

Introduction to the American Political Process

Class 6: Introduction to Institutional Analysis

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Rational Choice Theory

Dominant framework for studying American political institutions:

- Congress
- The Presidency
- The Courts
- The Bureaucracy
- Federalism

These are all examples of a **strategic situation**:

1. The fate of each actor depends on the actions of other actors
2. Actors are aware of their interdependence.

Three guiding principles of rational choice institutionalism:

1. *Actor assumption*

Social systems are grounded in individual behavior.
→ *voters vote, legislators legislate*

2. *Intentions assumption*

Human behavior *makes sense*: it “is to be understood in terms of their goals, opportunities, incentives, and constraints.”

3. *Aggregation assumption*

We can recover aggregate behavior from the behaviors of individual actors.

Three guiding principles of rational choice institutionalism:

1. *Actor assumption*

Social systems are grounded in individual behavior.

Marxist theories

2. *Intentions assumption*

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Behavioral economics

3. *Aggregation assumption*

We can recover aggregate behavior from the behaviors of individual actors.

Culture, Zeitgeist

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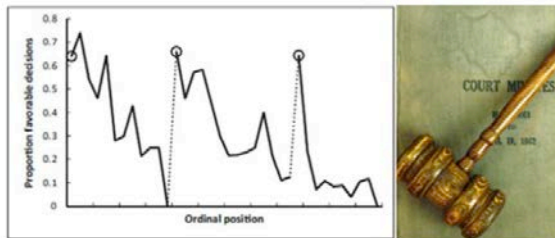
Justice is served, but more so after lunch: how food-breaks sway the decisions of judges

BY ED YONG

5 MINUTE READ

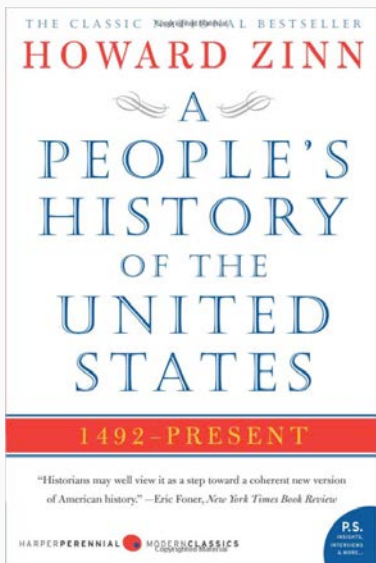


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What Rational Choice Does Not Accommodate



Zinn, Howard. *A People's History of the United States*. Harper Perennial Modern Classics, 2015. © HarperCollins Publishers. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

Building a Model

From these basic principles, we build **models** with these features:

1. Individual preferences

- Politicians want to get reelected (conflict: beholden to different constituencies)
- Voters want better jobs, lower taxes, health insurance, education...

2. Actions available to individuals/“rules of the game”

- Legislator: vote yea, nay, abstain
- President: veto, public appeals
- Voter: vote for one of the candidates/stay home

3. Mapping from actions to outcomes

- A voting rule, e.g. popular vote, electoral college
- How different tax policies affect the economy

When Is Rational Choice Theory Useful?

1. Players understand the “game” they’re playing
2. “Social glue”: shared understanding of the rules of the game (shared history, culture)
3. Significant incentives to act like a decision theorist

High applicability: Congress deciding how to vote on important legislation

Low applicability: Voter deciding how to vote on low-level office or referendum

- Voters more broadly? We will revisit this in Section IV.

- Rational = smart, good, or selfish; only *transitive* and *consistent*
- *“But we would not assume the president vetoed the bill in a fit of absentmindedness, or in a compulsive spasm triggered by a deeply repressed childhood trauma, or in the inexorable grip of a historical cycle far outside his merely conscious awareness.”*
- *“From this perspective, the most disturbing feature of contemporary game theory is not that it assumes so little social glue or that it assumes so much, but that it is silent on where the glue comes from.”*

Cameron, Charles M. “Rational Choice and the Presidency.” Chapter 3 in *Veto Bargaining: Presidents and the Politics of Negative Power*. Cambridge University Press, 2000. © Cambridge University Press. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

How do rational choice theorists conceive of institutions?

1. Exogenous constraints

“the rules of the game in a society or, more formally,... the humanly devised constraints that shape human interaction”
(North 1990).

2. Endogenous outcomes

- *“the rules of the game as determined by the players themselves”*
- *“equilibrium ways of doing things”*

Structured vs. unstructured institutions

Shepsle, Kenneth A. “Rational Choice Institutionalism.” Chapter 2 in *The Oxford Handbook of Political Institutions*. Edited by R.A.W. Rhodes, Sarah A. Binder, and Bert A. Rockman. Oxford University Press, 2008. © Oxford University Press. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

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