

ORIGINAL PAPER

Citation: Ząbkowicz, A. (2017). Economics and groups: methodological individualism and collective action. *Oeconomia Copernicana*, 8(1), 7–20. doi: 10.24136/oc.v8i1.1

Contact: holic@op.pl, Instytut Nauk Ekonomicznych PAN, ul. Nowy Świat 72, 00-330 Warszawa, Poland

Received: 4 April 2016; Revised: 12 February 2017; Accepted: 20 February 2017

Anna Ząbkowicz

Polish Academy of Sciences, Poland

Economics and groups: methodological individualism and collective action

JEL Classification: *B41*

Keywords: *collective action; methodological individualism*

Abstract

Research background: Paradoxically enough, a large body of contemporary research relies on methodological individualism in order to explain collective activities and decision making. The mainstream of economic theories hardly gives any background to the issue of group activities.

Purpose of the article: The aim of this paper is to investigate which economic theories have addressed the problem of collective action, and how social scientists deal with it contemporarily.

Methods: Consequently, the research relies on the study of heterodox literature concerned with the subject, referring to original works of most respected authors. The review is carried on systematically, respecting two competing approaches regarding methods and social philosophy.

Findings & Value added: Studies on collective action are a domain of institutionalism, the "old" one and the "new" one. Have it both ways, institutionalist studies are rather imperfect in explaining this crucial phenomenon of economic reality.

Introduction

At its very origin, Economics with its birth-concept of individualism ignored collective action, which is a real aspect of economic life. In spite of that, individualism was developed to constitute the foundations of economic analysis in the 20th century. In effect, those economists and other professional researchers who are eager to use this tool of analysis seem close to finding that collective action and other forms of cooperative behaviors are rather exceptional.

Let us sketch out briefly the background of the problem just raised. Adam Smith's theory of wealth drew from the 18-century social psychology centered on intellect, mind, pain and pleasure. Such a focus allowed to develop a theory of economic activities of self-interest-driven individual who enjoyed liberty of choice (i.e. rational choice speaking contemporary language of economics). As critics of Smithian concepts pointed out, this perspective utterly excluded associations, corporations, unions and almost excluded government (Commons, 1968, p. 137). It did so despite the fact that capitalism relies heavily on collective action of corporations, unions, cooperatives etc. being regulated by government with help of taxes, subsidies, etc. The government itself constitutes a structure for collective action (Commons, 1936). It is widely acknowledged, also by the critics, that classical economists reduced the complicated net of economic activities and inter-actions to single individual choice in their quest for universal representation of economic structure and universal economic laws as well. Paradoxically enough, this reductionism was meant to be a device for developing a general theory. According to Walter Eucken, classical economists searched among various real economic systems for a single "natural" one and found it in a competition-based model. Thus, they focused exclusively on an ideal concept of competitive markets, leaving analysis of monopoly market structure aside, along with trade unions, business cartels, syndicates, etc. Such research perspective diverged obviously from historical facts, since even in late 18th and early 19th centuries in Europe multitude of closed guilds and monopolies protected by law could be seen (Eucken, 1951, pp. 42–50).

The classical individualism was incorporated then into the neoclassical paradigm, as well as in rational choice theories. Obviously, the concept of rational individual was a great success, since being applicable in formalist analysis it provided neoclassical school with a dominant position in the mainstream of economic theories in the middle decades of the 20-th century. Moreover, it was welcomed in the fields which were traditionally culti-

vated by other social sciences¹. Herbert Bowles and Samuel Gintis point out that the contemporary study of collective action and other forms of cooperative behaviors exhibit a curious disparity among social scientists. Those influenced by their models of self-regarding actors rarely find that individuals will cooperate, even if cooperating in an n -person prisoner's dilemma game is at stake. By contrast, historians, sociologists, anthropologists, and political scientists, who remain close to tradition of their sciences, while striving to explain social structures and their dynamics, accept the fact that people often behave pro-socially in the pursuit of common objectives for granted (Bowles & Gintis, 2008). In fact, individualistic rational choice theories seem to be very prudent about the social fact that humans cooperate. On the other hand, the traditional vein of historical, sociological and political analysis seems to put this fact in brackets, taking it as a theoretical assumption rather than an object of investigation.

It is intriguing how reluctantly collective action is submissive to theoretical mode of thinking in Economics. The purpose of this paper is to investigate which economic theories have addressed the problems of collective action and collective decision-making. In the section to follow, the historical opponents of classical and neoclassical schools are shortly featured. The next section refers to contemporary theories of collective action developed within the rational choice paradigm. This structure respects two competing perspectives in social sciences that is holistic approach and individualistic approach. Both historical economic school as well as American economic institutionalism, due to their holism, represent ultimately different thinking on collective action than individualistic theories do. Consequently they are presented here in a separate section. The other section discusses Rational Choice Institutionalism, that is theories which try to overcome reductionism of neoclassical method while sticking still to methodological individualism and broad idea of rationality. The paper concludes with some points regarding two competing approaches that emerge from this short review.

Research methodology

Since theoretical thinking constitutes the ground of this investigation, naturally enough, the research process relies on the study of literature concerned with the subject. Most of the references point to statements of out-

¹ For instance, the political scientist Elinor Ostrom (2005) promotes the term "rational egoist", the sociologist J. Coleman (1993) writes about "optimal organization design", and his mate Raymond Boudon (2008) draws on rational choice and methodological individualism.

standing authors which makes the views at stake more representative. No restriction to economists alone is made, since other professions, sociologists in particular, seem to offer valuable inputs in terms of structuring and understanding.

Collective action and holistic view

Naturally enough, the above critical opinions on Adam Smith's original approach were cited after John R. Commons and Walter Eucken, both scholars being the outstanding representatives of two strands of thought which arose in opposition to Smith's followers in the field of Economics. Eucken was formed by historical economic school² which was developed in opposition to marginalists, who provided neoclassical economists with mathematical tools and some concepts basic for formalist analysis. Whereas Commons was one of co-founders of American economic institutionalism, which turned out to be a challenge to neoclassical economics itself.

The approach offered by Smith, and then widely exploited, can be shortly described as based on a premise that "all statements on social facts can be reduced to statements on attitudes and activities of individuals" (Szacki, 1999, p. 15). Approaching social questions from this perspective was named later by Joseph Schumpeter a "methodological individualism". According to historical economic school, this analytical perspective was of no help with regard to social conflicts and frictions observed in industrializing Germany of the 19-th century. In opposition to this method, German representatives of this school developed consensus that society means a whole which is more than a mere sum of its particles. Such holistic approach meant focusing on national economy rather than on its parts either on individuals abstracted apart from their social environment.

According to historical economic school, economic and social solutions can be found by regarding social context of human activities. Thus, habits, rituals, ethical norms as well as law imposed by the state matter. Economic activities are tightly inter-related with other forms of human behavior, and cannot be analyzed separately. The holistic perspective reveals that every kind of human activity is related to different areas of social life (law, religion, etc.). In this social environment, groups deserve special attention. Groups of individuals, again, are no mere sum of their members but act like integrated wholes in their own and clearly defined interests, enterprise be-

² Eucken's original work was an attempt to merge historical approach with theoretical abstraction in the framework of ordo-liberalism.

ing a prominent example. Keeping such vision of national economy in mind, one can afford to recommend suitable economic reforms, and social policies as well.

Holism found continuation in American economic institutionalism, and gave foundation to sociology, a newly born sister of economics³. Let us enumerate, according to brilliant Joseph Agassi's work, distinctive premises of this approach which became competitive to methodological individualism (Chmielewski, 2011, p. 413). The set of beliefs constituting holism can be articulated as follows: (i) There is a whole, called society, which is more than a mere sum of its particles. (ii) Society influences and constrains individual behavior. On the other hand, beliefs constituting individualism can be skimmed to statements like: (i) Individuals alone have purpose and interest of their own. (ii) Under given circumstances, individual behavior suits the purpose (is rational). In consequence, individual activities have an impact on social structure. In other words, social facts and processes can be derived from individual preferences, whereas under holism they can be explained by impact of some super-individual non-reducible wholes (Szacki, 1999, p. 15), like society or social groups. It is worth adding after Jerzy Szacki that holism and individualism refer not as much to social reality, but to rather the optimal way of its understanding (Szacki, 1999, p. 15). Thus, we have two competing strategies of research.

An outstanding representative of American economic institutionalism John R. Commons devoted a large body of his scholarly work to collective action. Drawing on observation of American capitalism of late 19-th and early 20-th centuries, he stressed the significance of collective modes of management and controlling. These modes, incorporated in "corporations, unions, cooperatives" and governments were seen as a device to make up for market failure and for inequity resulting from resource allocation via market⁴. In Commons' view, once these forms have developed, the former individualistic economics was getting out-of-date.

Economic institutionalism by Commons offered a way of introducing collective action into Economics in conceptual framework of transactions and institutions⁵. Transactions emerge both from individual behavior and from human interaction. Making this concept central to analysis means

³ Interestingly enough, Emile Durkheim regarded to be the founder of sociology, was a contemporary of Thorstein Veblen who was the founder of American economic institutionalism.

⁴ The acknowledgement of these modes was transferred to New Institutional Economy by O. E. Williamson under the label "governance structure".

⁵ Characteristically, restatement of Commons' institutionalism appeared in 1950 entitled "Economics of Collective Action".

changing focus to social relations as contrasted with classical economy's concern with individual's relation to nature. This is a shift of economic research from goods and individuals to transactions (trans-actions) between individuals. (Commons, 1934, pp. 69–73). Transactions are carried on under control of institutions. The former are explications of will of one or numerous individuals "to give, to take, to persuade, to force, to cheat, to make orders, to be obedient, to compete, to economize in the world of scarce resources"(Commons, 1968, p. 7). This, however, will be carried out within the boundaries of accepted rules of behavior. The latter are institutions which are seen by Commons also as collective action to control (restrain, expand) individual behavior (Commons, 1934, p. 73). These rules had worked for ages in the first place to save peace and to promote collective action. The idea of individual rights and liberty which is crucial for individualistic approach could appear only after thousands of years of developing such working rules (Commons, 1968, p. 137).

This short review tried to expose the features which made thinking of historical school as well as of American institutionalism on collective action and groups utterly differently structured, as compared to classical and neoclassical economic thought. Both schools just featured were developed in opposition to the former individualistic economic theories and, as strongly policy-oriented, were based mostly on empirical material. They constituted a challenge which could not be denied. Textbooks commemorate the debate on method (*Methodenstreit*) in the late 19-th century between outstanding personalities of Gustav von Schmoller, the representative of historical economic school and of Carl Menger, representing marginalists. Having confronted economic academia and economic establishment, American institutionalists inspired by works of John R.Commons, Thorstein B. Veblen and Wesley C. Mitchell, succeeded in achieving a dominating position in the mainstream of economic thought in the first decades of 20-th century. Their alternative way seems to be still inspiring in studying the nature of collective action.

Collective action from individualistic perspective

The prevailing mode of thinking in contemporary Economics, however, consists of mutations of neoclassical paradigm based on methodological individualism⁶. This does not mean that theories of collective action were

⁶ American economic institutionalists gave away their dominating position to neoclassical economists in the 1930s.

given up. Piotr Chmielewski points to 1957 as the turning point when publishing events created grounds for an interesting synthesis. On the one hand, this was a year of a new issue of "Legal Foundations of Capitalism" by John R. Commons which meant reviving interest in institutionalism. On the other hand, two books were published which created fundamentals for significant development of 20-th century mainstream economic paradigm. One of them was "An Economic Theory of Democracy" by Anthony Downs which is considered to be fundamental for rational choice theories; another one was "Games and Decisions" by D. Luce and H. Raiffy, a textbook of game theory (Chmielewski, 2011, p. 146).

This coincidence is meaningful for a couple of reasons. Rational choice theories develop the basic concepts of neoclassical economics. Individuals stimulated by self-regarding preferences are striving for maximal expected utility. They approach this objective while calculating the benefits from alternative behavior rather than the expected costs of it. Doing so, they take under consideration exclusively pains and rewards of economic nature, and take advantage of full information and material resources at reach. Such ideal behaviour as assumed by rational choice theories is often labeled an instrumental or full rationality. While striving to achieve the aim of their own, they compete with other individuals. This is the perspective of an individual whose self-preferences were reduced to gains and pains dependent on her/his success in the game. Thus, the rational choice perspective goes well with the logic of game theory. Having constructed such an ideal "character", Smith's followers gained a model suitable for formal analysis.

However, such modeling ignores the social context even to a larger extent than Smith's political economy did. Therefore, the 1960s also saw works which, trying to remain in symbiosis with developing rational choice paradigm, brought a broader perspective into the analysis. In this respect, the interdisciplinary heritage of American economic institutionalism was not completely abandoned. Since then, according to Chmielewski, a "New Institutionalism" can be observed, which means developing theories with respect to both to rational calculation as well as to individual choice which is institution-driven. As contrasted to "old" institutionalism, such "new" institutionalism is never dreaming to get in opposition to theories of rational choice and game theories that is to contemporary mutation of neoclassical economics. It emerged from the very heart of neoclassical economic tradition (Vanberg, 1989).

The same statement refers to contemporary theories of collective action developed under the umbrella of rational choice institutionalism. The first generation of these theories dating from the 1960s can be classified as deductive rational choice analysis. It is represented in this paper by short

characteristics of theories by Mancur Olson and by James M. Buchanan. A more contemporary generation, represented here by the theory of Elinor Ostrom, seems to be eclectic in the sense it is basing i.a. on empirical and field research. It needs to be said that all the authors mentioned declare methodological individualism as the preferred device of explaining collective action. However, they are not ready to stick to instrumental rationality; what they do as a matter of fact is "softening" the rational choice paradigm by introducing other-regarding preferences and social aspects of choice. It seems natural in the light of a deeply informed statement by Douglas C. North that instrumental rationality is a premise of neoclassical Economics, which makes it an institution-free theory (North, 1995). Rational choice institutionalism strives to broaden the neoclassical model where explicit coordination goes on with the help of prices by shifting focus to institutions meant as rules of the game.

An individual striving for maximal expected utility is at the centre of Mancur Olson's theory. Utility, however, apart from material incentives, also means "goods" stemming from social relations, like prestige, respect, friendship. Methodological individualism makes Olson argue that they are non-collective goods, and at the same time it does not prevent him from seeing them as social incentives for collective action. Olson acknowledges that social acceptance or its denial may be a powerful reward or pain for an individual (Olson, 1995, p. 61). However, incentives for collective action at place do not necessarily mean for him that action would be undertaken. Incentives must be strong enough for group to be formed and act. Olson seems to be the first critique of a "theory" based on (sometimes implicit) assumption that groups act in their own sake by analogy to individuals who usually do so indeed (Olson, 1995, pp. 1–2). Being influenced by such an automatic analogy is a mistake. Whenever collective action is at stake calculating individuals present an easy-rider attitude, that is they would rather abstain from strive and costs which joining the action means, and wait for results of inputs of the others. In effect, only some groups undertake action and cooperate. This "gloomy logics of collective action" was provided by Olson with the prediction that the moral hazard just described is the stronger the bigger a group is. Consequently, collective action, if any, would happen rather to small groups driven by narrow interests where easy-rider attitudes are comparatively rare and incentives to cooperate are strong enough.

Similarly, James Buchanan, in accordance with methodological individualism, made an abstracted person the basis for analysis of collective action and applied the rational choice perspective in his theories to explain complex reality of politics. An individual is a set of preferences where net wealth needs not necessarily to be an important motivating force (Buchan-

an, 2008, p. 988). While considering democratic state and public choice Buchanan's attention was focused on "the ways through which the separate individual behaviors are combined or aggregated so as to generate definitive collective outcomes" (Buchanan, 2008, p. 985). According to the author, the distributional conflict that seems to describe so much of the politics observed must not be elevated to a position as the exclusive explanatory element. Individuals do cooperate in a political game: "At some base level of choice, persons enter into collective action when they consider that in such action they can secure more of that which they value (utility), than they can secure in non-collective interactions." (Buchanan, 2008, p. 986). However, common interest of the group is for him not as obvious as it is for historical economic school. Buchanan would rather follow Knut Wicksell by saying that general agreement is rarely observed to be present in any collective action because, as a rule, there are both net losers as well as net gainers (Buchanan, 2008, p. 988).

Contributions by Olson, Buchanan and others (Downs, 1957; Buchanan & Tullock, 1997; Becker, 1983), based on standard models in which political actors maximize self-interested preferences, succeeded in illuminating many aspects of political behavior. Their works as well as those inspired by their new political Economics, have contributed to our understanding of voter, party, and policy preferences, interest group politics, rent-seeking, coalition formation, bargaining, and other aspects of political behavior. A number of critical aspects of political behavior remain difficult to explain within this framework, however. Yet as Elinor Ostrom (1998) and others have pointed out, these include voluntary contribution to public goods and the adherence to social norms and the punishment of those violating social norms. As Bowles and Gintis put it, "[a]mong the more striking examples of the shortcomings of the standard model is the large class of political behavior that takes the form of voluntary contribution to public goods. Included is participation in joint political activities and other forms of collective action." (Bowles & Gintis, 2008, p. 952). It does not explain the fact that "people bother to vote at all, and electoral support for costly redistributive programs from which the voter concerned is unlikely to benefit and for which he will certainly pay additional taxes" (Bowles & Gintis, 2008, p. 952). This observation gave rise to the second generation of contemporary theories of collective action.

Elinor Ostrom and her co-authors claim that maximizing self-interested preferences does not apply to complex social situations, which means that rational choice paradigm should co-exist with a modified approach to rationality. Both versions of rationality appear to be effective tools, and may yield understanding of individual behavior in different situations. Namely,

in simple situations models of full rationality seem to be powerful and appear to be the best device of explanation and prediction. In complex situations, however, full rationality often seems to be an unreasonable premise. Instead of a complete investigation and calculation a researcher should rather assume learning-by-doing and step-by-step decision making. This is a premise that under some circumstances individuals are less capable of doing a complete calculation than it has been normally assumed in rational choice theories (Ostrom *et al.*, 1994, pp. 319–323).

Secondly, Ostrom argues that maximizing individuals have other-regarding preferences (Ostrom, 2005, p. 102). Moreover, in their decision making they rely on heuristics and norms. What makes her introduce such substantial modifications into instrumental rationality model is her research on group-level coordination based on common ownership. This research reveals activities within institutional structure of networks rather than within hierarchies, and it is carried on locally rather than in political structure of the state. She points to modes of coordination other than "staying in contact with leaders, organizing interest-centred groups and political parties, voting" (Ostrom, 1998, p. 18). Collective decisions are made due to verbal communication and include such incentives like "sense of community" and "moral responsibility" (Ostrom *et al.*, 1994, pp. 319–323). Ostrom's perspective seems to broaden a range of incentives for collective action substantially. They are individual costs and benefits, i.e. rational choice.; they are the rules individuals accept as being applied to the game they play; they are ethical norms and culture-based practices (e.g. language) as well.

According to Ostrom, empirical material gathered and experiments carried out reveal that propensity of individuals to collective action is much more significant than rational choice analysis suggests, and that additional incentives are at play. "Field research shows that individuals systematically get engaged in collective action in order to provide local public goods and/or to manage common pool of resources in absence of external authority and of authority-originating stimuli or punishment/sanctions." (Ostrom, 1998, p. 2) Inter-group norms and direct communication often matter more than external incentives, especially when small groups are concerned. Empirical findings present small communities as built on reciprocity, confidence, reputation and cooperation.

Having reviewed "individualistic" theories, we are inclined to draw a following conclusion. Cooperative behaviors cannot be fully explained on the basis of self-interested motivations. As Ostrom and her colleagues observe, the range of incentives must be far broader, social preferences included. As Bowles and Gintis (2008) add, among the preferences there are those with a taste not only for fairness, but also for retribution. Moreover,

self-regarded individual behavior does not necessarily bring rational collective decisions. Economics, politics, public choice theory as well as public policy are aware of situations when individual behavior results in unexpected and/or undesirable social facts. These perverse effects are called social dilemmas or social traps by rational choice theorists. The tragedy of commons, named and specified by Garret Hardin in 1968, happens because common ownership is treated as no-one's ownership, and therefore is prone to degradation. So called Prisoner's Dilemma, presented by M. Dresher and M. Flood in 1950 in the form of a game, means situations when individually rational strategies paradoxically imply irrational collective performance. As already shown, it can be assumed that self-interested Easy Rider would appear whenever collectively created public good is available, with no motivation for contributing to multiplication of this good. In sum, coincidence of calculating individual and collective goods may produce undesirable predatory behavior. It is acknowledged that an individual is less rational in collective than in private choices and there is no precise relationship between individual action and result of public choice (Buchanan & Tullock, 1997, pp. 36–39).

Finally, let us deal with the basic paradox. New rational choice institutionalism relies on methodological *individualism* in order to explain *collective* decision making. How is the explanation possible? Institutions seem to be a clue. Namely, the referred theories see self-interested and opportunistic individuals being active within institutional framework of markets, hierarchies and social networks. In such variously structured groups individuals perform their social roles and normally adapt to rules, norms and practices, that is institutions. Introducing institutions into perspective clarifies why collective outcomes are *not* a simple aggregation of individual activities. Individual preferences get *transformed* in collective choice which is no sum of preferences, with institutions working as specific transformers. Rules, procedures, routines create constraints to individual behavior or open opportunities to redefine self-interest, and thus make collective decisions possible, even under variety of conflicting preferences and with regard to questions where no definite consensus exists. In each social situation a set of institutions produces behavioral patterns which are helpful in reconciling individual rationality with collective action (Buchanan, 2008; Chmielewski, 2011, pp. 410–411).

Conclusions

Collective action is the crucial phenomenon of economic reality. It is interesting, however, how reluctantly collective action of such entities as corporations, governments, trade unions, associations, political parties, etc. is submissive to a theoretical paradigm of Economics. By saying "paradigm", we mean methodological individualism which became a dominating approach in economic theories and was adapted by some theories in the fields of sociology and other social sciences. This work was motivated by the question what economic theories have addressed the problem of collective action. The review has driven us to the following conclusions. Methodological individualism in its classical version produced the Smithian idea that common good is a by-product of self-interest-driven individual behaviors, and within this perspective collective action constitutes no subject of research. Next, the critics of such orthodox thinking changed the focus radically to social relations, having shifted their own research from goods and individuals to transactions between individuals, and believed that individual behavior is always constrained and controlled by collective action (Commons). Between these poles of methodological individualism and methodological holism rational choice institutionalism is seated. Contemporary institutionalists seem to realize that cooperative behaviors cannot be fully explained on the basis of self-interested motivations and need social norms to be included into perspective. Such a compromise, however, can be regarded as no solution. Motivations other than self-interest, if added to reductionist rational choice model of behavior, can make the whole theory aimless (Douglas, 2010, p. 2).

Our work was organized according to two ways of approaching the phenomenon "collective action" in the field of economics, which is by holistic and individualistic modes of explanation, with the holistic or structural approach adopted by "old" historical and institutional schools as contrasted with methodological individualism adopted by "new" institutionalism from theories of rational choice and neoclassical economics. The divergence between the two strands even more than about mode of explanation is about original concerns as well as about final outcomes. The first one was developed due to concern about capitalist system, resulted from its critique, and was inspired by observation of significance of collective control equally within this one and in any former social order. It put stress on big groups as being crucial to how capitalism operates. The second strand seems to be rather concerned with taking advantage of the method and be inspired by observation that this constitutes a chance to incorporate some specific and relevant concepts and ideas into the mainstream of economics (Furubotn &

Richter, 2000). The method is seen also as a possible platform of integration of Economics and other social sciences (Chmielewski, 2011). Contemporary theories of collective action introduce incentives like other-regarding preferences, altruism, voluntary contribution to public goods. They confirm significance of collective action, however, for small groups alone which can mean that neither scale nor level of group activity is systematically relevant.

Both schools of institutionalism are rather imperfect in explaining collective action. The holistic strand which is both historically- and empirically-based, seems to be deprived of a unifying merit of theory. If compared to formalist-deductive reasoning of the mainstream economics it is just "story-telling", according to Mark Blaug. Saying this Blaug means that such "stories" can be hardly falsified (Blaug, 1995, p.174), and thus are hardly any science. The contemporary rational choice institutionalism, and theories of collective action developed under its umbrella, grasp the chance to build universal theory of social activities by sticking to methodological individualism. However, for adopting this neoclassical method, they seem to pay a high price of "sharp confinement of sight angle". According to Gunnar Myrdal, in modeling with limited number of variables "the whole social system gets out of sight (...). In effect, universal tendency to a very peculiar deformation emerges, which is namely pretending that market rationality and optimality exist whereas in reality markets become less and less perfect, and in some sectors they even degenerate completely." (Myrdal, 1982, p. 147). Group activities of corporations, trade unions, associations, political parties, governments etc. are a striking example of how empirical material can diverge from a theoretical perspective. Institutionalism, though imperfectly, tries to fill up the space between the two.

References

- Becker, G. S. (1983). A theory of competition among pressure groups for political influence. *Quarterly Journal of Economics*, 98(3).
- Blaug, M. (1995). *Metodologia ekonomii*. Warszawa: PWN.
- Boudon, R. (2008). *Efekt odwrócenia. Niezamierzone skutki działań społecznych*. Warszawa: Oficyna Naukowa.
- Bowles, S., & Gintis, H. (2008). The evolutionary basis of collective action. In B. R. Weingast & D. A. Wittman (Eds.). *The Oxford handbook of political economy*. New York: Oxford University Press. doi: 10.1093/oxfordhb/9780199548477.003.0053.
- Buchanan, J., & Tullock, G. (1997). *The calculus of consent. Logical foundations of constitutional democracy*. Ann Arbor: The University of Michigan Press.

- Buchanan, J. M. (2008). Politics and scientific enquiry: retrospective on a half-century. In B. R. Weingast & D. A. Wittman (Eds.). *The Oxford handbook of political economy*. New York: Oxford University Press. doi: 10.1093/oxfordhb/9780199548477.003.0055.
- Chmielewski, P. (2011). *Homo agens. Instytucjonalizm w naukach społecznych*. Warszawa: Wydawnictwo Poltext.
- Coleman, J. (1993). Racjonalna rekonstrukcja społeczeństwa. *Studia Socjologiczne*, 1.
- Commons, J. R. (1934). *Institutional economics. Its place in political economy*. New York: The Macmillan Company.
- Commons, J. R. (1936). Institutional economics. *American Economic Review*, 26(1).
- Commons, J. R. (1968). *Legal foundations of capitalism*. Madison, Milwaukee, London: The University of Wisconsin Press.
- Douglas, M. (2010). *Jak myśl instytucje*. Warszawa: Wydawnictwo Naukowe PWN.
- Downs, A. (1957). *An economic theory of democracy*. New York: Harper Collins Publishers.
- Eucken, W. (1951). *The foundations of economics. History and theory in analysis of economic reality*. Chicago, Illinois: The Chicago University Press.
- Furubotn, E. G., & Richter, R. (2000). *Institutions and economic theory*. Ann Arbor: The University of Michigan Press.
- Myrdal, G. (1982). Znaczenie i wartość ekonomii instytucjonalne. In K. Dopfer (Ed.). *Ekonomia w przyszłości*. Warszawa: PWN.
- North, D. C. (1995). *The new institutional economics and development*. Norway: The International Association for the Study of Common Property.
- Olson, M. (1995). *The logic of collective action. Public goods and theory of groups*. Cambridge, Massachusetts: Harvard University Press.
- Ostrom, E. (1998). A behavioral approach to the rational choice theory of collective action. *American Political Science Review*, 92(1).
- Ostrom, E. (2005). *Understanding institutional diversity*. Princeton, Oxford: Princeton University Press.
- Ostrom, E., Gardner, R., & Walker, J. (1994). *Rules, games and common-pool resources*. Ann Arbor: The University of Michigan Press.
- Szacki, J. (1999). Nauki społeczne wobec wielkiej zmiany. In J. Kurczewska (Ed.). *Zmiana społeczna. Teoria i doświadczenie polskie*. Warszawa: Wydawnictwo IFiS PAN.
- Vanberg, V. (1989). Carl Menger's evolutionary and John R. Commons' collective action approach to institutions: a comparison. *Review of Political Economy*, 1(1). doi: 10.1080/09538258900000025.