in on or more nodes, such as adding the use of chopsticks instead of cutlery in the eating node of the restaurant. A second type of change is that of the order of nodes, as indicated above, in the switch to a self-service restaurant. A third type of change is replacement of one or more nodes. A fourth type of change is that of the superscript, such as transferring the restaurant to a ship. The most radical change is that of the whole network of nodes

When applied to IG, the script can serve for a specification of what roles agents play, as a node in their contribution to overall activity, with what other nodes they need to connect, and how, and what alternative ways there are for playing their roles (subscripts). It can also serve to structure relations with higher-level activities (superscript). To become a full-fledged institutional arrangement, the ‘deontic’ and ‘or-else’ have to be added, although often the compulsory part remains tacit, implicit in the repertoire of permissible subscripts.

Child care benefit in the Netherlands

For an example and test case, I take the benefit for child care in the Netherlands that went wrong and escalated to a scandal that caused the government to fall, in 2020.(Frederik, 2020) The intention of the benefit was that it would enable parents, notably mothers, to leave their children for intervals, to take a job.

The benefit system was vulnerable to fraud: parents could use child care by the grandparents and claim the benefit while the care was free. A public and political frenzy of control had developed as a result of previous fraude of a whole range of benefits of rent support and health care. Bulgarians who did not even live in the Netherlands, claimed false addresses of residence, helped by criminal intermediaries. Shocked by this, public opinion and parliament demanded harsh measures of fraud control for all social measures. In this case the fraud was greatly exaggerated, involving only 4 million of the total benefit of 68 billion euros, but was blown out of proportion, fuelling the frenzy.

Extensive administrative procedures of accounting were imposed to justify the child care benefit. Control became so harsh that when a false claim was found, the penalty was not only a repayment of the benefit but on top of it a fine equal to it. Small administrative errors, from a mistaken reading of the complicated rules, or in the filling of forms, or in the neglect to comform meticulously, were subjected tot his harsh penalty. This yielded much hardship for the beneficiaries, who were predominantly in the lower income groups. An advisory body to the government recommended a ‘hardship clause’, to be lenient in case of ‘injustices of a predominant nature’. It did not become clear how this was to be done. Meanwhile, the volume of applications had exploded, necessitating automation of applications, which, however, could not handle such vague considerations of hardship.

Because of the complexity of the procedure, private intermediaries arose to help. The benefit required a contribution to the cost of care by the parents. To enhance the applications, criminal intermediaries lied to the parents that they could waive that contribution, and to icrease earnings, they convinced parents to apply for the benefit also for children who no longer needed care. When such fraud was found out, the parents, not the intermediary were punished. Even when parents themselves reported that they no longer needed the benefit, they were punished for the fraud of the intermediary. Yet the services of those intermediaries were appreciated by the authorities because they facilitated the collection, for control, of data on the streams of money.

The result was widespread hardship of families, which lasted from 2004 to 2020, , involving 26.000 parents and 80.000 children. In 2020 the excessive penalties were finally abolished. The benefit was executed by the national tax authority, which had begun to have trouble with the complexities of the arrangement and the need to notice the hardship that fraud control was causing, but they were told to just execute the law. In 2014 the government department responsible for the tax authority involved received 25 million euros for 200 extra staff to deal with the problems. Complaints and reports of the hardship for families could not penetrate the armour of politics, or were ignored or discounted by the cabinet ministers involved. The resulting upheaval caused the government to fall.

After elections, the government that is to be formed is now burdened with the task to effect a system that will not cause such excesses of injustice and hardship. One problem is that reports of the scandal were not passed on to parliament because the assistant minister involved wanted not to submit civil servants to parliamentary scrutiny and censure. This is debatable. If civil servants are no longer anonymous, they can blow the whistle blow on perverse arrangements. Then there should a court of appeal for recourse when they are punished for it.

The main lesson from this case for the institutional grammar is that in between the ‘deontic’ and the ‘or-else’ there should be a ‘diagnosis’ of what went wrong, rather than an immediate adjudication of culprits and penalties, to see to what extent there are mishaps or errors rather than deliberate deviance, or attennuating circumstances, and hardship of punishment, and the consequent settling of a proportionate sanction.

In terms of the multiple causality, the practice should have taken into account possible conditional causes, such as the circumstances the recipient of the allowance was in, such as the distracting stress of illness or financial situation. The practice supplied the material cause of information on what procedures to follow, and forms that needed to he filled out, but failed to consider the formal cause of the recipient’s ability to understand and process the information.

One can combine elements of Institutional Grammar (IG) and Multiple causality (MCA), to draw the script of the procedure for this particular case, as illustrated in figure 1. A node was included for the intermediary organisations, who misled the recipients and contributed to fraud, and one for the exemplary cause of civil servants with exceptional skill in the contact with recipients, needed because of the difficulty of formalising that contact in a computer programme, and contributing to the understanding and ability of the recipients (formal cause)

Figure 1

recipient private intermediary

(efficient c., final c., A, B, I) (efficient c.)

Information,communication

(material c.)

Role models

(exemplary cause)

Conditions, political pressure competence, understanding

(conditional c., C) (formal c.)

fraud?

(D)

sanction

(O)

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