IN MEMORIAM[1]

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An accomplished economic theorist, Mancur Olson was known, honored, and studied more outside his own discipline than within it. Or so it always seemed to me until, reflecting on his career for this essay, I finally caught on that Olson was not an economist: His discipline was political theory. Olson's tools of analysis were economic; the phenomena he studied are political. The entities he studied were interest groups, both organized and unorganized. They acted within markets and impinged on markets, but they were not business firms and were not, as interest groups, producing marketable commodities. Sure, farmers produced crops and medical doctors produced health services, but Olson didn't study the price of grain or the incomes of doctors. He studied how farmers, doctors, labor organizers, and others looked after, as best they were able, the interests that farmers had in common, that doctors had in common, or that workers had in common. From the standpoint of economics, Olson was in the business of "public goods" and "externalities." These were no longer new or unfamiliar to economists when Olson's "The Logic of Collective Action" appeared. Olson's uniqueness was not in developing the tools and concepts but in looking beyond lighthouses and chimney smoke-what came to be known as "market failure"-and seeing the same mechanisms working throughout society and especially outside the realm of business oligopoly where these principles had been applied for decades. Soon political scientists would begin asking why people bother, or don't bother, to vote and why environmental and conservation movements needed to publish magazines to get financial support. Eventually "rational choice" would become one of the pillars of political theory, even of sociology, and a journal devoted to "Rationality and Society" would establish the legitimacy of this mode of political and sociological inquiry. Olson not only taught political scientists the contents of his book, he recruited many of them into his analytical style. Like a biologist who looks first at the organism and then at the species, Olson began with the problems that must be overcome to motivate people with interests in common to act in favor of those interests, then turned, in "The Rise and Decline of Nations," to the same problem at the next higher level of organization. In the first instance, people will act in their own interests, not in the interests of their group; once they have harnessed their individual

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incentives to the group, if they ever do, the groups then act in their own interests, not in the interests of the larger society. In the earlier book we were not expected to take sides. Olson was not prounion or antiunion, just interested in why unions had a hard time organizing, keeping members, getting people to meetings, and especially collecting dues. He looked at mechanisms such as closed shops and mandatory attendance. His farmers could be organizing for better agricultural extension services or lobbying for crop restrictions. A local community could be trying to organize a community of Boy Scout troops or trying to keep racial minorities out. Olson was an analyst, not an activist. In "The Rise and Decline of Nations," he takes sides. His interest is not Scout troops or, in the more recent civic interest, bowling teams and choral groups, but what have come to be called "rent seekers," protectionists, groups devoted to raising their incomes, not their productivity, through some exercise of monopoly power in the marketplace or of political power in the legislature. He analyzes both the deadweight loss due to protectionism and the loss of competitive dynamism, the stifling of new enterprise; thus the "decline" of his title. Paradoxically, the decline results from the success, often sophisticated success, of interest groups in overcoming the obstacles to their own collective action-the subject of the first book-coupled with the inability of the larger polity to overcome the obstacles to its collective need to rein in the protectionists, in what might have turned out to be even in the best long-term interests of those protectionists! If any quality characterizes Olson's temperament, as revealed in those works, it is conviction, an absolute devotion to his logic, a certainty that he has the truth, an almost jealous need to exclude competing methodologies. I have often judged that an overzealous dedication to a new methodology is healthful to its initial conquest and that the time for critical examination is after the basic theory has taken good root. Not often can the proponents of a new idea or doctrine perform that ultimate necessary self-criticism; that task falls to others. But if anything characterizes Olson's temperament during the third and final stage of his career, it is an exuberant openness, a flexibility, a willingness to experiment and above all to take risks. This third phase was his focus on the role of institutions, especially nongovernment institutions, in the development of still-backward countries and in the transition of former socialist countries into market economies. Private property, contracts, mortgages, corporate entities, savings institutions, small loans, community enterprises, a legal system-all were the infrastructure required to make economies work. The connection of this interest to the "The Logic of Collective Action" is close. Olson displayed an energy and talent for organization and intellectual entrepreneurship that can be only envied by most theorists. He displayed equally a concern for the actual welfare enhancement that good theory, intelligently applied, can bring about. He always believed that theory-disciplined, systematic thinking-was the means to understand development and to guide policy. He died convinced that

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the difference theory could make-and that he had helped to make-was substantial. He will be remembered not only among thousands of Western intellectuals but among sincere bureaucrats struggling in all corners of the world for better opportunities for their people. I remember him as a mature colleague, of course, but even more vividly as an eager and ebullient escort in the back seat of a car in which I was being driven, on a snowy morning at five o'clock, to Denver Airport from the Air Force Academy in Colorado Springs, where Mancur, in an Air Force uniform, was on the faculty, and where I had been invited to lecture the previous night before an audience of 2000 cadets. He was in the car when it picked me up; he immediately started telling me his thesis; I listened and never spoke a word until we stopped and he carried my bag, still talking, to the gate. There are undoubtedly some who think, because of the compatibility of my interests with Mancur's and because I became his dissertation supervisor upon my arrival at Harvard, that I was somehow the source or inspiration for his seminal "The Logic of Collective Action." He had it all worked out before I ever met him. I may have helped him compose the final published version; he wanted especially to impress economists, and I argued he'd widen his audience by reducing emphasis on the technical economic theory and playing up the applications. I think I was right; I think I had a modest influence on the ultimate manuscript; I think Mancur agreed with me. But the work was his alone.

References

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