THEORY, STYLIZED HEURISTIC OR SELF-FULFILLING PROPHECY? THE STATUS OF RATIONAL CHOICE THEORY IN PUBLIC ADMINISTRATION

COLIN HAY

Rational choice is intimately associated with positivism and naturalism, its appeal to scholars of public administration lying in its ability to offer a predictive science of politics that is parsimonious in its analytical assumptions, rigorous in its deductive reasoning and overarching in its apparent applicability. In this paper I re-examine the ontology and epistemology which underpins this distinctive approach to public administration, challenging the necessity of the generally unquestioned association between rational choice and both positivism and naturalism. Rational choice, I contend, can only defend its claim to offer a predictive science of politics on the basis of an ingenious, paradoxical, and seldom acknowledged structuralism and a series of analytical assumptions incapable of capturing the complexity and contingency of political systems. I argue that analytical parsimony, though itself a condition of naturalism, is in fact incompatible with the deduction of genuinely explanatory/causal inferences. This suggests that the status of rational choice as an explanatory/predictive theory needs to be reassessed. Yet this is no reason to reject rational choice out of hand. For, deployed not as a theory in its own right, but as a heuristic analytical strategy for exploring hypothetical scenarios, it is a potent and powerful resource in post-positivist public administration.

The appeal of rational choice theory to scholars of public administration and political analysis more broadly undoubtedly lies in its promise to deliver a naturalist science of the political. Crucial to this is the assumption of rationality, which effectively serves to render (political) behaviour predictable in any given context. This it does by eliminating the indeterminacy otherwise injected into social systems by human agency. If individual conduct can be assumed rational, and an actor’s utility function can be specified, then that actor’s behaviour is rendered entirely predictable in any given political setting. The opportunity structure dictates the rational choice – or, conceivably, choices – for any agent in any context. The assumption that there is only one rational course of action in any given setting is a starting premise in many introductions to rational choice (see for instance Dunleavy 1991, pp. 3–4), but it is important to note that most non-trivial game theoretical models have multiple equilibria and are, therefore, indeterminate (to some extent). This is a point to which we return in more detail presently. Suffice it for now
to note that such indeterminacy arises not from human agency *per se* but from the structure of the context itself. In short, rational choice’s indeterminacy is not ontological but contingent upon the context in question. Moreover, it does not inhere in the human subject. Rational choice is, consequently, incapable of dealing with the inherent indeterminacy injected into social systems by human agency. It is, moreover, based upon a methodology which seeks (even when this may prove elusive) fully determinate predictions. Just as an object dropped from a tower cannot choose to ignore the theory of gravity, so too a political subject facing a strategic conundrum has no choice other than to select the rational course of action. As this suggests, if the ‘choice’ is rational it is not a choice at all.

The rationality assumption is, then, a convenient short-cut which makes possible a naturalist science of the political such as is capable of generating, through a process of deduction, testable and predictive hypotheses. Yet it comes at a price – a price which many rational choice theorists are prepared to concede – namely the implausibility of the very assumptions upon which such a process of deduction is predicated (see, most famously, Friedman 1953, pp. 14–15; North 1990, p. 17). There is, in short, a significant trade-off. This, I contend, should make us wary of the causal, explanatory or predictive inferences invariably drawn from rational choice modelling (see also Hollis and Nell 1975).

Indeed, I go further, arguing that rational choice is best seen not as a theory at all, but rather as a set of analytical strategies for the construction of stylized heuristics (cf. Ward 2002). Cast in such terms, rational choice may be liberated both from its naturalist and positivist connotations and deployed in the service of a great diversity of otherwise incompatible theoretical perspectives.

To be clear at the outset, although critical of the grand and totalizing theoretical pretensions of much rational choice theory and, by implication, many rational choice theorists, this paper does not present a critique of rational choice *per se*. Used judiciously and cautiously for a series of carefully specified purposes it is a potentially powerful weapon in the armoury of the critical political analyst. Yet offered – as it so often is – as a universal theory of (political) conduct, it prejudges the question of rationality, commits itself to assumptions whose implausibility many of its exponents freely admit, and renders redundant the crucial question of the conditions under which the rationality assumption is most likely to hold (Green and Shapiro 1994; Taylor 1995). As we shall see, there is a clear danger of the self-fulfilling prophecy in such a totalizing meta-narrative. For, arguably, rational choice models correspond most closely to the reality they purportedly represent where they ‘describe’ the behaviour of actors who have internalized rational choice assumptions. (And by extension, the same is true of realism in international relations theory and, indeed, much neo-classical economics.) As this suggests, behaviour consistent with such modelling cannot necessarily be taken as confirmation of the veracity of the model (far less, the theory more generally).
INTRODUCTION
Stated most simply, rational choice theory is the modelling of political behaviour on the simplifying assumption that political actors are instrumental, self-serving utility-maximizers. Its raison d'être is the construction of stylized (preferably, mathematical) models of political conduct. What makes such modelling possible is the assumption that individuals are rational and behave as if they engage in a cost-benefit analysis of each and every choice available to them before plumping for the option most likely to maximize a given utility function (generally, an expression of material self-interest). (It is now conventional for rational choice theorists to declare themselves agnostic about the specific utility function to be maximized in any given context, insisting that the term rationality refers only to the efficiency with which means are deployed in the service of given preferences. However, it is still the case that most rational choice inspired game theoretical modelling draws on a remarkably narrow set of utility functions which seem to correspond closely to a simple conception of material self-interest and to be preserved from one game to the next and from one author to the next. Capital maximizes profit, political parties the chance of their election or re-election, public servants the budgets of their bureaus, and so forth.) They behave rationally, maximizing personal utility net of cost while given little or no consideration to the consequences, for others, of their behaviour. Generally speaking, rational actors will only take account of the consequences of their action for others in so far as those consequences have (or are anticipated to have) knock-on implications for their own ability to maximize their personal utility in the future. In most cases, however, such complex feedback effects are discounted in rational choice models which tend to assume that actors are motivated solely by short-term personal gain, with longer-term consequences essentially discounted. Obvious exceptions are many, if not all, forms of rational choice which make use of evolutionary game theory. An alternative strategy, which does at least give the impression of bringing altruistic behaviour under the covering law of rational choice, is to suggest that vicarious pleasures (and hence utility) follow from altruistic behaviour or, as in Gary Becker’s formulation, that it is rational to act altruistically since the ‘beneficial indirect effects on the behaviour of others’ may outweigh ‘the direct “disadvantages”’ (1976, p. 287; cf. Elster 1979, pp. 141–6). This is an ingenious solution to the ‘problem of altruism’, but arguably one which, in dissolving altruism into rational self-interest, fails to capture the ethical/moral imperative which underpins all altruistic behaviour. If altruism is defined, as perhaps it should be, as behaviour in which considerations of self-interest are subordinated to a perceived ethical/moral imperative of care for others, then such a ‘solution’ will not suffice.

The purpose of rational choice theory is to produce a deductive and predictive science of the political, modelled on precisely the same assumptions that have proved so influential (and, arguably, so useful) in neo-classical
economics (Mueller 1989, p. 1). Given their exceptional degree of influence, it is, in fact, very difficult to gauge the utility of neo-classical economic assumptions. That models predicated upon rational choice assumptions seem to have explanatory potential within economic systems, may reflect nothing other than the prevalence of rational choice assumptions in the mindsets of public policy-makers thoroughly immersed in neo-classical economics since their undergraduate days.

The contribution of rational choice to public administration and political science more broadly has been considerable. Indeed, any attempt to list the crowning achievements of the latter over the past 50 years would surely see rational choice very well represented. Especially significant has been its ability to reveal the often perverse and collectively irrational effects of individually rational action.

In public administration, such a logic is most clearly reflected in the expansive public choice literature which explores the collectively irrational consequences of budget-maximizing bureaucratic behaviour. From William Niskanen’s pioneering *Bureaucracy and Representative Government* (1971) – indeed, arguably before (see, for instance, von Mises 1944; Tullock 1965; Downs 1967) – the defining feature of public choice theory has been its emphasis upon the political pathologies which are almost invariably seen to issue from the attempt of public authorities to correct market failures. This general theme has been variously explored, to reveal: (1) the (supposed) inexorable tendency for the over-supply of public goods which arises from the budget-maximizing behaviour of bureaucrats and their control over the release of budget-relevant information to elected officials (Niskanen 1971); (2) the (supposed) erosion of market discipline which follows from the rent-seeking behaviour of organized interests able to secure for themselves a quasi-monopoly status (Olson 1982); and (3) the (supposed) economic pathologies (principally instability and inflationary pressures) which arise from the translation of electoral self-interest into a politically-engendered business cycle (Nordhaus 1975; Alesina 1989). The affinities with the new right are clear and scarcely veiled (though for an important attempt to fashion a distinctly radical public choice alternative, see Dunleavy 1991).

In more general terms, it is rational choice theory’s emphasis upon collective action and, in particular, its identification of the problem of ‘free riding’ that has perhaps proved most notable. Here, despite a situation in which cooperation will secure mutual advantage, (rational) actors (motivated solely by self-interest) have a perverse incentive to non-participation. The logic, given rational self-interest, is impeccable. For, in many situations in which collective action is required to achieve a given end, a rational actor will (rightly) discount the likelihood of her own behaviour influencing significantly the overall outcome. Moreover, if others cooperate she will reap the benefits of their cooperation regardless of her participation. So why incur personal costs by taking unilateral action? In such scenarios, the dependence of a favourable outcome upon coordinated or collective action is sufficient to create (perverse)
incentives for actors to free ride on the (anticipated) conduct of others. Tragically, if all individuals behave rationally, no cooperation arises and an outcome which is both collectively and individually sub-optimal ensues.

A now classic example it the so-called ‘tragedy of the commons’, first identified by Garrett Hardin (1968). It provides an intuitively-plausible and all too compelling model of the seemingly intractable problem of environmental degradation in contemporary societies. The systematic exploitation and pollution of the environment, it is argued, is set to continue since individual corporations and states, despite a clear collective interest, choose not to impose upon themselves the costs of unilateral environmental action. Their logic is entirely rational (or, at least, entirely instrumental). They know that environmental regulation is costly and, particularly in an open international economy, a burden on competitiveness. Accordingly, in the absence of an international agency capable of enforcing the compliance of all states and all corporations, the anticipation of free-riding is sufficient to ensure that corporations and states do not burden themselves with additional costs and taxes. The long-term effects for the environment are all too obvious. Individual rationality translates into collective irrationality.

As this already serves to indicate, the assumption of rationality tends to be a pessimistic one. *Ceteris paribus*, self-serving, utility-maximizing behaviour in situations of perfect or near-perfect information translates into collectively irrational outcomes. Indeed, the almost natural affinity between public choice theory on the one hand and the new right’s antipathy to the state on the other might plausibly be attributed to the projection of such pessimistic assumptions onto public officials. The story of rational choice theory is, then, frequently one in which collective goods are sacrificed on the altar of narrowly conceived material self-interest (and, indeed, long-term self-interest is sacrificed for short-term material gain). There are, of course, notable exceptions, such as the work of Charles Taylor on social revolutions – see Taylor 1976; see also Shubik 1970. For many this is an unduly pessimistic depiction of the human subject, a far from universal condition and a wild extrapolation from particular contexts and times in which the narrow pursuit of self-interest has (regrettably) become institutionalized as the dominant mode of conduct. In short, what is (thankfully) politically, institutionally and culturally contingent is presented as a trans-historical and universal necessity.

For these critics, however, the pathology of such totalizing rational choice theory which claims a universal applicability lies not in the assumption of rationality as such. Rather it is the consequent inability to consider the conditions (political, institutional, cultural) under which actors deploy exclusively goal-oriented instrumental rationalities and, by extension, the conditions under which the pursuit of collective goals and the provision of public goods might replace such logics of calculus (Green and Shapiro 1994, p. 97; Taylor 1995).

To be fair, many contemporary rational choice theorists are immune from such criticisms, having softened, qualified and/or contextualized strong
rationality assumptions. Such authors tend to see actors as rational only in the sense that they are instrumental in their attempts to maximize a given utility function, declaring themselves agnostic in general terms about the specific utility function to be maximized (for instance Olson 1965, p. 65; Buchanan 1977; Tsebelis 1990, p. 18; Dowding 1991, p. 31). As Patrick Dunleavy explains, within such a framework, ‘someone behaves “rationally” if they optimise their preferences in a consistent fashion, however ill-advised we may judge their preferences to be’ (1991, p. 3).

This somewhat thinner conception of rationality is certainly preferable to universalizing attempts to derive a theory of human conduct from an assessment of narrow self-interest alone. Yet it is not unproblematic. It, too, leaves rational choice theorists unable to address the question of the conditions under which alternative logics of appropriateness (say) may substitute for logics of calculus as the dominant mode of conduct within a given institutional setting. It also leaves unanswered the question of how we might determine (inductively or deductively) the specific utility function informing rational conduct in any given setting. This fact has not gone unnoticed by a number of rational choice theorists, who have argued (rightly) that the exogenous nature of actors’ utility functions to rational choice modelling demonstrates that rational choice cannot be viewed as a free-standing or universal theory. As Hugh Ward explains, ‘it needs other perspectives to help explain why individuals have the interests they do, how they perceive those interests, and the distribution of rules, powers and social roles that determines the constraints on their actions’ (2002, p. 65; see also Dunleavy 1991; Ferejohn 1991, p. 248; although cf. Klosko 1987; Riker 1990, p. 174).

Finally, the dropping of any a priori assumptions about the utility functions that rational subjects maximize may become particularly problematic where rational choice theorists engage (as often they do) in the retroductive process of developing post hoc explanations of known facts (as described by Fiorina and Shepsle 1982, p. 63). The clear temptation, in such situations, is to fiddle with alternative specifications of the utility function until such time as a good predictive model is found (for outcomes we already know). As Peter C. Ordeshook notes, ‘even if such models fit the data up to an acceptable level of statistical accuracy, we must contend with the fact that we can establish nearly any reasonable outcome as an equilibrium to some model, provided only that the model is sufficiently complex’. Once this is acknowledged, ‘designing assumptions so that a model’s predictions fit the data is, in fact, little more than an exercise in curve fitting’ (1993, p. 95, cited in Green and Shapiro 1994, p. 35). Moreover, as Leibnitz demonstrated, for any finite number of observations there is an infinite number of algebraic models which adequately fit or describe the data. Consequently, that a rational choice model can be fitted to the data in this way says less about the theory’s explanatory power than it does about the conviction of the theorist to model such behaviour in rational choice theoretical terms. As Green and Shapiro mischievously note, ‘given the lack of specificity about what it means to be a
rational actor, it is not obvious what sorts of behaviour in principle would fail to be explained by some variant of rational choice theory' (1994, p. 34). This having been said, if it is conceded that rational choice is not a stand alone theoretical paradigm and needs to be supplemented by other theories, then the possibility clearly exists to import \textit{a priori} assumptions about the utility to be maximized in any given context from other theoretical perspectives. In this way, \textit{post hoc} rationalization need not degenerate into \textit{ad hoc} rationalization (Ward 2002). Such an approach is entirely consistent with the revised and more modest deployment of rational choice modelling within a post-naturalist political analysis proposed in the final section of this paper (see also Bates \textit{et al.} 1998a and b).

In the pages that follow, I consider the extent to which these widely identified and much debated limitations of rational choice theory can be overcome. I argue that if recast less as of a universal theory of human conduct – or, indeed, a theory at all – and more as a set of analytical strategies for exploring the logical consequences of a given set of heuristic or imported assumptions, rational choice has a crucial role to play in critical political analysis (see also Lane 1995, pp. 123–4; Ward 2002, p. 88). Cast in this more modest and subsidiary role, it is a particularly potent analytical device in puncturing convenient myths, problematizing taken for granted assumptions and, above all, warning of the perverse consequences of institutional (and other) incentives to instrumentally rational action.

The argument is developed in three sections. In the first of these I consider the nature of rational choice theory itself, examining its deductive mode of reasoning and considering the two dominant defences that have been offered of the parsimonious simplicity of its analytical assumptions when set against the complexity of the (political) reality they purport to represent. I suggest: (1) that parsimony is the very condition of rational choice modelling and, indeed, of a deductive and predictive science of politics; (2) that in complex and open social systems, parsimony effectively guarantees implausible analytical assumptions; (3) that implausible analytical assumptions are incompatible with the deduction of genuinely causal/explanatory inferences; and, (4) that if this is conceded, the status of rational choice as an explanatory/predictive theory needs to be reassessed.

In the subsequent section I turn from the question of complexity to that of contingency, interrogating rational choice theory’s ingenious, if ultimately problematic, attempt to preserve a predictive science of politics by effectively assuming away the indeterminacy injected into human affairs by agency. I suggest that despite its emphasis on choice, rational choice theory has an essentially hollow conception of the human subject whose (rational) conduct is, ultimately, determined and thereby rendered predictable (in many cases absolutely) by the context itself. In games with multiple equilibria, for instance, as already noted, though the outcome is not fully determinate, neither is it indeterminate. A strong prediction is made that whatever specific outcome arises will lie along the Pareto frontier of the actor’s utility function.
In the final section I consider the role that rational choice might play in a post-positivist, post-naturalist critical political analysis that acknowledges precisely the complexity and contingency of political systems that renders rational choice theory’s attempt to furnish a predictive science of politics ultimately futile.

PARSIMONY, COMPLEXITY AND THE ASSUMPTION OF RATIONALITY

Rational choice theory’s approach to political analysis is both deductive and parsimonious. It values the simplicity of the assumptions upon which its modelling, and the deduction of predictive or explanatory inferences, is predicated. This, in itself, is unremarkable. For, the formal/mathematical modelling of political (or, indeed, economic) conduct is likely to prove impossible given more complex analytical assumptions.

Parsimony may well be valued in its own right and it can certainly be defended in its own terms; but for our purposes it is important to note that parsimony is a necessary condition of the type of formal analytical-deductive modelling which characterizes rational choice theory. Without it, rational choice is impossible. This immediately raises an interesting, and crucial, ontological issue, still rarely (though, in recent years, more frequently) discussed by contemporary political analysts – namely, the degree of complexity of the social and political reality rational choice modelling seeks to capture. As King, Keohane and Verba note, for parsimony to be adopted as a guiding principle of good political analysis implies ‘a judgement, or even assumption, about the nature of the world: it is assumed to be simple’ (1994, p. 20, emphasis added). Moreover, as they go on, ‘the principle of choosing theories that imply a simple world is a rule that clearly applies in situations where there is a high degree of certainty that the world is indeed simple’. Consequently, ‘we should never insist on parsimony as a general principle in designing theories, but it is useful in those situations where we have some knowledge of the simplicity of the world we are studying’ (1994, p. 20).

Important though these remarks are, they beg a series of crucial questions. First, the degree of complexity of the social and political reality we seek to interrogate and/or model is an ontological not an epistemological matter and, as such, does not avail itself as readily as King et al. seem to assume, of empirical adjudication (King et al. 1994). What, after all, would count as definitive evidence of the ‘simplicity of the world we are studying’? Second, to assume that analysts who prize parsimony do so because they presume (or presume to know) the world to be simple is to underestimate the complexity of the issues at stake here. Theories of complex adaptive systems, for instance, predict complexity within systems characterized by simple rules (I am indebted to Daniel Wincott for pointing this out to me). It is, moreover, to assume a necessary correspondence between the degree of complexity of one’s analytical assumptions on the one hand and the (perceived) degree of complexity of the reality one seeks to interrogate with such assumptions on
the other. This, as we shall see, very many rational choice theorists would categorically reject. Indeed, this is an issue on which they are clearly divided.

Rational choice theorists here find themselves confronted with a stark choice: do they follow the implicit path suggested by King et al. above by effectively denying the (ontological) complexity of political reality, defending parsimonious assumptions as effectively accurate representations of a relatively simply external reality which naturally lends itself to rational choice modelling; or do they acknowledge the ontological complexity of that political reality while defending (on the grounds of utility) the parsimonious assumptions which render such modelling possible? The potentially tautological qualities of the concept of utility should not, however, be overlooked. As Joan Robinson notes, ‘utility is a metaphysical construct of impregnable circularity; utility is the quality in commodities that makes individuals want to buy them, and the fact that individuals want to buy the commodities show that they have utility’ (1964, p. 46). As Donald P. Green and Ian Shapiro demonstrate with characteristic clarity and insight, rational choice theorists are divided in their answer to this challenge as much as by anything else (1994, 23 ff.). Arguably, of course, it is something of a simplification to suggest that the options available to rational choice theorists at this point fall only into these two categories. Nonetheless, those rational choice theorists who have responded to this challenge do seem to have organized themselves into two distinct camps (again, I am indebted to Dan Wincott for discussions on this point).

Both strategies have their appeal. The former, based upon a ‘covering-law’ conception of scientific development must staunchly refuse to concede the irrealism of rational choice assumptions or modify (in the direction of greater complexity) any offending assumption (see, for instance, Tsebelis 1990, p. 38; Ferejohn 1991; Noll and Weingast 1991). For it is only in this way that any explanatory/predictive inference can credibly be defended as having been derived from law-like generalizations (or covering laws). The problems with such a strategy are two-fold. First, modifying implausible assumptions can only be allowed to go so far, for ultimately it can only serve to render rational choice modelling impossible (computationally) by degrees. Parsimony, as we have established, is the very condition of existence of formal theory. Second, though theoretically consistent in its own terms, it is something of a blow that others defending similar (and in some cases identical) assumptions on the grounds of their analytical utility are quite happy to concede that such premises bear little or no relationship to an external political reality (for instance, Moe 1979, pp. 215–16). In the light of such concessions, the ‘covering law’ defence appears both convenient and possibly somewhat disingenuous.

The leaves the latter strategy – to mount an instrumental defence of implausible assumptions on the grounds that they are the very condition of existence of the formal modelling to which rational choice theorists aspire.
The approach is, at least, disarmingly candid, but it raises a series of issues about the status of rational choice models as theories in their own right and of rational choice as a theory more generally – issues to which we now turn.

The instrumental defence is most clearly and famously stated by Milton Friedman. For Friedman, the decisive test of a theory is its predictive or explanatory power, not the realism, accuracy or plausibility of its assumptions. Indeed, he goes further still, suggesting that ‘truly important and significant hypotheses will be found to have “assumptions” that are wildly inaccurate as descriptive representations of reality, and, in general, the more significant the theory, the more unrealistic the assumptions’ (1953, pp. 14–15). (The precise sense of the term ‘significant’ appealed to here is, of course, left unspecified.)

Putting to one side the suggested (and, presumably, weak) inverse correlation between the implausibility of one’s theoretical assumptions and the significance of the theoretical contribution one makes – which is, after all, an empirical matter of sorts – Friedman’s key point is that theories should be judged not in terms of their analytical content or internal structure, but their ability to generate testable hypotheses capable of enduring the rigours of sustained empirical verification/falsification. This may seem fair enough but, as we shall see, it is particularly important that we proceed with a certain degree of caution before falling for Friedman’s alluring gambit.

Leaving aside the recent critique of Green and Shapiro (1994), which suggests that rational choice models within political science have simply been insufficiently tested to be regarded as having any demonstrable explanatory or predictive power, there are at least two (further) problems with this formulation.

First, and (as already suggested), within social and political systems, evidence consistent with the predictions of an influential theory should not always be taken as confirmation of the theory. For influential theories and/or the influential assumptions on which they are predicated may well already have been internalized by the subjects of the theory (market actors, party strategists, public officials, policy-makers and the like), leading them to act in a manner consistent with the theory’s predictions, whether the thesis is accurate or not.

Moreover, even were we able to discount entirely the possibility of such ‘double hermeneutic’ effects (Giddens 1984, p. 374), in what sense, if any, can we legitimately claim to have explained (or even described) the generation of a given outcome by appealing to a stylized and formal model whose assumptions we freely admit are implausible or, worse still, demonstrably false? If we have to make assumptions about political and economic actors which we know to be inaccurate in order to construct a formal model which might adequately capture their observed conduct, how can we credibly claim to have explained that conduct? As George Tsebelis notes, ‘a scientist who is willing to make the “wildly inaccurate” assumptions Friedman
wants him (sic) to make admits that “wildly inaccurate” behaviour can be generated as a conclusion of his theory’. For, ‘the assumptions of a theory are, in a trivial sense, also the conclusions of the theory’ (1990, p. 32).

This is problematic enough when it comes to making retrospective predictions – in other words, constructing formal models which might ‘predict’ behaviour that has already been observed. It is altogether more problematic, and highly suspect normatively, when it comes to drawing genuinely predictive inferences, especially those which might either inform public policy or, as in much public choice theory, which are motivated precisely by that aim. The suggestion that similar models deploying identical, but similarly implausible, assumptions have led to ‘significant’ theoretical advances, ‘useful’ insights or even empirically-verified predictions in the past, cannot absolve us of responsibility for foisting our political desires upon witting or unwitting, willing or unwilling political actors in the name of science. As Green and Shapiro suggest,

Too often, prescriptive conclusions . . . are floated on empirically dubious rational choice hypotheses….When explanatory [and often retroductive] rational choice theorising is used to advance prescriptive claims . . . it takes on an ideological character that is exposed by a critique of the questionable empirical foundations on which it rests. (1994, pp. 11–12; see also Dunleavy 1991)

An example may serve to reinforce the point. Assumptions about rational expectations have proved highly influential in policy-making circles since the mid-1980s and have, arguably, led to a series of important insights into macroeconomic theory. However, to use such assumptions – which are known to approximate market expectations only poorly – to derive the need for central bank independence if inflation is credibly to be checked, without caveats and without examining the record of independent central banks in controlling inflation, seems both irresponsible and pseudo-scientific. Moreover, that record is hardly unambiguous, a point to which we return presently. Yet, this notwithstanding, it surely underpins the move to central bank independence in the 1980s and 1990s. Similar comments might just as easily be made of new right variants of public choice theory (for a more thoroughgoing empirical critique see Dunleavy 1991, pp. 210–48).

Where does this leave rational choice theory? At minimum, it suggests that neither the covering law nor the Friedman-instrumental defence will suffice. That having been said, there is much to commend in the candour of the latter in acknowledging the inherent implausibility of any set of assumptions consistent with the formal modelling of political behaviour. Yet ultimately something has to give. My suggestion – one which will not, I imagine, commend me to most rational choice theorists – is that the status of rational choice be downgraded from the theoretical to the heuristic and its pretensions to both naturalism and positivism be rejected. This has two clear advantages. First, the conditional character of rational choice’s predictions
(acknowledged, to be fair, by many, but very rarely where policy implications are being discussed) is brought to the fore. Second, and relatedly, the danger of rational choice becoming a self-fulfilling prophecy is significantly attenuated.

This proposed ‘downgrading’ of the status of rational choice is born of a (prior) ontological commitment (on my part) to a conception of political reality as being sufficiently complex to preclude the possibility of predictive modelling with plausible assumptions. Yet, less this be dismissed as precluding rational choice theory by ontological fiat, it is important to note that this is effectively the same ontological commitment declared by Friedman in the passage from ‘The Methodology of Positive Economics’ discussed above. Where I differ from Friedman is in rejecting the (epistemological) claim that genuinely causal/explanatory inferences can legitimately be drawn from assumptions in whose accuracy/plausibility the analyst has no confidence.

As this suggests, the problem lies less with the inability of rational choice theory to operationalize successfully a positivism appropriate to political analysis – as in the influential critique of Green and Shapiro (1994) – but in the nature of political reality itself (cf. Pierson 2000, p. 26). It is the promise of positivism, rather than the ability of rational choice to realise that promise, that may well be illusory. ‘Reality’ may simply not avail itself of the sort of parsimony on which rational choice (as a theory with universal pretensions) is predicated.

This is an important point and one which, I imagine, will mark for many my point of departure from rational choice theory. Yet, in pointing to the inherent limits (as I see it) of a universal theory of political (or, indeed, economic) behaviour in a world of acknowledged complexity and contingency, my aim is not to reject rational choice out of hand. Rather, as will become clear presently, I seek to encourage the heuristic deployment of rational choice assumptions by political analysts who reject the naturalist and positivist pretensions with which rational choice has been so closely allied – and who have tended to reject rationalism as a consequence.

Rational choice has contributed a great deal to contemporary public administration and there is much that it can contribute further. Yet if it is to realize fully that potential, it is important that we consider anew the necessity of the largely unquestioned link between rational choice on the one hand and both naturalism and positivism on the other. It is to these issues that we turn directly in the final section. Before doing so, however, it is first important that we consider the thorny question of structure and agency, and, in particular, the paradoxical structuralism of rational choice. For, as I shall argue, it is agency – the capacity of actors to exercise genuine choice in a given context – that is the key to the complexity of social and political systems. It is this, I argue, that rational choice denies. However perverse it may seem, then, it is the often unacknowledged structuralism of rational choice theory that is the key to its defence of a naturalist science of politics.
WHEN IS A CHOICE NOT A CHOICE? WHEN IT’S A RATIONAL CHOICE

If there are inherent limits to a naturalist science of politics, these owe their origins to the indeterminacy injected into social and political systems by human agents. The (insurmountable) problem, for those in pursuit of a predictive science of politics, is the ‘problem’ of human agency. Agents are inherently unpredictable; indeed, without this indeterminacy there would be little need for politics (cf. Gamble 2000). Yet it is this which imposes non-negotiable limits upon the ability of political scientists to predict political outcomes. For how can the analyst predict the outcome of the next election if the electorate have yet to decide how (or, indeed, whether) to vote; and when those who have decided whether and how to vote can change their mind at any point?

Stated most bluntly, agency – the capacity of actors to exercise genuine choice in a given context such that their behaviour cannot be predicted (reliably) in advance – gives rise to the indeterminacy of social and political outcomes and hence to the complex and open-ended character of social and political systems. Rational choice, premised as it is upon the generation of predictive/explanatory models of human behaviour, denies agency, indeterminacy, and hence the complexity of social and political systems. Though convenient, and arguably the very condition of a predictive science of politics, this is problematic.

Cast in somewhat different terms, there is a qualitative difference between the subject matters of the physical and social sciences that places severe limits upon a naturalist social science. For while the latter must deal with conscious and reflective subjects, capable of acting differently under identical stimuli, the former’s units of analysis can be assumed inanimate, unreflexive and hence entirely predictable in response to external stimuli. Of course it should be noted that to some extent Heisenberg’s ‘Uncertainty Principle’ changes all this at least for the physics of small particles, suggesting that the velocity and position of an object (a sub-atomic particle, say) cannot both be known simultaneously. For to measure one accurately is to impose limits on the accuracy with which the other can be measured. Yet even Heisenberg’s principle it should be noted takes the form of a ‘law’ which is assumed to be immutable, infinitely generalizable and trans-historical. Agency injects an inherent indeterminacy and contingency into human affairs for which there is simply no analogue in the physical sciences.

In itself, there is probably nothing terribly contentious about this claim. Yet, if accepted, it has important implications for what follows. For, if actors’ behaviour is not given by the context in which they find themselves (in the same way that a particle’s kinetic energy is given by the gravitational field within which it is situated) – indeed, if actors may refashion the context in which they find themselves and hence any regularities it may previously have given rise to – then what hope is there for a predictive science of the
political? It is for precisely this reason that agency does indeed pose a 'problem' for aspiring political scientists. Thus the appeal of rational choice, as a universal theory of the social sciences, arguably lies in its characteristically ingenious attempt to sidestep the problem of agency, by appearing, simultaneously, to be both voluntarist and structuralist.

Rational choice theory is not, then, all that it might first appear. As a perspective which emphasizes the rationality exhibited by conscious and reflective actors in the process of making choices it could scarcely be better placed to deal with the 'problem' of agency. Or so one might be forgiven for thinking. Is it any wonder that an author of the stature of David Easton should describe rational choice theory as the predominant post-behavioural response to 'behaviouralism’s neglect of the actor' (1997, p. 20)? In one sense, he is right to do so, for rationalism probably does owe its undoubted influence to its perceived ability to offer a solution to the problem of agency that behaviouralism left unresolved. Yet that solution, as I will argue, is almost entirely illusory and it is here that Easton surely gets it wrong. The rational actor model, he suggests,

... gained sway because it inadvertently fit into the voluntarist tendencies of the countercultural sentiments of the time.... The image of the individual was subtly changed by rational modelling. He or she was not just a subject reacting to external circumstances but was proactive – choosing, selecting, rejecting in terms of his or her own preferences or utility-maximising behaviour. The focus shifted decisively from the structure or constraints surrounding behaviour... to the actor and his or her strategies of choice in pursuit of individual volitions. (Easton 1997, pp. 21–2)

The extent to which voluntarism chimed with the ‘countercultural sentiments of the time’ need not concern us here. The point is that, all appearances to the contrary and such sentiments notwithstanding, rationalism is in fact about as far from voluntarism as one can get (see also Dowding 1991; Dunleavy 1991, p. 6).

For, within any rational choice model, we know one thing above all: that the actor will behave rationally, maximizing his or her personal utility. Consequently, any rational actor in a given context will choose precisely the same (optimal) course of action. Actors are interchangeable (Tsebelis 1990, p. 43). Moreover, where there is more than one optimal course of action (where, in short, there are multiple equilibria), we can expect actors’ behaviour to be distributed predictably between – and only between – such optima.

What this implies is that the agent’s ‘choice’ is rendered predictable (and, in many cases, entirely predictable) given the context. At this point it is perhaps important to explain why the possibility of multiple equilibria does not pose any serious impediment to the argument advanced here. Three points might here be made. First, though not fully determinate, a model which predicts multiple equilibria is not indeterminate either. As social scientific predictions go, to be able to eliminate all non optimal outcomes is
not bad going. Second, the (partial) indeterminacy of game theoretical models which predict multiple equilibria is a product not of rational choice’s conception of agency but of its conception of the structure of the context itself. Change the context while retaining the actors’ utility functions (by repositioning the actors within a different institutional domain) and a fully determinate model/prediction may well follow. Third, if it is conceded that the possibility of multiple equilibria renders rational choice predictions indeterminate (however partially), then significant problems follow for any totalizing pretensions rational choice theorists may harbour. For, if variables exogenous to the model (such as ideas) must be invoked in order the explain the selection amongst multiple equilibria, then rational choice modelling is, in itself, contingent. If this is conceded, it is but a small step to acknowledging that rational choice is incapable of providing an integrated and self-sufficient theory of political, far less, social behaviour (for examples of the appeal to ideas as exogenous variable which might be conjured to resolve the indeterminate nature of rational choice models in situations of multiple equilibria, see Bates 1988; North 1990; Goldstein and Keohane 1993; for a perceptive commentary, see Blyth 2002, pp. 18–20). (I am indebted to Albert Weale, Daniel Wincott and Steven Lukes for various discussions on this important point.)

In the light of the remarks above, it is surely tempting to ask: ‘When is a choice not a choice?’ Answer: ‘When it is a rational choice’. As George L. Shackle notes,

Economic man (sic) obeys the *dictates of reason*....To call this conduct choice is surely to misuse words, when we suppose that to him the ends among which he can select, and the criteria of selection are given, and the means to each end are known....Choice in such a theory is empty. (1969, pp. 272–3, original emphasis)

If the actor is, indeed, ‘the very model of a modern individual’ (Hollis 1998, p. 16), then she or he will behave in any given situation is a manner determined (and thereby rendered predictable) by the context itself. The implications of this are clear. We need know nothing about the actor to predict the outcome of political behaviour. For it is independent of the actor in question. Indeed, it is precisely this which gives rational choice modes of explanation their (much cherished) predictive capacity.

While it may seem somewhat perverse to detect in rational choice theory a basic structuralism, this is by no means as contentious as it might at first seem. For one of its principal protagonists, George Tsebelis, notes precisely this paradox.

That the rational-choice approach is unconcerned with individuals seems paradoxical. The reason for this paradox is simple: individual action is assumed to be an optimal adaptation to an institutional environment, and the interaction between individuals is assumed to be an optimal response
to one another. Therefore, the prevailing institutions (rules of the game) *determine* the behaviour of the actors, which in turn produces political or social outcomes. (1990, p. 4, emphasis added)

Keith Dowding is no less clear in stating that ‘rational choice theory… produces a form of structural explanation in that the main explanatory component is the structure of the models…applied to different situations’ (1991, p. 23).

Yet this is not just any form of structuralism. For whereas, conventionally, structuralism is associated with the claim that the actor is a prisoner of her environment, in rational choice theory (as the name would perhaps imply), the actor is deemed autonomous and free to choose – if only to choose the sole ‘rational’ option in any given context. It is this, in the end, that is the genuine paradox. Yet, arguably, it is in the conflation of choice and structural determination which this paradox implies that rational choice theory’s particular appeal resides. For it allows rational choice theorists to deal (ostensibly) with questions of choice and agency, which would normally entail some recognition of the indeterminacy of political outcomes, without ever having to concede the open-ended nature of political systems and the contingency of political dynamics. In short, it allows a naturalist notion of prediction to be retained despite the theoretical incorporation of human agency, for which there is no natural scientific analogue. In the end, however, this is a façade. For what sense does it make to speak of a rational actor’s *choice* in a context which there may be only one rational choice and the actor is assumed to be rational? It should be noted that even in a situation of multiple equilibria, the ‘choice’ is unlikely to be considerable. Moreover, in such situations exogenous structural variables are invariably imported to resolve any seeming indeterminacy, thereby rendering the revised model fully determinate once again.

This brings us full circle. For it suggests that rational choice theory can deliver a naturalist science of politics only by virtue of the implausible assumptions it makes about the universally instrumental, self-serving and utility-maximizing character of human conduct. These serve, in effect, to empty agency of any content such that the actor becomes a mere relay for delivering a series of imperatives inherent in the context itself. In short, a naturalist science of politics is only possible if we assume what we know to be false – that all actors, in any given context, will act in a manner rendered predictable (in many cases fully determinate) by the context as agency is substituted for a utility function. Soften the assumptions, or even the universality of the assumptions, and the fragile edifice of naturalism crumbles. With it must go the universal pretensions of much rational choice theory and, indeed, the very possibility of a predictive science of the political. Yet if such a predictive science can only be constructed on the basis of assumptions we know to be implausible, even false, should such a loss be mourned?
What, then, of the alternatives? It is perhaps eventually time to consider the role of rational choice within a post-naturalist and non-positivist political analysis premised upon an ontology of contingency and complexity.

FROM RATIONAL CHOICE AS THEORY TO RATIONAL CHOICE AS HEURISTIC DEVICE

As the above discussion indicates, the role of theory in rational choice is the simplification of an external reality as a condition of the generation of predictive hypotheses. These are, at least in principle, capable of falsification. That having been said, the emphasis in rational choice theory tends to be on the deduction and derivation from initial assumptions of stylized models of political behaviour, rather than on the testing of the formal models thereby generated. Given the implausibility of the assumptions on which most of these models are predicated, this is perhaps not surprising. This is invariably seen as a weakness of contemporary rational choice. It is, for instance, the focus of attention of perhaps the most influential critique to date of rational choice (Green and Shapiro 1994). Yet, paradoxically perhaps, if we abandon the desire to produce formal models of political behaviour whose sole purpose is to represent accurately an external political reality and/or predict accurately political outcomes, then such potential weaknesses can be recast as an advantage. In this final section my aim is to expand upon and defend this crucial, if somewhat cryptic, observation.

Consider first the following passage from the introduction to Melvin J. Hinich and Michael C. Munger’s influential text on the spatial theory of voting:

Formal theories help social scientists explore ‘what if?’ questions by deducing the implications of a set of premises... the particular ‘what if’ implications derived from abstract theory may have little to do with the world of directly observable phenomena. (1997, pp. 1, 4)

This is an important statement, for it suggests something of a tension, characteristic of much rational choice theory, between the practice of rational choice on the one hand and the positivism its exponents invariably espouse on the other. This, I will suggest, we should seek to resolve in favour of the former. The tension becomes somewhat clearer if we compare the above extract with the following passage, a little later in the same text:

The external application, or ‘testing’, of formal theory is by analogy: the theory is tested by measuring relationships among observable phenomena, in the hope that the observable phenomena are ‘like’ the relationships the model focuses on. (1997, p. 5, original emphasis)

Well, which is it to be? Are rationalism’s assumptions genuinely chosen for interest’s sake or heuristic value alone as means to the end of conducting hypothetical thought experiments (along the lines, ‘what if the world were like this?’). If so, it is a non-correspondence theory. Or are they intended to
provide approximations, however rough, of an external reality against which they might be evaluated? If so, it is a correspondence theory. In the former case, the plausibility or implausibility of the assumptions is of no great consequence. For the purpose of the process of theoretical deduction is, presumably, to reveal the consequences of a world (unlike our own) in which the hypothesized assumptions were true. In Robert E. Lane’s terms, rational choice understood in this way, is an ‘aid to thought’, not a predictive or explanatory theory (1995, pp. 123–4). While this might make rationalism sound like a rather fanciful and indulgent pursuit, the value of such hypothetical reasoning should not be so easily dismissed. Indeed, this strikes me as precisely the role that rational choice might play in the development of post-positivist, post-naturalist political analysis. This, I suggest, is a first way forward.

It is perhaps important at this point to note that although I here seek to offer a potential defence of rational choice as a non-correspondence theory, an alternative and rather more influential defence of rational choice is to recast it as a conditional correspondence theory – in other words, to argue that rational choice theory works only under certain conditions (where, for instance, the choices are simple, the stakes high and the opportunities for learning considerable). This is, in essence, the (partial) defence of an (albeit qualified) rational choice advanced by Green and Shapiro (1994, 1995). Yet, however tempting this alternative strategy may seem, it implies a profound ontological unevenness and inconsistency – some parts of the social universe are simple, some complex – that I reject.

A similar, precautionary, logic informs Robert E. Goodin’s (1998) reflections on the design of institutions. Ceteris paribus, we should seek to design institutions capable of resisting subversion by purely self-interested ‘knaves’, whether or not we have good reasons for believing the political landscape to be populated by such actors. Yet, as he also notes, it may be that the kind of institutions we might design to protect us from such knaves are considerably worse in other respects than those we might otherwise design, and are, accordingly, best avoided. Here additional assumptions about the prevalence of ‘knativishness’ and the likelihood of knaves capturing public office become particularly important.

The positing of ‘what if’ questions, then, can be extremely useful. It has the potential, for instance to provide timely and powerful warnings about the likely consequences of existing political trajectories. If it appears as though political parties increasingly appeal to the electorate in much the same way as corporations appeal to consumers, then it might be useful to model formally the consequences, say, within a (stylized) two-party, first-past-the-post electoral system, of such a dynamic. The point, of course, would not be to seek to explain the conduct of the parties exhibiting such a logic, but rather to point to the positive and/or negative consequences of such a dynamic in the hope that it might either be encouraged or resisted. Such reflection might also draw attention to the conditions under which political parties
come to exhibit this particular ‘rationality’. Of course, rather than treating rationality as an invariant and unquestionable characteristic of all human behaviour, this more conditional mode of analysis relies on treating rationalities as variable and context dependent.

Similarly, were we concerned (as well we might be) with the seemingly growing power of capital with respect to the state under conditions of regional and/or global economic integration, we might usefully construct a formal model of an open and global/regional economy in which capital were freely mobile. Though hypothetical, this might allow us to examine the potential implications of further doses of capital liberalization. Again, the assumptions would be chosen not for their correspondence to the existing state of affairs but as a means of exploring, through extrapolation, potential future scenarios. The purpose would be not so much to produce predictive hypotheses (that the optimal rate of taxation of mobile capital in [today’s] open economy is zero) so much as conditional predictions (that further capital liberalization may serve, by degrees, to compromise the financial underpinnings of the welfare state). As in the case of the free mobility of capital, these might take the form of precautionary political warnings of the potential consequences of the untempered unfolding of existing dynamics, made at a point at which such logics might still be checked.

A second way forward, revealing an alternative but no less promising strategy, is suggested by an important recent article on democratic transitions by Robert H. Bates and colleagues (1998a; see also 1998b) (I am indebted to Hugh Ward for drawing my attention to this significant contribution). Rather than using rational choice as an analytical device to explore hypothetical assumptions picked for their heuristic value, they use it to generate a formal model on the basis of a priori assumptions imported from an alternative theoretical perspective. In other words, rather than explore the conditional nature of rational choice modelling, they import (more plausible) assumptions about identities and interests from a very different theoretical tradition (namely, interpretivism). This serves to indicate how rational choice can potentially be deployed in the service of a disparate range of theoretical perspectives.

In their important contribution, the authors acknowledge what they see as the inherent limitations of rational choice (as a stand alone theoretical perspective) in dealing with situations characterized by instability, ethnic or religious tension and conflict, and/or path-breaking institutional change – in short, disequilibrium. As they note, ‘several of the attributes that suggest possible limitations to the use of rational choice theory suggest possible strengths of a major alternative…interpretivist theory’ (Bates et al. 1998a, p. 223). Bates et al. thus seek to explore what they see as ‘complementarities’ between these two theoretical traditions, exploring the potential for ‘theoretical integration’ (ibid.; see also Ferejohn 1991). In essence, the analysis they present deploys rational choice techniques to model the mobilization of both revolutionary consciousness and the translation of this into revolutionary
practice. This it does by endogenizing interests and identities using interpretivist techniques to provide a ‘political anthropology’ of individuals’ motivations, values and expectations. Such an approach, in keeping with its indebtedness to interpretivism (and in opposition to more conventional rational choice), stresses the political power of ideas (in effect, their independent causal role) and the centrality of the politics of interpretation to political dynamics.

This is a major contribution to the existing literature whose significance has perhaps yet to be fully appreciated. Yet, despite its many strengths, it is not totally unproblematic. The ‘theoretical integration’ proposed is not as easily achieved as Bates et al. seem to assume – it is not just a matter of exploring potential synergies and commonalities between cognate theoretical perspectives. For rational choice and interpretivism (as theoretical perspectives) are premised upon mutually incompatible ontological and epistemological assumptions (on the difficulties of inter-paradigm synthesis, see also Hay and Wincott 1998). The post-positivist epistemology and post-naturalist ontology of interpretivism cannot be easily reconciled with the positivist epistemology and naturalist ontology of rational choice theory. Again, something has to yield. Yet while Bates et al. do not explore this tension (which, to be fair to them, they do acknowledge) and continue to couch their contribution in the problematic language of ‘synthesis’ and ‘integration’, this should not detract from their contribution. Indeed, their seminal article might easily be recast in slightly different terms. In the spirit of the present paper, Bates et al. might more usefully be seen as deploying rational choice techniques and analytical strategies in the service of interpretivist theory. If read in this way, their work represents a significant (if, to some extent, unintended) contribution to the sort of post-positivist, post-naturalist political analysis that I have sought to defend in this paper.

Yet Bates et al.’s work is something of an exception. Sadly, few rational choice theorists have embraced this kind of rationale. And, scared off presumably by the epistemology, the ontology or the algebra, virtually no attempt has been made by, for instance, interpretivists to explore the utility of rational choice analytical techniques. This makes Bates et al.’s contribution all the more significant. Instead, speculative and implausible (‘what if’) assumptions are all too frequently adopted as if accurate representations of an external reality and used as the basis from which to construct formal models of the polity or economy. This is despite the acknowledgement, by some rational choice theorists, that all rational choice ‘prediction’ is conditional. The more applied and policy-oriented the rational choice modelling, however, the fewer the caveats of this sort that seem to be entered. Such models are then presented to, and frequently accepted by, policy-makers, as accurate representations of the systems they purport to reflect. The hypothetical nature of the initial assumptions is now forgotten, as open economy macroeconomic models are used to derive optimal taxation regimes (Tanzi and Schuknecht 1997; Tanzi and Zee 1997), as central banks are given
independence on the basis of, frankly, fanciful assumptions about the ‘rational expectations’ of market actors (Lucas 1973; Sargent and Wallace 1975; Kydland and Prescott 1977; Sargent 1986), and as public bureaucracies are retrenched or marketized on the basis of equally implausible assumptions about the narrow self-interest of public officials (Tullock 1965; Niskanen 1971, 1975; Buchanan 1977; though, for a powerful corrective, Dunleavy 1991). In each case the overwhelming empirical evidence against both the assumptions and the inferences logically derived from them is simply overlooked.

Interestingly, though perhaps unremarkably, the empirical evidence on the effects of central bank independence fails to lend much support to the ‘rational expectations’ thesis, there being no statistically significant correlation between the granting of independence and improved anti-inflationary performance (Posen 1993). When it is considered that central bank independence tends to be seen as an institutional fix for administrations anxious to enhance their anti-inflationary credibility, this is all the more troubling for proponents of this, the latest, economic orthodoxy. For an excellent discussion of these issues, see Watson (2002). Similar observations might be made about capital mobility and corporate taxation regimes. For despite the prediction that the optimal rate of taxation on mobile capital in an open economy is zero, foreign direct investment continues to be associated positively with high rates of corporate taxation and the market access this tends to secure (see, for instance, Cooke and Noble 1998; Swank 2001).

All this is worrying enough in its own terms. But is it merely compounded by an additional factor which we have thus far mentioned only briefly and in passing. Rational choice models, accorded the status of scientific theories by analysts and policy-makers alike, may become self-fulfilling prophecies. For, the more their assumptions, premises, inferences and conclusions are received as unquestioned fact, the more their predictions appear confirmed by political practice. As John A. Vasquez perceptively notes,

> The extent to which rational choice analysis can become a rigorous science will depend very much on the extent to which people or leaders accept its rules to guide their behaviour. In doing so, they will not only create a reality but people who are ‘rationally-calculating individuals’. Such a science succeeds in explaining (sic) more and more of the variance not because it is able to uncover the ‘causes’ of behaviour, but because it produces them. (1998, p. 219, emphasis added)

This is an extremely significant observation and applies not only to rational choice perspectives such as neo-classical economics and rational choice theory but, potentially, to all conduct-shaping social, political and economic theories. Its logic is impeccable and, in essence, very simple. If political actors internalize assumptions, for instance about the limited parameters of political choice in an era of globalization, they will act on the basis of such
assumptions, however inaccurate they may be, to produce outcomes consistent with the theory’s predictions (scaling their political ambitions accordingly). In so far, then, as the predictions of rational choice theory or neo-classical economics conform to political and economic practice, it may well be because political and economic actors have internalized precisely such theories, incorporating them within their modes of calculation and practice.

Such reflections are, again, chastening and may serve to remind political analysts – particularly those with a direct line to holders of public office and particularly those claiming a scientific licence for their insights – of their responsibilities to us all. If, as seems invariably the case, rational choice models are premised upon implausible and often false assumptions, chosen so as to render possible the deductive generation of predictive inferences, then it is imperative that they are either presented in such terms or exposed as such. Yet, as I have been at pains to suggest, while rational choice models may well be innately prone to implausible premises, there are ways of making a virtue of this. Rational choice models, as heuristic devices, offer us a neat, analytically precise and conceptually rigorous means of exploring hypothetical scenarios and, indeed, of discrediting accepted wisdoms and perceived inevitabilities. A rational choice, liberated from the largely self-imposed shackles of naturalism and positivism is, as I have sought to suggest, a potentially powerful weapon in the armoury of critical political analysis.

ACKNOWLEDGEMENT

An earlier version of this paper was presented in the seminar series, Rationality in Question at the Centre for Philosophy of Natural and Social Science at the London School of Economics, February 2003. The author would like to thank participants on that occasion, together with Robert E. Goodin, Steven Lukes, Eleonora Montuschi, Albert Weale, Dan Wincott and two anonymous referees for Public Administration for their insightful, incisive and encouraging comments. The usual disclaimers apply.

REFERENCES


© Blackwell Publishing Ltd. 2004


© Blackwell Publishing Ltd. 2004


*Date received* 20 May 2003. *Date accepted* 23 July 2003.