# How rational is rational choice theory?

**Towards a Global Commons** 

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### Amazon forest

Social



**Economic** 

Environmental

JUSTICE underscores social sustainability

INSTITUTIONALISM/ Coordination/ Governance/ Meta governance

Smoke billows during a fire in an area of the Amazon rainforest near Porto Velho, Rondonia State, Brazil, Sept. 10, 2019. REUTERS/Bruno Kelly

# How to interpret the role of neoliberal ideology on emerging trajectories / breaking points of planetury regeneration?

## Paraphrasing Ostrom (1998)

You would not be watching this lecture if it were not for some of our ancestors learning how to undertake collective action to solve social dilemmas.

#### Imagined Orders



**Juval Noah Harari** 

Enable humans to trust each other because they believe in the same stories and follow the same rules, even if they don't know them. This enables humans to cooperate with strangers on a colossal scale.

#### The State

Money Religion Institutions Capitalism Justice

# Ideology

A narrative produced by the dominant classes that explains the world and legitimises relationships of exploitation and oppression, making them appear natural and universal.



Marilena Chauí

Marx & Engels, The German Ideology (Capital a Critique of Politica Economy, 1846)

# Rational choice theory

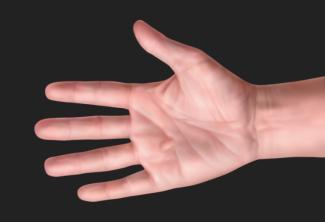
## Adam Smith's invisible hand





# The 'unseen forces' that move the free market economy:

Through rational individual self-interest, the best interest of society, as a whole, is fulfilled.



#### Adam Smith's invisible hand

"...HE INTENDS ONLY HIS OWN GAIN, AND HE IS IN THIS, AS IN MANY OTHER CASES, LED BY AN INVISIBLE HAND TO PROMOTE AN END WHICH WAS NO PART OF HIS INTENTION ...

...BY PURSUING HIS OWN INTERESTS, HE TREQUENTLY PROMOTES THAT OF THE SOCIETY MORE EFFECTUALLY THAN WHEN HE REALLY INTENDS TO PROMOTE IT."

AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS,1776.



## Neoclassical economics (Milton Friedman & Chicago School)

# Free market fundamentalism

# What if economists ran the world

https://open.spotify.com/episode/33g3EThMBqC4FDvo4jXVA3?si=o6f58215f4c64cf1

# Rational Choice Theory asserts that political and economic behaviour are best explained through the application of a supposedly 'value-neutral' assumption which posit man as a self-interested, purposeful, maximising being".

Petracca, M. P. (1991). The Rational Choice Approach to Politics: A Challenge to Democratic Theory. *The Review of Politics*, *53*(2), 289–319. http://www.jstor.org/stable/1407756

# "Rational choice theory supports and perpetuates a political life which is antithetical to important tenets of normative democratic theory".

"Rational choice theory offers an incoherent account of democratic citizenship and produces a political system which shows a constant bias against political change and pursuit of the public interest."

Renunciation of Public reasoning, Public justification And erosion of the

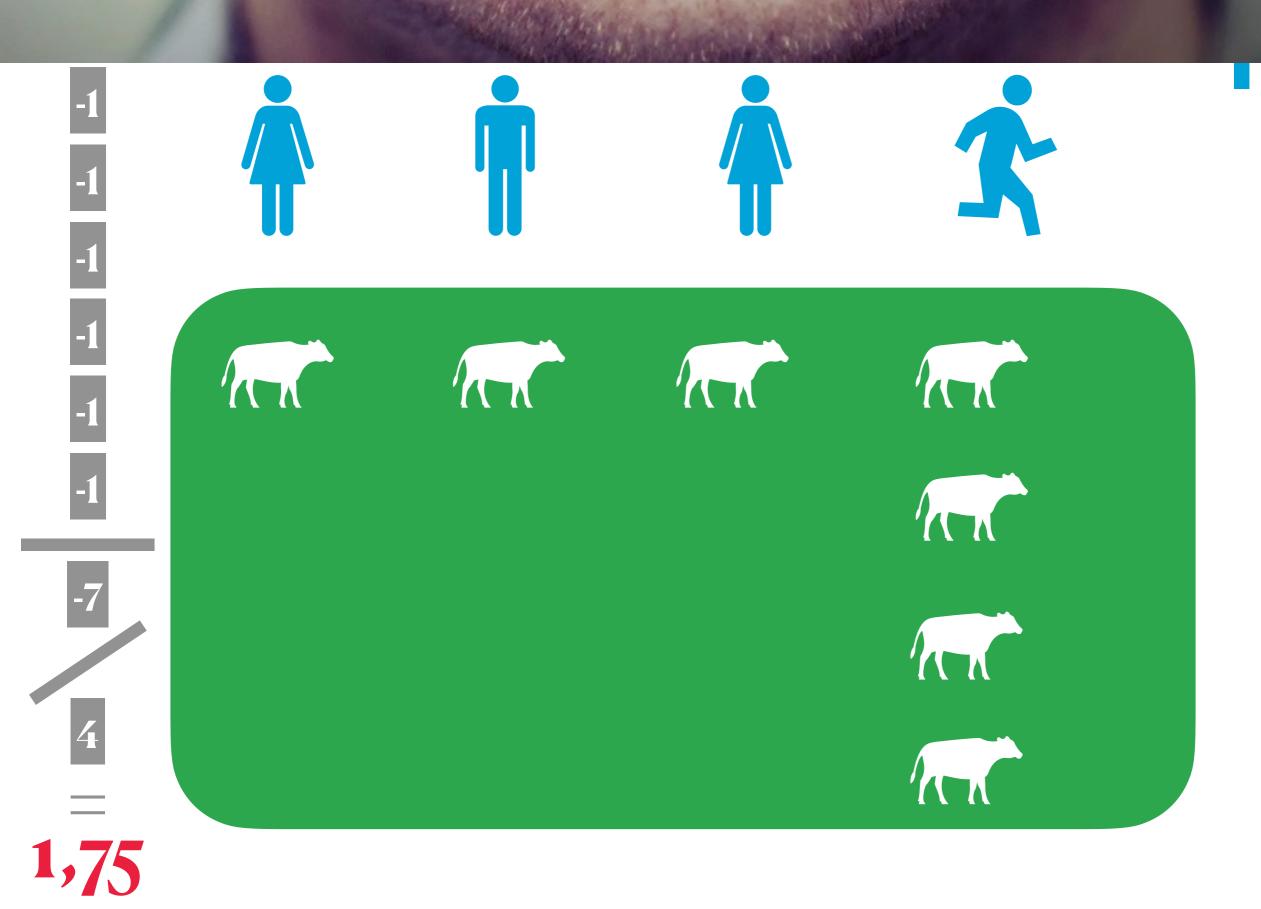
Public Sphere



https://karsh.org/margaret-thatcher-2/

...You know, there's no such thing as society. There are individual men and women and there are families. And no government can do anything except through people, and people must look after themselves first. It is our duty to look after ourselves and then, also, to look after our neighbours." – in an interview in Women's Own in 1987.

# Sustainability



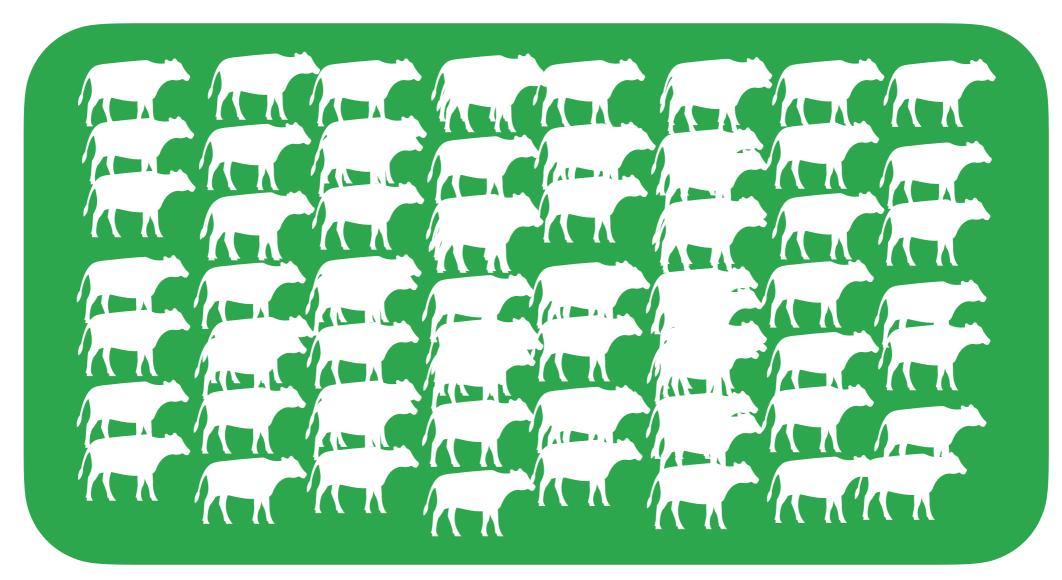
## BIG INCENTIVE for the farmers to put more cows to graze in the field (Because it maximises individual profit)

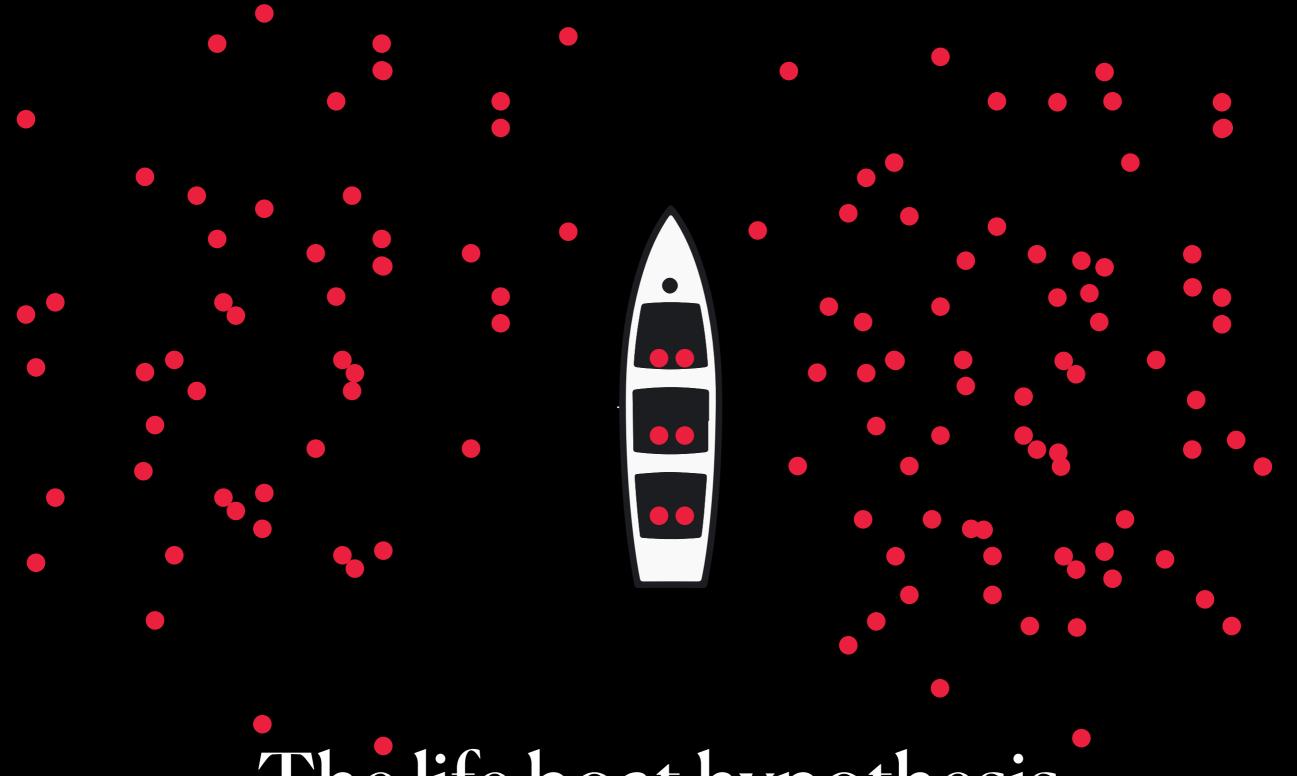
# LITTLE INCENTIVE for them to control the number of cows

(Because the negative utility and negative externalities are shared)

## Collapse of the commons







# The life boat hypothesis

A misleading metaphor

# Incompatible with the creation of public goods (and a public sphere)

# Incompatible with the preservation of life on this planet.





#### Jason Hickel @ @jasonhickel · 1d

Imagine what economic theory would look like if the basic unit of behavioral modelling wasn't an abstract, bourgeois male individual but a mother.





Jason Hickel 🤣 @jasonhickel · 32m

In an era of ecological breakdown, there is nothing "rational" about maximising profit.

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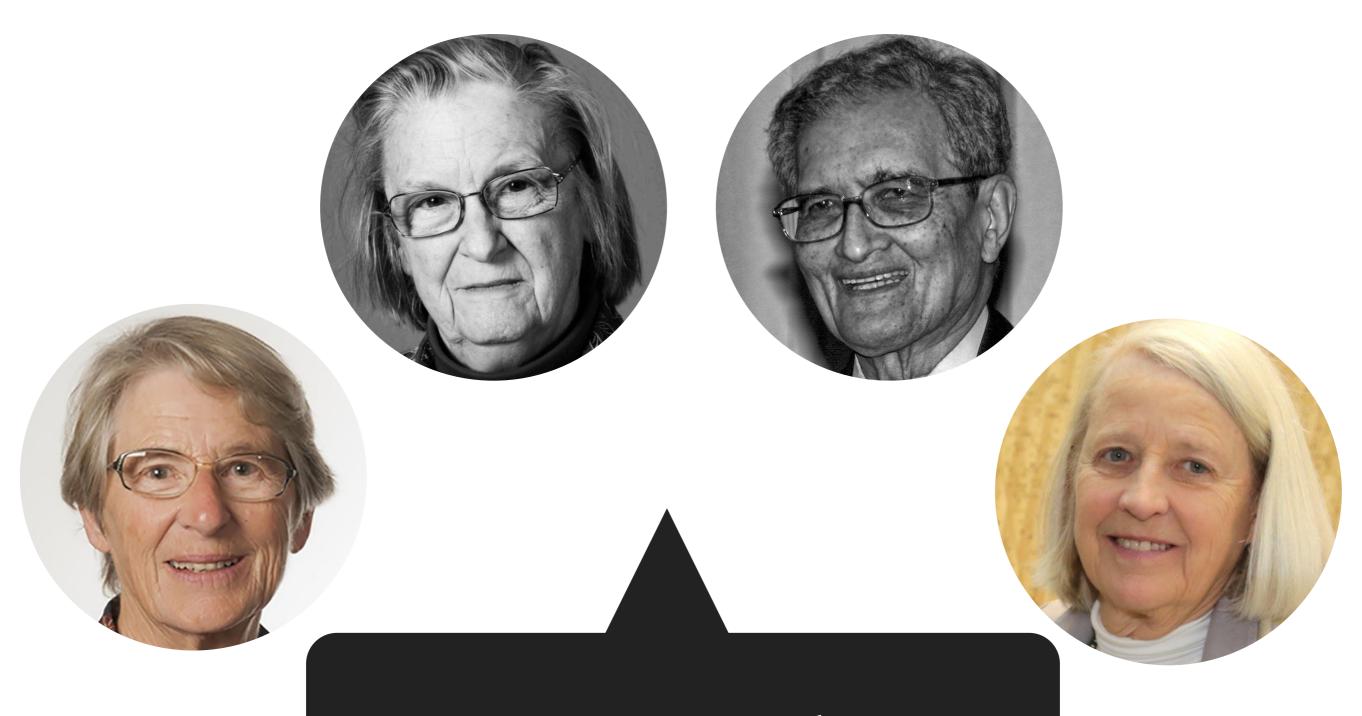
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Communicative planning Networked governance Public rationality



Not only needs (self interest), but also...

values, conscience, freedom, ethics, moral feelings, and codes, which determine how societies are organised.

Challenges to behavioural and psychological aspects of rational choice. Ostrom: reciprocity, reputation, and trust can help to overcome the strong temptations of short-run self-interest.

Intra generational justice



Inter generational justice

# Sustainability studies start to conceptualise our planet as a big commons

PHOTO BY NASA 4 JAN 2012 https://www.flickr.com/photos/gsfc/6760135001/ attribution 2.0 generic (CC by 2.0)





Special case to be made for the preservation of the environment beyond the satisfaction of our needs and the preservation of our living standards.

Responsibility towards other species and the planet due to our incommensurable power in relation to the planet and all living beings.

This is our "duty of care" towards the planet.

Humankind, as a powerful presence on Planet Earth, has a duty of care towards the planet and its biological systems. By extending rights to nature, we are in fact extending our own freedoms, including the freedom to meet our own needs.

### "sustainable freedom"

the preservation and expansion (where possible) of the substantive freedoms and capabilities of people today, without compromising the freedoms and capabilities of people in the future.



#### Our big commons



# Thank you for listening

Questions?

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