Olson's The Logic Of Collective Action: Critical Analysis

In his seminal book The Logic of Collective Action, Olson establishes the ‘collective action problem’ and develops an original theory of group and organisational behaviour which traverses disciplinary lines. Olson elucidates his theory with empirical and historical studies of different organisations.

Olson challenges conventional wisdom by arguing that “rational, self-interested individuals will not [voluntarily] act to achieve their common or group interests” unless the number of individuals in the group is small or there is “coercion or some other special device” (Olson, 1965: 2).

The second chapter explores the relationship between group size and behaviour, illustrating the conclusion that “in many cases, small groups are more efficient and viable than large ones” (ibid: 3). He firstly outlines the ‘traditional theories’ on group behaviour where he finds an assumption that groups of individuals with common interests will act on their common interests in the same way individuals would act on their personal interests: thus allowing the belief “research on small groups can be made directly applicable to larger groups merely by multiplying these results by a scale factor” (ibid: 57). Olson finds this over-simplistic assumption was either “implicitly or explicitly accepted” by many researchers, regardless of methodological or ideological differences, from group theory in American studies on pressure groups to Marxian theories of class action (ibid: 1). Olson further examines the extent to which the individuals with a shared interest find it in their individual interest to bear the costs of the organisational effort. He finds most organisations produce “public goods” – these are goods or services available to every member, regardless of whether the individual member has undertaken any of the costs of providing them (ibid: 53)(Samuelson, 1955). Being characterised by “non-excludability”, provision of public goods creates a free-rider problem: the most rational course of action, for a self-interested individual, is to free-ride; to enjoy the benefits of the public goods without contributing to the costs (Olson, 1965: 14)(Udéhn, 1993). Overall, I believe this is an excellent, well-balanced study, but not without flaws.

Olson’s book is indeed a semantic study in the development of group behaviour research, being cited as “one of the most influential social science books of this century” (Udéhn, 1993: 239). Even Olson’s critics admit its significance, with Trumbull stating the work “launched a generation of research into the challenges of economic organization” (Trumbull, 2012: 3). However, the collective action problem has been debated in political philosophy for centuries, only being most clearly established in Olson’s book (ibid). This calls into question the originality of Olson’s propositions, for example, historian Gabriel Kolko had published an account criticising interest group pluralism before Olson (Kolko, 1963). Nevertheless, it was Olson’s “bold theoretical framing [which] became the rallying point for a generation of new theories of regulation” if not its originality (Trumbull, 2012: 3). A recent count found Olson’s study has amassed almost 46,000 google scholar cites – a huge number providing empirical evidence of the book’s historical influence and modern-day importance (Google Scholar, 2020). Its support by recent publications also substantiates this contemporary relevance (Sandler, 2015).

Conversely, collective action is increasingly empowered by digital platforms as the

coordination/communication barriers found in large groups of people virtually disappear when moved online. This facilitates the organisation and cooperation of larger numbers of individuals to publicly advance their shared interests, which indicates Olson's main arguments will weaken over time – thus undermining their contemporary relevance (ibid).

A recurring criticism in the reception of Olson's paper concerns his methodology and research design. Since its publication, group behaviour research has scarcely deviated from Olson's informal analysis – indicating its robustness and internal coherence (Udéhn, 1993). Conversely, the validity of his formal analysis has been "shown to be defective" with only the central propositions being popularly cited, rather than the framework supporting them (ibid: 239). Olson's argument about the ability to cooperate depending on group size has not been systematically analysed. This is because, from an operational perspective, it is difficult and expensive to conduct experiments with larger groups (Weimann, 2019). The lack of systematic testing, thus strong empirical evidence, exposes a weakness in his research design. Evidence of this paper's limitations is demonstrated by the fact Olson developed several major extensions himself, as well as other academics, even 50 years after active research (Congleton, 2015). This suggests the implications of Olson's Logic is yet to be solved.

There has also been more recent research contradicting Olson's hypothesises based on these methodological flaws. They criticise Olson's formal analysis stating, "collective action is not a simple function of group size" (Udéhn, 1993: 239). For example, in his analysis, Olson talks about group behaviour in an experimental situation where he increases group size with all "other things being equal" (Olson, 1965: 28). Weimann et al. (2019) point out the difficulty of practically testing Olson's analysis in such conditions where all confounding factors are held constant. This is because if group size is varied, change in other parameters characterizing the experimental situation is unavoidable.

Indeed, there is significant corroborating evidence that substantiates Olson's Logic as well as its external validity. Studies such as those by Stigler; Wilson; Giddens; Ostrom; North; and more were grounded on Olson's logic – some of which have more citations by other academics than the original book itself, a notable feat (Congleton, 2015). The success of these studies (evidenced by the high citation rate) emphasises this external validity. However, flaws in the free ride problem argument – upon which the logic of Olson's case (as well as its corroborating evidence) is based – are pointed out by Susanne Lohmann. She argues that information asymmetry better explains problems of collective action rather than the 'free rider' idea (Lohmann, 2003). Lohmann contends it is more politically viable to focus on separate narrow interests at the expense of general benefits since special interest groups are uncertain (due to information asymmetry among actors) when evaluating how political actors promote their interests (ibid). Finding flaws in one of the fundamental premises of Olson's Logic undermines its legitimacy as well as its external academic support.