



Collective Action

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Development challenges are increasingly referred to as ‘collective action problems’. A collective action problem arises when the members of a group fail to act together to secure an outcome that has most potential to benefit the group as a whole. Research has shown that many factors influence whether or not collective action takes place, and their effects can depend entirely on the context. Those interested in encouraging developmental collective action need an in-depth understanding of the collective action problem at hand, the environment in which it occurs, and the relationships among the actors involved. Externally driven interventions may have potentially harmful unintended consequences for collective action on the ground.

This brief outlines how development challenges have been viewed as collective action problems. It suggests issues for external actors to take into account in considering how – and whether – to incorporate collective action theory into development programming.

Development challenges as collective action problems

A growing number of researchers have argued that development challenges are best conceptualised as collective action problems. Such a problem arises when members of a group fail to act collectively to ensure that a desired outcome, which will benefit the whole group, is realised to its full potential. Booth and Cammack (2013: 18) note that ‘unresolved but resolvable collective action problems’ are ‘widespread and at the heart of the challenge of development’.

There are two – potentially overlapping – reasons why groups may have difficulty addressing development-related collective action problems:

- **Coordination:** Collective action problems tend to persist because the efficient coordination of many group members is difficult. For example, a vibrant, highly participatory democracy is viewed as a collective benefit, especially from a Northern perspective. However, civil society groups can face significant coordination challenges when trying to mobilise citizens to vote.
- **Diverging interests:** Some citizens may decide it is in their interest to act in concert for the collective good, while others may not. If only a few of the potential actors mobilise, the collective good may not materialise to its full potential. So, for instance, a serious development challenge in many developing countries is optimising tax collection. Some citizens, perhaps especially those who are monitored closely by government tax collectors, will find it in their

own interest to report their income and pay taxes. Those who find evasion easier will be less likely to pay. The government then has less money to fund its operations, including development projects.

Development challenges that are said to be collective action problems include the following:

- **Developmental institutions:** Institutions that foster developmental outcomes can help to identify and solve problems that collectives face. However, the task of creating these institutions is said to be a collective action problem in itself. They are thought to be beneficial for society at large and yet difficult to organise because the multitude of actors involved in arranging and sustaining them have diverging interests (North, 1990).
- **Systemic corruption:** Through a collective action theory lens, the persistence of systemic corruption is said to be due to a widely held belief across society that efforts to resist, abstain from, or fight corruption will be wasted. This is because many people assume that the vast majority of others will engage in corruption (Persson, Rothstein, & Teorell, 2013).
- **Samaritan’s dilemma:** A Samaritan’s dilemma occurs in a foreign aid relationship when two conditions are met. First, after receiving foreign aid for a development project, the recipient reduces the level of financial and/or other resources they give to support the success of the project. Second, the aid donor does not react to this reduced contribution by decreasing the level of aid they commit in the future (Gibson et al., 2005). When a Samaritan’s dilemma occurs, the sustainability and success of the development project are vulnerable; in relying more heavily on the finance and/or capacities of external actors, a recipient government may be less able to sustain or expand the project once external aid is pulled out.

Working with collective action

A strong lesson that has emerged from the literature is that many different factors can influence patterns of collective action, and whether and how a given factor shapes those patterns can depend entirely on the context. Three types of contextual issues matter:

- The **nature of the relationships** among the actors involved. For example, while for one group a high level of pre-existing trust may support collective action, for another group with lower levels of intra-group trust, members' actions may need to be closely monitored.
- The **nature of the collective action** that will be pursued. In environmental and resource management planning, short-term sacrifices can often be required from group members, with the promise of longer-term pay-offs – such as catching fewer fish in the short-term to ensure a sustainable population in the future. In other cases, however, where the benefits of collective action can be felt immediately, group members will be less torn between following their long-term or immediate interests. For instance, successful community-led savings schemes arguably offer group members an immediate sense of increased financial security.
- The **environment** in which collective action occurs. For localised community-driven endeavours, many factors beyond a group's control may impact attempts to act collectively. These include the wider political and economic climate, and physical environmental challenges such as natural disasters.

An example of an intervention based on collective action theory

Transparency International's Integrity Pacts are anticorruption interventions inspired by collective action theory. They involve written agreements between government and private bidders to refrain from bribery and collusion during a procurement process. They set up a contracting monitoring system of independent oversight from civil society (Transparency International, 2009). Successful Integrity Pacts are built on trust within the group of actors involved (Transparency International, 2009). Yet they are often challenged when other factors are not also in place. These factors include transparency of information and the ability of actors to monitor each other throughout the procurement process; continuity of actors throughout the process (i.e. low public service turnover); and the political will of the government to be involved (Transparency International, 2009; see also Marquette & Peiffer, 2015).

Development programming and collective action: points of caution

It is often suggested that development agencies should be in the business of identifying collective action problems, encouraging collective action to solve them and/or funding the provision of collective goods. The following points highlight areas for caution, noting the difficulties that external actors might come across in conceptualising development challenges as collective action problems and in encouraging collective action on the ground.

- **Collective action theory research shows how complicated and entrenched existing patterns might be.** Many factors can undermine efforts to solve a collective action problem. Some factors – like low intra-group trust, for example – can have deep roots in a society's social, political, and/or economic divisions. These factors can be difficult, if not impossible, to influence externally. If they are malleable, they can still take many years to change. Sometimes, therefore, there may not be a meaningful role for an external actor to play in encouraging developmental collective action, or a long-term commitment may be needed with uncertain pay-offs.
- **There is little evidence on development programs that have been informed by collective action theory.** Rao (2013) finds that while a collective action lens has been used effectively by development agencies to analyse some development challenges, it is unclear that many interventions have been designed with collective action theory in mind. For those that have, there is little evidence of their effectiveness.
- **Not all forms of collective action are conducive to development.** Collusion among elites, for instance, is a form of collective action that can undermine development. A blanket encouragement of civil society, networking among elites and coalition formation may unintentionally encourage the 'wrong' type of collective action.
- **The application of collective action theory to development challenges might be limited.** Collective action theory has, for instance, been recently applied to the issue of corruption in ways that do not sufficiently recognise the technical or political challenges that effective anticorruption interventions must also overcome (Marquette & Peiffer, 2015).
- **Development might not be best understood as a collective good.** Hughes and Hutchinson (2012) argue that it is problematic to view development challenges as collective action problems, because this mistakenly casts development as a collective good. They suggest that even the most encouraging developmental trends are the consequence of political struggles among groups, where net 'positive' results often come at the cost of certain parties suffering, having to compromise their position and/or losing access to certain resources.
- **External funding of collective goods may not be sustainable.** When donors are able to provide a collective good – more education services, for instance – but are not able to address group members' incentives to work collectively to produce it, its sustainability is threatened. Once aid is reduced, the same patterns of behaviour that led to poor service provision in the first place may persist and undermine past efforts to increase capacity (Gibson et al., 2005: 37).
- **External support might have potentially harmful unintended consequences.** Interventions driven and funded by external actors can drastically alter the interests and incentive structures of group members to cooperate and solve collective action problems. These changes can be difficult to predict. While in some cases an injection of aid may encourage collective action, in other cases it may erode pre-existing collective action patterns or prevent further collective action (e.g. Bano, 2012; see box overleaf).

Aid eroding collective action in Pakistan

Bano (2012) documents several cases of community-based initiatives in Pakistan that were self-governed and considered to be successful in providing a developmental collective good. In many cases, however, the injection of international aid to further support the initiatives actually worked to erode their members' capacity to cooperate.

Bano (2012) finds that this was because the 'initiators' (i.e. leaders) of collective action were motivated by their ideals, and often made financial sacrifices to organise collective action. These sacrifices were seen as a signal for potential 'joiners' of collective action to trust the leader's intentions, encouraging joiners to cooperate and to sometimes make their own personal sacrifices for the cause.

However, in each case where aid was provided to further encourage collective action, part of it was earmarked to provide the underpaid leader with a higher salary, removing the sacrifice-signal. Potential and current group members lost their trust that the leader was motivated by ideals and was spending aid funding solely for the collective benefit.

In some cases, the higher salary did in fact change the leader's motivation from ideals-based to finance-based. This meant that if aid dried up, so too did the leader's motivation for working towards the collective good.

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