



The Rules of the Game

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Learning Objectives

- Recognize the ‘patterns’ that make it difficult for reforms to succeed.
- Learn about various constraints to collective action.
- Identify which of these constraints to collective action are operative in the Sarangaya case.



Why Do Reforms Often Fail?



Political Economy Defined

- The relationship (or intersection) between politics and economics.
- Politics – ‘who gets what, where, and how’ (Lasswell, 1936).
- Economics – deals with the production, consumption, allocation of goods and services.



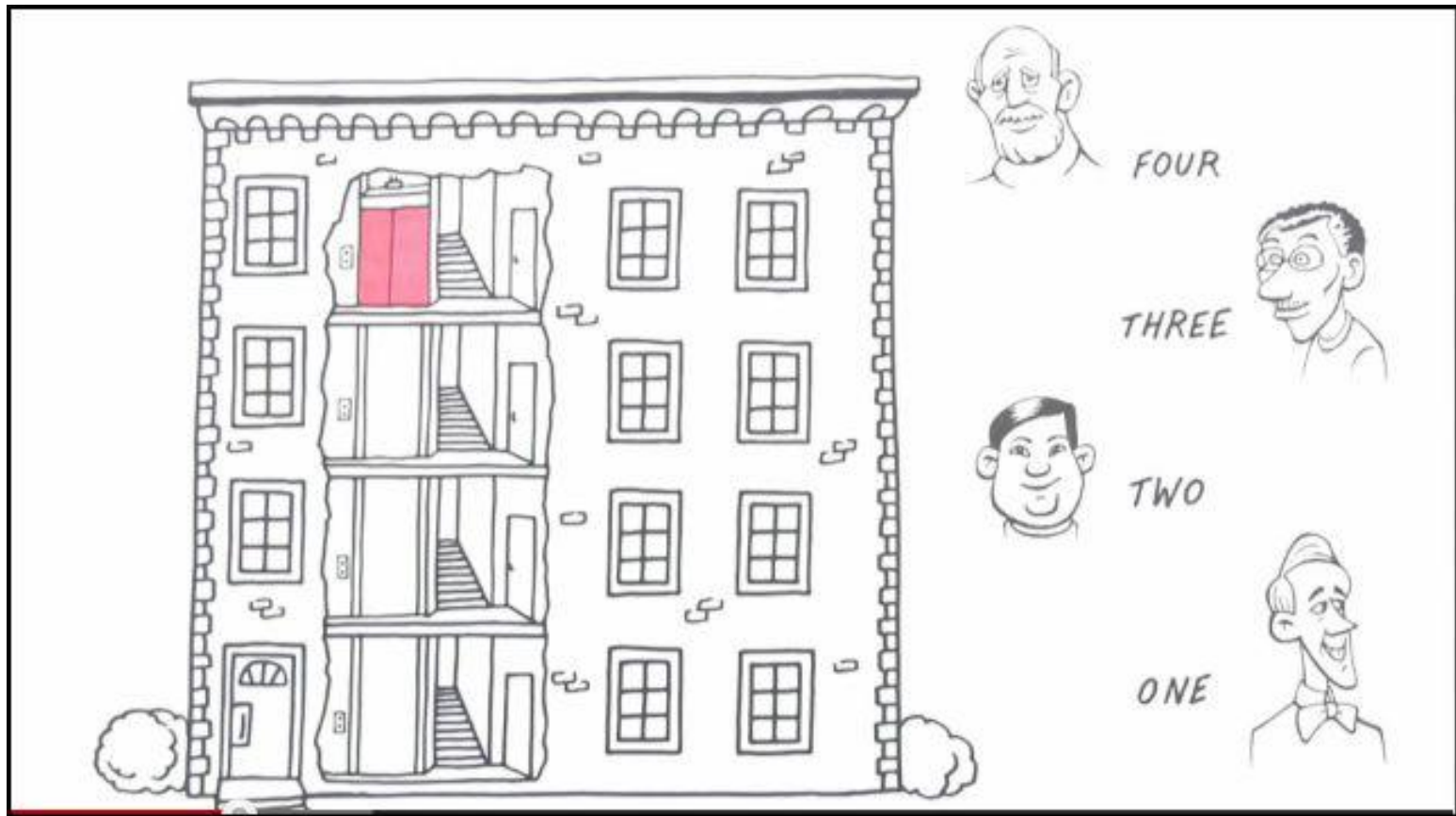
Collective Action – The ‘How’ of Reform

- *A social dilemma* – If I can reap the benefits of reform without contributing to it, why should I contribute in the first place?

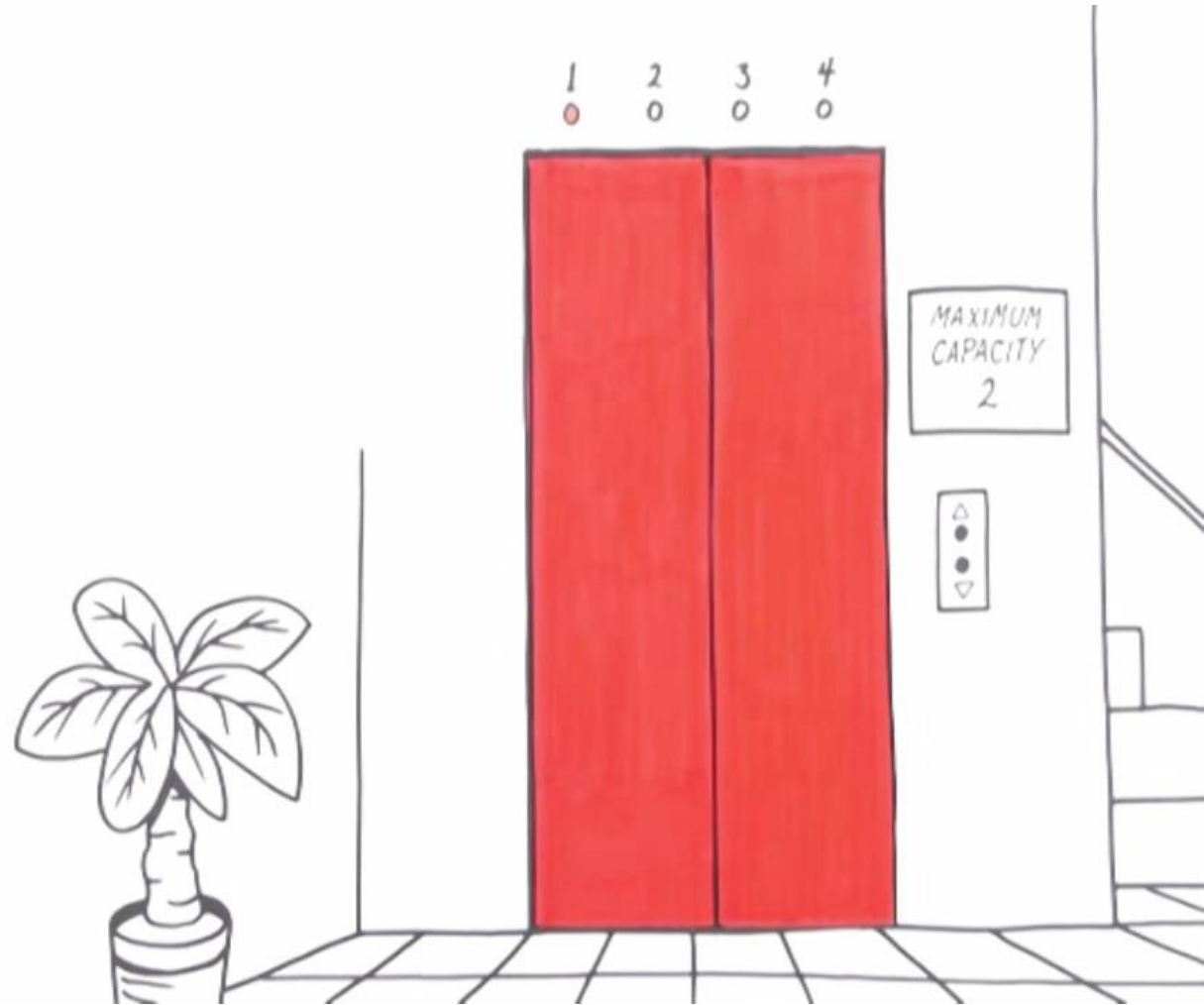


Constraints to Collective Action

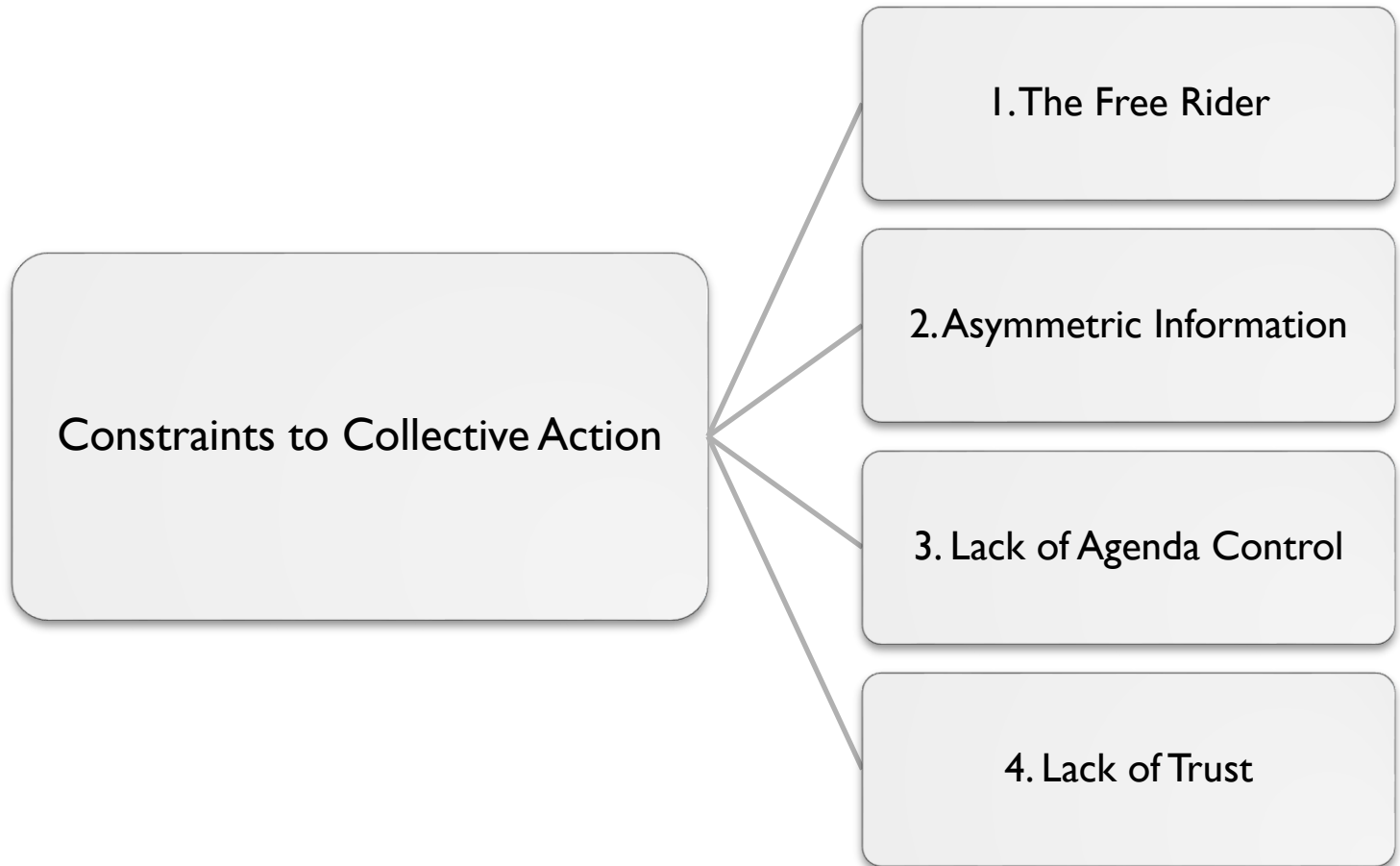
The Adventures of Eli: The Red Elevator



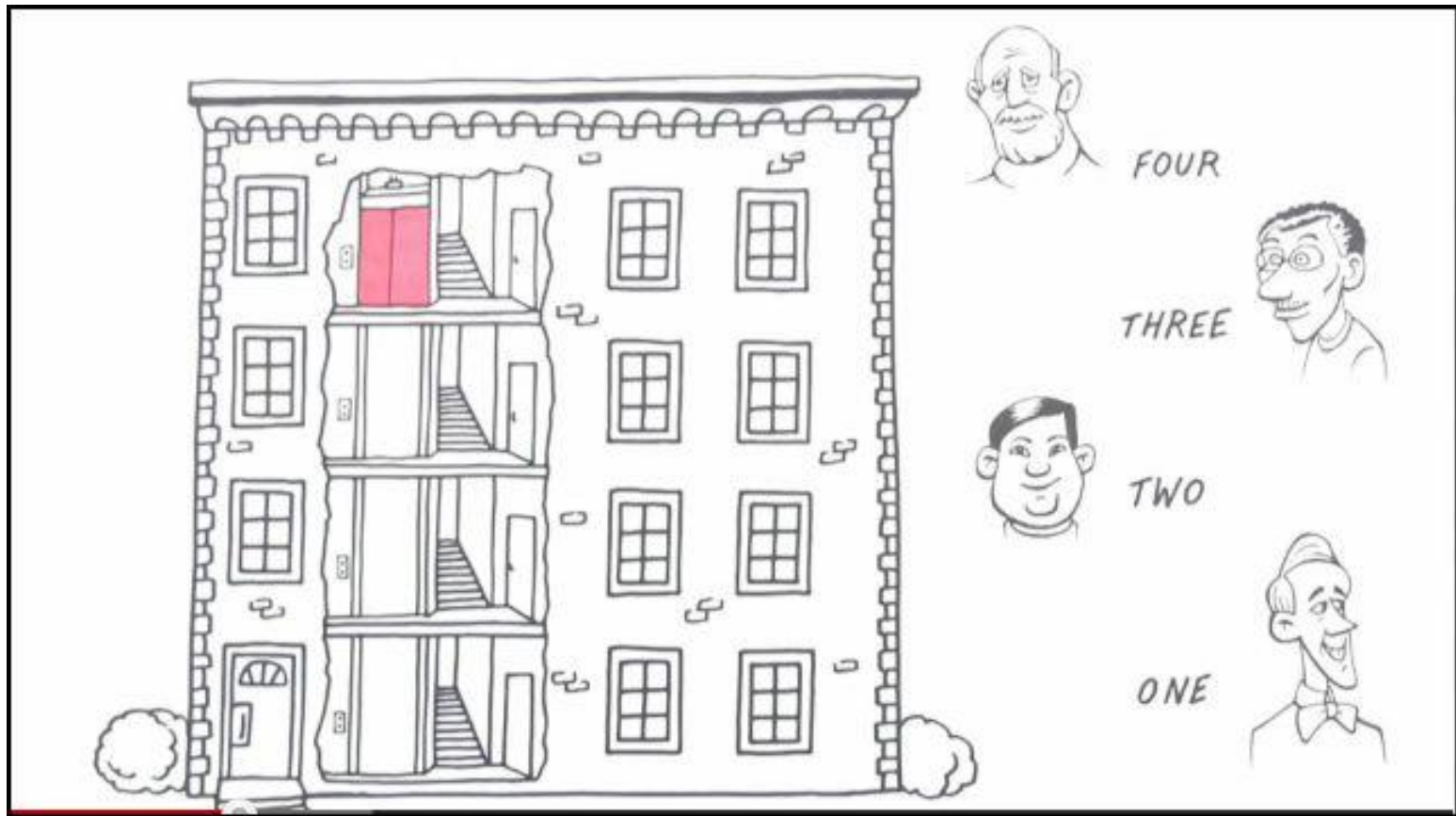
Video



Constraints to Collective Action



The Adventures of Eli: The Red Elevator



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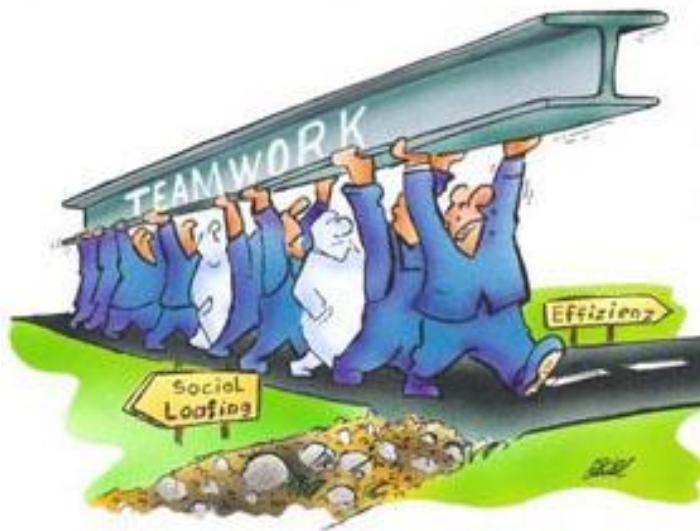
The Free Rider Problem



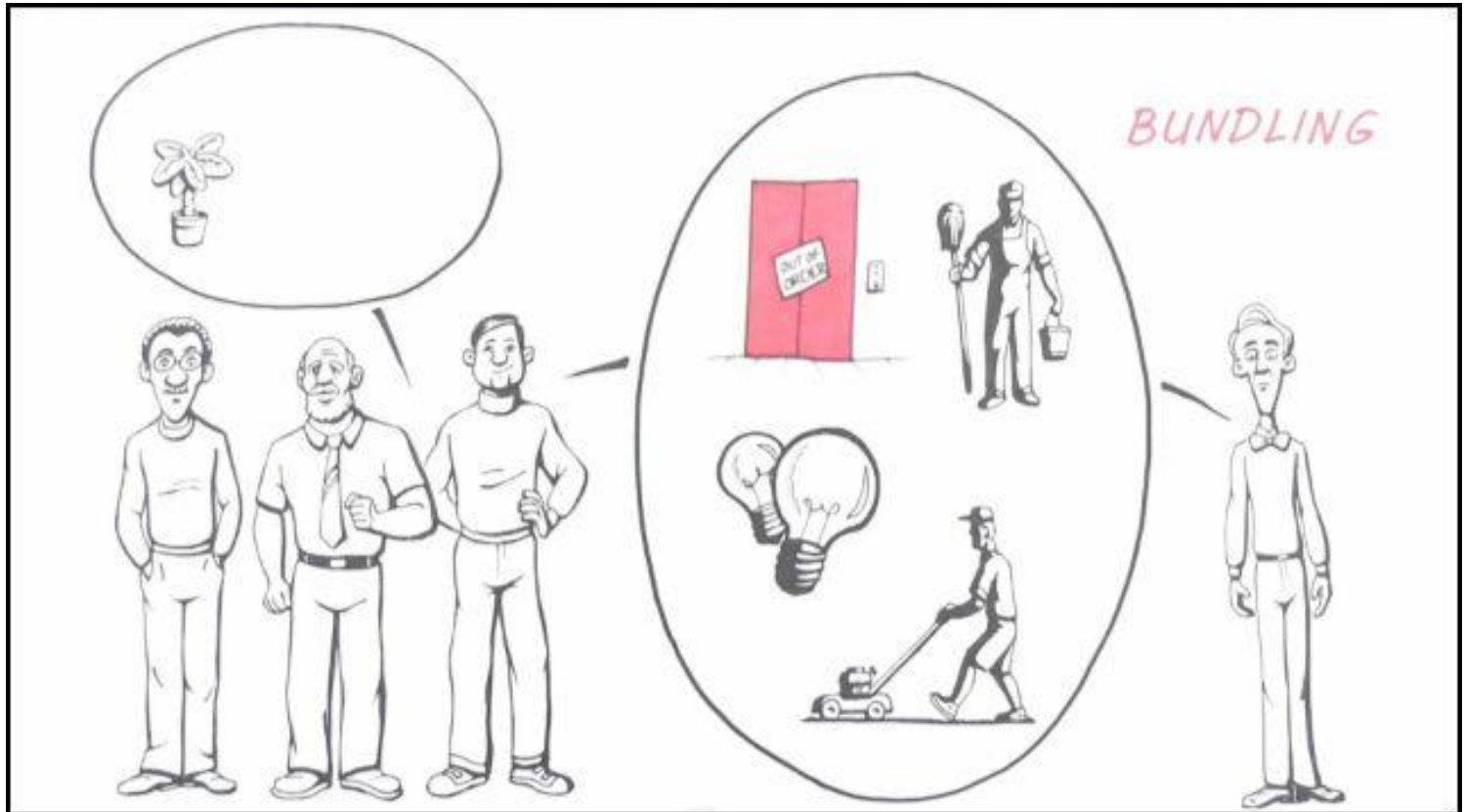
I use ...
You pay...

...but the
community
loses

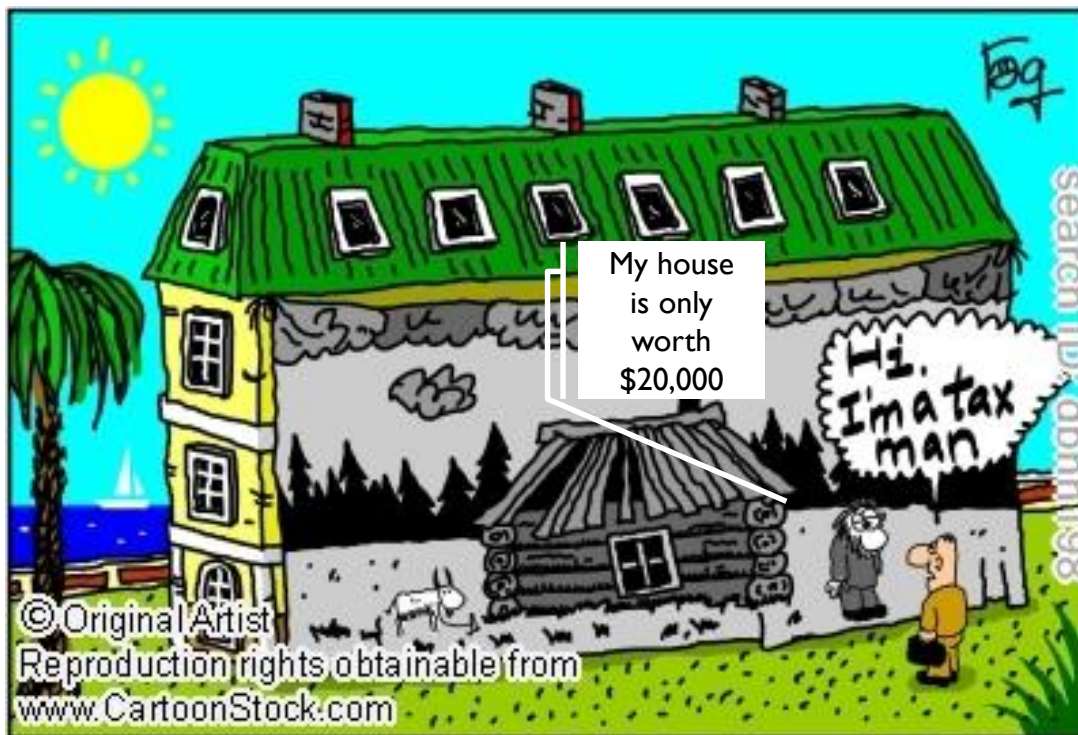
The Free Rider Problem



The Free Rider Problem: Potential solutions



Asymmetric Information



I know...
He doesn't...
I gain!

...but the
community
loses

Agenda Setting



I maneuver...

I win!

Trust



“The willingness of a party to be **vulnerable** to the actions of another party **based on the expectations** that the other will perform a particular action important to the trustor, **irrespective of the ability to monitor or control the other party.**”

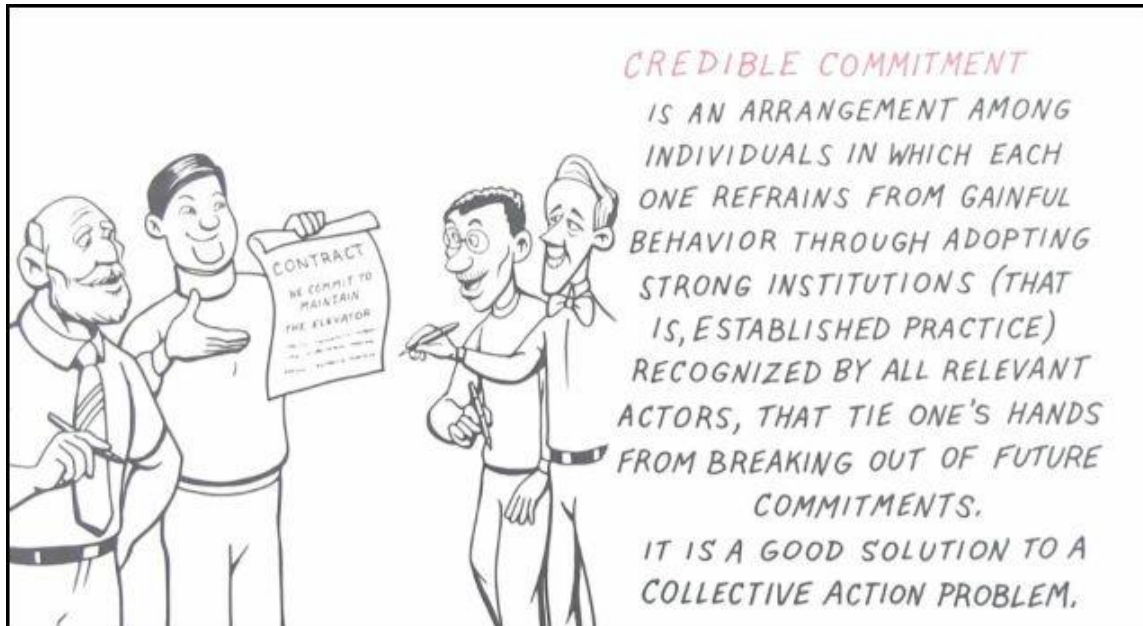
Source: Mayer *et al* , 2006

Lack of Trust



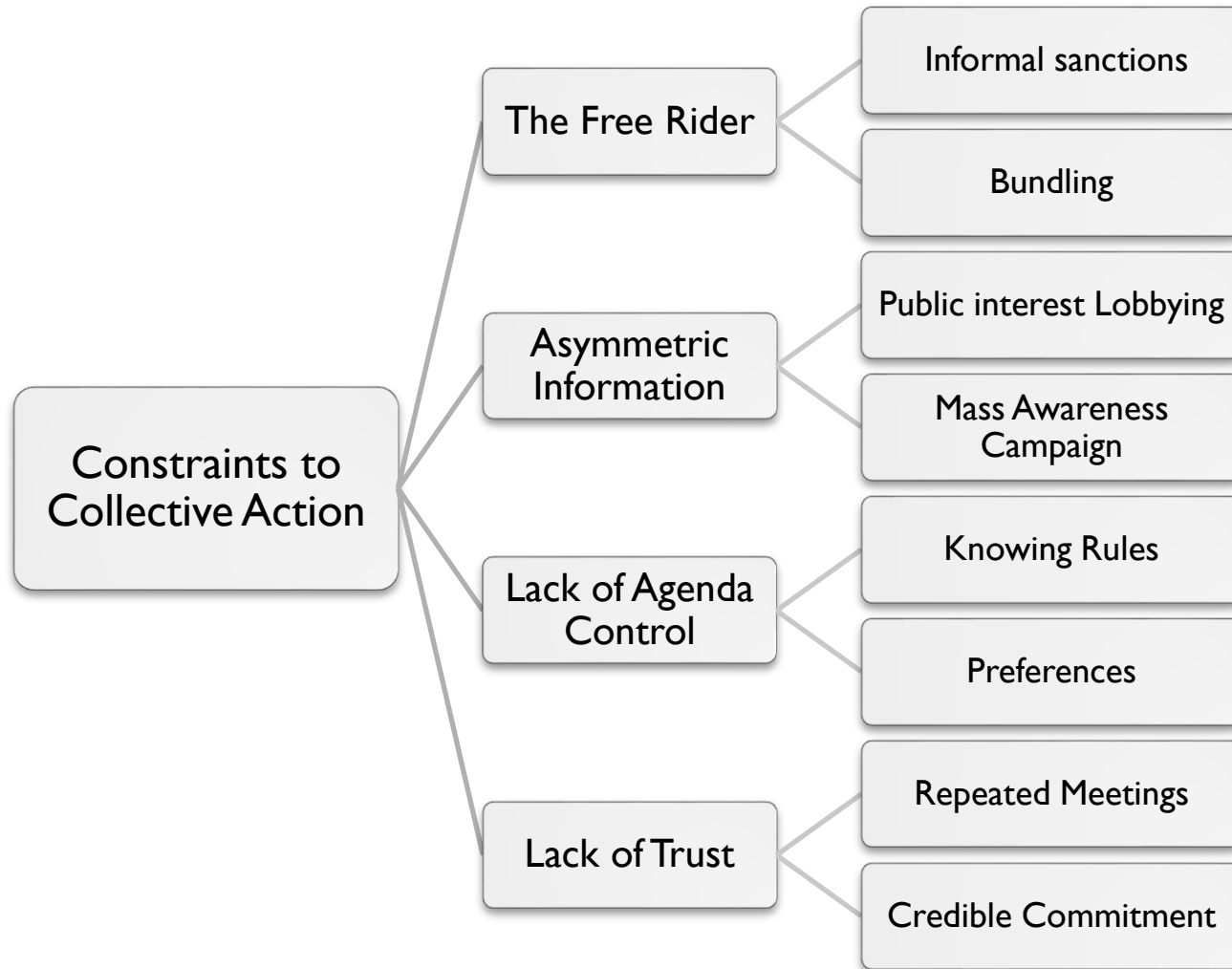
- Context specific
- History based
- Predispositions, behavioral expectations
- Increases transactional costs

Credible Commitment

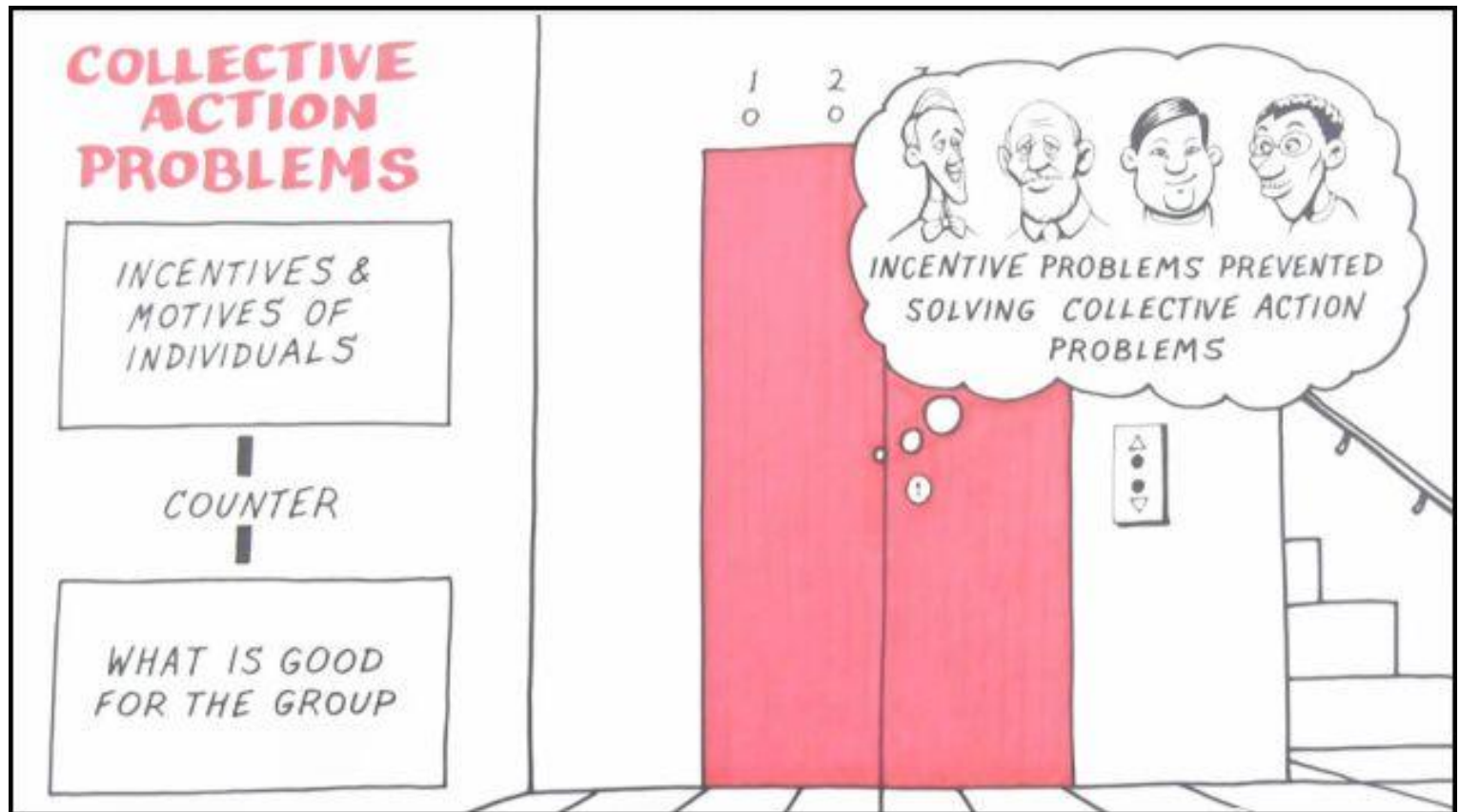


I break my
promise...
I suffer

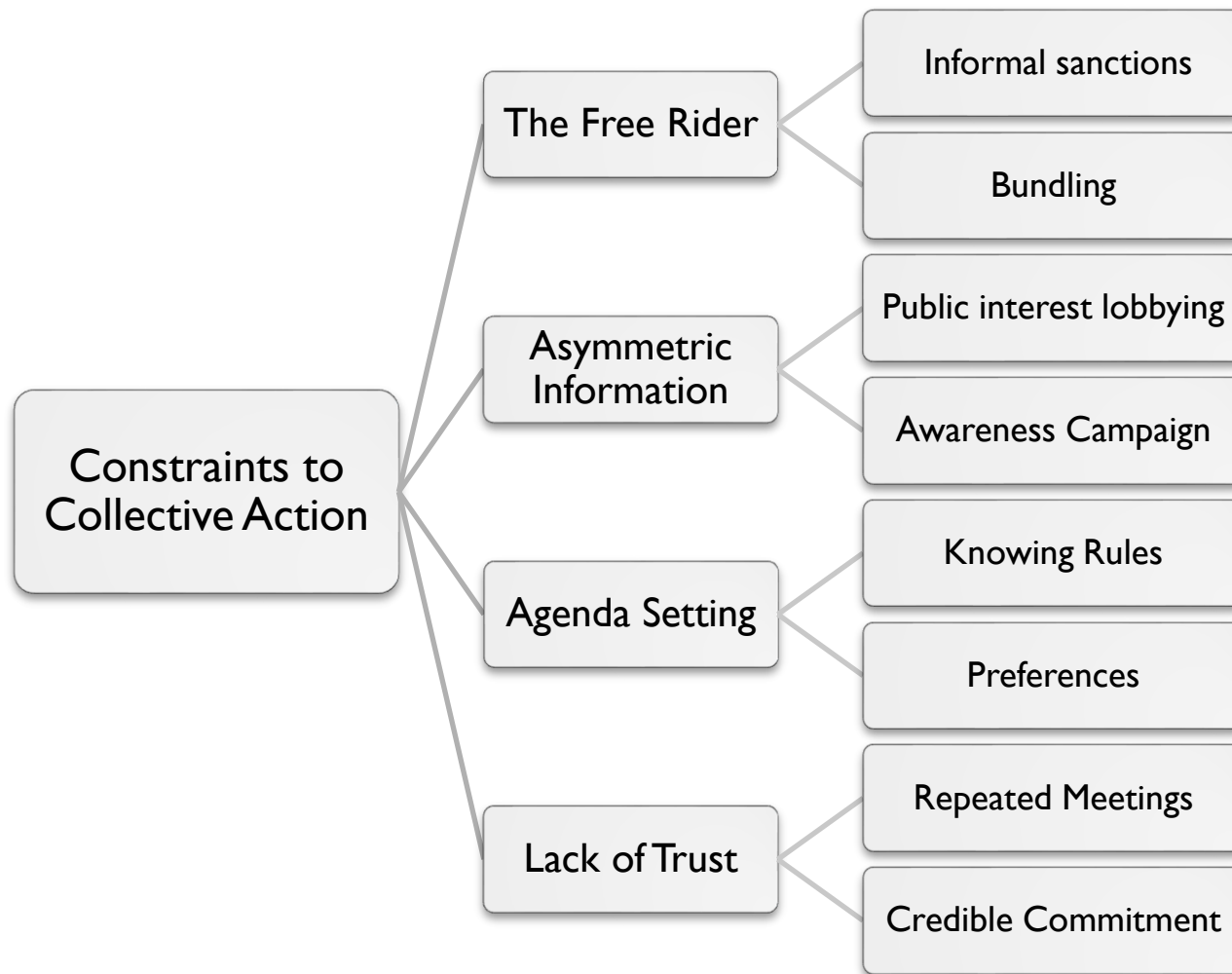
Constraints to Collective Action: *What can be done?*



Collective action problems



Constraints to Collective Action: *What can be done?*





Group Work

Discuss what constraints to collective action seem to be present in the Sarangaya case.



Plenary Discussion



Wrap-up

- When problems persist, search for ‘patterns’ - the constraints to collective action.
- Explore ways to move from WIIFM to WIIFUS.



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