

THE LOGIC OF COLLECTIVE ACTION

Mancur Olson Jr.



Economists, political scientists, and other social scientists have long been concerned not only with the development of political parties, but also with interest groups. Defining interest groups, as well as speculating on why individuals join them, are issues that have attracted considerable scholarly attention. Economist Mancur Olson Jr. argues that at least when economic or pocketbook issues are involved, it is incorrect to assume that large groups of individuals with common interests will act together to pursue a common goal. Thus, for example, although large numbers of people may see the need for a system of better health care, Olson posits that it would not be rational for all of them to work for change in the system because if change is obtained through the efforts of others, all who favored change will profit, regardless of whether they worked for it.

It is often taken for granted, at least where economic objectives are involved, that groups of individuals with common interests usually attempt to further those common interests. Groups of individuals with common interests are expected to act on behalf of their personal interests. This opinion . . . has, in addition, occupied a prominent place in political science, at least in the United States, where the study of pressure groups has been dominated by a celebrated "group theory" based on the idea that groups will act when necessary to further their common or group goals. . . .

... The view that groups act to serve their interests, presumably, is based upon the assumption that the individuals in groups act out of self-interest. If the individuals in a group altruistically disregarded their personal welfare, it would not be very likely that col-

lectively they would seek some selfish common or group objective. Such altruism, is, however, considered exceptional, and self-interested behavior is usually thought to be the rule, at least when economic issues are at stake; no one is surprised when individual businessmen seek higher profits, when individual workers seek higher wages, or when individual consumers seek lower prices. The idea that groups tend to act in support of their group interests is supposed to follow logically from this widely accepted premise of rational, self-interested behavior. In other words, if the members of some group have a common interest or objective, and if they would all be better off if that objective were achieved, it has been thought to follow logically that the individuals in that group would, if they were rational and self-interested, act to achieve that objective.

But it is not in fact true that the idea that groups will act in their self-interest follows logically from the premise of rational and self-interested behavior. It does not follow, because all of the individuals in a group would gain if they achieved their group objective, that they would act to achieve that objective, even if they were all rational and self-interested. Indeed, unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, *rational, self-interested individuals will not act to achieve their common or group interests*. In other words, even if all of the individuals in a large group are rational and self-interested, and would gain if, as a group, they acted to achieve their common interest or objective, they will still not voluntarily act to achieve that common or group interest. The notion that groups of individuals will act to achieve their common or group interests, far from being a logical implication of the assumption that the individuals in a group will rationally further their individual interests, is in fact inconsistent with that assumption.

... If the members of a large group rationally seek to maximize their personal welfare, they will *not* act to advance their common or group objectives unless there is coercion to force them to do so, or unless some separate incentive, distinct from the achievement of the common or group interest, is offered to the members of the group individually on the condition that they help bear the costs or burdens invoked in the achievement of the group objectives. Nor will such large groups form organizations to further their common goals in the absence of the coercion or the separate incentives just mentioned. These points hold true even when there is unanimous agreement in a group about the common good and the methods of achieving it.

The widespread view, common throughout the social sciences, that groups tend to further their interests, is accordingly unjustified, at least when it is based, as it usually is, on the (sometimes implicit) assumption that groups act in their self-interest because individuals do. There is paradoxically the logical possibility that groups composed of either altruistic individuals or irrational individuals may sometimes act in their common or group interests. . . . Thus the customary view that groups of individuals with common interests tend to further those common interests appears to have little if any merit.

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Toward Critical Thinking

1. Olson is famous for his enunciation of what is called the "free rider problem." What is a free rider? Can you think of examples in which free riders have profited from the work of organized interests?
2. Why does Olson draw a distinction between large and small groups? Which type of group is likely to be more effective in the legislative arena, or does size really not matter?