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INTRODUCTION

Meso-institutions: why we need them (introduction to the symposium on meso-institutions)

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Abstract

This symposium grew out of dissatisfaction with the existing theories of institutions. Notwithstanding significant progress in the analysis of the macro-institutions through which systemic rules and norms are established and the micro-institutions through which actors decide and implement transactions within the playing field thus defined, researchers working along one or the other dimension faced a critical and largely unanswered question: how to bridge the gap between these two institutional layers? The selected articles assembled in this issue came out of efforts to identify and understand within a unified theoretical framework the arrangements through which these layers interact. Building on contributions in economics and other social sciences as well as from in-depth empirical studies, these articles explore the relevance of the concept of 'meso-institutions' to designate and characterize the devices (e.g. regulatory agencies) and mechanisms (e.g. guidelines) that connect the macro- and micro-institutional layers.

Keywords: agri-food industry; environment; institutions; meso-institutions; methodologies; network infrastructures; polycentricity; public policies

Why meso-institutions?

An abundant literature developed following the now classic distinction by Davis and North (1971: 6) between the 'institutional environment', which designates the systemic rules and norms that frame the playing field for economic actors, and the 'institutional arrangements' through which these actors decide and organize their activities. Among new institutional economists (and beyond), this distinction led to the parallel development of (and, for some, the opposition between) the theory of macro-institutions (the 'Northian' approach) and the theory of micro-institutions (the 'Williamsonian' approach). However, several main contributors expressed early on their dissatisfaction with this polar scheme. They pointed out the need to 'unbundle' institutions and associated rules (Acemoglu and Johnson, 2005; Ostrom, 2005) and to better understand how different institutional layers interact (Greif, 2005; North, 1990).

This dissatisfaction with the analytical polarization around macro- and micro-institutions grew with the expansion of empirical analysis facing the challenging issue of understanding how systemic rules and norms shape choices by economic actors and entities (e.g. contract laws and the trade-off among alternative organizational solutions) or impact public policies (e.g. property rights and the implementation of environmental policies) and, reciprocally, how micro-actors and/or micro-entities might induce changes or even distortions in systemic rules and norms. For instance, if laws are adopted to facilitate private participation in the development of network infrastructures, how can these laws be

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actually implemented in different contexts and for different types of infrastructures (see Künneke et al., 2021)? Or, if laws are adopted that intend to improve transparency in the allocation of contracts by public authorities, what institutional conditions can allow these laws to produce the expected impact (see de Mariz et al., 2014)?

Several researchers from different countries participating in a variety of projects on institutions framing economic activities – and some of them involved in policymaking – became aware that they struggled with the same problem: what transmission devices and mechanisms interconnect micro-actors with the macro-institutional setting in which they are nested?[1] This question naturally led to complementary issues. What theoretical framework could capture the characteristics shared by the variety of these 'go-between' devices and mechanisms and their articulation in the existing theories of macro- and micro-institutions? And what is the value-added of introducing such an intermediate layer for the understanding of how economic systems work? For instance, how do environmental policies actually impact micro-institutions? Or how does regulation affect organizational choices? The concept of meso-institutions and the idea of this symposium grew out of these questions discussed in different working groups.

Background

Building on insights from a variety of contributions in economics and other social sciences as well as from extensive empirical studies, 'meso-institutions' designate in this symposium the set of devices (e.g. regulatory authorities, public bureaus) and mechanisms (e.g. protocols, guidelines) through which systemic rules and norms established at the macro-level are interpreted and/or adapted, monitored, and enforced, thus structuring the playing field within which actors organize their activities.

This concept of meso-institutions and the variety of institutional arrangements they embrace do not come out of the blue. To my knowledge, Misa (1994) introduced the term. However, the pioneering contribution of Coase (1960) already pointed out the embeddedness of transactions in legal regimes and the resulting necessity 'to take into account the costs involved in operating the various social arrangements', while Merton (1968) emphasized the need to develop 'middle-range theories ... to guide empirical inquiry' in sociology. In economics, the influential books by Davis and North (1971) and Williamson (1975) marked turning points with the introduction by the former of two distinct institutional layers and by the latter of different organizational arrangements. Almost simultaneously, the growing debates and the blooming literature on the role of regulation and regulatory agencies also pointed out that institutions could not be left out of our analysis of how economies work. Important progress followed in different disciplines, particularly economics, political sciences, legal studies, and management (e.g. Abbott et al., 2017; Hodgson, 2015; Künneke et al., 2021; Macneil, 1978; Menard, 2014; Misa, 1994; Stewart,1988).

These early contributions (and many others) noted the persistent gap between the level at which systemic rules and norms are produced and the level at which actors and entities actually carry out activities that generate value. However, they mostly focused on identifying and describing specific sets of institutions (e.g. regulatory regimes), with limited efforts to identify and analyse what devices and mechanisms connected rules and actors. There were exceptions. For instance, some particularly relevant contributions paid special attention to institutions *vertically* connecting economic actors to the systemic rules and norms that delineate 'required, prohibited, or permitted actions' by actors (Künneke et al., 2021: 52; Ostrom, 2014; also, Hodgson, 2006). The abundant literature on regulation and regulatory agencies illustrates well (see Laffont and Tirole, 1993). Alternatively, some authors have explored the variety of institutions that simultaneously interfere in framing the activities of agents, with resulting problems of *horizontal* coordination among institutions belonging to the same layer (see Ostrom, 2005).

Notwithstanding these pathbreaking insights, most initial analyses relied on a fragmented view, missing the embeddedness of the specific institutions they reviewed within a more general theory of

[1]And not vice versa, which is key to the distinction between macro- and micro-layers, as pointed out by one referee.

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institutions. They also paid little attention, if any, to how systemic rules and norms were actually transmitted and/or adapted to specific sectors and contexts. In that respect, a significant breakthrough originated in the renewed institutional approach that developed in the 1990s-early 2000s. Besides the influential contribution of North (1990), in which he explicitly introduced the key role of intermediate institutions through the image of umpires bridging the gap between the actions of football players and the rules of the game, major incentives to better conceptualize institutions and their variety came from Williamson (2000), who differentiated the nature of institutional layers according to their time span, and Ostrom (2005, 2014), who analysed the characteristics of different types of rules that delineate distinct institutional layers. Numerous contributions followed, partially synthesized and formalized in Künneke et al. (2021). The articles in this symposium found their initial inspiration in these pioneering works, with references extending far beyond those mentioned above.

Contributions highlighted

These selected articles come out of several workshops and less formal interactions held over almost a decade. Participants in the networks associated with these activities and the resulting publications shared interdependent goals: to better define and characterize meso-institutions as embedded in a general theory of institutions and to test the relevance of this approach in understanding specific economic problems and in assessing the impact of public policies targeting these problems. More specifically, the contributions assembled in this symposium explore the nature of meso-institutions and their role in facing problems in network infrastructures (urban water provision), the agri-food sector (coordination in supply chains), and environmental policies (biodiversity and forest preservation).

Menard and Martino (2025) synthesize what participants learned through these interactions about the nature, characteristics, and role of meso-institutions and how this layer connects to the macro- and micro-institutional layers. They provide a theory of meso-institutions that goes beyond their definition and characterizes them through the specific functions they should fulfil in order to efficiently play their role. They also show that this effort to unbundle the general concept of an institution is compatible with and part of a unified theory of institutions largely (but not exclusively) inspired by new institutional economics and the theory of mechanism design. Pushing further the analysis and drawing lessons from the empirical studies developed in the symposium, they argue that the different methodologies adopted in these studies all obey a research strategy that connects a substantive theory of institutions to auxiliary theories, allowing to define hypothetical constructs that frame rigorous empirical investigations. They submit that this four-step strategy is transversal to the variety of methodologies mobilized in the articles in this symposium and provides valuable lessons for other empirical studies.

Through subtle analyses of environmental policies and the difficulties their implementation faces, Splinter and Dries (2025) and de Oliveira and Schnaider (2025) provide rich examples. Analysing the implementation of laws from the European Union designed to protect endangered species through the case of bird conservation in the Netherlands, Splinter and Dries show how shifting from a centralized monitoring through the standard meso-institution of bureaucratic regulation to a more innovative collective approach based on voluntary contracts facilitated the adoption of these general policies and their adaptation to local conditions. Their demonstration combines standard semi-structured interviews with an innovative methodology using spatial analysis to identify areas of commitment before and after changes in the meso-institutional setting, monitoring the implementation of the law. Results show progress made. In doing so, this analysis suggests a way to assess the efficiency of numerous environmental policies in alternative meso-institutional settings.

de Oliveira and Schnaider (2025) also deal with an environmental issue, the protection of eco-diversity through the adoption of a 'Forest Code' in the institutional context of Brazil. They question why, over 10 years after the adoption of its deeply modified version, the implementation of the Code differs significantly across Brazilian states, with only half of them complying. Their analysis focuses on the impact of federalism, pointing out complexities coming out of a multilayered institutional setting. Through an 'analytical narrative' constructed from semi-directive interviews and publicly available

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documents and data, they show how gaps in the actual fulfilment of the translation, monitoring, and enforcement functions by two key meso-institutions operating at the state level are central to understanding these regional differences.

Using the same conceptual apparatus, but on a different topic and with a different methodology, results in Jensen and Menard (2024) concur with those from the two articles summarized above: meso-institutions matter and have a strong impact on outcomes. Their contribution focuses on a comparison of the meso-institutional settings in water provision in seven major Asian cities. These cities were selected from a larger sample, according to criteria they discuss in the article, in order to take into consideration macro-institutional environments that differ in quality and micro-institutional arrangements that differ in their allocation of rights. The analysis relies on contextual information collected about the institutions framing water provision, complemented by a (pre-tested) questionnaire submitted to several managers of relevant utilities and to public servants from the responsible authorities. On-site visits also helped enrich the analysis. Results from this qualitative investigation show striking consequences on the outcomes of the presence, flaws, or even absence of meso-institutions and of their capacity to fulfill their functions adequately.

Martino and Polenzani (2025) consider 'Interbranch Organizations' (IBOs) as playing the role of private meso-institutions operating through a complex set of contracts deeply embedded in a macro-institutional set of rules. More specifically, they carefully examine the modalities of operation of the 'Interbranch Organizations' implemented in the Italian tomato sector, a major one in the agri-food industry in Italy (and beyond). They conjecture that these IBOs lower transaction costs by facilitating the coordination of the multiple agents operating along the supply chain through the translation, monitoring, and enforcement of rules embedded in general European laws and their Italian version according to the 'subsidiarity principle'. The methodology supporting their demonstration is rarely used in economics and relies on the process tracing approach, which codifies the vocabulary of interviews according to conjectures rooted in a theory. Cases and interviewees selected for their empirical study followed well-established criteria. Results support their conjecture: the introduction of IBOs reduced transaction costs through improved coordination. Their analysis enriches the theory of meso-institutions by identifying specific tasks required to fulfil meso-institutional functions.

All empirical studies reported above mainly focus on the role of meso-institutions in filling the gap between systemic rules and norms designed at the macro-institutional level and the operationalization of these rules at the micro-level by agents and entities actually organizing their activities through appropriate transactions. However, these studies also show that almost all cases involve multiple meso-institutions. The resulting polycentricity raises problems of coordination and implementation of rules through complementary but also often overlapping or even competing institutions. The multidimensional socio-ecological policies illustrate well the resulting challenges for institutional design. Pascucci (2025) considers a possible solution in complementing the 'meso-institutional' framework with the 'socio-ecological systems' framework developed by Ostrom (2009). He argues that subsidiarity provides the appropriate answer to face governance issues raised by the multiplicity of stakeholders. Subsidiarity refers to the delegation of actions to those organizations and communities operating as close as possible to the problem(s) to be solved. The author substantiates his argument through references to several empirical studies, including some to which he was associated, on policies promoting environment-friendly agriculture.

What lessons to recall?

Notwithstanding the diversity of their topics as well as the methodology they use, all these contributions share the view that theories of institutions need to push further the analysis of the nature and role of those intermediate 'meso-institutions' that bridge the gap between the systemic rules and norms defined and established at the macro-level and the way micro-institutional actors and entities operate within the domain thus delineated. Besides building their analysis on the same concept of 'meso-institutions,' these articles substantiate their characterization by identifying more precisely the

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functions they fulfil and how they do so in different institutional environments and different subfields of economics. They also illustrate how different topics related to meso-institutions require relying on different methods. All in all, the contributions to this symposium throw light on different facets of meso-institutions and how they operate, thus carrying important lessons for future research.

First, they show the crucial role played by the auxiliary theory of meso-institutions in understanding how systemic rules and norms interact through specific functions defining the role these meso-institutions play at the micro-level of actors and entities operating within the field thus delineated. In that respect, they establish that whatever the context, understanding these interactions requires taking meso-institutions on board.

Second, they illustrate, each in their own way, how this auxiliary theory of meso-institutions is deeply embedded in a substantive theory of institutions that provides an integrative framework, giving coherence to the specificity and interactions of the different institutional layers, while their combination determines different institutional settings. In that respect, they substantiate the analytical benefits of looking at meso-institutions as transmission devices and mechanisms linking the macro- and the micro-level. This is to say that understanding how institutional layers are embedded in and part of a general theory of institutions matters.

Third, the articles of the symposium on topics as varied as environmental policies, provision of drinkable water in large cities, or supply chains in the agri-food industry all concur in showing how flaws in the design of meso-institutions, or, even worse, their absence, help understanding why some institutional settings underperform while others provide support to the well-being of constituencies. The facts thus established carry lessons with respect to public policies. Indeed, these studies point out the need for well-designed meso-institutions and, more specifically, designs that make adequate room for the conditions under which they can perform the three key functions they are expected to fulfil. Meso-institutions matter for the success or failure of public policies.

Other lessons can be drawn from the analyses provided in this symposium, for example, about the impact of overlapping responsibilities among different meso-institutions in polycentric configurations or about the specific tasks assigned to specific meso-institutions that need to be performed in order to reach the expected outcomes, all of which require consideration when elaborating and implementing public policies.

In sum, the explorations encapsulated in the articles of this symposium strongly support the central role played by meso-institutions, thus enlightening the need to push further the analysis of these meso-institutions to better substantiate the 'progressive research programme' (Lakatos, 1976) of institutional analysis.

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