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TITLE: LOGIC OF VOLUNTARY COLLECTIVE ACTION

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PAGES: 0-0

ORIGINAL PDF URL: <https://dergipark.org.tr/tr/download/article-file/55423>



## Logic of Voluntary Collective Action

Hayrettin ÖZLER\*

**Abstract:** This article examines the rationale of voluntary collective action through institutionalist and rational choice perspectives. While it looks into this phenomenon from a standpoint of individual rationalism, it does not overlook social institutions and other exogenous factors. The relevant literature has been reviewed to seek answers to how and why these exogenous factors enter into individual calculations and thus, how the problems of collective actions are resolved.

**Keywords:** Problems of collective action, the role of individual rationality, incentives and institutions.

## Gönüllü Kolektif Hareketin Mantığı

**Özet:** Bu makale gönüllü kolektif davranışın (eylem) nedenlerini kurumsal ve rasyonel tercih yaklaşımları açısından sorgulamaktadır. Hareket noktası bireysel rasyonalizm olmakla beraber sosyal kurumlar ve diğer çevresel faktörler analiz dışında bırakılmamıştır. İlgili literatür taranarak bu dışsal faktörlerin bireyin yöntem ve sonuçlarla ilgili bilişsel hesaplamalarına nasıl katıldığı ve kolektif hareket problemlerin nasıl çözüldüğü ile ilgili sorulara da yanıtlar aranmaktadır.

**Anahtar kelimeler:** Kolektif hareket problemleri, bireysel akılcılık, müşevvikler ve kurumlar.

## INTRODUCTION

A previous paper (Özler, 2004) almost exclusively examined macro-level (the state or structural) explanations and theories regarding their relevance to collective action. In this paper consideration will be given to the individual (agent) level of theories and explanations for collective action. Despite of the implications of the title, the macro-micro linkages are given sufficient consideration.

## DEFINITION OF ACTION AND RATIONAL CHOICE

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In everyday life, we try to make sense of the behaviour of people by looking at their behaviour as involving a choice of the best means available for achieving a given-end assuming that human behaviour is goal-oriented. By using this simple technique we expect to explain, predict, and describe human behaviour including our own. The individual has to give up other alternative ends and means to make a choice. Thus, the act of choosing a particular end among others at least involves an *opportunity cost* (Harsanyi, 1986: 84-86) even if the *transaction cost* (the cost of pursuing that end) is minimum or equal for options. Elster stresses the subjective nature of the choice situation, which involves uncertainty, incomplete knowledge, and belief. Objectively available options cannot enter into the explanation of individual behaviour, unless s/he has rational grounds for believing that they are available and that they lead to certain outcomes. According to Elster, rational choice should meet at least three subjective criteria. First the actor, under given circumstances, should be aware of feasible choices available; second he or she must be aware of the causal structure of the situation, which determines what courses of action lead to what outcomes; and finally s/he must choose the highest-ranked choice in the available set (Elster, 1986: 4).

If an action does not meet these three criteria, are we going to describe it as behaviour or irrational action? Campbell argues that action is to be distinguished from behaviour by the fact that it is voluntary; it implies effort and the expenditure of energy; it is a conduct which the individual accepts responsibility for; and it is a result of will-power. On the other hand, behaviour can be reactive and uncontrolled. When people fail to maintain their power of “voluntaristic agency” in the face of social gratifications, constraints, moral dilemmas, and impulses their actions may degenerate into pure behaviour (Campbell, 1999: 50-57). Basically Campbell’s definition of action is almost equivalent to rational choice theory of behaviour. While rational choice theory does not distinguish motives from reasons, Campbell, (1996) (following the attempts of thinkers like Schutz, Bentham, Hadfield, and Weber) points out the distinction between the two. First motives can be unreasonable. Second there are two forms of motive: “in-order-to” motives and “because” motives. The former is equivalent to the goal or end of action while the latter is corresponding to the primary or energising sense of motive.

To clarify, the rational choice theory does not distinguish action from behaviour. Instead, the rational choice approach tries to explain social behaviour by focusing on minimum identifiable “units of act”, which was defined by Parson as consisting of an end, a situation involving means and conditions within, and a standard or a way in terms of which actor relates ends to the situation (Parson, 1937: 77). Rational choice involves parametric and strategic decisions (Elster, 1986). The former requires the actor to

estimate external constraints and opportunities that are given or parametric. The latter decisions are the topic of game theory: a set of possible choices and a set of actors whose decisions are interdependent. That is that the reward of each depends on the rewards of all; the reward of each depends on the choice of all; and the choice of each depends on the choice of all (Elster, 1986: 7). Rather than providing an in-depth analysis of rational choice theory of action and its critics the following sections will examine its implications for collective action.

## **DILEMMAS OF COLLECTIVE ACTION**

Collective action is defined in Oxford Dictionary of Sociology as actions taken by a group in pursuit of members' perceived shared interests. These actions include decision making and joint actions concerning rules, norms, resource allocation, monitoring, sanctioning, dispute resolutions, etc. Collective action does not necessarily mean an organization but an organization may improve the efficacy of collective action.

The question whether self-interested rational individuals can provide an average utility level of all individuals in society or in a group without external intervention is a problem central to collective action theory (Ostrom, 1990; Ward 1995: 78). People are rational actors who are motivated by diverse self-interests and have unequal resources. People seek power to gain more control over available resources and invent new resources to gain power. In these circumstances, conflict and war "of every man, against every man" (Hobbes, [1640] 1988: 185) appear inevitable. In these conditions, how is social order as a public good in a nation possible? People need "public good" in the face of Hobbes's dilemma, prisoner's dilemma and the free-rider dilemma. Contradictorily, Adam Smith (1759/1976) suggested that what holds society together is in fact the division of labour and endless pursuit of self-interest. The division of labour maintains the provision of goods and services that are needed by others. At the same time, division of labour creates identifiable functional groupings and classes on the warpath to aspire complete power over the resources, which are controlled by opposing classes. As a solution, people may abdicate their power to the state, as with Hobbes Leviathan. But the state may misuse its power against the individual and group - even if we ignore the fact that full compliance with centralised directives is also a collective action problem (Elster, 1989: 17).

Ostrom (1990: 23) provides numerous examples for the disastrous effects of nationalising formerly communal forests, which had been managed by villagers through self-regulation and collective action. Among the resultant effects of institutionalisation by an external agent were declining income of

villagers, official bribes, and high cost of monitoring rules, declining trust, and destruction of forests. Durkheim among many others, for instance, proposed that “corporate organisations” based on occupations and professions would defend their collective interests by subordinating individual interests to wider group goals. These secondary groups preserve political pluralism and individual liberty against the state and public disorder (Durkheim, 1933: 28; Durkheim 1951).

Rational choice suggests a social theory between market theory and institution theory. Although the rational choice approach admits that interests can be common, it suggests that the commonality of interests does not naturally and automatically create collective action because the rational individual tends to free ride by avoiding the cost of collective action and prefer exploiting the outcome of others’ action. Even though we accept that the activist members of a constituency come together out of a strong conviction, the rest will continue to ride free and on the long run the base will erode in time (Lichbach, 1995: 16). The question becomes, why rational groups emerge, self-sustain and engage in collective action? The following section will explore these problems and proposed solutions.

## **EMERGENCE OF COLLECTIVE ACTION ORGANISATIONS AND THE REASONS FOR COLLECTIVE PARTICIPATION**

Truman (1971: 57-61) suggested that people create and join organisations to protect their interests in response to sufferings, dislocations and disturbances in the social environment. The disturbances and changes in socio-economic environment will lead to disequilibria in the set of organised groups and consequently new organisations emerge to re-establish the balance. In like manner, the Deprived Person (DP) theorists maintain that deprivation produces discontent, and that discontent, in turn, produces collective dissent which is supposed to end deprivation (Lichback, 1995: 4).

However, these and similar arguments are negated by the defenders of Rational Choice. Olson, for instance, criticized pluralistic arguments of groups and voluntary associations for suffering from “anarchistic fallacy”, meaning that associations emerge naturally to deal with threatening circumstances. First, there is no direct correlation between the proliferation of associations and the social sufferings and disturbances. Second, subordinating individual interest to group interests is insufficient to explain voluntary associations. And thirdly pluralists tend to belittle the importance of formal organisation as no more than evidence of group action (Olson, 1965: 123-31). Despite of being identified with his rational choice approach, Olson argued that participation in utopian mass movements could be better

explained by social psychological theories like the Deprived Person theory (Olson, 1965: 161-2). James Coleman (1990: Chapter 18), however, examined frustration and deprived actor theories and showed their weaknesses in the prediction of revolutionary and rebellious activities. He concludes that deprivation does not bring about revolutionary action unless deprived masses acquire economic power and come to believe that the chance and value of success is greater than the risk and cost of rebellion. Likewise, new social movement literature, for example resource mobilisation theory, suggests that social grievances and conflicts are not primary elements of mobilisation. Political opportunity structures, socio-political conditions, material and ideological resources, identity formation, institutionalisation, political discourse and exchange are factors that contribute to rationalisation of social movements (see Maheu, 1995; Diani and Eyerman, 1992).

Olson was interested in what does or does not take place after people have defined their interests in a particular way (Lichbach, 1995: 333). According to Olson, the old group theories overemphasised the commonality of individual interests in the formation of collective action and neglected the issue that a rational individual will not participate if the act of joining does not bring benefits outweighing its cost, or if marginal individual contributions cannot perceptibly increase the power of the group to obtain collective goods. The availability of the common good to those who free ride at the cost of others inhibits participation in collective action. Olson's main argument is that:

Unless the number of individuals is quite small, or unless there is coercion or some other special device to make individuals act in their common interests, rational, self-interested individuals will not act to achieve their common or group interests. (1965: 2)

The size of a group is not a mere numerical phenomenon. It is mostly associated with the intensification of interest crucial for the mobilisation through the distribution of costs and benefits of the incident (Wilson, 1995: 334-36). Thus the value ascribed to collective goods can be attributed to the intensity of interests. Another collective action problem is that the value attached to presently available small reward to the individual is also greater than that of bigger reward available to the group in the future (Elster, 1989: 20-23). While the concentration of costs or benefits narrowly in a group or class stimulate collective action, collective action may not occur if the cost or benefit is widely distributed in spheres of both time and space. For example Marsh (1967) and Schwartz (1987) observed that government employees have the highest voter turnout of any occupational group because they have an obvious interest in who governs. Lichbach (1995: 37) suggests that 'we would expect more protest [and lobbying] from farmers about farm

prices than from consumers about the general price level'. Downs (1957: 246) argued that while concentrated and asymmetric benefits encourage rent seeking and collusion, dispersed and symmetric benefits discourage such activities. According to Tilly:

The broad factors within a population affecting its degree of mobilization are the extent of its shared interest in interactions with other populations, and the extent to which it forms a distinct category and a dense network. Outside the group, its power, its subjection to repression, and the current constellation of opportunities and threats most strongly affect its mobilization. (1978: 81)

Olson (1965) scattered and incorporated into his mainstream theory these important factors for group mobilisation. He mentioned the importance of social incentives: (1) leadership for the mobilisation of selective incentives, which is inherent in the group rather than created by leadership; (2) the emergence of favourable circumstances for the organisation of large groups such as government intervention (1965: 79); and (3) the evolution of groups through social networks and group interactions as incentives on their own because they provide contacts and exchange of information (1965: 146). Elster (1985: 354) argued that group size, the distance between group members, the turn-over rate in group membership, the degree of group homogeneity, and the technology of collective action are important variables that determine motivation for collective action. Although he agreed with Olson on the fact that the larger the group the greater the free rider benefit, he rightly pointed at a tendency that works in the opposite direction; the individual risk of punishment for collective action goes down when the size of the group increases.

Hirschman directs a “common sense” criticism against Olson’s analysis, “Its subjects, while efficient and often even ingenious and devious, are *without a history*” (Hirschman 1982: 79). Hirschman argued that members of a group who previously experienced action with disappointment and “sunk cost” would be more “ripe” for collective action than a group without such history (rebound effect) (1982: 80-81). Hirschman (1982) overall suggested that individuals shift their involvements between public (collective action) and private (individual interest seeking) life in a *cyclic* form. Individuals go into public life and engage in public action with altruistic motives or for pleasure, experience disillusionment because of disparity between expectations and actual experience, revert to the world of private interests, find it unsatisfying, and repeat the cycle again. New social movement theorists picked up on this public-private cycle to develop the concept of ‘collective action repertoire’ of groups as every activity contain a cost but also create a value (a social capital) to be used during the following stage of activity. Tarrow (1991), for instance, argued that people or groups innovate, extend, and vary their repertoire of actions as they oscillate between collective and individual

action or as they want to expand collective action to new actors, new goals, and new forms of participation.

Salisbury (1992) takes the entrepreneur as a starting point and regards interest groups as exchange relationships between entrepreneurs/organisers and customer/members. Organisers invest their resources in a set of benefits to be offered to the constituency at a price-membership because they have an entrepreneurial awareness that the cost and risk may be higher for them but so is the benefit in the case of success. Leaders' effort to find a particular niche (potential constituency) and increase their awareness of their collective identity and interests may be far more important than the benefits for making of the organisation (Berry, 1989: 56). Some (Marwell and Oliver, 1993; Heckathorn, 1996: 251) argued that unless a "critical mass" of strongly motivated individuals is willing to absorb start-up costs, collective action never begins.

Overall, Olson's theory and the rational choice approach increased the evaporation of historical biases by asserting that no group, including capitalists, is immune to the problems of collective action. All groups experience the prisoner's dilemma and the free rider problem irrespective of their interests, power, and solidarity. This does not mean that rational choice is the end of all arguments. Rational choice approaches also face substantial pressure from sociology and political science to redefine the term rationality, which appears to be simply *instrumental* (Boudon, 1998). Boudon (1998) suggests a range of rationality such as *cognitive rationality*, which means not the maximisation of cost/benefit balance but to check whether, "in the actor's best knowledge, an idea is acceptable". He also mentions Weber's *axiological rationality* and Tocqueville's *methodological individualism*. The Instrumental rationality assumes that rational action is always consequential. However, in axiological rationality, for instance, one's decision to vote or not can be a result of strong belief or disbelief in democracy. Tocqueville's methodological individualism suggests that individual decision should be analysed within the social context to which the individual belongs (Boudon 1998: 817-28).

Knoke's (1990: 108) model for individual decision making involves three processes identical with each one of above rationality criteria: (1) *Rational choice*, which is the same as instrumental rationalism, involves cost/benefit calculation; (2) *Affective bonding* that means one's emotional attachment to a group can be seen as a property of Tocqueville's methodological individualism; (3) *Normative conformity* is about standards of behaviour, norms and principles that people want to conform (axiological rationality). Verba et al. (1995) found three selective motivations similar to Boudon and Knoke's suggestions which explain voluntary participation: (1) selective

material benefits; (2) selective social gratification, such as the enjoyment of working with others; (3) selective civic gratification, such as satisfying a sense of duty.

## SOLUTIONS TO COLLECTIVE ACTION PROBLEMS

Tarrow (1988: 426) criticises Olson's formulation, as constituting a version of rational choice theory that was particularly "insensitive to politics" for failing to explain the reason why certain incentives work in some situations while they are deficient in other. This, Lichbach argues, requires the study of processes and institutions, which involves market, community, contract, and hierarchy. Lichbach (1995: 19-21) classified solutions to collective action problems in accordance with two dimensions: deliberation and ontology.

		Deliberation	
		Unplanned Order	Planned Order
Ontology	Spontaneous Order	Market	Contract
	Contingent Order	Community	Hierarchy

**Source:** Lichbach, M. I. (1995). *The Rebel's Dilemma* (Ann Arbor: The University of Michigan Press), p.21.

The market-community pair is a form of unplanned order unlike contract and hierarchy while the market-contract pair is a form of spontaneous order unlike community and hierarchy. Of these four possibilities, *market* approaches suggest changing parameters such as increasing benefits, lowering costs, increasing resources, improving productivity of tactics, restricting exit option while improving voice and loyalty incentives, reducing the supply and changing the type of public goods will facilitate collective action. *Community* approaches include communal institutions such as common belief and believe that identity will facilitate social relationships among members. *Contract* approaches assume that individuals can collectively plan and solve their collective action problems effectively through building trust, reciprocity, bargaining, and negotiation. Finally, *hierarchy* approaches suggest that hierarchical structures inherited from pre-existing organisations -or an external agent (the state)- act as an enforcement mechanism by locating, reorganising, monitoring, and enforcing agreements (Lichbach, 1995).

Taylor and Singleton (1993: 196) takes from neo-institutional economics the theme “transaction cost” referring to the cost of collective problem solving which involves time and energy consuming activities such as deliberation and bargaining. Transaction costs consist of three aspects or phrases: (1) *search costs* which stands for the cost of identifying the numerous possibilities for co-operation; (2) *bargaining costs* which stands for the efforts to establish agreement on one scheme of co-operation; and (3) *monitoring and enforcement costs* which are necessary to assure members that others are doing their parts and their co-operation is enforced. Taylor and Singleton (1993: 199) identified four basic group characteristics of the relationships within a group that help to reduce ‘transaction costs’ to solve collective action problems. A condensed and customized summary of these characteristics would be as follows:

- *Stability of relations.* The expectation of continuing interaction of members is a necessary condition in which the rationality of decision-making and co-operation is sustainable. This characteristic implies that a collective action organisation will in time develop its own organisational memory, standard operation guidelines, and invisible constitution like that of bureaucratic organisations.
- *Multiplex relations.* The relations between members are not confined to one specialised sphere. The relations and dealings are so multifaceted that the interdependency holds them together in the long term. This characteristic suggests that an organisation must develop multiple horizontal interrelations and interdependencies. The communication and dependency among members help group solidarity and discourage individual irresponsibility. Multiplex relations in turn develop the scope of organisational policy interests in political sphere and thus attract more members. Vertical or hierarchical links imply top down relationship in which individual members contact only with managers.
- *Direct relations.* Relations are unmediated by an external agent, in particular by the state. The group is able to deal with its problems by itself without outside intervention. Using a third party to mediate the relations between state and organisation and between members destroy the reason for organisational existence. Organisational autonomy and influence has to be more than that of members who otherwise would cease their support and membership.
- *Shared beliefs and preferences* are the essence of organisational culture, which gives a sense of group homogeneity and identity as well as it acts as a nonmaterial incentive for joining association. These characteristics do not necessarily mean cultural or ethnic homogeneity. For example, in markets even people whose philosophical outlooks are completely contradictory can nevertheless co-operate well.

It seems that solutions to solve collective action problems can also be classified as extrinsic and intrinsic incentives. The former involve benefits and incentives that innovative organisers can provide for a potential constituency while the latter exist in a given social structure. Therefore we prefer to elaborate them under the two headings below.

### ***An Evaluation of Benefits and Incentives***

The importance of incentives was increasingly brought into the arguments, as the rational choice theory became more dominant in relation to other more normative accounts of collective action and institution formations. Before Olson, Edward C. Banfield (1961: 333) suggested that “the effort an interested party makes to put its case before the decision-maker will be in proportion to the advantage to be gained from a favourable outcome multiplied by the probability of influencing the decision”. Banfield's research was analysing situations in which individuals or groups make a choice between passivity and involvement in the public policy decisions in a large American city (Hirschman, 1970: 39).

It was Olson; however, who built an economic theory of collective action that explained the reason why some large groups are organised while others remained latent. He argued that the lobbies of the large economic groups are “the by-products of organisations that have the capacity to mobilise a latent group with selective incentives” (Olson, 1965: 133). Despite counterclaims Olsonian rationality includes even altruistic behaviours and does not imply pure material self-interest. According to Olson (1982: 19-20), “altruism does not mean a tendency to make choices that are inconsistent with the maximal satisfaction of the values or preferences the individual has”. He claimed that in a sufficiently large group a rational altruist will not make any substantial voluntary contribution to the provision of collective good because the individual's contribution will make only an imperceptible difference to the amount of collective good the group obtains, whereas each contribution of the individual reduces “the amount of personal consumption and private-good charity, and the diminishing marginal rates of substitution entail that these sacrifices becomes progressively more onerous” (Olson, 1982: 20). His writings also suggested a difference between narrow collusive groups and broader collective groups as briefly mentioned before by Özler (2004). The latter need relatively more selective incentives than the former do. In small groups individuals are more willing to readily contribute to obtain collective goods because the bargaining process is shorter among the members who can easily anticipate the causal relation between their individual contribution and the attainment of collective goods (Olson, 1982).

The studies that followed Olson have enriched his arguments rather than refuted them, as his ideas largely maintained their consummation in the explanation of joint-action. However, there are important studies, which contribute to the collective action literature with rather residual explanations. The expanded definitions of rational action, value rationality and commitment (Abrahamsson, 1993), persuasion (Jordan and Maloney, 1996), social capital (Coleman, 1990), networks and institutions (Knight, 1992, Thompson et al., 1991, March and Olsen, 1989), and logic of appropriateness (March and Olsen, 1989) are some examples.

Although rational choice writers often emphasise that rationality does not imply purely self-interest and that interests can be material and non-material, some people enthusiastically stress that non-material incentives are also important for collective action and thus this is a weakness of rational choice theory (e.g. Hansen, 1985; Jordan and Maloney, 1996). This is a result of a lack of consensus on the concept of rational choice. Hansen (1985: 93) needed to stress that “incentives have different effects in different contexts. Two consistencies are especially important. First political benefits matter [such as expressive benefits as opposed to material benefits]. Second political benefits matter most when groups are threatened” (parenthesis added). Schlozman, Verba, and Brady (1995: 6) argued that “the failure of rational choice to predict the substantial amount of voluntary political participation can be salvaged by enlarging the theory to specify a much wider range of benefits that can enter the utility calculus of the potential activists”. For them, the main difficulty in analysing the reasons and motivations of a member to contribute to a collective cause is that even the participants cannot represent accurately what determined their original action. They found that material benefits play a surprisingly small role in the reasons given for political activity. In contrast, their respondents frequently invoked selective social gratification and attempts to influence policy.

Direct personal experience can increase individual commitment to organised action. For instance, the people who lost a relative or a friend in Vietnam can be more likely to become antiwar activists (Lichbach, 1995: 37). Furthermore, some scholars as well as experimental psychologists suggest that threat and the prospect of loss is more likely to motivate action (Tversky and Kahneman, 1980: 126; Hansen, 1985; and Wilson, 1995). Again, committed organisational participants are likely to feel that deviations from the organisational ideas and an organisational failure are the result of the fact that it is they who do not fulfil the conditions of their role and identity. The resultant feeling therefore must be one of personal responsibility for failure in the form of personal shortcoming or shame (Baum, 1983; Schwartz 1987: 333). Yet reactionary groups or expressive groups as Salisbury (1992) pointed out might be as transient as they are cheap to organise by

entrepreneurs. Thus expressive group organisers, or *zealots* in Tilly's (1978) terminology, may need to infuse other types of benefits into the group in order to give it stability. The benefits can be selective-solidarity and material benefits (Salisbury, 1992: 18). The mixture of incentives will change from group to group in accordance with organisational goals (Knoke, 1990). In fact Jordan and Maloney (1996: 671) argued that:

Although the National Trust has an exceptionally large membership (over 2 million), there is no doubt that a very large percentage of its members join for the selective benefits of free entry to the Trust's property. The fact that most of its members join solely for the selective incentive, and that political campaigning is a low priority for its members, raises a question mark over its status as a public interest group. The more 'public' the group, the less powerful the selective incentive.

Political organisations provide "expressive incentives" among selective incentives including solidarity incentives. Jordan and Maloney (1996) argue that a collective action organisation:

Gives expression to the interests or values of a person or group rather than instrumentally pursuing interests or values...Benefits are derived from expression itself...Expressive incentives assume that the act of contributing is a benefit in itself that is not 'free rideable'. (1996: 675)

Among selective incentives which alleviate the collective action problem, Hirschman points to "in-process benefits". The activist obtains pleasure and self-development by his own input in collective action, which can be seen as a good in itself rather than a mere means to a collective end (Hirschman, 1982: 86-91). Hirschman's and Jordan and Maloney's arguments were in support of rational choice theory rather than opposing it because they argue that the individual acts in a group simply for some sort of personal gain irrespective of any collective good. Hamel (1995: 236-255) also suggested that collective action provides interpersonal interaction and the affective sphere essential to the expression and development of individual freedoms and efficacy. However the cost of participation in associational activities can vary according to the sector. For example activities that are not business related can be relatively high for businessmen because the high value of scarce time is a disincentive to undertake associational activities, which are not related to firm-specific interests (Moore and Hamalai, 1993: 1899). For businessmen it may be easier to pay the membership fee but active participation is more costly.

Organisations take up different strategies (incentive reservoir) as they face different constraints in meeting their maintenance and enhancement needs (Knoke, 1990). Their historical origin and social and political structure in

which they are embedded, and the motives and values of their present and potential members possess great impact on their strategies (see also Wilson, 1995). The role of incentives in the decision of remaining in the organisation seems less important in highly political organisations than less political organisations. Highly political organisations seem to attract persons with greater “intrinsic loyalty” because 35 per cent of Knoke’s respondents claimed they would remain even if neither type of incentive were continued, while just 5 per cent of the less political members avowed such commitment (Knoke, 1990: 134). Lobbying appears to be more important for the highly political organisations than for the other organisations, albeit that Knoke’s respondents seem to value other services (34%) more than lobbying (21%).

There are several issues which can be raised about the weakness of these findings. First the responses cannot be judged independently of the contribution each member makes to the organisation. Those who contribute more are likely to expect more from the organisation. In fact, for the sample as a whole the average amount of money given in a year was \$82 (Knoke 1990: 135), which is negligible when we consider that usually high or medium income groups tend to join lobbying and recreational associations and that the average income per head in the USA is higher than \$20,000 annually. The mean monthly time given was 3.25 hours, again negligible when we compare it for example to the time individuals spend in watching the TV. When people invest a little amount of resources in a collective action they are less likely to calculate possible outcome to an extent that they may influence their choice of withdrawal. As Verba and his associates argued there are forms of participation of sufficiently low costs that means the threshold for “the logic of collective action” is not reached. Enjoying a “cheap riding” as a member of a collective organisation can be more attractive than the alternative of “free-riding”. By doing so, people at least may enjoy the prestige and socialisation offered through membership by bearing negligible amount of cost (Verba et al, 1995: 105).

### ***The Role of Social Institutions and Social Capital***

There are differences in the conceptualisation of social capital and social institutions in the literature but when they are put into operation the difference between these two concepts seems less than the differences within each concept defined by different authors. At this junction we should define or choose a definition of social institutions. Knight (1992: 2) defined institutions as “*a set of rules that structure social interactions in particular ways... for a set of rules to be an institution, knowledge of these rules must be shared by the members of the relevant community or society*” (original emphasis). This section perceives social capital and social institutions as terms that can be used interchangeably. These concepts have become

significant tools to critique 'old economics' which tends to associate rationality only with a dispassionate individual seeking material benefits (Williamson, 1975) even by joining with a group. Even social scientists take institutions like beliefs, norms, and ideologies into consideration as no more than 'intervening variables' (Dahl, 1989: 261). According to Dahl, political leaders and activists have their own elaborate system of political beliefs as well as their interests guiding their action. Materialistic rationality cannot be an all-time explanation for the behaviours of a rational individual, and market solutions (incentives, etc.) offer no overall logically complete perspective on the decision-making environment (Lichbach, 1995: 30). Therefore, the rationality of an individual's self-interested action is justified on the basis of appropriateness whether imposed by an authority or the rule of thumb (March and Olsen, 1989: 22). March and Olsen (1989: 17), without overtly denying the importance of politics and motives of individual actors, argued that interests and preferences develop within the context of institutional environment. The following quotes also emphasise the importance of institutions:

It is well known that social institutions play a major role in stimulating citizens to take part in politics by cultivating psychological engagement in politics and by serving as the locus of recruitment activity. (Verba et al, 1995: 17)

Success in overcoming dilemmas of collective action and the self-defeating opportunism that they spawn depends on the broader social context within which any particular game is played . . . Spontaneous cooperation is facilitated by social capital [i.e., trust, norms, and networks that can improve the efficiency of society by facilitating coordinated action]. (Putnam et al, 1993: 167)

The ability of rational choice theory of action to capture the strategic aspects of social interaction makes social scientists employ concepts like social institutions, social capital and social networks to designate either the resources present within a given social context or the relations that provides actors with differential access to those resources to engage in collective action, co-operation, and association (Putnam, 1994; Knight 1992; Coleman, 1990; Foley and Edwards, 1999). The studies on institutional economics (e.g. North, 1990) and social capital (as one of three forms of capital; economic, human, and social) in recent years indicate that social institutions such as norm-like obligations and expectations, and network of connections give individuals access to crucial resources to engage in exchange relations and collective action (Foley and Edwards, 1999). Foley and Edwards (1999: 146) rightly argue that "the key to understanding social relations that facilitate individual and collective action lies in a conception of social capital that recognises the dependence of its 'use value' and 'liquidity' on the

specific contexts in which it is found". The conversion or brokerage of these resources into social capital requires voluntary social organisation, therefore, social capital is an intervening variable need to be processed, brokered, and generated (Foley and Edwards, 1999). For example, James Coleman and Jack Knight incorporate the concept of social capital and social institutions into rational choice theory by arguing that individuals make continuous investments in social capital and institutions. According to Coleman (1990: 302), obligations, expectations, trustworthiness, information channels, norms, effective sanctions, and multiplex relationship, that provide individuals with social capital, are embedded in social structures rather than in individuals or physical implements of production. It is the differentiated access and concentration of the elements of social capital that characterise the given collectivity.

It is erroneous to think that each group in a society has its own identity independent of its relations with all the other groups. However, it is always the case that the identity of each group within the society is entirely relational as connection to something else is absolutely necessary for the constitution of any identity, and this connection must be of a contingent nature (Laclau 1996: 89-118). Thus, the identity is not an independent force behind action but a complex construction which is contingent on the relations of power, distribution of resources, and dominant norms within a social structure in which the game of hegemony is played.

Offe stressed that in order for a good to be perceived, as a public good there must be a collectivity, the members of which refer to themselves as "we" before their rational calculus enter into their choice of action. The "we" will not exist without a common identity, trust, reciprocity, and other normative institutions, which developed through the experiences of individuals (Offe, 1996: 167-8). Social institutions reflect the cumulative historical experience of a community and provide a cohesion that represents the commonality of social experience (Knight, 1992: 18). Voluntary collective action cannot be considered independently of the structure of social institutions including individual and group identity and norms. It is argued that norms play a regulative function by articulating the ends and constraining the means (Parson, 1937; Knoke, 1990: 39). The construction of collective identity and norms is an essential component of collective action' and requires time (Porta and Diani, 1999: 108-9). People who see things similarly are more likely to act together. A group identity involves shared mentality, routines, rules, behaviours, and ceremonies peculiar to the members interacting in given group. Effective norms can constitute a powerful form of social capital by facilitating certain actions while constraining others (Coleman, 1990: 311). Such social institutions, according to Coleman (1990), also facilitate voluntary transfer of authority and right of control to a charismatic leader.

This voluntary transfer of authority and availability of social capital alleviate free-rider problems and increase the possibility of mobilising collective resources in order to confront problems.

Knight (1992: 2-4) and Elster (1989) noted the fundamental difficulty of analysing institutions since they emanate from the fact that they are both a product of social interactions and that with a degree of independence they influence future actions of social actors. Institutions entail a character of duality as they generate and condition action and they are generated and conditioned by action (e.g. Knight, 1992; Coleman, 1990). Individuals' decisions are dependent on the context (institutions) and knowing other actors' strategy (choice in game situation) (Knight, 1992: 48). The role of social institutions, as rules, symbols, norms, tradition and identity is extremely important in the formation of collective organisations but they do not explain collective behaviour because:

The primary motivation for social institutions cannot be the achievement of collective goals... Rather institutional rules are created by and communicated through the claims and actions of rational actors. Rather than focusing on collective goals, self-interested actors want institutions that produce those social outcomes that are best for them as individual strategic actors. (Knight, 1992: 38)

Knight (1992: 210) continued that institutional change and development are functions of the distributional conflict over substantive social outcomes and the continuity of institutions can be explained by their ability to provide distributional advantages. According to North (1990)'s institutionalist theory based on "transaction cost of exchange", the essential part of the functioning of institutions is the costliness of information to measure the valuable attributes of what is being exchanged, the cost of enforcement which involves protecting rights, ascertaining violations and executing punishments.

Rational choice theorists acknowledge the rationality of institutions and that they can enter into to the calculus of expected utility but social institutions and norms cannot directly be equated to individual rationality and self-interest (e.g. Elster, 1989: 130-4). Institutions can reduce (or increase) the cost of collective action by helping to economise the cost of decision-making and overcome weakness of will especially if the actor is unable to choose between alternative institutions (Elster, 1989: 130). North (1990: 107) argues that, "information processing by the actors as a result of the costliness of transactions is what underlines the formation of institutions". North (1990: 16), however, also explains that institutions are not necessarily created to be

socially efficient but they, especially the formal rules, may be created to serve the interests of those with bargaining power.

The difficulty of determining the level of autonomy and power of institutions in relation to individual actors makes it hard to argue that a norm-guided action is either rational or irrational, or an action is guided by a norm rather than by self-interest. The norms can be a part of one's self as well as generally held ideas about right and wrong (Elster, 1989: 97). Elster suggests that norms coordinate expectations but they may or may not help people to achieve cooperation. Rules and norms can also be used as a material for "strategic manipulation or unconscious rationalisation and dissonance reduction" (1989: 125).

In general rational choice perspectives suggest that people consciously (possibly sub-consciously) choose the distributive norms and institutions that favours them (e.g. Elster, 1989: 235; Knight, 1992: 38). Thus, social institutions are not the primary motive of action despite their ability to solve *first order problems* (Elster, 1989) of collective action that is consciousness or awareness of a collectivity. According to Etzioni consciousness alone implies mainly an increase in symbolic activity. It may increase one's ability to realise its goals but it may also retard his activation by reducing his autonomy and innovation to act (1968: 229). For instance, working class consciousness will tend to rise if shared economic interests are given attention while religious and ethnic consciousness and affiliations are "played down" (Etzioni, 1968: 230). By the same token, trust can be the key for co-operative economic behaviour among businessmen and firms but not a necessary precondition for economically beneficial co-operative behaviour (Kenworthy, 1997: 648-9). Since the organisation of collective action is a long-term process, it requires long-term rationality and institution building (Coleman, 1986). The long-term rationality, Coleman states, "necessitates, purely in the actor's own interests, developing trustworthiness (or in economists' terms, a high credit rating), often at the cost of immediate gain" (Coleman, 1986: 26).

Knight endeavoured to explain the emergence and change of institutions by arguing that transactions between social actors generate political outcomes and unanticipated consequences culminating in the evolution of institutions and interests (Knight, 1992). Knight put a particular emphasis on distributional conflict/bargaining as a factor of emergence, change and development of both formal and social institutions.

Development and change are functions of the distributional conflict over substantive social outcomes; maintenance and stability are functions of the continuing ability of institutional rules to provide distributional advantages.

Such explanations, which apply to both informal and formal institutions, conceptualise social interactions as bargaining problems and invoke the asymmetries of power in a society as a primary source of explanation. (Knight, 1992: 210)

## CONCLUSION

In conclusion one can propose that identity formation based on religion, norms, ideology, and other sorts of social capital is an essential component of collectivity but not the cause of collective action. Like Knight's argument above, competition, conflict, and bargaining over the distribution of power, benefits, and burdens among interests should be more influential upon individuals' choice of collective action. Self-interested individuals thus can be motivated to join collective action organisations to increase their power base to accomplish a satisfactory balance in relation to other collective or individual actors. Social identities, cleavages, and other forms of informal institutions provide resources to organise. In fact, as Salisbury (1984: 68) argued, institutions provide greater latitude, more discretionary resources and more autonomous leadership authority. Institutions improve the chances of communication as a form of social capital among individuals (Coleman 1990: 310). Elinor Ostrom argues that substantial increases in the level of co-operation are achieved when individuals are allowed to communicate. It is because communication enables (1) transferring information from those who can figure out an optimal strategy to those who cannot fully understand what strategy would be optimal; (2) exchanging mutual commitment; (3) increasing trust and thus affecting expectations of others' behaviour; (4) adding additional values to the subjective payoff structure; (5) reinforcement of prior normative values; and (6) developing a group identity (Ostrom 1998: 6-7).

Institutional relations can also affect interest groups' decisions to form coalitions and alliances with each other to achieve bigger collectives and common interests (Hojnacki, 1997). Hojnacki found that the main reason for collective organisations to work alone is their concern about maintaining a distinct identity to retain their credibility in the eyes of state officials and members so that they can secure a core set of supportive clientele. However, when the benefits of coalition based on the assessment by given organisations are substantial, they join alliances (1997: 62-64)

Institutions can be designed in a way that the cost of individual and collective action would be decreased or the rewards for successful action might be increased for those who had initiated it (Hirschman, 1970: 42). Informal or social institutions reduce transaction costs, simplify the

problems of exchange, and affect the calculus used by rational actors to assess their potential strategies for collective action (March and Olsen, 1989). People form collective action organisations to exploit exhaustingly readily available social institutions to improve the transaction among them and to further their individual and collective benefits. It is often said that control over social institutions is a source of power. In this perspective, Abrahamsson (1993: 180) argued that an interest group or interest organisation is a collective that aspires to control certain resources that others have an interest in. Social Institutions, being socially shared by the group, enforce the conduct of certain behaviours that reduce causes of conflict and ambiguity; brings stability and security; and help to solve disputes. Instrumentality of social institutions for collective action can be substantiated with the evidence provided by Laitin (1985).

Laitin examined the conflict between Christian and Muslim Yorubans in Nigeria since the time of British colonisation and found that social cleavages provide 'hegemonic states' or 'political entrepreneurs' with numerous opportunities to organise and rule their constituency in pursuit of their rational choice. First, it is easier and cheaper to organise people on the basis of their ethnic and cultural identities than on the basis of their class identities. Second, social cleavages provide a common language and thus inexpensiveness of political communication, a social network, and several other opportunities to enhance their (both leaders and subjects) access to scarce resources for which other groups compete (Laitin, 1985: 300-1). It must also be noted that the social institutions based on ethnic, linguistic and religious identities may build affective barriers against the development of heterogeneous large collectivities and democratic governance as they can be exclusive, repressive and anti-social depending on other contextual variables they interact with. Therefore their 'use value' as social capital is questionable, since they prevent multiple linkages across communities and beyond them (see Foley and Edwards, 1999: 155-160).

To summarise, rational choice institutionalism inclined to accept that institutions have the capacity to produce collective rationality from rational individual actions subject to free riding and shirking (Peters, 1999: 45). People live in an institutionally defined environment where there are legal, political, social, and individual norms, rules, relations, etc. The complexity of this environment with alternative institutional structures is far from confining human capability of choice to zero. Indeed these institutions may both broaden and restrict the faculty of voluntary choice. These institutions are regarded as "relatively absolute absolutes" rather than absolutes (Buchanan, 1989: 32-46). Institutions, whether they are legal codes or established social relations, can shape behaviour but are far from predetermining it.

When it comes to individual level analysis of collective action, it seems that rational choice approach and new institutionalism overwhelm the academic arguments. Before the triumph of these two new approaches, pluralist or idealist approaches provided some, albeit incomplete, answers for collective action phenomenon. However, it must be admitted that rational institutionalist perspectives are also subject to serious criticisms even within the same school of thought. Nevertheless, we can conclude that the most dominating paradigms seem to be the varieties of institutional/structural approaches and the market-oriented approaches like rational choice theory while normative, ideological, or grand theories are utilised within or integrated into the former two paradigms. Markets and institutions are not too distinct features as they interact and thus may be reconciled to develop collective action theories effectively (Knight, 1992).

It seems that rational choice institutionalism - without shaking off methodological individualism and by accepting the instrumental value and functional role of institutions, relations, and structures - provides a comprehensive framework for studying collective action. Moreover the phenomena of collective action have become one of the central issues of political, economic, and social sciences mainly by the efforts mobilised by rational choice explanations. For instance the public choice approach links the issues of collective action to representation theory and constitutional theory while neo-institutionalist economists argue that the success of economic policies, development planning, and market economy depends on the institutional arrangements that are conducive to rational collective action.

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