Rational Choice versus Bounded Rationality?
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Decision making is part of our daily life. Therefore, as sociologists and social scientists it is important to understand how people make decisions. Decision making theories in general, and Rational Choice (or rational action) theories (RCT) in particular describe the motivations, preferences, restrictions on behavior and behavior itself of individuals as well as groups or organizations in society. Rational choice theorists are divided in the literature into advocates of different versions of rational choice. Such versions are, for example, the narrow one used by many neoclassical economists, in which only objective constraints are taken into account. Another is the wide version, in which there are no limitations on the constraints and the preferences, which can be taken into account in a model, or the bounded version suggested by Herbert Simon, which takes the limited capacities of human beings into account. Publications dealing with the different versions of rational choice and its empirical testing or criticizing them will be discussed during the seminar.

Evaluation is not based on the English command. It is not mandatory to interact in English, but rather an opportunity for those who are interested in it.

Die Beurteilung für das Seminar basiert nicht auf der Beherrschung der englischen Sprache. Es ist nicht verpflichtend, während der Sitzungen auf Englisch zu kommunizieren; denen, die daran interessiert sind, soll aber die Gelegenheit dazu gegeben werden.

Tasks:

1) Making a presentation for one course-session. The presentation is combined with a discussion with the other participants. The presentation should summarize the paper and last about 45 minutes. The presentation will be combined with a discussion. Prepare two or three discussion points.

2) Writing an essay at the end of the seminar on a topic, which is related to the seminar. Details about how an essay should look like will be discussed during the semester. In a nutshell: It will include further literature search and discuss a topic which was discussed during the seminar, for example: Comparing two theories; choosing a practical problem and discussing theoretically and eventually empirically, if the problem may be explained by one of the theories, etc.

3) Reading the papers to be discussed in advance – before the meeting.

4) Participating in the discussion in class, asking questions.

Until the first meeting (24th Feb 2011) at the latest, every student has to name three papers that s/he would like to present, each of them will be given a priority level - A, B, or C. Please send the titles of the three papers to matta@soziologie.uzh.ch. Try to send your preferences even earlier than the beginning of the semester. After the first session, every participant will be assigned one of those papers. Please inform yourself in advance about the content of the papers; use literature databases or ScholarGoogle and read the abstracts. Most of the papers will also be available as pdf-files in the respective OLAT-Course.
Suggested literature and plan of the seminar:

1) Introduction to the course topic, plan of the seminar.

2) Utility function and von Neuman Morgenstern

3) Narrow and wide versions of rational choice:

Optional:

4) Bounded Rationality and Satisficing

Optional:

5+6) The Theory of Planned Behavior/Ajzen and Fishbein (attitudes, social norms and restrictions)

Optional:

7) **Prospect Theory**

Optional:

8) **Values and attitudes**

Optional:


9+10) **Empirical applications of rational choice models**


Optional:


11) More models of bounded rationality:

Optional:

12) Criticisms of RCT and further views

Optional:

13) Application of Prospect Theory

14) Game Theory:

Optional: