

## MANCUR OLSON, A MEMORABLE PROFESSOR

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Being visionary is a precious, rare trait; it requires a lot of wisdom. Being humble on top of it is even more a rare thing. In my view, Mancur Olson was such a visionary and a humble man who thus deserves all the respect he receives.

I was a student of Mancur Olson in the late 1980s at University of Maryland (College Park), and remain so up until now. His personality and teachings, and his impeccable logic and vision, to the extent I was able to learn from, not only shaped my research, but affected my entire approach to academics. Out of the red pen-ridden pages that he so fervently marked on my thesis drafts, one thing I still remember and keep passing on to my students is: *“learn a lot from the mistakes!”*. One could use this advice for anything in general, but it was especially valuable for someone at the start of her (his) academic career. In the course he lectured, we were introduced to “The Rise and Decline of Nations”. Olson’s lectures taught us the logic of collective action, the conditions of its emergence and the impact of it on the diverse developmental experiences around the world. His three books involve very valuable insights for anyone interested in economic development.

Like most of the graduate students, I had several road blocks during my thesis-writing stage, which were quite discouraging for me at the time. When I finally approached Mancur Olson to ask him to be my advisor, I already had drafts of a couple of research papers in my hand. While my thesis topic seemed to me not even vaguely related to his area, I later understood that his theory was so fundamental and applicable to such wide-ranging topics that I would start seeing the connections to the topic I was working on as well. He developed a great interest in my thesis topic, which was on the relationship between central bank independence and fiscal deficits, and spent generous hours discussing the subject with me. I am so grateful that he did that, especially in consideration of the very tight schedule he always faced. I once remember that he was going on a business trip and had to catch a train; we had to discuss the progress of my thesis in a cab, going to the train station. Each of those discussions benefited me a lot and added more to my formation as a macroeconomist than any other factor alone.

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Upon my graduation, I joined the faculty of Bilkent University. The insights I received from him have since paved the way for my research, which explores the causal relationships between fiscal and financial institutions and policy outcomes. In 1998, one semester after joining Bilkent, I invited him for a seminar, but that never happened due to his too early and unfortunate departure from among us.

About a decade ago, I designed a course titled: "Institutions and Economic Development". At the beginning of the course, I pose to the students one of his quotes: "The standard theory of markets . . . is like an otherwise superb stool that has only two legs" . . . the missing leg is that of institutions, which are formed via the influence of collective action upon the government. I refer frequently to his theory and books in my course and enjoy the fact that my students also get a glimpse of his logic and inquisitiveness in approaching political economy.

The collective action theory has contributed greatly to the literature of institutional economics that picked up in the 1980s. Olson's powerful set of terminology, however, has unfortunately been avoided frequently in the latter contributions and often replaced by arguments that said the same thing as his elaborately developed ideas, such as "institutional sclerosis; narrow and encompassing organizations". As he argues, the causes of the inefficiency of institutions are hidden in the dynamics implied by the formation of collective action, which can be predicted by the deeper geographic and cultural roots of a society; his books provide powerful historical examples of that.

In his last book, "Power and Prosperity (2000)", which he was not able to see published, he modified his logic by introducing the *rowing* and *stationary bandit* government types in order to explain inefficiency in public good provision that constituted the center of his thesis. In my view, a good understanding of Olson's theory of collective action would help a lot in explaining either national or global developmental problems.

I am more than honored to have got to know him and very happy to have been exposed to his approach to understanding economics problems. Without him as my PhD thesis advisor, and hours of invigorating discussions with him, my career would certainly be less than what it has become. To date, he remains a role model for me.

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