



SOCIOLOGICAL THEORY

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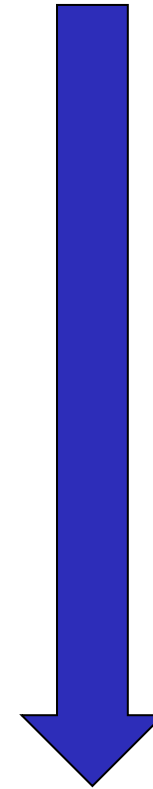
Theoretical Perspectives

I. Rational Choice

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SociologicalTheory.shtml`

1. Rational choice
2. Evolutionary psychology
3. Values and meaning
4. Interpersonal interaction
5. Social integration
6. Social networks
7. Systemic oppression
8. Functionalism and cultural evolution

micro



macro

[http://users.ox.ac.uk/~sfos0060/
SociologicalTheory.shtml](http://users.ox.ac.uk/~sfos0060/SociologicalTheory.shtml)

Explain **individual** action

- Max Weber (1920): Sociology is ‘the interpretive understanding of social action, and thereby ... causal explanation of its course and consequences.’
‘Action is “social” insofar as its subjective meaning takes account of the behaviour of others’
- Methodological individualism
 - object of explanation is action *in aggregate*
 - individuals are observable, unlike macro entities
 - huge variation among individuals within macro entities (Goldthorpe 2016)
 - individual action can be understood ...



Understanding action

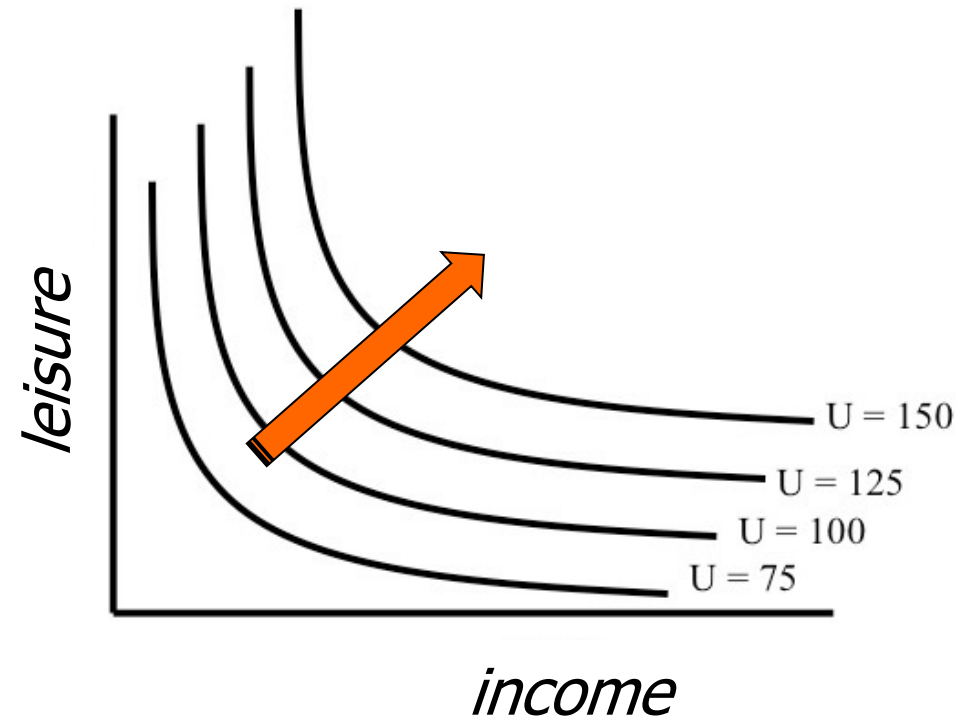
- Intentional stance (Dennett 1981)
goal/desire (end) + **belief** (means) =>
(rational) **act**
- Folk psychology
‘we treat each other as if we were rational agents, and this myth ... works pretty well because we are *pretty* rational’



Rational choice

1. An individual's desires/preferences are **consistent**

- defining utility



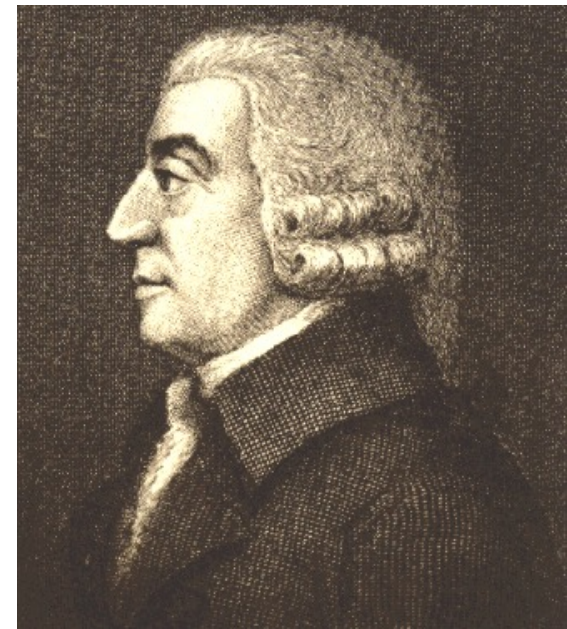
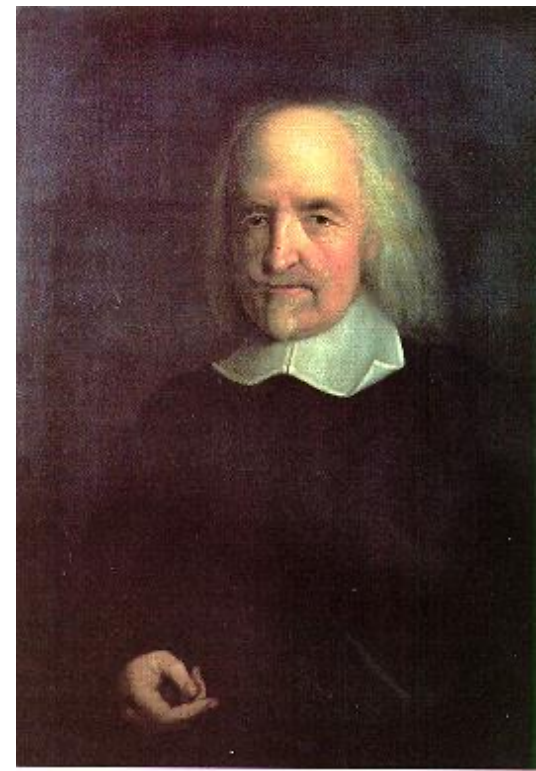
2. **continuous**, not lexicographic

3. People have **identical** and **constant** desires/preferences

- ‘tastes neither change capriciously nor differ importantly between people’ (Stigler & Becker 1977)
- never invoke changing preferences to explain behavioural change; never invoke varying preferences to explain behavioural variation
 - preferences are the fulcrum for explanation

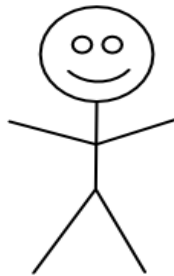
Self-interest

- Assume that preferences are self-interested, with some exceptions (e.g. parent's utility depends partly on their child's utility)
- Thomas Hobbes (1651): 'the greatest part of mankind' are 'pursuers of wealth, command, or sensual pleasure'
- Adam Smith (1776): 'the desire of bettering our condition comes with us from the womb, and never leaves us till we go to the grave ... An augmentation of fortune is the means by which the greater part of mankind propose and wish to better their condition.'



Simplest RCT

incentives / costs & benefits / payoffs



desires/preferences

Style of explanation

- Specify incentives and utility, showing that individual's choice maximized utility (*individuals in aggregate*)
- Smith (1776): why was teaching worse at Oxford than Glasgow?
 - incentives: fixed stipend vs. student fees
 - utility = (+ leisure, + income) 'It is the interest of every man to live as much at his ease as he can'
 - in Scotland, teacher must give up some leisure to gain income; in Oxford, teacher gained nothing by giving up leisure
 - **not** a difference in desires (or 'culture'): if an Oxford fellow moved to Scotland, he would respond to incentives by becoming a better teacher
- Note: desires are postulated; do not *ask*!
- Note: not psychologistic, as explanation lies in incentives

Elaborations: (I) Strategic interaction

My incentives depend on what *you* do: **game theory**

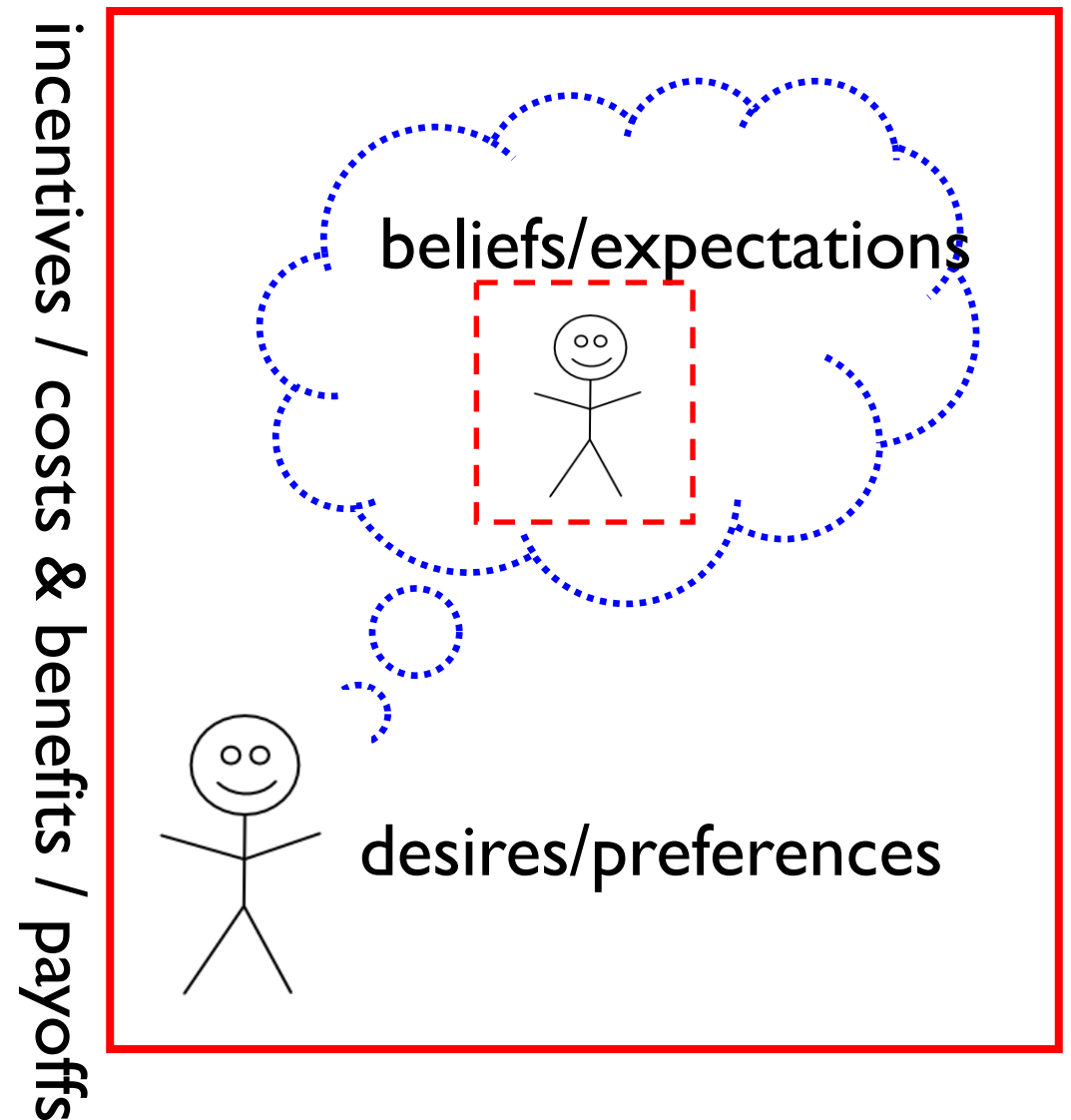
- e.g. stag hunt (Skyrms 2004)

=> collective action

		You	
		cooperate (stag)	defect (hare)
Me	cooperate (stag)	2, 2	0, 1
	defect (hare)	1, 0	1, 1

(2) Belief formation

- Really we act on the basis of **beliefs** about incentives
- Distinguish *incorrect-albeit-rational* from *irrational* beliefs (Popper 1994)
- Bayesian learning: prior + evidence => posterior (Breen 1999)

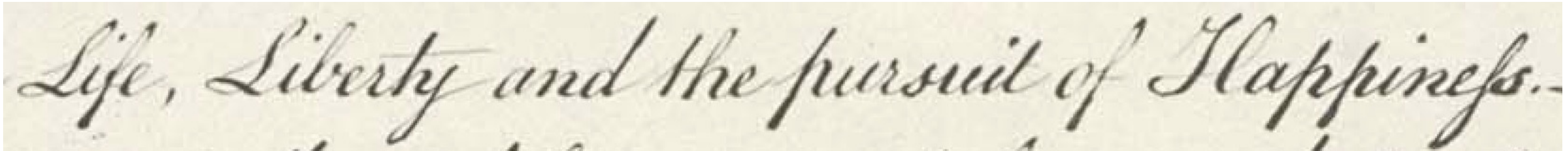


(3) Broadening preferences

- Smith (1759): ‘How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him’
- Preference for approval, akin to money (Homans 1974)
- Experiments prove importance of other-regarding / social preferences (Fehr & Gintis 2007)
 - more cooperative
 - willing to punish unfairness

=> collective action

Rational choice as 'WEIRD'?



'WEIRD' (Henrich, Heine, & Norenzayan 2010)

- Values
- Institutions
 - emancipation from kinship and family
 - market: private property, money
 - law focusing on individual intention
 - democracy: legitimacy derived from choice

Limitations

0. ~~Psychically unrealistic~~ (Pettit 1995)

1. Problems with rationality

- is maximizing possible—especially under conditions of uncertainty? (Simon 1978)
- experiments reveal inconsistent preferences and irrational beliefs (Kahneman 2011)
- temporal inconsistency, myopia (Ainslie 2001)

2. What explains the incentives?

- can they in turn derived from self-interested rational action?
- e.g. income is predicated on property rights, how enforced?
 - => Weber's legitimate domination (1920, ch 3)
 - => Durkheim's insufficiency of contract (*Division of Labor*, 1893)

Summary

Rational choice:

- assumes invariant desires, primarily self-interested
- people act differently
 - because they face different incentives *or*
 - because they have different (albeit rationally derived) beliefs
- Virtues:
 - parsimonious, unifying
 - “makes sense”
 - stimulates falsifying experiments
 - self-interest is ubiquitous

QUESTIONS FOR DISCUSSION

- Is self-interest a testable hypothesis or an uninteresting tautology?
- ‘All social action is rational when viewed from the standpoint of the actor.’ Discuss.
- Can apparently altruistic actions be reconciled with rational choice theory?
- Are any social institutions sustained by self-interest alone?
- Is Stringer Bell more “rational” than Avon Barksdale (*The Wire*, series 3)? Discuss with particular reference to Hobbes and Smith.
- Smith argues that lecturers will not put effort into teaching if they are paid a fixed stipend. Today’s universities do pay a fixed salary and yet most lecturers put more than minimal effort into teaching. Can this be explained by self-interest? Can this be explained by rational choice with non-egoistic preferences?

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