What is commonly known as “Rational Choice Theory” actually consists of multiple “families” of models, usually but not always mathematical, that investigate the ways that actions taken by rational individual decision makers can interact to generate often surprising aggregate outcomes. This workshop is an introduction to rational choice theories and their uses in social science. It focuses on the logic of rational choice analysis in both explanatory and, to a lesser extent, normative contexts. The aim of the workshop is to both discuss the basic techniques of rational choice modeling and explore the theoretical issues that motivate and limit any use of those techniques. The workshop especially is concerned with arguments surrounding how we might interpret and empirically test formal models. Specifically, it asks whether that is a plausible interpretation of making models in the first place. In other words, we will focus on the problem of determining just what any particular class of rational choice theories tells us about the social and political world and just how it purports to do so. Topics include models of voting, bargaining, collective action, social norms, institutions, and even culture. Readings are drawn from economics, political science, sociology and anthropology. Although the workshop does not presuppose familiarity with either game theory or the mathematics needed to solve game theoretic problems, some prior knowledge of those topics will be an advantage. Students interested in this workshop are therefore strongly advised to take the Game Theory workshop in the first session.

Class format throughout will combine lecture and discussion, but the balance hopefully will shift from the former to the latter as the session progresses. Since the success of the workshop depends in large measure on student participation I expect students to come to class prepared. That means that I expect students to at least try to do the assigned reading in advance. It also means that there are no free-riders I treat all students - whether or not they are registered for a grade - as full participants for purposes of participation and discussion.

NOTE: Students who register for a grade must write two short analytical papers on topics to be negotiated with me. They should speak with me about this before the end of the first week of the session.

PLEASE NOTE: We will start in on the Gamm and Shepsle paper on the first day!
Assessed Readings

If you are concerned about whether you have the technical background necessary for the workshop I recommend that you have a look at a couple of books:


Each of these appears in below the syllabus. They indicate the level at which we will proceed. Neither is difficult mathematically. That in no way means neither is difficult. It is just an indication that the difficult, important issues at stake in this workshop are not mathematical but conceptual.

What follows is a list of assigned readings, often accompanied by recommendations for further readings (marked *) that provide either helpful background or more detailed theoretical or technical presentations of issues raised in the assigned material. I propose the recommended readings solely as a guide for those who might wish to pursue topics in greater depth. Both assigned and recommended readings are available in the Summer Program library. I also will deposit copies of most of the assigned papers into a drop box during the first days of the session.

At the very end of the syllabus I append a list of reliable texts and a schedule of when I anticipate covering which parts of the assigned materials.

**I: Basic Issues in Rational Choice Explanation**


II: Preferences and Rationality


III: Modeling Rational Action

A: Markets: Coordinating Parametric Action in a Decentralized Environment:


B: Politics and Society: Strategic Interaction in the Rest of the World


C: Game Theory

[i] Basics.


[ii] Solving Games.


* James Morrow. 1994. Game Theory for Political Scientists. (Princeton: Princeton University Press. [Chapter 3-7].

[iii] Some Matters of Interpretation.


C: Bargaining Theory


IV: Public Goods, Collective Action, and the Possibility of Decentralized Coordination

A: Rescuing Decentralized Solutions I: The Coase Theorem


B: Rescuing Decentralized Solutions II: Mechanism Design


* David Kreps. 1990. A Course in Microeconomic Theory. Princeton. [Ch. 18].

C: Rescuing Decentralized Solutions III: Community


V: Centralized Institutions and the Necessity of Politics

A: Social Choice


B. Institutional Equilibria: Legislatures


C. *Equilibrium Institutions*


VI: **Thinking About Models: Conceptual Problems & Empirical Assessment**


VII: Rational Choice In Strange Places


Appendix: Some Advice on Texts

For good, relatively non-technical overviews of “rational choice theory” see:


For those interested in the historical development of rational choice theories, there are two volumes that collect many of the seminal papers.


In recent years, numerous texts have appeared that offer good background to this course and a solid foundation for further study in this area.

Several texts, listed *roughly* in ascending order of technical difficulty, cover social choice theory.


A good reference book (now in a 2nd edition) containing relevant short encyclopedia entries covering a wide variety of topics in game theory from *The New Palgrave: A Dictionary of Economics* is:


There are many recent, reliable game theory texts. Here is a good selection. Again, they appear *roughly* in order of increasing level of technical/mathematical difficulty.

For very recent, extremely useful tour of the ‘greatest hits’ of formal models of politics see:


There is always the most important question - “Why Do We Care?” And that question is at the intersection of “analytical,” “explanatory,” and “normative” tasks. You might start with any of these texts:


And for some intriguing offerings from prominent game theorists about why they care:

Class Schedule

Here is a rough guide to when we will cover the various readings. Hopefully we will not diverge from this plan too much!

**Week One**

**June**
25 Monday - No Class  
26 Tuesday - Introduction; Gamm & Shepsle  
27 Wednesday - Elster; Satz & Ferejohn; Hausman; Morrow  
28 Thursday - Morrow (con’t); Hausman; Little  
29 Friday - Becker; Milgrom & Roberts; Schelling (both)

**July**
3 Tuesday - Clinton; Gibbons  
4 Wednesday - No Class (Holiday)  
5 Thursday - Kreps  
6 Friday – Knight & Epstein

**Week Two**

2 Monday - Harsanyi; Rubinstein; Myerson; Varoufakis; Schelling  
3 Tuesday - Clinton; Gibbons  
4 Wednesday - No Class (Holiday)  
5 Thursday - Kreps  
6 Friday – Knight & Epstein

**Week Three**

9 Monday – Schelling; Sugden & Zamarrón; Myerson  
10 Tuesday - Muthoo; Elster  
11 Wednesday - Coase; Farrell; McKelvey & Page  
12 Thursday - Hammond & Miller; Taylor; Calvert  
13 Friday - Arrow; Sen; List

**Week Four**

16 Monday - Shepsle; Strom; Krehbeil  
17 Tuesday - North; Calvert; Knight  
18 Wednesday - MacDonald; Signorino; Clarke/Primo; Johnson  
19 Thursday - Harvey; Achen; Grief; Kreps  
20 Friday - Bates, et al; Johnson