Puzzles in Politics, Philosophy and Economics

Notes on Rational Choice Theory, Freedom, the Paretian Liberal and Manipulation
# Table of Contents

**INTRODUCTION**

**FOREWORD ABOUT THESE NOTES** 3

**ON RATIONAL CHOICE THEORY**

**PROBLEMS OF RATIONAL TURNOUT**

**SOLUTIONS TO RATIONAL** 4

**ON FREEDOM**

**LIBERTARIANISM VS. WELFARISM** 8

**ON THE PARETIAN LIBERAL**

**SEN’S IMPOSSIBILITY OF THE PARETIAN LIBERAL** 11

**ON MANIPULATION**

**MANIPULATION AND POPULISM** 14

*MANIPULATION IN THE BORDA COUNT*

**ACKNOWLEDGEMENTS**

**REFERENCES** 20
Hi,

Firstly, thank you for buying my notes, it means a lot to me. I have put in a disproportionate amount of time into getting them together and even more time formatting, so hopefully you will find them useful or at least aesthetically pleasing.

I have compiled this document from a variation of the notes I used to prepare for the final exam. As much of the work here was fuelled by pizza and panic, they are by no means perfect and it’s best not to treat them as templates. The notes are structured as key ideas that I thought I needed to include in an essay on that topic. It should be enough to mould to any essay on the topic.

It is important to note that I chose arguments that are not necessarily representative of my views, but rather, ones that would be more compelling. I learned that it is more effective to present an elaborated and nuanced form of a simple aspect of the topic than a highly complex argument that would take at least five pages to explain. It is also essential to note, that unless the topic explicitly asks you to explain the theories themselves (or at least obviously implies it), there is no need to go into the details of the theories. Understanding of the core ideas should become evident when answering the question with sophisticated analysis. This is because it is highly unlikely that there would be enough time to explain the argument sufficiently and answer the focus of the question/ topic with enough depth.

Also, half of what my professor was looking for is how closely the essay topic was adhered to. So remember to tailor the content to the question presented.

I found POLS1008 an incredibly rewarding subject and hopefully you do too.

All the best of luck,

Sharon
On Rational choice theory

- Is it rational for an individual to vote?
- Can voting behaviour be understood in terms of collective action? What are the implications for democratic performance?
- Can we expect voters to have enough information to cast their votes wisely?
- What role might emotion and ideology play in voting behaviour? Can we explain such 'irrational' behaviour using rational choice theory?

What are the instrumental problems for rational turnout? How far do we need expressive value to overcome them?

If rational choice theory cannot explain why people vote then it cannot explain any other political phenomenon

Assess the utility of rational choice theory for explaining social and political life. What are its advantages and disadvantages over rival methods of examining society?

How, if at all, can rational choice theory explain the behaviour of a person who seems to act inconsistently?

Examine the self-interest assumption as used in many applications of rational choice theory

Rational choice theory
(a rational agent pursues the action that will maximise utility) – check this

- This is the self-interest assumption (Brennan and Lomasky)
  - People are rational and wealth maximisers
  - This is true regardless of institutional context – but the institution determines whose preferences are expressed
- Rationality. People have preferences, and we can represent them with utility; people act in a way that maximizes utility. (We assume nothing about the nature of these preferences.)
- Jeffery: It is rational to act in any way that provides higher expected utility

In game-theoretic terms, the act of voting is not a rational action. A person will vote only if the rewards depending on their vote are greater than the costs

- But when voting, your actions are not decisive. (Brennan and Lomasky)
  - Elections are (almost always) decided by everybody else, not by you. Thus, there is no logical reason to suppose that you will necessarily behave in a wealth-maximizing way
  - Voting might be more "expressive" (of ethical and ideological principles) than wealth maximizing.
- Will only vote if the probability of the voter being decisive is significant enough.
- Will only vote if they think that \( PxB -C>0 \), where \( P \) is the probability of them being the decisive voter.
  - Intuitively, rational choice theory would suggest that
In large electorates, the P is small. Smaller electorates would have greater voter turnout as each votes has greater weight and a greater chance of being decisive.

- This, according to rational choice theory, would suggest that the size of the electorate would influence the level of turnout.
- Blais (2000) proves that this is not true – statistically insignificant.

As elections get tighter, voter turnout increases – there is a greater chance that your vote will be decisive (Riker and Ordeshook)

- Closeness of election seems to have the greatest effect on those who do not feel such a strong moral obligation to vote
- The effect is small.

Costs do not change accordingly.

Instrumental problems for rational turnout

- Free-rider problem – because the probability of being the decisive voter is so low, it is possible for the agent to reap the benefits of the public good (B), whilst not incurring any costs.
  - The dominant strategy is to not vote (prisoner’s dilemma?)
    - The benefits from efficient social organisation are indivisible, so it is rational to free ride.
- Collective action problem – from free rider problem: arises fallacy of composition – everyone prefers to have a functioning government.
  - Whole does not resemble its parts. However, as shown from the prisoner's dilemma, their dominant strategy is to free ride as the probability is so small.

Opposition to rational choice theory –

- Voting paradox: increased voter turnout decreases the probability of being decisive, decreasing the incentive to vote and voter turnout, increasing the probability of being decisive (Downs)
  - Convolutes the decision of whether to vote. P is determined endogenously
  - Is it still irrational to vote?

Despite the knowledge that the probability of being decisive is small, People still vote – defending the relevance of rational choice theory

1. Marginalist solution – Barry and Grofmann
   a. Defence of the rational choice approach despite its inherent problems – rational choice theory failing to explain why people still vote is not an issue, because the theory is still applicable to predicting at the margins.
      - Increasing P will increase turnout at the margins
      - At the margin, turnout is higher in national than in local elections – the B term is considered higher.
        - Problem: this does not show that people vote because of P, B and C, but rather these factors can independently
2. B-term solution
   a. Evidence: turnout is higher
3. Minimax-regret solution
   a. Ferejohn and Fiorina suggest that elections are not occasions when probabilities of victory can be calculated – because they involve decision-making under uncertainty
      o Voting paradox means there is no way a rational actor can maximise utility accurately
      o When faced with uncertainty, rational choice theory would indicate that a rational actor would minimise their maximum regret
         o How much they would really regret if the vote that they would have cast were to be the decisive vote.
         o Dropping $p$ from the calculation – since $p$ is unknown
   b. Objections: $p$ is not really unknown
      o Cannot explain high turnout in close elections or in safe seats
      o Min-max implies that turnout should increase when more extreme candidates stand even when they each have low support
4. Addition of the D term (Riker and Ordeshook)
   a. An independent term that allows the expressive benefit of voting to outweigh the costs of doing so
      o The satisfaction of voting/civic duty
      o Fixed benefit of the act of voting
   b. Problem: “It is an expressive benefit people believe it goes outside the instrumental rationality from which rational choice models derive their power.”
      o Makes the model redundant when you can just add an external factor as a balancing agent to support the conclusion (whether a person has voted) and has no predictive power (gives no indication of whether a person will vote)
      • Barry: “does not leave scope for an economic model”
      • The D term is not the whole story – otherwise it would not make a difference whether the vote is actually counted (if your satisfaction rested in filling ID details (D term))
         o But people do care - which is why the instrumental value of the vote – $P$, does matter. And rational choice theory still applies
         o Also, tactical voting still happens – therefore, it’s not all about the expressive value (not just about civic duty)

The best form of the argument that rational choice theory has predictive power over turnout
Even if the basic model does not explain why people vote,