THE ENDURING DEBATE
CLASSIC AND CONTEMPORARY READINGS IN AMERICAN POLITICS

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The omnipotence of the majority seems to me such a danger to the American republics that the dangerous expedient used to curb it is actually something good.

Here I would repeat something which I have put in other words when speaking of municipal freedom: no countries need associations more—to prevent either despotism of parties or the arbitrary rule of a prince—than those with a democratic social state. In aristocratic nations secondary bodies form natural associations which hold abuses of power in check. In countries where such associations do not exist, if private people did not artificially and temporarily create something like them, I see no other dike to hold back tyranny of whatever sort, and a great nation might with impunity be oppressed by some tiny faction or by a single man.

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In America the citizens who form the minority associate in the first place to show their numbers and to lessen the moral authority of the majority, and secondly, by stimulating competition, to discover the arguments most likely to make an impression on the majority, for they always hope to draw the majority over to their side and then to exercise power in its name.

Political associations in the United States are therefore peaceful in their objects and legal in the means used; and when they say that they only wish to prevail legally, in general they are telling the truth.

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The Americans... have provided a form of government within their associations, but it is, if I may put it so, a civil government. There is a place for individual independence there; as in society, all the members are advancing at the same time toward the same goal, but they are not obliged to follow exactly the same path. There has been no sacrifice of will or of reason, but rather will and reason are applied to bring success to a common enterprise.

Discussion Questions

1. Tocqueville argues that “freedom of association has become a necessary guarantee against the tyranny of the majority.” While freedom of association is clearly a central part of any free society, what changes in our political system would suggest a rethinking of this benign view?

2. Can you think of any instances where the influence of groups should be limited (for example, political extremists such as the various militia groups, or large political action committees in political campaigns)? Explain.

“The Logic of Collective Action” from The Rise and Decline of Nations

Mancur Olson

Americans organize at a tremendous rate to pursue common interests in the political arena. Yet not all groups are created equal, and some types of political organizations are much more common than others. In particular, it is far easier to organize groups around narrow economic interests than it is to organize around broad “public goods” interests. Why do some groups organize while others do not?

The nature of collective goods, according to the economist Mancur Olson, explains this phenomenon. When a collective good is provided to a group, no member of the group can be denied the benefits of the good. For example, if Congress passes a law that subsidizes a new telecommunications technology, any company that produces that technology will benefit from the subsidy. The catch is, any company will benefit even if they did not participate in the collective effort to win the subsidy. Olson argues that “the larger the number of individuals or firms that would benefit from a collective good, the smaller the share of the gains... that will accrue to the individual or firm.” Hence, the less likely any one member of the group will contribute to the collective effort to secure the collective benefit. For smaller groups, the collective good is larger and more meaningful, and the more likely any one member of the group will be willing to make an individual sacrifice to provide a benefit shared by the entire group.

The logic helps to explain the greater difficulty “public interest groups” have in organizing and staying organized to provide such collective goods as clean air, consumer product safety, and banking regulations aimed at promoting inner city investments by banks. These goods benefit very large numbers of people, but the benefit to any one person, Olson would argue, is not sufficient for them to sacrifice time or money for the effort to succeed. This is especially true if the individual believes that he or she will benefit from the collective good, even if they do not contribute. Olson identifies “selective incentives” as one way in which these larger groups are able to overcome the incentive to “free ride” and instead contribute to the collective effort.
The Logic

The argument of this book begins with a paradox in the behavior of groups. It has often been taken for granted that if everyone in a group of individuals or firms had some interest in common, then there would be a tendency for the group to seek to further this interest. Thus many students of politics in the United States for a long time supposed that citizens with a common political interest would organize and lobby to serve that interest. Each individual in the population would be in one or more groups and the vector of pressures of these competing groups explained the outcomes of the political process. Similarly, it was often supposed that if workers, farmers, or consumers faced monopolies harmful to their interests, they would eventually attain countervailing power through organizations such as labor unions or farm organizations that obtained market power and protective government action. On a larger scale, huge social classes are often expected to act in the interest of their members; the unalloyed form of this belief is, of course, the Marxian contention that in capitalist societies the bourgeoisie class runs the government to serve its own interests, and that once the exploitation of the proletariat goes far enough and “false consciousness” has disappeared, the working class will in its own interest revolt and establish a dictatorship of the proletariat. In general, if the individuals in some category or class had a sufficient degree of self-interest and if they all agreed on some common interest, then the group would to some extent also act in a self-interested or group-interested manner.

If we ponder the logic of the familiar assumption described in the preceding paragraph, we can see that it is fundamentally and indisputably faulty. Consider those consumers who agree that they pay higher prices for a product because of some objectionable monopoly or tariff, or those workers who agree that their skill deserves a higher wage. Let us now ask what would be the expedient course of action for an individual consumer who would like to see a boycott to combat a monopoly or a lobby to repeal the tariff, or for an individual worker who would like a strike threat or a minimum wage law that could bring higher wages. If the consumer or worker contributes a few days and a few dollars to organize a boycott or a union or to lobby for favorable legislation, he or she will have sacrificed time and money. What will this sacrifice obtain? The individual will at best succeed in advancing the cause to a small (often imperceptible) degree. In any case he will get only a minute share of the gain from his action. The very fact that the objective or interest is common to or shared by the group entails that the gain from any sacrifice an individual makes to serve this common purpose is shared with everyone in the group. The successful boycott or strike or lobbying action will bring the better price or wage for everyone in the relevant category, so the individual in any large group with a common interest will reap only a minute share of the gains from whatever sacrifices the individual makes to achieve this common interest. Since any gain goes to everyone in the group, those who contribute nothing to the effort will get just as much as those who made a contribution. It pays to “let George do it,” but George has little or no incentive to do anything in the group interest either, so (in the absence of factors that are completely left out of the conceptions mentioned in the first paragraph) there will be little, if any, group action. The paradox, then, is that (in the absence of special arrangements or circumstances to which we shall turn later) large groups, at least if they are composed of rational individuals, will not act in their group interest.

This paradox is elaborated and set out in a way that lets the reader check every step of the logic in a book I wrote entitled The Logic of Collective Action.

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Organizations that provide collective goods to their client groups through political or market action . . . are . . . not supported because of the collective goods they provide, but rather because they have been fortunate enough to find what I have called selective incentives. A selective incentive is one that applies selectively to the individuals depending on whether they do or do not contribute to the provision of the collective good.

A selective incentive can be either negative or positive; it can, for example, be a loss or punishment imposed only on those who do not help provide the collective good. Tax payments are, of course, obtained with the help of negative selective incentives, since those who are found not to have paid their taxes must then suffer both taxes and penalties. The best-known type of organized interest group in modern democratic societies, the labor union, is also usually supported, in part, through negative selective incentives. Most of the dues in strong unions are obtained through union shop, closed shop, or agency shop arrangements which make dues paying more or less compulsory and automatic. There are often also informal arrangements with the same effect; David McDonald, former president of the United Steel Workers of America, describes one of these arrangements used in the early history of that union. It was, he writes, a technique

which we called . . . visual education, which was a high-sounding label for a practice much more accurately described as dues picketing. It worked very simply. A group of dues-paying members, selected by the district director (usually more for their size than their tact) would stand at the plant gate with pick handles or baseball bats in hand and confront each worker as he arrived for his shift.

As McDonald’s “dues picketing” analogy suggests, picketing during strikes is another negative selective incentive that unions sometimes
need; although picketing in industries with established and stable unions is usually peaceful, this is because the union's capacity to close down an enterprise against which it has called a strike is clear to all; the early phase of unionization often involves a great deal of violence on the part of both unions and anti-union employers and scabs.

Positive selective incentives, although easily overlooked, are also commonplace, as diverse examples in The Logic demonstrate. American farm organizations offer prototypical examples. Many of the members of the stronger American farm organizations are members because their dues payments are automatically deducted from the "patronage dividends" of farm cooperatives or are included in the insurance premiums paid to mutual insurance companies associated with the farm organizations. Any number of organizations with urban clients also provide similar positive selective incentives in the form of insurance policies, publications, group air fares, and other private goods made available only to members. The grievance procedures of labor unions usually also offer selective incentives, since the grievances of active members often get most of the attention. The symbiosis between the political power of a lobbying organization and the business institutions associated with it often yields tax or other advantages for the business institution, and the publicity and other information flowing out of the political arm of a movement often generates patterns of preference or trust that make the business activities of the movement more remunerative. The surpluses obtained in such ways in turn provide positive selective incentives that recruit participants for the lobbying efforts.

Small groups, or occasionally large "federal" groups that are made up of many small groups of socially interactive members, have an additional source of both negative and positive selective incentives. Clearly most people value the companionship and respect of those with whom they interact. In modern societies solitary confinement is, apart from the rare death penalty, the harshest legal punishment. The censure or even ostracism of those who fail to bear a share of the burdens of collective action can sometimes be an important selective incentive. An extreme example of this occurs when British unionists refuse to speak to uncooperative colleagues, that is, "send them to Coventry." Similarly, those in a socially interactive group seeking a collective good can give special respect or honor to those who distinguish themselves by their sacrifices in the interest of the group and thereby offer them a positive selective incentive. Since most people apparently prefer relatively like-minded or agreeable and respectable company, and often prefer to associate with those whom they especially admire, they may find it costless to shun those who shirk the collective action and to favor those who over-subscribe.

Social selective incentives can be powerful and inexpensive, but they are available only in certain situations. As I have already indicated, they have little applicability to large groups, except in those cases in which the large groups can be federations of small groups that are capable of social interaction. It also is not possible to organize most large groups in need of a collective good into small, socially interactive subgroups, since most individuals do not have the time needed to maintain a huge number of friends and acquaintances.

The availability of social selective incentives is also limited by the social heterogeneity of some of the groups or categories that would benefit from a collective good. Everyday observation reveals that most socially interactive groups are fairly homogeneous and that many people resist extensive social interaction with those they deem to have lower status or greatly different tastes. Even Bohemian or other nonconformist groups often are made up of individuals who are similar to one another, however much they differ from the rest of society. Since some of the categories of individuals who would benefit from a collective good are socially heterogeneous, the social interaction needed for selective incentives sometimes cannot be arranged even when the number of individuals involved is small.

In short, the political entrepreneurs who attempt to organize collective action will accordingly be more likely to succeed if they strive to organize relatively homogeneous groups. The political managers whose task it is to maintain organized or collusive action similarly will be motivated to use indoctrination and selective recruitment to increase the homogeneity of their client groups. This is true in part because social selective incentives are more likely to be available to the more nearly homogeneous groups, and in part because homogeneity will help achieve consensus.

Information and calculation about a collective good is often itself a collective good. Consider a typical member of a large organization who is deciding how much time to devote to studying the policies or leadership of the organization. The more time the member devotes to this matter, the greater the likelihood that his or her voting and advocacy will favor effective policies and leadership for the organization. This typical member will, however, get only a small share of the gain from the more effective policies and leadership: in the aggregate, the other members will get almost all the gains, so that the individual member does not have an incentive to devote nearly as much time to fact-finding and thinking about the organization as would be in the group interest. Each
of the members of the group would be better off if they all could be coerced into spending more time finding out how to vote to make the organization best further their interests. This is dramatically evident in the case of the typical voter in a national election in a large country. The gain to such a voter from studying issues and candidates until it is clear what vote is truly in his or her interest is given by the difference in the value to the individual of the "right" election outcome as compared with the "wrong" outcome, multiplied by the probability a change in the individual's vote will alter the outcome of the election. Since the probability that a typical voter will change the outcome of the election is vanishingly small, the typical citizen is usually "rationally ignorant" about public affairs. Often, information about public affairs is so interesting or entertaining that it pays to acquire it for these reasons alone—this appears to be the single most important source of exceptions to the generalization that typical citizens are rationally ignorant about public affairs.

Individuals in a few special vocations can receive considerable rewards in private goods if they acquire exceptional knowledge of public goods. Politicians, lobbyists, journalists, and social scientists, for example, may earn more money, power, or prestige from knowledge of this or that public business. Occasionally, exceptional knowledge of public policy can generate exceptional profits in stock exchanges or other markets. Withal, the typical citizen will find that his or her income and life chances will not be improved by a zealous study of public affairs, or even of any single collective good.

The limited knowledge of public affairs is in turn necessary to explain the effectiveness of lobbying. If all citizens had obtained and digested all pertinent information, they could not then be swayed by advertising or other persuasion. With perfectly informed citizens, elected officials would not be subject to the blandishments of lobbyists, since the constituents would then know if their interests were betrayed and defeat the unfaithful representative at the next election. Just as lobbies provide collective goods to special-interest groups, so their effectiveness is explained by the imperfect knowledge of citizens, and this in turn is due mainly to the fact that information and calculation about collective goods is also a collective good.

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The fact that the typical individual does not have an incentive to spend much time studying many of his choices concerning collective goods also helps to explain some otherwise inexplicable individual contributions toward the provision of collective goods. The logic of collective action that has been described in this chapter is not immediately apparent to those who have never studied it; if it were, there would be nothing paradoxical in the argument with which this chapter opened, and students to whom the argument is explained would not react with initial skepticism. No doubt the practical implications of this logic for the individual's own choices were often discerned before the logic was ever set out in print, but this does not mean that they were always understood even at the intuitive and practical level. In particular, when the costs of individual contributions to collective action are very small, the individual has little incentive to investigate whether or not to make a contribution or even to exercise intuition. If the individual knows the costs of a contribution to collective action in the interest of a group of which he is a part are trivially small, he may rationally not take the trouble to consider whether the gains are smaller still. This is particularly the case since the size of these gains and the policies that would maximize them are matters about which it is usually not rational for him to investigate.

This consideration of the costs and benefits of calculation about public goods leads to the testable prediction that voluntary contributions toward the provision of collective goods for large groups without selective incentives will often occur when the costs of the individual contributions are negligible, but that they will not often occur when the costs of the individual contributions are considerable. In other words, when the costs of individual action to help to obtain a desired collective good are small enough, the result is indeterminate and sometimes goes one way and sometimes the other, but when the costs get larger this indeterminacy disappears. We should accordingly find that more than a few people are willing to take the moment of time needed to sign petitions for causes they support, or to express their opinions in the course of discussion, or to vote for the candidate or party they prefer. Similarly, if the argument here is correct, we should not find many instances where individuals voluntarily contribute substantial sums of resources year after year for the purpose of obtaining some collective good for some large group of which they are a part. Before parting with a large amount of money or time, and particularly before doing so repeatedly, the rational individual will reflect on what this considerable sacrifice will accomplish. If the individual is a typical individual in a large group that would benefit from a collective good, his contribution will not make a perceptible difference in the amount that is provided. The theory here predicts that such contributions become less likely the larger the contribution at issue.

Even when contributions are costly enough to elicit rational calculation, there is still one set of circumstances in which collective action can occur without selective incentives. This set of circumstances becomes evident at a moment we think of situations in which there are only a few individuals or firms that would benefit from collective action. Suppose there are two firms of equal size in an industry and no other firms can enter the industry. It still will be the case that a higher price for the industry's product will benefit both firms and that legislation favorable to the industry will help both firms. The higher price and the favorable legislation
are then collective goods to this “oligopolistic” industry, even though there are only two in the group that benefit from the collective goods. Obviously, each of the oligopolists is in a situation in which if it restricts output to raise the industry price, or lobbies for favorable legislation for the industry, it will tend to get half of the benefit. And the cost-benefit ratio of action in the common interest easily could be so favorable that, even though a firm bears the whole cost of its action and gets only half the benefit of this action, it could still profit from acting in the common interest. Thus if the group that would benefit from collective action is sufficiently small and the cost-benefit ratio of collective action for the group sufficiently favorable, there may well be calculated action in the collective interest even without selective incentives.

Untypical as my example of equal-sized firms may be, it makes the general point intuitively obvious: other things being equal, the larger the number of individuals or firms that would benefit from a collective good, the smaller the share of the gains from action in the group interest that will accrue to the individual or firm that undertakes the action. Thus, in the absence of selective incentives, the incentive for group action diminishes as group size increases, so that large groups are less able to act in their common interest than small ones. If an additional individual or firm that would value the collective good enters the scene, then the share of the gains from group-oriented action that anyone already in the group might take must diminish. This holds true whatever the relative sizes or valuations of the collective good in the group.

The significance of the logic that has just been set out can best be seen by comparing groups that would have the same net gain from collective action, if they could engage in it, but that vary in size. Suppose there are a million individuals who would gain a thousand dollars each, or a billion in the aggregate, if they were to organize effectively and engage in collective action that had a total cost of a hundred million. If the logic set out above is right, they could not organize or engage in effective collective action without selective incentives. Now suppose that, although the total gain of a billion dollars from collective action and the aggregate cost of a hundred million remain the same, the group is composed instead of five big corporations or five organized municipalities, each of which would gain two hundred million. Collective action is not an absolute certainty even in this case, since each of the five could conceivably expect others to put up the hundred million and hope to gain the collective good worth two hundred million at no cost at all. Yet collective action, perhaps after some delays due to bargaining, seems very likely indeed. In this case any one of the five would gain a hundred million from providing the collective good even if it had to pay the whole cost itself; and the costs of bargaining among five would not be great, so they would sooner or later probably work out an agreement providing for the collective action. The numbers in this example are arbitrary, but roughly similar situations occur often in reality, and the contrast between “small” and “large” groups could be illustrated with an infinite number of diverse examples.

The significance of this argument shows up in a second way if one compares the operations of lobbies or cartels within jurisdictions of vastly different scale, such as a modest municipality on the one hand and a big country on the other. Within the town, the mayor or city council may be influenced by, say, a score of petitioners or a lobbying budget of a thousand dollars. A particular line of business may be in the hands of only a few firms, and if the town is distant enough from other markets only these few would need to agree to create a cartel. In a big country, the resources needed to influence the national government are likely to be much more substantial, and unless the firms are (as they sometimes are) gigantic, many of them would have to cooperate to create an effective cartel. Now suppose that the million individuals in our large group in the previous paragraph were spread out over a hundred thousand towns or jurisdictions, so that each jurisdiction had ten of them, along with the same proportion of citizens in other categories as before. Suppose also that the cost-benefit ratios remained the same, so that there was still a billion dollars to gain across all jurisdictions or ten thousand in each, and that it would still cost a hundred million dollars across all jurisdictions or a thousand in each. It no longer seems out of the question that in many jurisdictions the groups of ten, or subsets of them, would put up the thousand-dollar total needed to get the thousand for each individual. Thus we see that, if all else were equal, small jurisdictions would have more collective action per capita than large ones.

Differences in intensities of preference generate a third type of illustration of the logic at issue. A small number of zealots anxious for a particular collective good are more likely to act collectively to obtain that good than a larger number with the same aggregate willingness to pay. Suppose there are twenty-five individuals, each of whom finds a given collective good worth a thousand dollars in one case, whereas in another there are five thousand, each of whom finds the collective good worth five dollars. Obviously, the argument indicates that there would be a greater likelihood of collective action in the former case than in the latter, even though the aggregate demand for the collective good is the same in both. The great historical significance of small groups of fanatics no doubt owes something to this consideration.

The argument in this chapter predicts that those groups that have access to selective incentives will be more likely to act collectively to obtain
collective goods than those that do not, and that smaller groups will have a greater likelihood of engaging in collective action than larger ones. The empirical portions of The Logic show that this prediction has been correct for the United States.

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**DISCUSSION QUESTIONS**

1. Does our individual calculation of the benefits and costs associated with participating in a collective endeavor explain why some groups organize and others do not? Can you think of other considerations that would play a role? Explain.

2. Think of your own decisions to join or not join a group. Have you ever been a "free rider"? If so, what would it have taken to get you to join?

3. Are you more likely to "free ride" if the group is large (a national environmental group) or small (a fraternity or sorority)?

4. What does Olson's argument say about Tocqueville's view about the role of groups in overcoming the potential tyranny of majority?

**NOTES**


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"Connections Still Count"

**W. JOHN MOORE**

Just as some groups are more likely to organize and stay organized to pursue their agenda in the political process, some groups will have more access to the political process to express their views. It has become standard practice in political campaigns to attack the influence of "special interests" and the insider access of their lobbyists. Interest groups across the political and policy spectrum hire lobbyists to present their concerns to elected officials, but some lobbyists have more access than others. W. John Moore argues that despite the rhetoric of candidates concerned about special interest group influence and their highly paid lobbyists, what still matters most are the connections individual lobbyists have with members of Congress and with the White House. The influence of lobbyists' various clients—from industry-wide organizations to individual corporations to groups with social and ideological agendas—depends on the access of their lobbyists. Such an intimate approach to political influence might be very effective and efficient for the groups hiring the lobbyists, but it clearly raises questions about the individual voter's access to, and influence on, the governing process.

Clara Nome, chairwoman of the Crow Tribal Council, came to Washington last fall seeking approval for treaty changes that would bring millions of dollars to her Montana tribe. She visited Capitol Hill, talked to Interior Department officials and met with top White House officials.

But the highlight of Nomee's trip was a visit to the Oval Office. President Clinton wasn't there, but she wrapped her arms around his chair and prayed aloud in Crow, beseeching the Great Spirit, Akabaadatea, to watch over the President and the American people.

Nomee's precious minutes in the inner sanctum were arranged by Betsey Wright, executive vice president of the Wexler Group, a Washington public affairs firm that represents the Crow council.

Wright is new to the lobbying business. But she was Clinton's chief of staff during most of his 12 years in the Arkansas governor's office and was a key aide and troubleshooter during his 1992 presidential campaign. As a result, she knows many members of the White House staff. Her telephone calls are returned. And she gets Wexler's clients into the White House.

For all the talk that lobbying has evolved into a science like astro-