

EVALUATING THE VIABILITY OF RATIONAL CHOICE THEORY IN CONTEMPORARY SOCIAL RESEARCH

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Abstract

This article examines the viability or otherwise of Rational Choice Theory (RCT) in social and political research within context of its identified criticisms. Using Evaluation Theory Model, the paper extracts data from several journals of international standard. It argues that RCT despite it observed shortfalls, RCT has contributed to the understanding of political and social phenomena far ahead of where other theories stooped. Therefore, it concludes that the theory would continue to be a guiding framework for studying social and political events. Notwithstanding, for it to persevere, certain modifications perhaps are necessary. The ontology and epistemology of the theory needs to be either strengthen or supplemented. This would enhance its capacity in research endeavours and improve the focus and character of social scientific discuss.

Keywords: Rationale, Individualism, Incentives, preference and choice.

Introduction

Humans are self-interests driven creatures. They live upon that which is paramount. That is why man is both social and political animal. The ability of man to reason and act or react is an integral part of his life. From hunting and gathering to the age of hi-tech civilization, reason seems his ultimate weapon. At early stage of civilization, his immediate needs of food, shelter, and clothing were solved by an act of mind; which calculates what is required and how it could be acquired. This strategic thinking creates

and designed spears, bows and arrows, hoes, and machines; and, portrays man as super specie with various missions - possible and impossible. Indeed, he seems invincible specie. Having asserted himself to an extent against plants, animals, and topography, he turns to his fellows with instruments of tricks, manoeuvres and physical threat. The usual tools are religion, affection, kindness, love, sincerity, generosity, and diplomacy. Machiavelli illustrates how some of these means could be of benefit to a prince while asserting his dominion. Similarly, the Social Contracts theorist have explained

how human beings get out of fictitious 'state of nature' by establishing state with a 'sovereign' leader as a neutral arbiter. To get out of the inherent dangers of 'state of nature', argued Hobbes: man's natural appetite for pleasure has to be controlled. Yet, for the Marxists, state was an institutional design of the bourgeoisie to perpetuate their supremacy and accumulation (Nelson, 1995). In a sense, there are various perspectives that attempt to explain humans and the relationship that exist among them. Using different paradigms, scholars have explored and continue to examine socio-political and economic forms of human relations. With some in favour of imaginative powers, and others aptly support reality. Still, among the realist, some believed man as an economic being, whose concrete description could be behind the rationales of his actions. This perception has generates serious contentions.

This article examines the viability or otherwise of RCT in contemporary social research given its identified criticisms. The study argues that rational choice theory despite it observed shortfalls, has contributed to the understanding of political and social phenomena. The theory has and would continue to be a guiding framework for studying social and political events. Notwithstanding, for it to persevere, certain modifications perhaps are necessary. For instance, the ontology and epistemology of the theory needs to be either strengthened or supplemented with more coherent suppositions. The remaining of the piece is structured to discuss the questions: what is RCT? Who are its major proponents and what their basic assumptions are? The third

aspect explores its major weaknesses. The last part examines how the future of the theory could look like.

Toward a Concise Methodology

The task of validation is a difficult job. To validate is to try and clarify to large community of audience that which seems unreal. Therefore, the task demands for clear and persuasive arguments. Notwithstanding, the objective is not to make or uphold a paradigm or theory (as the case may be). This perhaps might explain why it has been a job behind the scene, until recently when it extended over other public domains. However, the exercise tends to redefine certain concepts or upgrade theory. Thus, the exercise of validity is like a research and therefore, should link properly to concepts, evidence, social and personal consequences and values (Cronbach, 1988, p.4). In short, validity is about indicating the degree to which a measure, indicator, method, theory or model possesses the characteristic of been sound, usefulness, truthfulness and or authenticity.¹ Indeed, literature has three references to validity: truthfulness, worthiness², and relevance and appropriateness³. For instance, Robert Dahl in his work on the democratic theory: *Democracy and its Critics*, (Dahl, 1989), raises key issues that need urgent attention in respect of Schumpeter's definition or democracy. Accordingly, Dahl democracy is not an end in itself but a means to an end; therefore should be valued; and its meaning

¹ Detail paper on this link: www.sagepub.com/upm-data/17810_5052_Pierce_Ch07.pdf

² Cronbach (1988)

³ *Op. cit*, p. 83.

has to have both procedural, substantive as well as result components. His core message is, democracy is beyond the process of forming governments through a competitive free election among candidates or parties; but it gives each citizen, in the society, the right to control the state and each has his vote's preference weighed equally in making binding decisions. This is a clear work of definitional revalidation which has shaken the bottom of Schumpeter's democratic conception. Yet, it has not rendered it valueless. Scholars and policy makers still use Schumpeter's procedural definition, sometime with little modification, to assess democratic regimes. In effect, the validity of any piece lies in how relevance and significance it is to what is understudy.

Similarly, evaluation is an exercise that requires three basic principles: (i) a conceptual scheme; (ii) a strategies employed including the kinds of data, and means of analysis and reporting appropriate to area of the conceptual scheme; (iii) and a detail system of generalization about the use of various evaluation procedures and techniques and their appropriateness (Alkin, 1969). With regard to conceptual scheme, the paragraph above highlights what in the context of this article is regarded as validation. And, therefore, adopts Alkin's definition of evaluation as:

... [a] process of ascertaining the decision areas of concern, selecting appropriate information, and collecting and analysing information, in order to report summary of data useful to decision makers in selecting among alternatives (Alkin, 1969, p.2).

This definition has five requirements. One, is the need for an evaluation exercise to have a decision area of concern, which according to Alkin, is determined by decisions makers, as the prime consumers of the final product. In this article, I choose to look at RCT in social research; because the intended consumers (students of knowledge) nobody has saddled me with this responsibility. Therefore, I have discretion to move along my chosen area of interest. However, the motive of adding to the volume of knowledge is primary. Two and three, the definition demands for selecting appropriate, and collecting and analysing relevant data. In this regard, considering the selected area of interests, data comes from a secondary source. Ten (10) selected articles in world leading journals of international refutation are consulted. This data is selected because of the need (a) to have a clear grasp of contemporary and previous discussions regarding the theory, (b) be able to harmonise the diverge arguments without missing the basic thrust of the discussion, (c) to remain on track while trying to present the paper's position in simple and logical manner, (d) and above all to be precise without making it difficult for readers with fictional contentions. Four, the definition requires a summary reporting to consumers such that they could make an informed selection among alternatives. It is the task of this paper to ensure proper presentation of what constitute RCT, what are its basic assumptions and shortfalls. Therefore, the whole articles is based on publications in the Journal of Political Economy, Journal of Asian Studies (1991), Comparative Politics (1997), The Review of Politics

(1991), *The Western Quarterly* (1988), *International Political Science Review* (2001), *The American Political Science Review* (2003), *British Journal of International Politics* (2005), *American Journal of Political Science* (1993), are paramount here. Others are Colin Hay's (2002) publication on political analysis and Hindmoor's piece in Marsh & Stoker (2010) publication on rational choice theory and Muller's chapter in the two publications of Rowley & Schneider (2004 & 2008)⁴. These form the basis on the piece.

Fundamentals of the Theory

Essentially, RCT is premise on the assumptions that, social and political nature of human relations and institutions could best be comprehend and analyse using three principles. These are principle of individualism, instrumentalism, and subjectivism. Accordingly, institutions, groupings, in whatever form manifested are nothing but socio-political instruments designed by 'mutually disintegrated and rationally' egoistic individuals in order to achieve utmost degree of utility at minimal or perhaps, whatever cost (Neal, 1988, p. 637). Put simply, socio-political relations could be examined by looking at human eagerness and natural desire for happiness often through self-centrality and utility maximization at minimal cost. Rational Theorists believed that whatever social phenomenon an analyst is looking at – elections, students riots, terrorism, trade-union strikes, hunger strike, divorce,

⁴ See the reference at the end for details of the articles and respective titles.

governmental legislations, abortions, gay and lesbians rights, voting behaviour, institutional reforms, and even child-rights - three enduring characters of man are good guiding principles. (i) That people naturally could be expected to choose to act or react in a particular way(s); if doing so guarantees their best interests. (ii) That their selfish-interests are the primary determinants of their actions; (iii) plus they pursue these interests on the strategic plan of cost benefit analysis. This may sound unreasonable; however, it had been a recurring perception of almost all classical writers; notably David Hume and Adam Smith, though not really explicit. For instance, it is the rationality of actors and entities that Adam Smith referred to as the 'invisible hands' that controls 'market forces'. Just as David Hume⁵ impliedly means that in the craft of society, man should be treated as 'knave' who has the tendency of following only his personal interests as against general will. He also traced the rationality component of man in Smith's conception of market forces, which for him had answered directly or indirectly the fundamental philosophical puzzle of manners and mannerism of the doctrine of laissez-faire (Monroe, 2001, p. 152).

By way of popularity, rationalists proposed that their theory is applicable to all facets of human life. People they assert, get involved in relations that have better tradeoffs. Thus, if a politician joins a party, he does so with best possible evaluative

⁵ David Hume is quoted by (Petracca, 1991, p. 294) who also reports it as a quotation in Stefan Collini, Donald Winch, and John Burrow, *That Noble Science of Politics*. Cambridge: Cambridge University Press, 1984, p. 30.

result that such would pay him accordingly. That may explain the reason why Masket argues that political parties are a collection of three categories of people: the financiers, the candidates seeking to rule and the masses ransacking the party in order to have their interests covered (Masket, 2009, pp. 33-34). Similarly, when a state decides to provide health care services to its teeming citizens, not minding the cost implications, it did so with the firm conviction that such is better for the party in government. In a non-issue based politics like Nigeria, some gubernatorial contestants including even incumbent state governors are becoming sensitive and cautious on many public issues like religion and critical policy decisions. For example, during the 2003, 2007 and 2011 general elections, some were reported to have played antiparty politics as the only viable political game that could translate to personal achievements. Hence, rationalist, Garry Becker maintained that there is no any aspect of life which the rational assumptions could not be applied to. The extend of his argument could be illustrated by the fact that using the Journal Storage (JSTOR), SAGE publishers, and the Social Science Research Network (SSRN) websites to search for 'Rationality Theory', the following: 69,898, 23,119, 590 results were obtained for each site respectively. Therefore, RCT could be said to have occupied a centre stage in social science discourse.

They also posited that mathematical techniques or instruments could be used in order to theoretically and empirically study human relations. An inclined '*looking-glass-self*' researcher, for example, may end

up with assessment of human social life embedded in other people's perception which may not necessarily be an objective reality. Therefore, in place of clear understanding of human life at the end, he might end with a data full of people biases. Thus, instead of using a social constructs to explain why policy makers opt for one policy against another, which is often the major practice, the rationalist would insist on finding out the basic individual incentives behind such a decision or act. For them, a theory should be able to explain and even predict why X actor prepares option A as against B. Thus, in making electoral decision over which system to adopt, plurality or proportional representation, rational theorists would go beyond conclusions like:

Although I have just spoken of "the system that is preferred," not all participants will necessary prefer the same system. Those advantaged by the status quo will tend to prefer it, while those disadvantaged by it may prefer various alternatives, depending on their own interests and predictions about likely effects of one system or another (Horowitz, 2006, p. 14).

Hence, this type of depiction usually does not provide any clear standard to choose. Neither has it absolves or solves the puzzles of a constitutional designer; rather exacerbates his dilemma. Had the research focus on incentives and rationality of men, it would perhaps indicate why choice A is better than B for a new democracy Z. This underscores Ordeshock's (1986:1-2, cited in HeeMin Kim) argument that: '... people act for certain purposes, and we must

understand these purposes in order to explain their actions' (Kim, 1997, p. 83). Man is a consumer in social and political market place. His satisfaction is driven by his desire and ability to utilise any possible means at cheapest price. For example, when Labour Party leader - Tony Blair – and his party were determined to win voters confidence, reformation of the party to 'A New Labour' becomes imperative. This accounts for the amendment of the party's constitutional 'Clause IV'. The reformation, plus other contextual factors, gives The New Labour a chance after eighteen years of opposition (Blair, 2010). This aptly fits Downs's conception that:

"From the self-interest axiom springs our view of what motivates the political actions of party members. We assume that they act solely in order to attain the income, prestige, and power which come from being in office (Petracca, 1991, p. 295)".

Elucidating this, Hindmoor, shows how different contending parties in democracies could strategically analyze each other's options and take a stand that could ensure prosperity. He believed, having information about possible policy options of either side, could serve as an incentive for each in it calculus towards the goal of vote maximization. Using graphic presentations, he indicates how parties' pendulum of decision oscillates along the axis of voter preferences (Hindmoor, 2010, pp. 45-49).

Similarly, RCT sees economic approach to social life as a good method for explaining political behaviour. A voter argues Downs, votes not for 'preference

expression, increasing the chance of his chosen candidate, and observing civic responsibility'. Instead, he acts, for the very fact that doing so is in his best interest (Little, 1991). Aldrich clarifies that in any choice a voter makes, there is a cost benefit implications. If the voter chooses not to vote, he indirectly frees himself from paying the cost implications attached. On the other hand, if he chooses to vote, he has to pay for searching of important information that would enhance his decision, the cost of processing the raw data generated, the cost of whom to vote, and the cost of going to the polling stations (Aldrich, 1993). This is due to the fact that humans are politically oriented creatures; capable of using any means available, including information, to ensure they win instead of lose. Therefore, people, RCT argues, act and react, for a purpose. Any attempt to understand the pattern of their interactions, has to examine these purposes; which would help to a great extent in making proper inferences about their actions. This is the reason why rationalist believe that their suppositions are well articulate to explain socio-political reality.

In summary, the major assumptions of RCT, includes: that individual actors are the basic units of analysis; they are rational, efficient, and instrumental utility maximizers; they seek to maximize their personal utility on the basis of cost benefit analysis; they have clearly but selfish designed preferences which they sought to achieve using any available option without recourse to others (Hay, 2002, p. 8). Thus for them behind any collective action there is personal whimsical desire to achieve, maximize and satisfy personal objectives. Its utilization as a tool of

analysis in both social and political research reached its peak in the 70s and 80s; when the theory was reported to have dominated the world leading Political Science Journal - *American Political Science Review* - by about 40% of the journal's publications. In retrospect, RCT is often attributed to Anthony Downs's classical work on the "*Economic Theory of Democracy*" (1957). Its leading proponents are William Riker (1962), James M. Buchanan & Gordon Tullock (1962) and (1979), Mancur Olson (1965), Dennis Muller in his scholarly article on: '*The Future of Public Choice*', of *Journal of Public Policy* (1994). So are Morris Fiorina (1989), Peter C. Ordeshook, Garry Becker, Richard Posner, Robert Abrams and Levitt⁶ and many more. Levitt for example, insisted that '... incentives are the corner stone of [man's] modern life and we need to discover people's incentive structures in order to explain their actions'. Thus, any scientific study of socio-political relations should be guided by this basic principle. Scholars have used these arguments to examine various social and political issues; often in the political realm. For instance, political business cycle, such voter shopping, voter behaviour, electoral politics, international and diplomatic relations and other related issues, like the pattern of relationship between the three arms of government, parties and party politics, etc., are practices that could best be studied using this approach. However, the piles of critics against the theory left it no flesh. To the extent that one would think it has lost credibility in social sciences.

⁶ The two years New York Times bestselling author Steven Levitt's (2005) '*Freakonomics*',

Short falls

The RCT has been heated from several directions. It has been hammered head to tail. For instance, the approach basic conception is viewed to contradict almost all central thesis of normative democratic theory. Petracca argues that 'rational choice omits far too much from the complex scheme of political life' (Petracca, 1991, p. 289). Its methodology of individualism, for instance, contradicts the very nature of social and political life as expressed by classical thinkers. Politics by its nature operates more in social context than individual. The fact that man, societies, institutions, and states have and can never exist in isolation is enough to question the validity and reliability of the crude rationalists postulations. When man conquered the forest, he does so in a social manner. Self-interests, utility maximizations, and incentive calculations therefore, could not account for all governmental commitments in terms of finances, security, logistics, human resources, etc. Therefore man is by nature, social and political animal with perhaps no option. No matter how his ego tried to unrestrained him from his social and political natural embedment, he remains within it confines. Therefore, he is never bounded by ego to act. On the contrary, he acts in accordance with statutory 'normative values' that defines right and wrong, good and bad, moral and immoral for him and the community at large. Using the findings of Hallowell John and Tom Tyler, Petracca, argues that assumptions create institutions and institutions influence social behaviour. Therefore, if our social and political models are entrenched within the conception of self-interest, our

institution and behaviour would follow suit. A nation base rationality notion of life, would never know common good and civic virtues (Petracca, 1991, pp. 298 - 311).

In addition, the question of value definition, has exposes the inherent contradiction of RCT. Human society is building on customs and traditions which define individual goals and values (Almond, 1991; Eckstein, 1991 and Little, 1991) and therefore, actions. Andrew Hindmoor brings these critics into four assemblage– (i) its assumptions human beings as rationally self-motivated individuals are wrong; (ii) its logic of explanation is faulty because to what extent could we assume people to turn to ‘pocket calculators’; (iii) its empirical and scientific –ontological and epistemological records are quite obscured from social reality; (iv) and RCT is totally destructive. This is due to the fact that theory was developed by economist who intended to generate consumer oriented politicians (Hindmoor, 2010, pp. 51-55). He concludes RCT: [...] offers us no way of thinking about human relationships that are the heart and soul of community other than as instrumental to the individual pursuit of happiness (Hindmoor, 2010, p. 57). But, these shortfalls do render the theory valueless. It is never ‘pathology of conception’ as Green and Shapiro (1994) would want us to think. It is a preconception of human life from the perspective of calculative implication, which is prevalent in almost all social theories especially of western origin.

Prospects of Rational Choice Theory

No matter how bad a postulation, its other side may be useful. RCT may have lost touch with the fabrics of social life; but it has offered and continues to offer valid ways and methods for understanding of human socio-political life. It has provided an impetus upon which social and political science could explain reality. Many postulations of critical and of recent Social Realism paradigms are based on some rationalists’ epistemology. The argument that reality exists in the form of events that are experienced, events that occur whether experienced or not, and of structures and mechanisms that produce these events are perhaps built on the belief that reality has an existence independent of human mind, though it has connection with people’s construct.

Also, since deductive strategy remains a valid tool for social research, indeed, the validity of RCT is visible in the continuous usage of deductive strategy by almost all social science disciplines – Sociology, Political Science, Anthropology, Social Work and Policy, and even Psychology and other science based field like clinical psychologist. The strategy is to a degree based on some elements of rationalists’ ontology and epistemology. If ‘evidence for an unobservable collective consciousness can be found in the consequences it has on people’s lives, or in thought processes and structures of the mind itself’ (Blaike, 2010, p.85), then having research model that moves from theory, through empirical data and ends with verify assumptions, is equal to believing cost benefit analysis of human actions. In a sense, RCT is a package which social sciences could not

afford to lose. MacDonald, for example, says the doctrine of rationalism is never naive; for it could be a '... template for the development of theories that, if validated, can reveal important aspect of the actual cognitive decision-making process of human beings' (MacDonald, 2003 , p. 552). The theory is constructed with tiny 'mesh' to catch every bit of social life; but the nets could be made much 'finer' so as to come up with 'detail token explanations' (Hindmoor, 2010, pp. 57-58) others failed to provide. That is if enhanced, the theory would make knowledge seeking more precise and explanation more contextual.

For example, since it is almost impossible to examine human thought by senses as the rationalist would insist; it would be good therefore, to build hypothetical statements and search for regularities in social life. This is because observation might be weak in capacity and strength when it comes to studying human thinking, but evidence and knowledge could be produce by focusing on persistent patterns of social behaviour. Thus, as studies relating to electorate and voter preference, individual feelings and personal selections are on the increase, using some RCT's ontological and epistemological positions could quest for validity in socio-political research. Indeed the coming-up of *Rational Voter Choice Mode* in electoral studies has exemplified how relevant RCT is and would continue to be. Likewise, Iain Mclean has employed the theory in his analysis of Arm Race among nations (1991). Therefore, RCT is never an abstract conception; but template for the development of theories that, if validated, could reveal important

aspect of the actual cognitive decision-making process of human being (MacDonald, 2003, p. 552).

Conclusion

Conclusively, therefore, it can be seen that rationality by its nature, has greatly improved the focus and character of social scientific debates and thinking. It has enlarged the potentials and struggles of social researchers to query different sort of socio-political relations. Their tripartite principles of inquiry have exposed to some extent the basic fabrics of human attitudes both as an individual and in group. The fact that in contemporary research world, hardly could researchers sit and debate social issues without mentioning, either in positive or negative sense, of rationality clearly how important the theory is to knowledge seeking. Thus arguing from the relativist term, no matter how weak RCT may appear it has contributed to the body of knowledge in existence. Moreover, it will continue to serve as basis for many more analysis to come. This article has focused primarily on the matter of what constitutes rational choice theory, what are its major postulations within the context of its three major ontological and epistemological underpinnings. These positions are very critical as they guide subsequent aspects of knowledge production. Yet, the kind of assumptions they have built in rational theory, tend to produce more doubts than reality. As a result, theory falls short in many aspect of research excavation. However, its potential usefulness is overwhelming. So, I argue that, the theory retained its status as socio-political framework of analysis by improving

the focus and character of social scientific debates and thinking. It has enlarged the potentials and struggles of social researchers to examine various social relations.

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