

Chapter 3

Rational Choice

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Introduction

The rational choice approach to the study of politics involves the application of the methods of economics to the study of politics. We say more about this in the following section, but two key assumptions which are of absolutely central importance to rational choice can be immediately highlighted: rationality and self-interest. No matter what aspect of politics they are looking at and no matter whose behaviour they are seeking to account for, rational choice theorists, with some exceptions discussed below, start by assuming that people can be relied upon to act in ways which best secure their goals and that these goals reflect their self-interest.

The plausibility of these assumptions can be challenged. But their utility cannot be doubted because *if* people are rational and self-interested it is possible to construct simple but potentially powerful explanations about political events. Rational choice theorists often assemble dizzyingly complex models of political behaviour replete with equations and mathematical appendices. But the explanatory work being done by the assumptions of self-interest and rationality is nevertheless easy to grasp. Why did government ministers cut taxes shortly before an election? The rational choice theorist will be at one with the cynical voter in suggesting that the government cut taxes in order to boost its own chances of re-election and did so in the belief that voters reward governments who can deliver the appearance of prosperity.

Rational choice theorists were not the first to employ the assumptions of rationality and self-interest. A 'realist' tradition within international relations tracing its origins back to ancient Greece and Thucydides' *History of the Peloponnesian War* suggests (at its simplest) that states' actions are explicable in terms of a self-interested drive for power and that their leaders' commitments to justice, peaceful co-existence and international norms of behaviour are 'cheap talk'. Since the 1980s it is, however, rational choice theorists who have most zealously applied the assumptions of rationality and self-interest to the broadest range of political activities.

Rational choice theory was developed by a small number of economists and political scientists working in a handful of American universities in the 1960s. Having initially been confined to the pages of economics journals, rational choice entered the political science mainstream in the early 1980s and, for a time, looked like it might dominate the study of politics. Indeed, during this period rational choice grew in popularity to such an extent that it acquired a number of different names: rational choice theory; rational action theory; public choice theory (which its proponents regarded as a more specialised version of rational choice theory dealing specifically with the behaviour of governments); and social choice theory (a subset of rational choice theory which examines the properties of voting systems and the possibilities of aggregating individual preferences to form a social choice). One leading proponent, Dennis Mueller (1993: 174), went so far as to predict that ‘rational choice and political science will be indistinguishable in another generation’; and that rational choice ‘will be a field within economics, and will encompass all of political science’. This has not come to pass. Rather than rolling over and learning to think like rational choice theorists, many political scientists reacted to the arrival of rational choice by criticising the shallowness of its assumptions, its political biases and poor predictive record. Economics and politics, they argued, are very different spheres of human activity. Methods that might work for economics will not necessarily work for politics.

In recent years the intensity of the argument over rational choice has started to dissipate (Hindmoor, 2011). Rational choice theory no longer divides the discipline in quite the same way as it once did. One reason why is that rational choice theorists have, in practice, learnt how to relax and so make more palatable some of the assumptions they make. Increasingly, some of the most interesting work in political science does not consist of passionate defences of or attacks upon rational choice theory but, instead, exercises in theoretical ‘border crossing’ (Thelen, 1999) in which rational choice assumptions and arguments are deployed within and alongside other theoretical approaches (see Chapter 4 on institutionalism, for instance).

In this chapter we start by describing in more detail what the rational choice method consists of. To show what this method looks like and how, in practice, some of its assumptions can be softened and blended with other theoretical approaches we then look at the concept of collective action problems in relation to environmental politics. We conclude by listing some of the more salient criticisms which have been made of the rational choice approach and discuss how rational choice theorists have responded to them.

The methods of economics (and rational choice)

Rational choice theorists think like economists. How do economists think? The simplest answer is that they think deductively. They start from an assumption that people are self-interested and rational. They

then go on to work out how, in any particular situation, people might behave given their expectations of how other rational and self-interested people are going to behave. Rationality here means instrumental rationality. People are able to identify the course of action which is most likely to allow them to achieve their goals.

To put some flesh on these bones, economists assume that people respond predictably to incentives. So, to work out what is going to happen in any particular situation you need to work out what incentives people face to behave in particular ways. To do this, economists usually construct models (theoretical, not literal) of particular situations and use these to generate predictions about how people will behave and what kinds of things will happen in particular situations. They can then test these models against real-world data. What is a model? People usually think of models as small objects which, in perfect scale, exactly represent some larger object. Think of model aeroplanes or model cities. Models of this sort are ‘isomorphic’ in the sense of having a high degree of correspondence with the object of which they are a model. Economic models are not models of this sort. They are, instead, attempts to pick out the *essential* features of some situation. Models are, in this sense, idealisations which, although simple and incomplete, can nevertheless help us understand something about that world. Ariel Rubinstein (2012: 16) sees formal models as ‘fables’ designed to impart some generally useful lesson. A model, like a story, ‘hovers between fantasy and reality ... it can be free from irrelevant details and unnecessary diversions.’ According to this view, we learn from rational choice models in the same sense that we learn from literature: ‘We will take the tale’s message with us when we return from the world of fantasy to the real world, and apply it judiciously when we encounter situations similar to those portrayed in the tale.’

A lot of economic models are going to tell us things that are pretty intuitively obvious. What happens when the price of a product goes up? Demand goes down. What happens when governments announce plans to raise inheritance taxes? More people give gifts to their relatives before they die in the hope of avoiding the tax. But the most interesting economic models show us how incentive structures sometimes lead people to behave in unexpected and often suboptimal ways. Take the issue of car safety. Cars are now built to far higher safety standards than they once were – with features like air bags and crumple zones often coming as standard even in economy cars. At the same time, most countries now require drivers and passengers to wear seat belts. So does this mean we are all a lot safer? Not quite. In the mid-1970s Sam Peltzman, a professor of economics at the University of Chicago, argued that people have an incentive to react to the introduction of a new safety measure or rules by acting in an increasingly risky manner, therefore negating the benefit of the change. If people buy a new and much safer car in which they are much less likely to be killed or seriously injured if they crash, they may suddenly decide to drive more quickly and aggressively in order to get to their destination quicker. This is potentially bad news for pedestrians

and cyclists whose chances of surviving a collision are going to depend a lot more upon the speed of the car hitting them than the number of safety features it has protecting its driver.

Or think about consumer and business behaviour. At the start of a recession when confidence is low, growth is falling and jobs are being lost, consumers and businesses have an incentive to rethink their spending plans. Fearing for their own jobs, consumers may well shelve plans to buy a new and safer car in favour of saving more money for a rainy day. Fearing that consumers are going to save rather than spend, business managers might then cancel proposed investments. From an individual perspective, such behaviour makes perfect sense. It would be pretty foolish not to adjust your behaviour when the world around you is changing. But as John Maynard Keynes argued in *The General Theory of Employment, Interest and Money*, published in the midst of the Great Depression in 1936, if everyone behaves in this way it will simply result in lower consumption, more job losses and a vicious circle of economic contraction. Skip forward a few generations and critics of austerity argue that Keynes' paradox of thrift, as it is known, tells us why it was a mistake for so many governments to cut public expenditure when the global economy was faltering in the aftermath of the 2008 financial crisis. In a recession government needs to spend more to compensate for lower spending in the private sector and to boost confidence. Others disagree. The theory of 'expansionary fiscal contraction' holds that governments can actually kick-start economic recoveries by cutting expenditure, because people will think that cutting expenditure now will result in lower taxes tomorrow – so, encouraging them to spend more money. The disagreement here is as much political as it is economic. But what economists on different sides of this debate will agree is that in their everyday lives, people respond rationally and predictably to incentives and that we can best understand what is happening in the world by building models and testing those models against available data.

Precisely because economics can be defined as a method rather than simply as a subject matter, economics has always had an imperialist edge. Another Chicago economist, the Nobel Prize-winning Gary Becker, first made a name for himself in the 1960s by constructing economic models of marriage, child-rearing and racial discrimination. More recently, Becker's former student Steven Levitt has taken the assumption that 'incentives are the cornerstone of modern life' (Levitt and Dubner, 2005: 11) to explain the behaviour of, among others, drug dealers, prostitutes and terrorists in the bestselling series *Freakonomics*, *Superfreakonomics* and *Think Like a Freak*.

So it should not surprise us that the method of economics has come to be applied to the study of politics. In the following section, we examine one particular area of work: collective action. But the important point to make here is that rational choice theory can be applied to any subject within political science – voting, party competition, security dilemmas

in international relations theory, conflict resolution, interest-group lobbying, redistribution, regulation, constitutional change, legislative bargaining, intergovernmental treaty negotiations or the setting of policy agendas.

The logic of collective action

If individuals are rational it makes intuitive sense that groups, being composed of individuals, will also be rational. If a group shares a common goal which everyone agrees is worthwhile, we might expect everyone to contribute to the realisation of this goal. Experience teaches us that this is not always the case, however, and rational choice theory helps explain why.

When waiting for your luggage at an airport, you will normally find a crowd of people packed around the baggage carousel. At the end of a journey this can be quite irritating because it would be a lot easier to spot and then grab your bag if everyone took just two steps back. But there is a problem here. Anyone who takes a step back when the others are already at the front will suddenly find themselves with a poor view and a long wait. Meanwhile, someone who pushes forward a few inches to get an extra bit of space will actually find themselves at an advantage. But of course, when one person pushes forward other people's views will be obscured and they will respond by also pushing forward and, in the end, nobody will be any better off. What is happening here is a collective action problem. No one person has an incentive to act in a way in which it would be best for everyone to act.

Situations like this are the subject of Mancur Olson's (1965) classic work *The Logic of Collective Action* which attempts in a general and abstract way to explain why and predict when such collective action problems arise. A group seeking a collective benefit requires the participation of its members. This could be active participation (signing a petition, joining a protest, doing your share of the cleaning of a shared living space) or passive compliance (as in the case of passengers not crowding the carousel). In either case, individuals need to engage in action which is costly to themselves individually in order to secure a benefit for the group of which they are a part. The danger here is that individuals will perceive their own effort as having little effect on the provision of the collective good. Each passenger concludes that their individual decision of whether or not to step towards the carousel will have little or no effect on the number of other passengers choosing to step forward. Individuals might then attempt to enjoy the benefits of the collective good without contributing to its production – that is, they might 'free ride'. Of course, if too many free ride in this way, the group benefit is not produced. Individual incentives fail to produce the optimal outcome for the group, even if everybody would in principle be willing to do their share in exchange for a promise that others will also do their share.

A useful way of illustrating the problem is by using game theory, a branch of mathematics which allows us to consider strategic interaction among self-interested and rational agents. The most celebrated example in game theory, the prisoner's dilemma, provides a simple illustration of collective action problems. Suppose a pair of criminals, Jake and Keith, are hauled into a police station on suspicion of armed robbery and placed in separate cells. The police lack the evidence for a conviction and require the confession of at least one of the accomplices. If neither prisoner confesses, the police have enough evidence to convict the pair for a lesser crime, for which they will each serve one year in prison. Sensing the need for a confession, the police offer Jake a deal. If he blames everything on Keith and Keith refuses to cooperate, Jake will be allowed to go free and the police will throw the book at Keith, giving him four years in prison. The catch, the police say, is that Keith will be offered exactly the same deal and if they both confess they will both get three years in prison.

What should Jake and Keith do if they want to minimise their prison terms? The prisoner's dilemma is a model allowing us to answer this question. Being a rational choice model it assumes that the people whose behaviour is being modelled are self-interested and rational.

Jake can choose between confessing and not confessing, and his choice determines whether we end up in the top or bottom row in [Figure 3.1](#). Keith has the same options, and his choice determines whether we end up in the left or right column of the figure. The number in the bottom of each cell is the prison sentence Jake serves with this outcome; the number on the top is the sentence Keith serves. Thus if Jake confesses and Keith does not confess, the result is that Jake serves no sentence and Keith serves four years. If both Keith and Jake are interested only in minimising their prison sentence, both believe that the other is similarly motivated, and both trust the police to stick to the deal, then we can use game theory to predict the outcome in this situation.

Jake needs to consider the sentence he will serve given the decision Keith makes. If Keith does not confess (meaning the result will be one of the two cells on the left), Jake can either stay quiet and serve one year in prison or confess and go free. If Keith confesses (meaning the result will

Figure 3.1 *The prisoner's dilemma*

		Keith	
		Don't Confess	Confess
Jake	Don't confess	1 1	0 4
	Confess	4 0	3 3

be one of the two cells on the right), Jake can either stay quiet and serve the full four years or confess and serve three years. No matter what Keith does, Jake has an incentive to confess. In the parlance of game theory, confessing is his dominant strategy. Since Keith faces exactly the same situation, the same reasoning can be used to show that confessing is also his dominant strategy. Thus if the above payoffs accurately represent Keith and Jake's preferences, we know that the outcome will be that Jake and Keith both confess and serve three years in prison (the confess, confess cell – 3,3).

Both Jake and Keith are rationally pursuing their interests, but the outcome is worse for both of them than one of the available alternatives – the don't confess, don't confess cell – 1,1 – where both stay quiet and serve only one year in prison. If Jake and Keith could somehow reach a binding agreement to stay quiet, both would be better off. A non-binding agreement is, however, not going to be enough here because neither Jake nor Keith will have an incentive to stick to it. Keith may well agree to keep quiet hoping to influence Jake's decision, but it will remain in Keith's interest to confess no matter what Jake does. Non-binding agreements are simply 'cheap talk'.

The story about Jake and Keith is a very specific scenario, but the underlying logic of the prisoner's dilemma can be applied to other situations. A large group of people living in a dictatorship may share a collective interest in securing a transition to democracy. But this does not necessarily mean that it is in any one person's interest to be the first to take to the streets in protest. In a crisis situation, countries may all share a joint interest in defusing the tension. But this does not mean that it is necessarily in one country's interest to unilaterally demobilise. In the midst of an economic crisis, people may share an interest in maintaining consumption and investment. But this does not mean that it is necessarily in any one person's interest to spend more.

Collective action poses a problem. But some collective action problems get solved. Why? Olson distinguishes three broad types of group: privileged, intermediate and latent groups. Privileged groups are those in which at least one member values the collective good highly enough to be willing to pay the full cost of providing the collective good themselves regardless of whether anyone else contributes to it. Within international relations theory, for example, it has been argued that 'hegemonic powers' such as Britain in the nineteenth century and the USA in the latter part of the twentieth century and perhaps still today, had such a stake in the maintenance of the global order from which they benefited that they were willing to intervene to resolve collective action problems such as the policing of international sea lanes to ensure free trade (Gilpin, 2001: 93–97). Olson predicts that privileged groups will produce collective goods, since no collective action problem arises.

Intermediate groups lack any individual willing to provide the collective good unilaterally, but the contribution of each individual has a significant and perceptible effect on the provision of the collective good.

This would seem to be the situation facing passengers waiting at a baggage carousel. Nobody can enforce the orderly outcome unilaterally, but passengers are easily able to tell when another person is stepping forward and each passenger stepping forward produces a minor but perceptible inconvenience for others. Olson makes no general prediction about whether intermediate groups will be successful in securing collective goods, but insists that success will depend on formal or informal coordination of some sort. We will discuss the circumstances in which that coordination is most likely to arise presently.

Finally, a latent group is one in which no single individual's action has any perceptible effect on others. Consumers in an economy teetering on the edge of recession are in a latent group. Even if one of the wealthiest of people decides to spend rather than save, this will not make any appreciable difference to aggregate demand and the health of the economy. Olson predicts that latent groups will not be able to produce collective goods except through the use of 'selective incentives' – rewards or punishments which are tied to individual contributions rather than to the group as a whole.

Collective action and the environment

Protection of the environment often poses a collective action problem. In a classic article 'The Tragedy of the Commons', the ecologist Garrett Hardin (1968) offers the example of a pasture on which herdsmen are free to graze their cattle. Each herdsman benefits by using the pasture, but in doing so depletes the pasture for all other herders. By exploiting the commons each herdsman thus receives a sizeable personal benefit while imposing a small cost on everyone else. The policy problem to which Hardin wanted to direct people's attention in writing about the tragedy of the commons was overpopulation. But the logic of his argument – which is essentially a variant of the prisoner's dilemma game – can be applied to other environmental problems such as climate change.

The atmosphere is a common which, in the absence of effective regulation, individuals can use to dispose of greenhouse gases. By emitting carbon into the atmosphere, each individual receives a benefit but imposes a cost on everybody else in the world. This is a classic collective action problem. Each person would be willing to reduce their emissions in an exchange for a similar commitment from everyone else, but without some way of forcing such an agreement, promises are simply 'cheap talk'. Rational choice theorists would predict that self-interested politicians will be happy to talk about the existential threat posed by climate change but will seek to offload the costs on to other countries of either reducing emissions or adapting to climate change, and that this will either result in the failure of climate talks or the conclusion of 'sham' agreements which contain endless loopholes allowing countries to miss their targets and have no enforcement mechanisms.

Rational choice accounts of collective action problems might seem to offer a counsel of despair. But not all efforts to solve global collective action problems have failed. As a result of the 1987 Montreal Protocol, the once-pressing problem of ozone depletion in the earth's upper atmosphere has, for example, been effectively managed. On the face of things, global warming and ozone depletion look like similar problems with similarly grim prognoses for collective action. As with global warming, ozone depletion is a global problem. The emission of chlorofluorocarbon (CFC) into the atmosphere as a by-product of economic activity causes environmental harms, and like greenhouse gas (GHG) emissions, the location of these harms is unrelated to the location of the emissions.

Why, then, has global action been so much more successful for ozone depletion than global warming? One important difference here is the concentration of emissions. When the Montreal Protocol was ratified, 78 per cent of CFC emissions came from just 12 countries. Indeed, the US Environmental Protection Agency calculated that the USA's share of the benefits of cutting emissions would be greater than the cost of cutting *global* emissions by half. To use Olson's term, the group of countries emitting CFCs was 'privileged' because the USA valued the collective good of reduced CFC emissions so highly that it was willing to bear the cost of cutting its emissions unilaterally. GHG emissions, on the other hand, are much less concentrated. China is responsible for around 25 per cent of emissions and the USA around 15 per cent. All countries make significant contributions to climate change and unilateral action by even the largest emitters would have only a modest effect on global emissions (Sandler, 2004: 221–225). The situation here is not hopeless, however. No single country could stabilise climate change by unilaterally drastically cutting its own emissions. But almost every country could make some difference by cutting its emissions and, just as importantly, could be *seen* to be making a difference. In the case of climate change, countries find themselves in an intermediate group in which successful resolution of the collective action problem requires coordination and cooperation.

In what circumstances are actors within an intermediate group most likely to successfully coordinate their actions in order to jointly provide a collective good? One interesting finding from game theory here is that, even within the structure of the prisoner's dilemma game, people can learn to cooperate with each other when they know that the game they are playing is not a one-off. If players are 'conditional cooperators' – that is, if they cooperate only when others are also cooperating – and if people know that they are going to be playing the same game over a prolonged period they will find that they have an incentive to cooperate in order to increase the likelihood of cooperation from others in the future (Hindmoor and Taylor, 2015: 42–43).

In a series of case studies of commons management, Elinor Ostrom (see 1990, 2012) examined how people operating within intermediate groups can sometimes learn to cooperate to preserve common pool resources such as fisheries and scarce water supplies by, for example,

developing rotas which specify on which days people are allowed to use a shared resource or quotas limiting how much any one person can take. She also found that time makes a difference. People are more likely to cooperate when they expect to have to interact with each other time and again. What also matters here is whether people can relatively easily monitor whether other people are abiding by any agreements which have been reached. Another focus of her work was on norms of behaviour which operate alongside economic motivations to shape individual behaviour. In a tight-knit community in which people must not only work but live alongside each other, the threat of being ostracised is a powerful deterrent to free riding. In Olson's terms, norms operate as a type of selective incentive. But this is not simply a matter of self-interest. People are also likely to want to cooperate with each other in situations in which they believe others are cooperating because they will want to do the right thing.

What's wrong with rational choice theory?

Rational choice theory provokes strong reactions. Its proponents regard it as having developed insightful, rigorous, parsimonious explanations of political outcomes which other parts of the discipline have not come close to matching. Rational choice theory's opponents argue that it has, at best, been used to restate what everyone already knows in a language few can understand and, at worst, that it has propagated entirely bogus explanations and legitimised disastrous policy choices. Here, we describe six objections.

1. *People are not rational* – Rational choice theory views people as being rational to the extent that they select the best possible means to achieve their goals. But, in practice, people may not always know what consequences of their actions are going to be and so can act in ways that, ultimately, they or other people realise are detrimental to their interests. People do not always have perfect information. They operate in a world of limited information and, sometimes, of radical uncertainty in which, to paraphrase the former US Secretary of State for Defense Donald Rumsfeld, they do not know what they do not know.

Yet while recognising that individuals may not always have all the information they need to make the best possible decision, rational choice theorists maintain that people always make the best possible use of the information they *do* have. There is, however, a further problem here. People are not always very good at making decisions. Behavioural economists have repeatedly shown that real humans consistently act in suboptimal ways by, for example, heavily discounting the future and being overly influenced in their decisions

by the way in which problems are framed (for a recent overview, see Kahneman, 2011). If people behave irrationally, critics argue, rational choice theory is unlikely to make accurate predictions or provide insight into real-world behaviour.

Rational choice theorists can, however, respond by arguing that careful decision-making is itself costly and that poor decision-making can sometimes actually be a rational choice. By gathering information and deliberating on the best course of action, people are able to make better decisions (i.e. make choices which are going to best realise their interests). But searching for information and deliberating about what choices to make are costly activities in terms of time and effort, so a rational person would weigh the value of a better decision against these costs when deciding whether or not to spend time becoming informed. Attempting to make every minor decision in a perfectly optimal way would be highly irrational, since time and cognitive capacity are scarce resources which should be directed to their most valuable use. People can, in this sense, be rationally irrational (Caplan, 2007).

2. *People are not selfish* – A second criticism of rational choice theory is that people are not consistently selfish. Indeed, critics argue that one of the things which distinguishes politics as a sphere of activity from economics is precisely people's willingness to act on the basis of their commitments to other people as well as to general principles of fairness and justice. Politics is frequently a grubby business in which there are tactical advantages in breaking promises and betraying friendships. But politics can sometimes also bring out the best in people. In accounting for apparently altruistic behaviour, rational choice theorists can always impute a self-interested motive. Politicians who are prepared to go to jail for their beliefs are simply seeking a reputation for trustworthiness. Activists who risk their lives to campaign for a cause are simply seeking camaraderie and the adrenaline rush of a violent confrontation. But there is a danger of creating 'as if' explanations here. It is significant that, in experimental settings where people have been deliberately left facing a clear choice between self-interest and fairness, self-interest does not always win out.

In the ultimatum game two players must decide how to divide a sum of money which has been given to them. The first player makes a proposal about how to divide the money and the second player can either accept or reject this offer. If the second player rejects it then neither player receives anything. If the second player accepts the proposed division the money is split accordingly. The game is only played once and is usually played anonymously. If you are the first player what kind of an offer should you make? If you are entirely selfish you should propose giving yourself 99 per cent of the money so leaving the second player with the choice between getting one percent and getting nothing. But, in practice, the *average* offer made

to the second person is actually between 30 and 40 per cent, while many propose a 50–50 split. Furthermore, many of the players who are left with a choice between getting almost nothing and getting nothing choose nothing so as to prevent the first player from getting almost everything (for a recent review, see Mousazadeha and Izadkhah, 2015).

Self-interest remains the standard assumption within rational choice because many of its practitioners continue to believe that people really are self-interested and because it is easier to make definite predictions about how people are going to behave when using this assumption. But rational choice theorists might argue that it is perfectly possible to practice rational choice theory without assuming self-interest. Indeed, several economists and rational choice theorists have included ‘other-regarding’ preferences into rational choice models, assuming that rational actors can weigh up their material interests against altruism, spite and envy (see, generally, Brennan and Hamlin, 2000).

3. *Rational choice theory ignores individual agency and ideas* – Within political science arguments about the relative significance of structure (underlying conditions) and agency (individuals’ capacity to achieve their goals and affect their environment) have given way to more nuanced debates about the interplay between these two factors (see [Chapter 12](#) of this volume). It would be a brave person who today argued that agency is all that matters or that structure is all that matters in explaining political processes and outcomes. Yet rational choice theorists come close to doing just that.

The problem here is not that rational choice theorists ignore structure or agency. Rational choice theorists recognise that structure affects agency by structuring incentives. At the same time, rational choice institutionalists recognise that agents can consciously create and reform institutions in order to change those incentives (see [Chapter 4](#)). The problem instead comes with the way in which agency is conceived. Rational choice theorists assume that groups of actors have the same exogenously given, fixed and self-interested goals which they pursue in the same rational manner. Placed in the same situation, these groups can be relied upon to make the same choices in the same way that different pocket calculators can be relied upon to provide the same answer to a question. The incentive structure agents confront completely determines their behaviour and this has the effect of eliminating the possibility of *individual* choice and active agency.

In ignoring the possibility of *individual* agency, rational choice is also in danger of ignoring the causal significance of ideas. One obvious way in which agents differ from each other is in terms of the ideas they consciously or subconsciously possess. People have different *normative* ideas about how they ought to behave and how the world ought to be and these ideas lead people to behave in different ways. Of course, we may sometimes be able to explain the normative ideas people possess in terms of their interests. People

often believe what it is in their self-interest to believe. But it is not plausible to argue that ideas are always and everywhere explicable in terms of interests. Furthermore, individuals also have different *empirical* ideas about how the world works and these differences can lead people to make contrasting calculations about which course of action *is* in their self-interest (Hay, 2002: 208–209). The bottom line here is that agents do not always act in the same way when placed in the same situation.

Critics make a number of additional criticisms.

4. *Rational choice has a very poor empirical record* – It is argued that, in practice, rational choice actually has a very poor empirical record; that many rational choice explanations have not been tested; and that those which have been tested ‘have either failed on their own terms or garnered theoretical support for propositions that, on reflection, can only be characterized as banal’ (Green and Shapiro, 1994: 6).
5. *Rational choice depends upon equilibrium explanations* – Critics also argue that rational choice depends upon equilibrium explanations in a world which consistently demonstrates non-equilibrium properties. Equilibrium is a stable outcome. Natural scientists conceive of equilibrium as arising when physical forces interact in such a way that a process is either endlessly repeated (the movement of planets around the sun) or comes to a rest (a hot drink eventually cooling to room temperature). Economists and rational choice theorists conceive of equilibrium as arising when individuals interact in such a way that no individual has any reason to change their actions. Rational choice theorists search for and rely upon the notion of equilibrium because the identification of some outcome as equilibrium provides them with an explanation of why that outcome might be expected to arise. Think back to the prisoner’s dilemma. Keith and Jake both confessing is an equilibrium because no matter what the other person does each will find it in their interests to confess if this game is only played once. Because we know the outcome is an equilibrium we can predict that it will occur. But critics argue that the most interesting economic and political processes are frequently characterised by sudden, unexpected and cascading changes which destroy an existing equilibrium and that in spending all its time searching for equilibrium outcomes rational choice entirely misses this feature of the world. Think about events such as the 2007/08 financial crisis, the sudden ‘punctuated’ arrival of a major issue on the policy agenda or the outbreak of an armed conflict. All of these are interesting and ought to command the attention of political scientists in part because they are profoundly disruptive of equilibrium.
6. *Rational choice is a political project* – Finally, critics argue that behind the technical veil of models and empirical testing rational choice is a stridently political project which uses the assumption of self-interest to venerate competitive markets and denigrate government.

From imperialism to peaceful co-existence

Rational choice theorists can stand and fight their corner on each of these points – arguing that people really are rational and self-interested (and that experimental results which suggest otherwise are misleading because they ignore the costs of gathering and processing information); that agents do, basically, behave in similar ways when confronted with similar incentive structures; that, increasingly, rational choice explanations have been tested against the empirical evidence and shown to perform better than any of their political science rivals; that departures from equilibrium are self-correcting; and that markets really do outperform government.

There is a more productive alternative here. We can view rational choice as an ‘organising perspective’ (Dowding, 2015) which generates useful insights into the situations in which political actors find themselves and must make choices but which can be refined and supplemented in order to provide more rounded and thorough explanations of particular events. Rational choice models can be refined by either adding additional layers of complexity to initial models (moving from one-shot prisoner’s dilemma games to repeated games) or by relaxing the assumption that people are entirely self-interested and completely rational. Increasingly, the most sophisticated and compelling rational choice models of collective action (and of party competition and a range of other political activities) assume that people have ‘mixed’ motives (that they are partly driven by their own interests and partly by a commitment to particular political causes) and that they operate in an uncertain world in which it is costly to acquire information. Elinor Ostrom’s work on the preservation of common pool resources assumes that individuals are driven by social norms and calculations of self-interest. Work of this kind opens the way for the kind of ‘border crossing’ activity we heralded in the opening part of this chapter in which rational choice is melded with and deployed alongside other theoretical approaches to resolve specific empirical puzzles. Rational choice sets out to conquer political science. But there is no reason why rational choice insights cannot be used alongside institutionalist (see [Chapter 4](#)), constructivist (see [Chapter 5](#); and, on collective action narratives, Mayer, 2014), feminist (see [Chapter 6](#) and Driscoll and Krook, 2012) or even Marxist (see [Chapter 7](#) and Elster, 1985) approaches to political science.

Conclusion

Neoclassical economics provides a framework for analysis and a set of tools which have radically increased our understanding of market behaviour. Rational choice theorists have applied these tools to political behaviour and, though the transformation of political science has been far less complete, it has provided some insights on important political questions.

Rational choice theory is not going to colonise the rest of political science. But neither is it simply a passing intellectual fad, and for this reason disputes between rational choice theorists and proponents of other approaches are likely to persist. This is not necessarily a bad thing. Political scientists often express concern about the lack of a theoretical consensus within their discipline. But it is one of the valuable lessons of economics and of rational choice theory that monopolies are inefficient and that competition, while often painful, is beneficial. Vigorous academic debate can identify points of weakness and act as a spur for theoretical and empirical innovation. This is a two-way street. Rational choice theorists have refined (and need to continue to refine) their arguments by, when necessary, relaxing the assumptions of self-interest and perfect rationality. At the same time, critics need to recognise both that rational choice has moved on and that simple insights about how collective action problems can arise when nobody has an incentive to act in ways which are in everyone's interest can illuminate our understanding of complex political events and provide the starting point for more detailed research work.

Further reading

- For a basic introduction to the logic and applications of rational choice theory which assumes no prior knowledge of the subject, see Hindmoor and Taylor (2015).
- For a review of the argument about the value of rational choice theory within politics, see Hindmoor (2011).
- For a more detailed but still accessible examination of the philosophy and methods of rational choice theory, see Eriksson (2011).