Making collective action effective: *possibilism* versus *strategic realism*

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Description[1]

Key messages

- Understanding what makes collective action succeed can help in difficult areas like anti-corruption where frequent popular mobilisations have often delivered disappointing results.

- A cost-benefit approach provides useful analytical insights but has limitations in practice. Possibilism downplays the usefulness of these calculations and says innovative solutions emerge through trial and error and learning from mistakes. But it too can have high failure rates.

- Strategic realism agrees that some future costs and benefits are uncertain, but evidence-based analysis can identify strategies that are more likely to be implemented given the power and interests of key actors. This is the SOAS-ACE strategy for identifying feasible and high impact anti-corruption policies.

- The path to implementation can still face unexpected obstacles, as possibilism suggests, and require innovation and experimentation. But by pursuing feasible objectives, leaders greatly improve their chances of success.

What is ACE?

The Anti-Corruption Evidence (ACE) research consortium takes an innovative approach to anti-corruption policy and practice. Working with a multi-country coalition of 12 partners over five years, ACE is responding to the serious challenges facing people and economies affected by corruption by generating evidence that makes anti-corruption real and using those findings to help policymakers, business and civil society adopt new, feasible, high-impact strategies to tackle corruption.

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Good policies and institutions emerge when the collective action that supports them is more effective than the opposition. But what makes some collective action more effective than others? [2]

Understanding this better could help reform-minded leaders, particularly in areas like anti-corruption, where implementation has been particularly poor. There are different ways of thinking about why collective action succeeds but each suggests somewhat different answers. The *cost-benefit* approach, most often used by economists, provides useful insights about when and how collective action may be successful. But it has well-known limitations as a guide to policy. Two other approaches, *possibilism* and *strategic realism*, respond to these weaknesses and provide somewhat different advice*.*

Early thinking on collective action

Collective action was first seen as a rational choice problem that could be understood by looking at the costs and benefits of individuals. In Mancur Olson's (1965) classic work, *The Logic of Collective Action*, a group of individuals share a common interest in a collective goal, but when each individual decides whether or not to support that goal with their own time and money, they look at their private costs and benefits.

Collective benefits (like living in a society free of corruption) often have qualities that economists describe as 'public goods': once there, everyone who can benefit will do so. But getting there may entail private costs in time and money and, subsequently, costs of complying with rules that are profitable to break. As a result, for the individual, not contributing to achieve the collective good, or (occasionally) breaking the rules once there, may be a rational choice. If rational calculations result in too many individuals free riding, the collective benefit is not achieved.

Olson was interested in how collective action can succeed despite these perverse incentives. He did this by looking at the distribution of costs and benefits across individuals in a group and asking whether any single individual or subgroup may have the incentive to organise the achievement of the common good. This could happen if one or more individuals privately valued the good so highly that for them their private benefit was greater than their private cost.

These individuals can play a leadership role by beginning to provide the collective good themselves, even if no-one else was contributing. The leaders can also organise schemes of redistributing some of the benefits of the collective action, or resources from unrelated activities, as selective incentives to members of the group to persuade them to start contributing. This can persuade a larger number of self-interested individuals to start contributing to the collective good. In some cases, leaders may also work to exclude individuals who do not contribute, for instance by negotiating agreements like closed shops that ensure that only members of a union who pay their dues can work in particular jobs.

Olson's economic calculus helped to identify some of the conditions that may enable successful collective action in a highly simplified model. He certainly realised that he was ignoring many other factors such as ideology or commitments to a shared community, but he was not convinced that these would suffice to override selfish interests on a big enough scale and on a sustained basis. Later work in this tradition also showed that much depends on the characteristics of the public good in question.

To achieve 'goods' like anti-corruption or a rule of law, it is not enough that a few leaders begin to invest in their achievement. They require that everyone subject to specific rules voluntarily adhere to them and there is credible enforcement against occasional free riders. Nevertheless, Olson's approach showed that if the distribution of the costs and benefits of the collective action was known, the likelihood of different strategies for overcoming free-riding behaviour could be computed. Later, game theory improved the sophistication of this analysis, showing how free riding may be contained in different ways in repeated games, for instance through different types of punishment strategies (Kreps 1990).

Limitations of the cost-benefit approach

Olson used the differences in costs and benefits across individuals to suggest leadership opportunities. But he did not recognize that these differences in interests may lead to resistance on distributive grounds. Distributive conflict should not be confused with free-riding behaviour. In the latter, individuals cheat despite wanting the collective action to succeed. In distributive conflicts, individuals resist because they object to the distribution of benefits that would come about, and they invest resources to ensure that it fails. A description of the benefits and costs of contributing to a strategy may not reveal who is likely to oppose it or how intense their resistance is likely to be. That requires a historical/political economy understanding of the groups affected by the policy, their relative power and their likely responses.

Some corruption is just free riding, for instance when tax collectors accept bribes from businesses to reduce their tax bills, but both depend on others paying taxes for their salaries and services. Here, detection and punishment may work because once detected, other businesses and bureaucrats will support enforcement. But other types of corruption may involve powerful groups colluding to capture benefits, sometimes quite openly. For instance, powerful businesses, politicians and bureaucrats may collude to evade taxes or default on loans and share the benefits. Here, detection and punishment may not work because these networks will behave as in a distributive conflict and spend time and resources to resist enforcement. For collective action to succeed in this case, it must identify a strategy led by a counter-coalition with the capability to overcome or bypass this resistance in its own interest.

A second limitation of the cost-benefit approach is that in a world of uncertainty, it is difficult to precisely predict future costs and benefits such as future obstacles or how they may be overcome. As a result, unforeseen problems may cause the failure of apparently promising collective action, and unexpected opportunities may lead to resolutions that were not foreseen.

Alternative approaches to understand collective action

Possibilism and *strategic realism* are responses to the limitations of the cost-benefit approach.

Possibilism, associated with the work of Albert Hirschman (Adelman 2013; Lepenies 2008), argues that people often pursue collective goals without doing a cost-benefit calculation. More importantly, it describes how innovative solutions are discovered by learning from mistakes. Individuals clearly find social engagement valuable in itself. This can explain many types of social activism where the private benefit to individuals is not clear (though Olson may have said their behaviour reveals the value they put on the good). The more important criticism is that the solutions often do not follow what a prior cost-benefit analysis may suggest and are only discovered through experimentation. The optimism about finding solutions makes possibilism attractive, but as a guide to action, relying too much on discovering solutions through trial and error can have a high failure rate.

Possibilism argues that the best way to succeed is to engage in action, learn from failures, experiment and innovate, and then try again. Hirschman (1967) famously argued in his classic *Development Projects Observed* that if we knew all the unexpected obstacles that would emerge, we would not want to start most collective projects. However, as he shows with many examples, if we did not begin, we would also not know the creative solutions through which these obstacles are actually overcome through trial and error. This describes how many collective problems are actually often solved, but it does not give enough weight to the many repeated failures in difficult areas, and the consequences of that.

Strategic realism combines the optimism of possibilism with a realistic analysis of feasibility. It informs the SOAS-ACE research programme (Khan, et al. 2019) identifying high-impact but feasible anti-corruption strategies. It agrees with possibilism that a cost-benefit analysis is unlikely on its own to predict the success of collective action. This is not

only because there may be considerable uncertainty about the numbers (as possibilism points out), but also because the costs of contributing to a particular solution do not capture the likely intensity of resistance from groups concerned with protecting their distribution of benefits. It also agrees with possibilism that leadership, experimentation and learning from mistakes are important for success.

But strategic realism also differs from possibilism in saying that it is important to assess the *relative feasibility* of different policies that may take us towards the objective. There are different ways of doing anti-corruption, just as there are different ways of crossing a river, and all of them are not equally difficult. Like the cost-benefit approach, strategic realism looks at data, but recognizes margins of error and uncertainty. But it also looks look at the organization of the society and sector to assess the relative power of relevant organisations, their interests and capabilities and their likely support for or resistance to particular solutions.

Any new policy faces *transition costs* because groups who lose out will try to resist or distort implementation in different ways (Khan 1995). A political economy analysis can give us an idea of the *relative* transition costs associated with different policies given the distribution of power and interests in that context. This can help assess the likelihood of each policy being implemented, or the ways in which they may be distorted when implemented. The fact that we cannot give a precise number to these relative costs (for all the reasons that possibilism identifies) does not mean that we should dispense with the attempt to assess the relative resistance facing different policies. Adopting a line of attack without doing such an analysis, when more feasible paths may have been pursued, condemns leaders and followers to a high probability of disappointment.

Strategic realism is particularly important in areas like anti-corruption in developing countries where, despite mass support, collective action has delivered disappointing results.

Figure 1: Understanding collective action
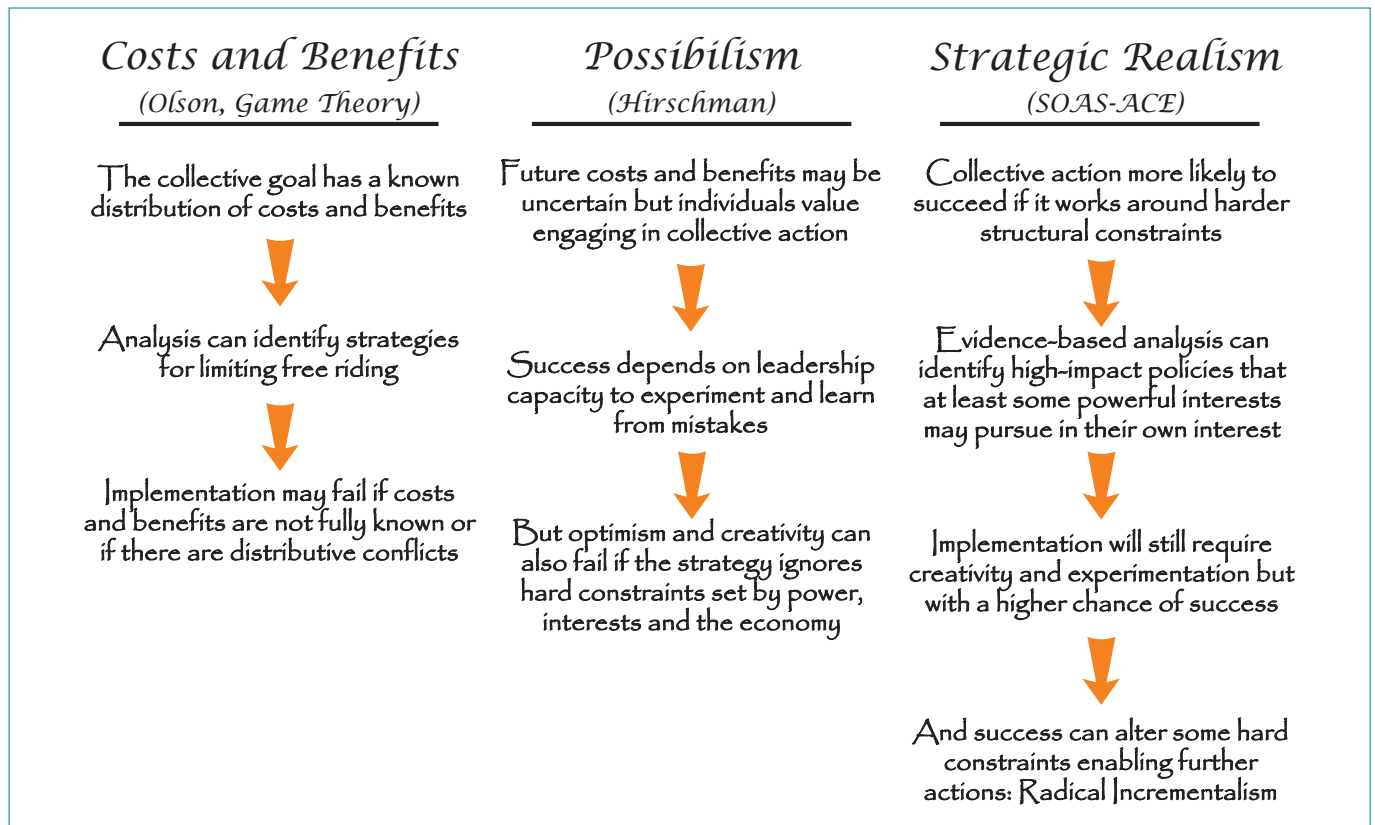
Source: author

The importance of feasibility

The attractiveness of possibilism is that it encourages experimentation and sees the future as open. It provides a theoretical justification for organising collective action in difficult areas where there is always a chance of failure. The disadvantage is that it does not identify and work around constraints that are very hard to overcome in the short run, however persistent and innovative the experimentation. Some of these are arithmetic constraints, like the amount of tax resources available. This can change but very slowly, so if a 'solution' assumes greater tax revenues than are likely to be available, it is likely to fail. Other constraints describe the relative power of different organisations and the ways in which they protect their interests. These too can change within margins, but big changes are less likely in the short run.

Failing to identify difficult-to-change factors, which we describe as structural constraints, is a problem. If analysis could identify collective action whose success depended on changing variables that are *more likely* to be changeable – even if we do not know precisely how – we could dramatically improve the chances of success. Many strategies of collective action fail because they rely on an extreme interpretation of possibilism for their success. For experimentation to be worthwhile, and for leaders to be able to justify the sacrifices of their followers, the proposed solution must be *feasible* in that context.

What do we mean by feasible? We mean that even if we cannot foresee all the adjustments and innovations that need to be made to make the strategy implementable, the evidence on the structure of the economy and the distribution of organisational interests and capabilities suggests that: a) any additional resources required to make the solution work are within the feasible space of the country or sector; b) while some powerful groups are inevitably going to lose out, there are powerful supporters who may in their own interest support the implementation of the policy; and c) that the proposed incentives, and feasible checks and balances

are likely to be adequate to get the relevant players to change their behaviour. The case for this has to be made on the basis of evidence, but a broader range of evidence than in the cost-benefit approach.

Applying the test of a feasible solution would rule out, for instance, many anti-corruption policies that collective action has tried to institute in developing countries. These policies include transparency strategies to reveal how corrupt politicians and bureaucrats are making money so that voters can vote them out, mass mobilisations to message citizens to report corrupt acts, setting up anti-corruption commissions, and demanding stricter and quicker penalties for corruption. These strategies have achieved varying degrees of success, but in most poor countries, the results have been disappointing despite many different types of leadership initiatives.

This is because many of these strategies are not only likely to face unexpected problems (as possibilism expects), they face predictable and severe obstacles that make innovative solutions unlikely. For instance, they assume that the societies in question are already largely rule-following and only a few people are breaking the rules. Identifying the few bad apples should quickly result in corrective action. But only societies that already have a wide dispersion of high-productivity activities are likely be generally rule-following because here powerful actors follow rules and support contract enforcement in their own interest (Khan 2018).

The evidence tells us this is not the case in the typical developing country. Anti-corruption that attempts to work through a generalised enforcement of rules is likely to face growing resistance from a broad coalition of powerful interests and even ordinary people whose economic circumstances make them reliant on informal ways of doing business and politics. The collective action to implement such strategies is therefore unlikely to succeed even with much innovation and experimentation. It is not surprising that many such strategies have failed to achieve a significant effect on corruption in developing countries.

Conclusion

The optimism that drives possibilism is both a strength and a weakness. Strength, because without optimism political leadership and social activism are impossible to sustain. But it is also a weakness, because it can result in frequent disappointment and demoralisation if strategies are repeatedly pursued that have very low chances of effective implementation.

An analysis of relative constraints can help to identify potential reforms whose implementation and operation is *feasible*. Implementing these reforms will *still* require much experimentation, innovation and leadership – leaders will still have to take risks in trying to change the status quo. But a calculated risk that has a higher chance of success is better than a leap into the unknown.

Strategic realism can increase the chances of success of possibilist experimentation. It is therefore decidedly *not* structural determinism – it is not saying that the status quo is determined by structural constraints. That would be a bit like the position of Voltaire's Dr Pangloss who thought we are always in the best of all possible worlds: if any improvement was possible, someone would already have brought it about. But strategic realism does say that some reforms are likely to face much greater resistance and distortion than others.

Aligning interests and incentives – as we try to do in the SOAS-ACE approach to anti-corruption (Khan, et al. 2019) – applies the *strategic realist* approach to identify feasible policies that we can *imagine* being implemented. The evidence tells us that the achievement anti-corruption across the board may not be immediately feasible in the typical developing country. But our analysis of sectors and activities also shows many opportunities for designing sectoral anti-corruption strategies that are likely to find sufficient support for implementation and operation and make a big difference to development outcomes.

Identifying a portfolio of such opportunities for a reformist leadership or for social activists who want to really make a change will allow us to mobilise the optimism of the *possibilist* approach with a much lower chance of disappointment. This is important, because developing countries have a long way to go and repeated disappointments can demoralise people

rather than spur them on. Successful implementation of small changes that make a big difference can gradually change structural constraints, which allows further changes to happen – a process that we describe as *radical incrementalism*.

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Endnotes

1   The picture shows activists in Bangladesh demanding punishment for the collapse of a garments factory in 2005 that killed 76 workers. They failed and in 2013 the Rana Plaza collapse led to more than a thousand deaths. The challenge of corruption in the factory inspection continues.

2   Based on a presentation at a roundtable event at the Development Studies Association DSA2020 conference on 18 June 2020, organised by the Anti-Corruption Evidence research consortium at SOAS University of London (SOAS-ACE) on how to make collective action effective (Panel 41: Aligning interests and incentives: Strategies for grassroots success; Convenor: Prof Mushtaq Khan, Discussant: Dr Pallavi Roy, Panelists: Prof Ahmirah El-Haddad, Mehnaz Rabbani and Dr Michael Uzoigwe, https://www.devstud.org.uk/conference/conference-2020/panels/#8921).

ACE
SOAS Consortium
Anti-Corruption Evidence
Making Anti-Corruption Real

About the Anti-Corruption Evidence (ACE) Research Consortium:

ACE takes an innovative approach to anti-corruption policy and practice. Funded by UK aid, ACE is responding to the serious challenges facing people and economies affected by corruption by generating evidence that makes anti-corruption real, and using those findings to help policymakers, business and civil society adopt new, feasible, high-impact strategies to tackle corruption.

ACE is a partnership of highly experienced research and policy institutes based in Bangladesh, Nigeria, Tanzania, the United Kingdom and the USA. The lead institution is SOAS University of London. Other consortium partners are:

- BRAC Institute of Governance and Development (BIGD)
- BRAC James P. Grant School of Public Health (JPGSPH)
- Centre for Democracy and Development (CDD)
- Danish Institute for International Studies (DIIS)
- Economic and Social Research Foundation (ESRF)
- Health Policy Research Group (HPRG), University of Nigeria Nsukka (UNN)
- Ifakara Health Institute (IHI)
- London School of Hygiene and Tropical Medicine (LSHTM)
- Palladium
- REPOA
- Transparency International Bangladesh (TIB)
- University of Birmingham

ACE also has a well established network of leading research collaborators and policy/uptake experts.

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