LAND DEVELOPMENT THEORIES AND INSTITUTIONAL ANALYSIS:
THE OPERATIONALISATION IN HOUSING AND TRADITIONAL COMMUNITIES

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Introduction

This working paper provides a summary of the literature and previous theoretical work on the theme of built environmental change, and especially land development models deemed pertinent to the study of housing and/or settlement in traditional communities context. The paper is divided into seven parts. It starts with the study of built environmental changes, followed by a review of land development models. Next, the applicability of these models to the study of development in traditional communities is considered prior to problematising the institutional analytical framework. Following this, a discussion on linking the model with traditional, as well as current/formal institutions, is presented. Finally, there is a conclusion that primarily presents the modification of Healey’s institutional model which can be implemented in the study of housing and settlement development.

1. Studying built environment changes

The built environment is a complicated subject. It can be studied from many social science disciplines, such as architecture, geography, planning, psychology, sociology, anthropology, and so on. To some extent, the websites http://www.hw.ac.uk/library/howtobuilding.html and http://www.cebe.ltsn.ac.uk/resources/index.html (accessed on 1 May 2005) present the efforts of the scholars to set up database in this subject. Some scholars even use sub-disciplines rooted from single and/or multiple disciplines to study the built environment, for example: historiography, human geography, behaviour-environment studies, semiotics (which views the environment as a ‘language’), urban conservation studies, rural development studies and many others. This research is conducted from the perspective of the planning discipline, with an emphasis on an institutional analysis of the development process.

The review of the housing development theories shows that efforts have been made by housing development analysts to create a model that is applicable to different types of settlements. However none of the existing models makes any explicit link to land development process models that have primarily originated from spatial planning theory. Yet enduring efforts have been made by scholars of the development process to create models that may be utilised in different kinds of property development research, and what follows next is a review of development process models and a consideration of their potential as a vehicle to achieve a better understanding of the impact of housing development on the built environment.
2. Land development process models

Many models of the land development process have been developed and applied, such as partly shown at the website http://www.virtualref.com/uncrd/_sub/s139.htm (accessed on 15 June 2005). These models have been used broadly in researching industrial area development and property development, mainly in developed countries. Viewing housing development as an industry that also changes the physical landscape, these land development process models are perhaps the most appropriate theoretical frameworks for research on built environmental changes arising from housing development. Some scholars, such as Gore & Nicholson (1991) and Healey (1991) have provided reviews of these land development models.

Academic concepts are commonly articulated using diagrams or mathematics. This particularly happens in economics, the disciplinary framework used extensively by land development analysts. Scholars and practitioners have found it natural and useful to produce diagrams of the property development process. Gore and Nicholson (1991) and Healey (1991) have each produced classifications of numerous models of the land development process. From these reviews it can be seen that models have been developed for different purposes, that they can rarely be categorised by a single label and that there is limited agreement on terminology. It also shows the diversity of theoretical, conceptual, and analytical frameworks used by the scholars to explain and rationalise the land development process.

The first of the above, Gore & Nicholson (1991), classify land development models into sequential descriptions, behavioural models, production-based analyses, and the structure-of-provision approach. At the end of their review Gore & Nicholson express their preference for structure-of-provision approach because

“It involves the investigation of historically and geographically specific situations by means of a common set of theoretical propositions ... The end result would be a range of different structures of provision, each covering a sector or sub-sector of the development industry. Rather than a general model supposedly applicable to all development...” (Gore & Nicholson 1991: 724).

In addition to this the models reviewed in Gore & Nicholson (1991) and Healey (1991) have extensive heterogeneity in terms of the cases being studied and their conceptual frameworks. It is not enough simply to categorize the models reviewed in terms of economic theoretical assumptions (Marxist and Neo-classical) and grouping the models into categories based on the reviewer’s assumptions (see Healey 1991:236). The broader context of the socio-political environment where the empirical applications of the models takes place needs to be explained and understood well. Healey’s ambiguity over the creation of a universal theory for the development process and specified theory for particular situations supports Gore and Nicholson’s conclusion.
However, broadly, the development process has also been analysed by neo-classical economists such as Jack Harvey (1996) and Marxists such as David Harvey (1978, 1985). These ‘structural’ models that do not go deeply into the specifics of development may be termed ‘one-dimensional’. However, since structural conditions, actors and sites differ so widely, such models can never be made generally applicable. Ball’s notion of structures-of-provision (1983, 1986) covers both the socio-economic structure surrounding development and the relations between actors within it, and may therefore be said to be ‘two dimensional’. Similarly Goodchild and Munton (1985) recognise that actors play a variety of roles, that sites vary and that events do not follow a set sequence; they therefore address ‘three dimensions’ of the process. The model produced by Barratt et al. (1978) is primarily a description of a typical sequence of events. Yet the input of the site is, however, briefly acknowledged and the roles of some actors and external forces in society are acknowledged. This model, although incomplete, does address four distinct dimensions of the development process.

Examples of articles that create a land development model or use such models eclectically can also be found in the writings of Coakley (1994), with a case study of London, Leitner (1994) in the United States, and Ganderton (1994) in Basingstoke and Deane district. These three articles discuss the development process and development models in a more restricted case compared to the general discussion of the development process in Gore and Nicholson (1991) and Healey (1991 & 1992). Nevertheless these three examples enrich the empirical analysis of the development process and in their own way support Gore and Nicholson’s statement that the development model is idiosyncratic.

For example Coakley (1994) argued that the key to understanding the nature of links between the real estate and financial market is the complex nature of property as a commodity. The case study describes London’s experiences of the rise and fall of the property market corresponding to the government’s regulation of the financial system, deregulation, and the transformation of the banking sector. One of the lessons learned from Coakley’s article is that even the development models can differ from one era of a financial system to another, which, once again, supports Gore and Nicholson’s statement about the uniqueness of development models.

Leitner’s (1994) article is an analysis of interurban differences in the volume of building activity. It suggests ways in which powerful international and national trends are mediated by specific local economic and political structures and conditions. The article is also an attempt to explain the spatio-temporal evolution of office construction in the United States from the early 1960s to the mid-1980s. Despite a convergence in the timing of urban office development cycles, distinct interurban differences in the relative volume of office construction activity remained; individual cities showed different degrees of activity relative to national trends at different times. The factors causing these differences, however, should be included as part of evolutionary analysis, which pays
attention to the specific historical and geographical context. Finally, she concludes that such a contextual approach does not subscribe to a theory of single-factor causation, or neither to a conception of an unchanging cyclical mode of development. Leitner’s article in a sense shows that even in one nation for a particular era, differences in development experience result from different economic and political structures and conditions.

Ganderton’s (1994) study of the land conversion process presents an alternative model based on a case study in Basingstoke and Deane District and uses a realist approach (Levi Strauss in Gregory 1978, Johnston 1986) which argues for three layers of structure: deep-structure, infra-structure, and superstructure. He does not appear to argue for a specific model for the particular case. Ganderton argues that the adoption of his particular model and classification does not suggest that other models are wrong. He agrees with Gore and Nicholson’s (1991:705) statement: ‘In this sense, such models are essentially different ways of representing the same thing; there is no question that one may be considered correct, and all others wrong.’

In 1998, Ball, et al. attempted to address the inadequate microeconomic foundations for the modelling of supply and demand in the property market and the need to establish a formal theoretical link between the macro-economy and the property market. The general principles outlined in the book apply to all commercial property markets. The perspectives adopted are largely British informed, to an extent, by views from the US, Europe, the Far East and Australia. This partly reflects the significance of Britain and the United States in the development of these subject areas.

In reviewing models of the land development process then, Healey (1991) classifies the models into four types: equilibrium models, event sequence models, agency models and structural models.

- The equilibrium model focuses on quantities of demand and supply. This model is widely utilised in the real estate literature and is based on the mainstream economics paradigm, but does not express the inherent complexity of the development process (Healey 1991:223).

- Event-sequence models which describe development as a simple, serial production process and include: Cadman and Austin-Crowe’s model (1978) of evaluation, preparation, implementation; Goodchild and Munton’s (1985) model, based on Lichfield (1956); the ‘development-pipeline’ model by Gore & Nicholson (1985) and the Couch and Fowles (1990) model.

- Agency models, for Healey, include models that emphasise the importance of the actions and motives of development actors, including: Craven (1969); Kaiser and Weiss (1970); Drewett (1973); Bryan et al (1982); a descriptive model of land development by Goodchild and Munton
(1985); Barret et al. (1978); Mc Namara (1988); Massey and Catalano (1978); Lauria (1982); and Rydin (1986).

- Finally in the category of structural models, Healey includes the models by Ambrose (1986), Boddy (1981), Ball (1983), and Harvey (1985) which root the relationships in the development process into the wider political economy.

In the conclusion of her first article Healey argues that none of the models achieve the ideal:

“An approach which would enable the detail of agency relationship in the negotiation of development projects to be captured while at the same time allowing generalisation about how these relationships might vary under different conditions... Nor do these models adequately address the way the interest and strategies of actors are actively constituted as circumstances change and how this relates to broader structural shifts” (Healey 1991:236).

It can be concluded then that the articles reviewed use a classification of the development process or create an alternative model based upon the individual or upon epistemological/ontological perceptions and their selected philosophical approach. Other reviewers who are interested in constructing a development model could use other justifications for their classification of alternative models and/or construction of new models, based on other methodological frameworks (for example, Adams, 1994 and Ganderton, 1994). Adams (1994) would confine the categorization used for explaining the development process in the urban planning context to a focus on event-based models and agency-based models. In general though the problems for development process models are as follows:

1. Theory and practice are not easy to correlate. The theory may be too boundless to be applied in practical context, at the same time practice may not give enough data from which valid generalisations can be made.

2. The development process is idiosyncratic and complex. Agents who are involved in the process could be involved in more than one role in more than one situation, and these roles may conflict. Any model needs to address the complex situation of agents, their relative importance, the difficulty of separating the agents from their roles, and the indefinite shifting ‘political’ links that bind them. The implication is that the model should address the duality of context as well as structure and agency.

3. Every development process could involve a different planning process. To a large extent events depend on the type of the agents involved and the socio-political environment.
4. Given the uniqueness of each development at the site level, there must be a greater awareness of the spatial element in modelling and a balance between the spatial and the socio-economic environment.

**Healey’s Institutional Model**

<table>
<thead>
<tr>
<th>Roles in consumption:</th>
<th>Events in the development process:</th>
<th>Products/outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Material values: production, consumption, investment</td>
<td>e.g. Identification of development opportunities</td>
<td><em>In the buildings</em></td>
</tr>
<tr>
<td>2. Property rights</td>
<td>Land assembly</td>
<td>Material values</td>
</tr>
<tr>
<td>3. Guardian of environmental quality</td>
<td>Project development</td>
<td>Bundles of property rights</td>
</tr>
<tr>
<td></td>
<td>Site clearance</td>
<td>Symbolic/aesthetic values</td>
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<tr>
<td></td>
<td>Acquisition of finance</td>
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<td></td>
<td>Organisation of construction</td>
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<td></td>
<td>Organisation of infrastructure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing/managing the end product</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Roles in production</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land: ownership rights; use/development rights</td>
<td></td>
</tr>
<tr>
<td>2. Labour: physical production; supplier organisation</td>
<td></td>
</tr>
<tr>
<td>3. Capital: money; raw materials/machinery</td>
<td></td>
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</tbody>
</table>

Roles and relationships

Strategies and interests

Rules – resources – ideas

Mode of production
Mode of regulation
Ideology

Figure 1. Healey’s institutional model
Source: Healey (1992)
So in order to challenge the weaknesses of the models reviewed, Healey (1992) proposed ‘an institutional model of the development process.’ This model involves four levels (Healey, 1992:33):

1. A description of the events which constitutes the process, and the agencies which undertake them;
2. Identification of the roles played in the process and the power relations between them;
3. An assessment of the strategies and interest which shape these roles and the way they are shaped by resources, rules and ideas; and
4. The relation between these resources, rules and ideas and the wider society.

Healey named this alternative model an institutional model of the development process. The model itself is different from the models reviewed in her first article. This alternative model is more like a guide for research on a particular case, condition and environment. The general principles of Healey’s model are outlined in Figure 1.

Healey’s institutional model is thus intended to be applicable to any land use, economy or stage of development. The model is centred on actors, relating them both to events that take place and to the wider society via sets of resources, rules and ideas. This model therefore highlights three ‘dimensions’ of the process.

Healey’s institutional model has received attention from other land development scholars and has been tested by many researchers (see Ball 1998, Fainstein 1994, Pryke 1994, Healey et al 1995, Olds 1995, Guy and Henneberry 2000). However they mainly agree with Guy and Henneberry’s (2000: 4) view of:

The need to develop an understanding of property development processes which combines a sensitivity to the economic and social framing of development strategies with a fine-grain treatment of the locally contingent social responses of property actors.

3. Applicability of land development models to traditional communities

So with this in mind can scholars use an institutional model to study land development in traditional communities? To answer the question, it is essential to step back and think of research as an effort to understand and explain reality. Reality in its full complexity can never be fully understood. Scholars can create their own images or models of reality. Most models are not necessarily created to serve all research subjects in the particular field. They are created by scholars and professionals alike to explain complex, but related observable events, and to identify chains of cause and effect in a particular context. Once a potential model is created, other scholars may adopt it to identify issues related to their own research. For example, holders of traditional knowledge can make their own models in their minds. When scholars or research scientists conduct studies, they can formulate hypotheses and construct formal models (thought models, flow diagrams,
mathematical models of various kinds, and so on) as can be observed in the land development models explained in Section 2. Such models, which were created and applied to land development in advanced market economies, seem perfectly appropriate to such a context. Yet are they applicable in the contexts of traditional communities and developing countries? Are these models useful in studying (housing) development in such places?

So how can theoretical modelling be relevant to the study of traditional communities? Although many scholars interested in studying traditional communities have a college education, their main reluctance in using theoretical models is because it is too complicated to be useful. Even, for example, the widely known problem-solving models are rarely used in practice when it comes to the topic of traditional communities. The information required is not easily available and only a specialist can really understand the models. This is particularly true in academic models, which tend to be complex, usually require knowledge of higher study and are intended to help provide new insights into the objects studied or to identify information gaps. These models deal with parts of a social system or try to integrate the different components of such systems.

This working paper is written with the view that there is no intrinsic contradiction between the use of complex models and studies of traditional communities. In many instances, these can be complementary. The above-mentioned land development models, which are highly related to economic models, are ordinarily beyond the understanding of scholars who specialise in traditional communities commonly found within the disciplines of sociology and anthropology. At the same time, the research on literature related to the operationalisation of land development models have shown that these models have not previously been used in linking the issues of traditional communities, settlement, and land development before. Therefore, the approach elaborated further in this working paper is following Healey’s model, and combining it with contemporary institutional analysis, there is potential to add to a general understanding of traditional or formal institutions’ interrelations with physical housing development.

In examining Healey’s institutional model, Ball (1998) labels it an agency-structure model. Ball (1998) characterises the problem of applying Healey’s institutional model as a problem of sociological theory in general, not only of this approach. How can a researcher deal with the relations between structure and agency? Social and economic (‘structural’) explanation of agencies’ role and existence may be criticised for determinism. On the other hand, structural change cannot be greatly affected by agency behaviour, even if the feedback effects of agency actions on structural dynamics are recognised. This is particularly true and important when the scholar is analysing institutions in local traditional communities with a strong cultural background, which is juxtaposed with international institutions such as housing or property development. The structure
and agency formulations make it hard to avoid misleading explanations, because the causality of change is unclear.

Ball (1998) also suggests the application of Healey’s institutional model can incorporate many different theoretical approaches. However, the point just made about the fundamental difference between its methodology and that of mainstream economics suggests that this is not true. The focus in Healey’s institutional model is on behavioural differences between agents, while in mainstream economics it is on behavioural regularities across different agents. Making the two compatible is problematic.

However, as has been noted in the previous discussion on institutionalism, the notion of institutions in Healey’s model gives flexibility for a scholar to frame his or her own understanding of an institution. It stresses the potential productiveness in examining agencies in property development. Useful analyses of local land development processes are likely to result from using this model. The difficulties in applying it depend on what is attempted with the model.

### 4. Problematising the institutional framework

So, with this in mind, one objective of this section is to substantiate an analytical framework to capture important aspects of the inter-relationships among various institutional elements that can be applied to the research subject: housing and built environmental changes in traditional communities. This framework is aimed at highlighting and fostering the analysis of how various institutional elements constitute inter-related parts of a larger whole within which a particular regularity of social behaviour is associated, especially in the context of the planning process in the case study context.

The interpretative procedure carried out in case study elaboration is based on insights from contemporary institutional theory in seeking to point out normative, regulative and cognitive dimensions of institutionalisation, as an ongoing process. Special emphasis is given to normative-regulative dimensions and inductive-deductive perspectives. The framework is intended to underpin an investigation of housing and built environmental changes in the case study area.

### The challenge of institutional analysis

In economics, political science and sociology it is widely accepted that institutions matter. There is less agreement, however, about what institutions are and how to study them. In economics, institutions are defined, for example, as rules, beliefs, norms of behaviour, or regularities of behaviour, or organizations (such as firms, courts, parliaments, social networks, and communities).
Furthermore, the main approaches to institutional analysis also differ in their basic methodological assumption regarding institutions’ origins, dynamics, and implications. Because distinct definitions of institutions have been treated in the literature as mutually exclusive and because of the above methodological divide, institutionalists still have a limited ability to address three questions that are at the heart of social science and history: What are institutions? Why do societies evolve along distinct institution paths? Why do less successful societies often fail to adopt the institutional structures of those that are more successful?

There is thus a wide diversity within and across disciplines concerning how they define ‘institutions’ and why they study them. That diversity derives, to a certain extent, from the tendency for each social discipline to look for a definition that is somehow ‘internal’ to the practices they describe. While institutionalism has been widely studied since the 1950s, in recent decades social scientists have created a term ‘new institutionalism’ to differentiate the current discussion on institutional theory from the ‘old version’. One of the difficulties in applying an ‘institutionalist’ approach is that the new institutionalism is itself disparate and diverse, its central elements often vague and ambiguous. Although it may cross the social science disciplines of economics, political science and sociology, there are still significant differences between the forms that institutionalism takes in each of these areas. Nevertheless, all are united by the common idea that ‘institutions matter’ to individual and social actions and interactions because they provide the structure in which that action and interaction itself occurs (Levi 1990).

Among the difficulties for analysis of institutions over time is the vague nature of the concept of institutions. There are many, alternative definitions of the term ‘institutions’ and the approaches to their study within various disciplines, such as economics, political science and sociology. The following are some commonly used definitions.

Institutions are:

‘The rules of the game’ in a society (North 1990: 4) and ‘the sets of working rules’ that ‘contain prescriptions that forbid, permit, or require some action or outcome,’ and that are ‘actually used, monitored, and enforced’ (Ostrom 1990: 6);

Organizations such as firms, parliaments, tribes, families, communities, and universities (for example, Williamson 1985; Granovetter 1985; North and Weingast 1989);

Beliefs. These may be cultural or shared beliefs about others' behaviour or about the world around us, and the relationships between actions and outcomes in it (for example, Weber 1958 [1904]; Denzau and North 1994; Greif 1994, Calvert 1995, Lal 1998)

Norms of behaviour that have been internalised by members of a society, and hence, influence their behaviour (for example, Ullmann-Margalit 1977: Elster 1989; Platteau 1994).
Regularities of behaviour or ‘social practices that are regularly and continuously repeated’ (Berger 1977; Schotter 1981; The Penguin Dictionary of Sociology: 216; Young 1998: preface.)

Therefore institutions comprise cognitive and moral structures, rules or norms that are regarded as socially binding but which may not be obvious (Apter 1991). They have a behavioural dimension, providing norms or rules of behaviour that reduce the need for individuals to ‘reinvent the wheel’, thus constraining and enabling action and interaction. Essentially, according to Powell and DiMaggio (1992), the new institutionalism in the social sciences shares key philosophical roots: notably Simon’s (1951) behavioural model of bounded rationality, accepted by the disciplines of political science, economics and sociology (North 1990, Ostrom 1991); the balanced nature of the relationship between institutions and individuals or organisations; and the stabilising and facilitating nature of institutions.

Where sociological analysis is concerned, works in the tradition of Weber impart that institutions reflect the interactions among individuals, while works in the tradition of Durkheim consider institutions to be societal features that impose themselves upon individuals. Within economic history and evolutionary economics, it is common to identify institutions with history-dependent, and not necessarily functional, behaviour (for example, North 1990; Hodgson 1998). Rational choice analysis in political science examines institutions as instrumental outcomes using equilibrium analysis, while historical institutionalism emphasizes that they reflect a historical process (Thelen 1999).

The thematic discipline to which the institutional model developed by Healey (1992) is most relevant is perhaps political science. New institutionalism in political science is a reaction to behaviouralism, which was itself a reaction to the old institutionalism of the 1950s (Dowding 1994). Old institutionalism saw the role of political science as detailing the political structure: the legal framework, the detailed rules of procedure, and as describing and prescribing systems of accountability and participation. Behaviouralism reacted against this formal and highly prescriptive tradition, focusing on what really happened, how systems really worked. In so doing it removed the focus from the institutions and placed it on individual actors within the political structure and on their relationships with those outside: the roles of interest groups and the development of corporatism (Grendstad and Selle 1995). New institutionalism in political science can be seen, at some levels at least, as an attempt to integrate the two lines of analysis: that is to say that the actions of individuals and the goals that they have are shaped by the institutional structure. Its own history and focus mean that the definition of the ‘institution’ adopted differs from that of organisational theory and sociology. ‘Institutions’ in political science’s new institutionalism
include the central organisations of government, that is, the executive, the legislature, bureaucracies, and the electoral process.

The main thrust of the new institutionalist argument in political science is that political institutions are not simply mirrors of social forces, but are themselves significant players in the policy process, which have the capacity for autonomous action (Hall 1986). Furthermore, Hall (1986:233) mentioned that: ‘The state is expected not simply to reflect the struggle between competing interests, but to act as a distorting mirror, reproducing a highly imperfect reflection of these conflicts and one which imprints its own image on their resolution’. The pressure from groups is thus mediated through the organizational dynamic, which imprints its own image on the outcome. In effect the institutional structure of government shapes the interest of political actors and structures their actions in pursuing those interests. The emphasis is placed on what Hall calls the ‘relational character’ of institutions; that is, how they structure the interactions of individuals. Institutional factors in Hall’s analysis play two roles: the organisation of policy making affects the degree of power that any one set of actors has over the policy outcomes; and the organisational position an actor occupies influences that actor’s definition of his or her own interests by establishing his or her institutional responsibilities and relationship to other actors. Institutions thus affect both the degree of pressure an actor can exert on policy and the direction of that pressure.

**Common aspects in different approaches to institutional analysis**

Despite obvious differences, approaches adopting various definitions of institutions have a lot in common. First, all of them are concerned with the behavioural implications of factors (such as rules, beliefs, norms, or organisations) that are social in the sense that they are neither determined by technology nor by human genetics. Furthermore, institutional analysis is not concerned with social factors that are temporary in nature or relate to particular individuals. Institutional analysis is concerned with social factors that have an extensive and long-term influence and that govern the relations among individuals who occupy particular social positions (such as parents and children, lenders and borrowers, or employers and employees). In other words, institutional analysis is concerned with social factors that generate regularities of behaviour among individuals who occupy particular social positions.

Second, a certain approach to institutional analysis emphasises the assumption that these social factors are external to each of the individuals whose behaviour it influences, although this factor is internal to the society. These social factors are external to each of the individuals whose behaviour they influence in the sense that they are beyond the control of each of them. But these social factors are yet internal to the society and reflect the interactions among the individuals whose behaviour they influence. For example, planning regulations are external to each of the individuals whose
behaviour they influence but they are nevertheless internal to the society as a whole. They reflect the regulatory, administrative and political processes of planning and rule making in which the individuals whose behaviour they regulate, or other individuals, take part.

Similarly, the norms into which a society's members had been socialised are external to each of them, but reflect internal social processes. The common focus on social factors external to each individual but internal to the society reflects a third aspect common to all the approaches to institutional analysis. All of them consider institutions as social factors that generate regularities of behaviour by guiding, enabling, and constraining individuals' actions.

Thus, institutions have to be social factors external to each individual whose behaviour they influence, because whatever is under the direct control of an individual - whatever one's choice variable - is not a social factor that constrains, directs, and enables behaviour. One's choice is made within the limits set by the relevant institutions and it is part of the regularities of behaviour that these institutions imply. For example, the social factors that influence the selection and enable the use of various contractual forms by a firm constitute the relevant institution while the contract a firm actually offers its employees is the behaviour this institution implies.

The institutional analytical framework is based on the assumption that the key to utilise institutional analysis progressively is understanding the common aspects of various definitions of institutions, developing a unifying concept of the object of study, and exploring the complementary relationships among the above two perspectives. This assumption is inspired by various studies of historical institutions and their dynamics that indicate the deficiency of each of the above definitions of, and perspectives on, institutions.

**Defining institutions**

Although apparently distinct, various approaches to institutional analysis share a basic concern: they are directly or indirectly concerned with social factors that generate a regularity of behaviour while being external to each of the individuals whose behaviour they influence but internal to the society. Different approaches to institutional analysis concentrate on distinct social factors. Each gives different content to the same definition. In fact, it seems appropriate to give distinct content to this definition.

Each of the various approaches to institutional analysis focuses on a particular institutional element. The approach used in this working paper recognises that to explore the social foundation of behaviour - specifically, achieving the objective of all approaches to institutional analysis – requires research to go beyond the analysis of a particular institutional element, for example formal
planning institutions in the research area. As various recent theoretical considerations and analyses of historical and contemporary institutions indicate, understanding the social foundation of behaviour requires examining the inter-relationships among various institutional elements.

For example, formal or informal social rules will not generate regularities of behaviour unless they are enforced. Therefore, the analysis of rules and the process through which they are generated has to be complemented by an analysis of how they are enforced. Considering enforcement, however, often requires examining such social factors as beliefs, norms, and organisational features (such as a community or a court). Similarly, identifying organisations as institutions often provides an incomplete understanding of the social foundations of behavioural regularities because organisations only provide an entity within which distinct behaviour can be generated and prevail as an outcome.

It is misleading, however, to examine an institution considering each institutional element in isolation from the others. For a system of institutional elements to add up to an institution they have to complement each other in generating particular regularities of behaviour. Rules should be based upon beliefs that actually influence behaviour. Behaviour should lead to the emergence of these rules and reinforce their underlying beliefs. Organisations should facilitate the specification of these rules, enable these beliefs, and, whenever appropriate, be the internal result of beliefs and behaviour. To capture the inter-relationships among various institutional elements that combine to generate regularities of behaviour, the approach advanced here requires that for a system of rules, beliefs, norms, and organisations to constitute an institution generating regularities of behaviour, the system has to be self-enforcing and (weakly) self-reinforcing.

The normative, regulative and cognitive dimensions of institutions

With respect to traditional communities that maintain traditional culture such as are commonly found in most developing countries, it is arguable that the communities’ culture affects individuals’ behaviour through its impact on preferences and beliefs (see Casson 1993). New institutional theory highlights the importance of the wider social and cultural environments within which organisations or agencies are rooted (Scott 1995). The influence of laws, values and beliefs, as cultural elements, on communities' traditional construction and on planning institutions, may be explored through Scott's (1995) three institutional dimensions. For Scott (1995:33) these

“ … Consist of normative, regulative, and cognitive structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers cultures, social structures, and routines and they operate at multiple levels of jurisdiction."
These regulative, normative and cognitive structures and activities are defined as ‘the three pillars of institutions’ and different schools normally emphasise different pillars. So, the structures and activities that are believed to provide stability and meaning to social behaviour will differ according to whether one or another pillar is emphasised.

The normative pillar

The normative pillar emphasises values and norms, which introduce prescriptive, evaluative and obligatory dimensions into social life. Values are conceptions that point out what is preferred and desirable while norms express and specify how things should be done; they define legitimate means to pursue valued ends (Scott 1995).

A dimension of individual expectations, of others and of what they are supposed to do, becomes central in the normative pillar. Depending on the role of the individual actor, certain action is expected to follow. Roles can arise formally or informally. Formal roles are particular positions defined to carry out specific activities while informal roles are developed over time through interactions that guide behaviour. Norms impose constraints and enable social action at the same time, for example through rights and responsibilities, privileges and duties, or through licenses and mandates. In the normative pillar, institutionalists begin to move away from the instrumental perspective of rational behaviour. Instead, values and norms constitute a logic: what it is appropriate to do out of a social obligation.

Normative pillars concentrate on the institutional element that motivates individuals to either follow or ignore rules. These are beliefs and internalised constraints such as norms. For a system of beliefs, such as found in the traditional belief system, to be an institutional element it has to be shared by members of the society. Such shared, cultural beliefs can be of two kinds - behavioural beliefs and internalised beliefs. The first are beliefs that individuals hold regarding the behaviour that others will pursue in various contingencies that may or may not actually transpire. The second are internalised beliefs regarding the structure of worlds and the implied relationships between actions and outcomes. Such beliefs reflect, for example, humans' tendency to try to understand the world around them, the cosmology.

The regulative pillar

Scott's regulative pillar is concerned with rule setting, monitoring and sanctioning activities (Scott 1995). The processes of establishing rules and inspecting others' conformity to them may operate through informal traditions or formal rules and laws.
The usual approach to institutional origins and development selected by the scholars emphasises the regulative pillar. It focuses on the way that organisations constrain and regularise individual behaviour by rule setting, monitoring and sanctioning activities. This includes the capacity to establish rules, inspect individuals’ conformity to them and, if necessary, manipulate sanctions like rewards and punishment to influence future behaviour. The primary mechanism of control is implemented by force, fear and expedience, either in the light of informal customs or by formal rules and laws. It is assumed that individuals have a natural interest in acting rationally and that they are motivated to make their choices according to practical cost-benefit logic when calculating the effect of rewards and penalties; it is in the actor’s self-interest to conform.

So, for example, scholars supporting the regulative pillar give prominence to rule setting, monitoring and sanctions. Economists, it may be argued, are likely to view institutions as being situated primarily in the regulative pillar. This view is based on a conception of decision-makers as acting in instrumental and self-regarding ways, basing their actions on expedience. The primary mechanism of control is compulsion. Legitimacy is based exclusively on legality.

The role of agencies such as national and local planning institutions is dealt in the analysis. Yet briefly, agencies exist to produce and maintain rules that co-ordinate behaviour, contribute to the continuation of internalised constraints, and influence the set of thinking that can prevail with respect to a particular planning process. Agencies can influence the set of (planning) regulations that can prevail in a society mainly by linking distinct processes. For example, a necessary condition for penalising people for ignoring planning regulations and demolishing a building, is the existence of a planning institution that establishes and enforces planning regulations. Hence, organisations alter the rules of the game relevant to the decision makers in the original operation under consideration by, for example, introducing a new player (the agency itself), by changing the information available to players, or by changing payoffs associated with certain actions.

The cognitive pillar

The final pillar, Scott’s cognitive pillar, emphasises cultural systems and constitutive rules that are involved in the creation of categories and the construction of typifications that support collective action (Scott 1995). The cognitive approach stresses the legitimacy that comes from adopting a common frame of reference or definition of the situation, which is taken for granted (Scott 1995). The cognitive pillar emphasizes the cognitive issues that constitute the nature of reality and the frames through which meaning is made. Here action is seen as a function of individuals’ own mental representations of reality. Symbols, language, signs and gestures enhance the creation of meaning through interaction between individuals. To understand or explain individual action one must take into account not only the objective conditions but also the individuals’ own subjective
interpretation of the stream of ongoing situations. These subjective and symbolic social systems are
treated as objective and external from the individual actor in institutional theory. Individual action
is seen as a result of the creation of individual collective categories that are taken for granted. We
instantly recognise and feel comfortable, and are able to take meaningful action, in relation to
familiar collectives of actors such as those extant in schools, companies, restaurants and so.
Routines are followed because they are taken for granted, as the way we do these things. The most
obvious mechanism that identifies the cognitive dimension is isomorphic processes like imitation.
Uncertainty is handled by imitation of other actors, who are used as models for action. We seek to
behave in conventional ways that keep us from standing out, or being treated as different. We
attempt to imitate those who are regarded as superior or more successful.

However, the distinction between the three dimensions of institutionalist thinking (Scott 1995) is
not so clear cut as this description may indicate. First of all Scott acknowledges all three pillars as
properly belonging to a general theory of institutions but, according to his view, one is better
advised to take one’s departure in one of these approaches rather than trying to combine all of
them. Secondly, just to give an example of Scott’s argument, the normative theorist has his or her
focus on roles understood as normative expectations guiding behaviour, while the cognitive
oriented theorist has his or her focus on social identities – but this does not in all circumstances
constitute a dividing line. March and Olsen (1995) for example stress roles as well as identities.
Furthermore, the cognitive approach, stressing the importance of scripts as guidelines for sense-
making and meaningful action, does not contradict the normative approach, according to which
appropriateness constitutes action. To the extent that ‘constitute’ means more than just constraining
action and includes defining, enabling and empowering action, norms and values play an important
role in sense making and in the choice of meaningful actions.

**Inductive and deductive perspectives**

The distinct definitions of institutions and approaches for their analysis have been treated in the
literature as exclusive, thus reducing the ability to advance institutional analysis and to benefit from
integrating various approaches. Each approach is appropriate for addressing particular issues, but
sometimes fails to provide a comprehensive understanding of the regularities of behaviour and their
dynamics that are driven by the social environment. At the same time, works on historical
institutions has revealed that various definitions can share all sides of the framework. Furthermore,
various approaches complement each other. Thus, furthering institutional analysis beyond the
limitations of each approach and exploring, for example, institutional statics and dynamics within
the same framework requires that commonality, distinctions and inter-relationships among the
various approaches to institutional analysis be revealed.
The need for and the potential benefit of integrating various lines of institutional analysis has been noted by many institutionalists, such as North (1990) and Coleman (1990). Nevertheless, despite recent issues in inter-disciplinary institutional analysis, little interaction exists among scholars following distinct definitions of, and perspectives on, economic institutions. This situation is reflected in the fact that important works on economic institutions either reject the existing definition of institutions or advance a particular definition at the expense of alternative ones (for example, North 1990, Eggertsson 1990, Furubotn and Richter 1997, Weingast 1996, Young 1998).

The above discussion thus reveals how the main approaches to institutional analysis in the social sciences differ by more than how they define their object of study. Yet they also differ in their basic methodological claims regarding institutions’ origins, dynamics, and implications. Some advance an inductive (historical/structural) perspective while others advance a deductive (agency perspective).

Inductive (historical/structural) perspective

Approaches that adopted the inductive (historical/structural) perspective emphasise that institutions are structures that do not reflect agents' needs and possibilities but shape these needs and determine these possibilities. Institutions structure human interactions and shape individuals and their social and cultural worlds. They therefore go beyond the situation that led to their emergence and constitute part of a society's historical heritage. Beliefs, norms and social structures that were created in the past, for example, are part of the structure within which individuals interact. This approach involves the study of institutions inductively, utilizing dynamic, historically contingent models in which past institutions can have a lasting influence. The point of departure for such institutional analysis is therefore at the macro-level of the historically determined structure within which individuals interact.

Deductive (agency) perspective

Approaches that adopted the deductive (agency) perspective consider the individual decision-maker at the centre of their analysis and study institutions deductively as outcomes reflecting the relationships between individuals' objectives, possibilities and the environment within which they interact. Institutions are considered as reflecting human actions and social process and are suggested not to live beyond the conditions that led to their emergence.

Professional planners, for example, want to create the rules that serve their planning objectives best. If these objectives or the planning process and rule formation change, so will the resulting rules. Similarly, conventional rules of behaviour appear spontaneously through the interactions of
individuals in a given environment and will change following an environmental change. The starting point for such institutional analysis is therefore at the micro-level of the individuals whose interactions in a particular environment give rise to an institution. These two perspectives the inductive (structural/historical) perspective and the deductive (agency) perspective separate the main approaches to institutional analysis in the subject matter selected for the study.

5. Linking the models and traditional institutions

The term and concept of ‘institutions’ has thus been discussed in the previous section. Yet how can it be related to 'traditional institutions'? In the light of this, it would be valuable to understand how lay people and scholars view ‘tradition’. Whilst lay people may see 'tradition' in a negative light, this section tries to challenge this view.

Scholars studying traditional knowledge for sustainable development come to an understanding that 'tradition' is something important, special and essential for many indigenous communities. To many in the development and planning field, 'traditional' denotes the incorporation of the simple, the savage and the static, in a hangover of 19th-century attitudes to the term. Scholars who are interested in communities’ use of indigenous knowledge for sustainable development have made efforts to find a term that could replace ‘traditional’ for the last two decades. Brouwer (1999) stated that a negative view of tradition seems to continue to date. But, in the 1980s, the Traditional Ecological Knowledge Working Group of the International Union for the Conservation of Nature (IUCN) was born, and its members produced books with such titles as Traditional ecological knowledge: Wisdom for sustainable development (Williams & Baines eds.1993). These scholars were obviously not writing about the simple, savage and static.

In the dictionary sense, 'traditional' refers to cultural continuity transmitted in the form of social attitudes, beliefs, principles and conventions of behaviour and practice derived from historical experience. Hunn (1993: 14) explains that:

'New ideas and techniques may be incorporated into a given tradition, but only if they fit into the complex fabric of existing traditional practices and understandings. Thus traditions are enduring adaptations to specific places … Traditions are the products of generations of intelligent reflection tested in the rigorous laboratory of survival. That they have endured is proof to their power.'

Lewis (1993) points out in the same volume that ‘tradition’ may be dismissed or denigrated because the custodians of such knowledge are no longer considered 'traditional' by outsiders, particularly those in positions of power and authority. In this regard, it is particularly risky to refer to 'true tradition' or to level charges of 'reinventing of tradition' against a group of people. Therefore, it can be concluded that 'traditional' does not mean an inflexible adherence to the past; it simply means time-tested and wise.
An interesting finding here is the positive connotations of 'tradition' held by many groups of indigenous peoples, not only in the developing countries, but also including native-Americans and Canadians, Australian aborigines, and New Zealand Maori. For example, when the Inuit (Eskimo) participants in a 1995 conference were asked to describe traditional knowledge, there was consensus on the following meanings:

'Practical common sense; teachings and experience passed through generations; knowing the country; rooted in spiritual health; a way of life; an authority system of rules for resource use; respect; obligation to share; wisdom in using knowledge; using heart and head together.' (Mathias 1995: 17)

So what is the relation between this positive connotation of ‘tradition’, ‘traditional institutions’ and the land development process? The concern with ‘institutions’ suggests an understanding that built environmental changes and their processes and outcomes, is seen as the complex result of economic, social and cultural processes from which geography and history cannot be removed. Therefore in researching traditional communities with respect to the local indigenous understanding of tradition, it is necessary for scholars to deepen their understanding of traditional institutions. This means an investigation and analysis of institutions that are evolving by adaptive processes and practices that have been handed down through generations by cultural transmission. The result is a cumulative body of knowledge, practice and belief about the relationship of human beings with their environment (including the built environment) and with one another.

Considering Scott’s (1995) institutional analysis, the influence of laws, values and beliefs as cultural elements, on communities' tradition construction and on planning institutions may be explored through Scott's (1995) normative institutional dimensions. The normative pillar emphasises values and norms, which introduce prescriptive, evaluative and obligatory dimensions into social life. Values are conceptions that point out what is preferred and desirable while norms express and specify how things should be done; they define legitimate means to pursue valued ends (Scott 1995). Once internalised, policies based on these rules and norms - such as traditional planning systems and regulations - tend to persist because they are integrated within people's thinking and behaviour. Behaviour is guided by a sense of what is appropriate and by social obligations to others. Legitimation follows from the pressure to conform to accepted norms.

Scholars emphasising the normative pillar turn their attention to norms and values specialised and incorporated in roles and identities. As pointed out by Scott (1995:38), normative rules do not only impose constraints on people’s behaviour: they also empower and enable social action. In addition to this the logic or the reasoning that informs action is not one of instrumentalism, but rather one of appropriateness as suggested by March and Olsen (1995). The basis of legitimacy is morally governed.
Similarly, internalised constraints such as norms are the socially constructed behavioural standards that had been incorporated into one's superego hence influence one's behaviour by becoming a part of a person’s preferences. Together, behavioural beliefs, internalised beliefs and internalised constraints constrain one's behaviour. At the aggregate level, therefore, they determine which rules of behaviour will indeed be followed.

The previous section 4 has explained that, in social science generally, institutional analysis can adopt opposite perspectives - the deductive (agency) perspective and the inductive (structural/historical) perspective. Institutional analysis of change in the traditional built environmental can be considered from an inductive perspective. To study institutions inductively means utilising dynamic, historically contingent models in which past institutions can have a lasting influence. The point of departure for such institutional analysis is therefore at the macro-level of the historically determined structure within which individuals interact. Approaches that adopted the inductive (historical/structural) perspective emphasise that institutions are structures that do not reflect agents' needs and possibilities but shape these needs and determine these possibilities. Institutions structure human interactions and shape individuals and their social and cultural worlds. They therefore go beyond the situation that led to their emergence and constitute part of a society's historical heritage. Beliefs, norms, and social structures that were created in the past, for example, are part of the structure within which individuals interact.

6. Linking the models and current-formal institutions

"Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. ... In the jargon of the economist, institutions define and limit the set of choices of individuals." (North, 1990:3-4). Such constraints may be informal ones (e.g., social norms, conventions, moral codes), or formal ones that are consciously designed or articulated. Formal rules include political rules (constitutions, regulations), economic rules, and contracts. Economic rules define property rights, that is, the bundle of rights to use and dispose of an economic resource and to derive utility (income) from it. Contracts are (enforceable) agreements, embedded in property rights rules, regarding the use or exchange of goods. Considering communities in developing countries as the case study location, the institutional phenomenon demonstrates that informal rules are apt to be analysed and discussed as distinctive but interrelated entities from formal ones. Those informal rules that are constructed within traditional institutions can be analysed using the inductive approach or the normative pillars of institutions. On the other hand formal rules, those constructed within the contemporary Indonesian state system, can be examined with a deductive perspective or through regulative pillars of institutions.
For example, in operating regulative institutional elements, the viewpoint here is that the formal rules of land development or planning institutions cannot be constructed and/or changed by the actors of the game themselves while they are playing their roles, but need to have been determined prior to playing the game. If an analytical framework is concerned with the origin of institutions, a question then immediately arises: Who determines the land development rules? It is here that North (1995) draws a distinction between the rules of the game and the players of the game (organizations and their political entrepreneurs) who can act as agents of institutional change, that is, as rule-makers.

According to North (1995), the existing rules of the game shape the incentives of the players as to how to relate and what to innovate, ultimately generating effective demands for new rules in response to changing arrangement. The new rules will then be negotiated and determined in the ‘political market’ that is structured according to political rules. North claims "[i]t is the polity that defines and enforces the property rights."(North 1995: 23). Therefore, the rule above can be considered as representing a belief of the ruler as well as that of the actors. This is an example of regulatory institution in which there is a belief that a sanction constrains the actual action choice of agents. As suggested, institutions of this type may be analysed as using the concept of regulative pillars. Within the dichotomy of the inductive-deductive perspective these institutional analytical concepts are included in a deductive perspective. Taking into account the institutions involved in land development influenced by housing development, these formal or state-extensions institutions are the contemporary regulatory organisations that can be examined further.

Although in institutional theories enforcement of formal rules is made exogenous to the game by a ‘third party’, the performance of the game would depend upon the effectiveness of monitoring and sanctions. North (1990:101) asks: "What happens when a common set of rules is imposed on two different societies? … The results, however, are not similar …” Although the rules are the same, the enforcement mechanisms, the way enforcement occurs, the norms of behaviour, and the subjective models of the actors are not. Hence, both the real incentive structures and the perceived consequences of policies will differ as well. Thus, a common set of fundamental changes in relative prices or the common imposition of a set of rules will lead to widely divergent outcomes in societies with different institutional arrangements. He therefore invokes a more comprehensive notion of an ‘institutional framework,’ which includes ‘legal rules, organizational forms, enforcement, and norms of behaviour’ (North 1991: 33. See also 58, 101).

A more technical formulation of this ‘rules-of-the-game’ view is presented by Hurwicz (1993, 1996), who focuses on the issue of enforcement. In this approach, the rules of a game can be expressed by specifying who plays the game, what actions players can choose (‘a choice set’) and what physical outcome corresponds to each profile of the players’ choices (‘an outcome function’).
He calls such a triplet of specifications a ‘mechanism’ or a ‘game form.’ For example, consider the mechanism of land development in which a designer or architect is constrained by planning regulations, which is set by the government. In this case constraints on his or her ‘choice set’ can be represented by a specific enforceable law, i.e., spatial planning regulations, location permit and building permit approval.

Furthermore a major feature of an institution may be represented in some explicit, codified symbolic forms, such as statutory laws, agreements, social structures or organizations as systemic arrangements of differentiated roles, and so on. However, the point is that a certain representation is an institution only if the agents believe in it. From this perspective, statutory law and regulations per se are not institutions, if they are not necessarily practicable and realistic. For example, even if the government prohibits housing construction in a particular area by a statutory law, if people believe it effective to bribe planning officers to circumvent the law and make it a prevailing practice, then it seems appropriate to regard the practice rather than the ineffectual statutory law as an institution. On the other hand, certain practices, if not formalized, can be institutions as long as the agents believe in them as relevant representations of the internal state of the domain; they cease to be institutions when the agents’ beliefs in them are shaken. As an example, informal housing highlight that the land development system for most of institutions are composed of a particular system of beliefs, but not by explicit statutory laws, and that this belief system came to exist through the interactions of the players in formal, informal and traditional domains under changing housing development environments. On the other hand, the formal housing development areas (such as real estate) case studies shows the domination of formal planning institutions, as compared to informal ones.

7. Summary

Healey’s institutional model which tries to be applicable in any case study location provides an enlightening starting point to learn about contemporary institutional analysis as has been discussed. The economic base of Healey’s model is clearly shown by the features to be analysed further in land development processes, such as: production, consumption, products/output, value, marketing, etc. Land development scholars in developed countries have traditionally been engaged in analysing the workings and implications of the market mechanism. Undoubtedly, markets can be considered one of the most important institutions that human beings have ever produced. However, recently it has been increasingly recognized that ‘institutions matter’ not only within the economic discipline but also in order to understand the diverse phenomena of different societies, institutions are thus not limited to the economic sphere.
An account of specific development

Roles in consumption:
1. Material values: production, consumption, investment
2. Property rights
3. Guardian of environmental quality

Factors of production:
Land
Labour
Capital

Roles in production
1. Land: ownership rights; use/development rights
2. Labour: physical production; supplier organisation
3. Capital: money; raw materials/machinery

Events in the development process:
- Identification of development opportunities
- Land assembly
- Project development
- Site clearance
- Acquisition of finance
- Organisation of construction
- Organisation of infrastructure
- Marketing/managed the end product

Properties/outputs
- In the buildings
- Material values
- Bundles of property rights
- Symbolic/aesthetic values
- In the production process
- Profits
- Jobs
- Demand for related goods/services
- Impacts
- Wider economic, political, environmental, socio-cultural effects

Factors of production:
Land
Labour
Capital

Development process of new facilities
Identification of development opportunities
Land assembly
Project development
Site clearance
Acquisition of finance
Organisation of construction
Organisation of infrastructure
Marketing/managing the end product

Products/outputs
Properties
facilities’ operator
Property transfer
Consumption
Housing / property industry

Re-selling / operator movement

Figure 2. Modified Healey’s institutional model to analyse case studies

The last decade of the twentieth century has witnessed various institution-relevant events and phenomena that have had, and in many cases will continue to have, significant impacts on the way scholars build an analytical framework to study economic related performance and beyond. For example, housing and/or property development, as part of global economic phenomena, has highly influenced the indigenous institutional nature of settlement in developing countries. In this case, it would be remiss to apply institutional analysis within the economic sphere only. Not only is
quantitative economic data usually not available to detail the features of the institutional economic model, but also there are some aspects of traditional institutional systems that are not suited to analysis through economic systems. These may includes the characteristics, mechanisms, and structural differences in traditional institutional settings.

Healey’s institutional model does not define its scope (analytical level) or schema of social system. With an awareness of these weaknesses embedded in Healey’s model, this working paper tries to modify the model through a different analytical level, the case study level and the societal (or community) level.

So in the case-study analytical level, Healey’s model helps us to construct an analytical framework for the different possibilities of land development. However, in working out this framework abstractions are needed within the objects or case studies themselves. The framework thus attempts to apply features of the concept of the model—for example: production, consumption, and events in the development process.

This is the first level of Healey's model that contains 'an account of specific development'. In constructing the case-study analytical framework, the considerations include highlighting the common aspects of institutional features found in Healey’s model and contemporary institutional theory, the linking of concepts and information on the object of study, and dealing with the interrelationship among features and information. The framework thus exists as a simplification of the Healey’s model. The production and consumption processes are detailed in the sequences of input, process, and output. In the production process, the input is land, labour and capital, whilst in the consumption process the input is the housing industry. The product/output of these processes are the same as the inputs, for the operationalisation of a built environment change due to housing development. The modified institutional model (from Healey) for the case-study-level. In that way, the framework can be applied and exercised in the selected case studies.

The second level of Healey's model consists of institutional analysis, namely actors’ wider strategies and interests; and resources, rules, ideas. This is the societal level, where Healey’s institutional model fuses with Scott’s model, plus economic institutional concepts to construct an analytical framework for land development in case study research area. The institutional analytical framework at the societal level is based on insights from contemporary institutional theory, in seeking to point out normative-regulative dimensions and inductive-deductive perspectives of institutional analysis. More elaboration can be presented as the elaboration of this analytical framework. The third level of Healey’s model the wider socio-economic and political context may be explained further.
As mentioned earlier in this paper the concern with ‘institutions’ suggests an understanding of the land development process and property markets as social products, and therefore as embodiments of context- and historically-specific practices. Rather than manifestations of a universal and context free profit-maximising rationality, change in the built environment (their process and outcomes) is seen as the complex result of economic, social and cultural processes from which geography and history cannot be removed. There is much theoretical and empirical research based on variants of institutional approaches to property markets and the development process. These demonstrate how ‘institutions’ constitute and frame those markets and how they are paramount for the understanding of how the built environment is produced and used (see Ball 1986 1998, Savitch 1988, Healey and Barret 1990, Healey and Nabarro 1990, Healey 1991 1992, Fainstein 1994, Healey et al 1995). All are based on case studies in developed countries. Essentially then, in this context, this particular research project is a contribution to the empirical investigation of the role of ‘institutions’ by explaining the development process and the characteristics of the resulting built environment, based on the experience of a developing country, using a focus on housing development.

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