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Beyond Methodological Individualism: Social Scientific Studies of Rational Practice

Abstract

Standard versions of the sociology of rational practice assume justificationist theories of rationality: all rational beliefs are justified and rational individuals do not believe any non-justified statements. This theory appears to some to offer the possiblity of finding "deeper" insights into social behavior: some actions presented by actors as "rational" can, in fact, be explained as non-justified and, therefore, as mere consequences of prestige and/or power conflicts. When, however, it turns out that no theories can be justified, then all theories are irrational. This leads to relativism. The possibility, that we may profitably construct alternative theories of rationality is, in contrast, raised nearly uniquely by fallibilist theories of rationality. In order to take advantage of this, an alternative to the dominant methodological individualist theory of rational action is needed and possible. According to this alternative, rational action consists of problem-solving within institutional contexts without justification. Such a non-relativist sociology of rational practice can be enlightening and useful. Differing institutional contexts offer differing standards of rationality.

Keywords: Methodological individualism; Rationality; Faillibilist theory; Relativism.

Justificationist theories of rationality lead to the view that all sociological studies of rational practice are relativist

ACCORDING TO ESTABLISHED justificationist theories, standards of rationality are standards of last resort; they are presumed to be the supreme courts of appraisal, which cannot themselves be called into question. Indeed, what standard could we use to appraise these (ultimate) standards? We either have a dogmatic assertion of some other standard than those now being used, or we have an infinite regress, in which each new standard is questioned and calls for a further standard by which we may justify it, or we have a circle,

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in which any proposed standard is used to justify itself.[1] It appears, then, that any attempt to develop a sociology of rationality within the framework of the justificationist theory is doomed to failure. When failing to show how any theory is justified, it saws off the branch on which it sits, by viewing social standards of rationality not as universal – they cannot be, because there is no universally applicable justification for any of them – but as merely local phenomena. Under these conditions the appraisal of rational practice can only be a local assertion about some narrow standard used in some circle: each standard of rationality merely reflects a peculiar culture or a special interest.

For this reason any attempt to develop a sociology of rationality such as Karl Mannheim's sociology of knowledge or the Edinburgh School's strong program in the sociology of science has met with stiff resistance.[2] They were attractive to some, because they seemed to provide a deeper understanding of intellectual battles, which are erroneously presented as quests for truth. From a deeper perspective provided by the sociology of rational practice, such battles can arguably be seen to be something quite different. They can be revealed as, say, battles for prestige, political quests for power, or cultural conflicts, which have little or nothing to do with truth. But, in the end, these sociological views are disappointing. They destroy the common institutional and intellectual ground, which is the basis for the unity of science and of mankind. They are destructive of the hope for mutual understanding and coooperation between individuals and cultures, which most social scientists think only science and rationality offer.

This unhappy consequence is a direct result of the traditional and established equation of rationality with justification. If all and only justified views are taken to be rational, there can be no (rational) variances between either the standards for rationality or those views which are held rationally. All those views which are justified by some proper standard are rational, and all those views which are not so justified cannot be held rationally. Any attempt to describe varying standards of rationality and appraise them can, then, only be descriptions of variances from the proper standard of rationality. Such studies cannot tell us anything about divergence from properly established standards of rationality, since these cannot be identified. It can, then, only explain how decisions are made on the basis of social standards without application of any viable rational standards.

[1] Hans Albert calls this the "Münchausen Trilemma" and uses it as the cornerstone of his philosophy (Albert 1985, pp. 16ff.)

[2] For a survey of alternatives in the sociology of science including Agassi's, see Wettersten 1993.

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Thus, for example, when Tversky and Kahneman conducted their empirical studies of how individuals solve some specific problems, they did not study how good or poor particular standards of rationality were. They were only interested in the question whether or not individuals as a matter of fact thought rationally and, if they did not, whether there were systematic (psychological) divergencies from known standards of rationality. This program does not allow for any divergencies in rational standards: they are either rational or not. Divergencies cannot be better or worse, but are appraised with an all-or-nothing standard.

This specific research program has been developed further by Richard Nisbett and Lee Ross. These thinkers pose their problem as that of investigating how well or poorly individuals in a wide variety of situations follow agreed upon rules of scientific method. That which is allegedly agreed upon is deemed proper, with an observation that some small changes might occur. In order to carry out this program it is, of course, necessary to specify just what these agreed upon rules are. The authors presume that an inductivist theory is true, as it is allegedly established by consensus. (It is, in fact, true that a vast majority of social scientists do hold to this view; but this, by itself, is no basis for assuming that it is true.) According to this theory, facts must be correctly perceived and properly chosen for tasks at hand. The authors further erroneously presume that this is, from a methodological point of view, by and large possible, if one is not led astray by psychological factors. They seek, then, to identify just what those factors are which needlessly lead to mistakes. Observed mistakes are, then, generally presumed to be failures to correctly apply the proper and viable inductivist method (Nisbett and Ross, 1980).

Popper has, of course, over many years argued quite impressively that this view is false. But he is only secondarily and very briefly mentioned as someone who discusses tests. His view is presented, then, quite erroneously as a mere addition to, and complementary aspect of, the inductivist consensus. No mention is made of the fact that Popper's central point was that the method, which is presumed to be consensus and thereby correct by Nisbett and Ross, was not and could not be used. This traditional approach was vehemently rejected by Popper virtually throughout his career. Popper did, indeed, show that the inductivist approach presumed by Nisbett and Ross not only was by no means effectively applied in scientific research, but also that it could not be successful from a logical point of view. The errors, which the authors explain from a psychological point of view, cannot be avoided with any scientific method at all. The basis for the development of Popper's view

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was the thought psychology of the Würzburg school, above all that of Otto Selz; the Würzburg school rejected Wundtian asssociationist psychology, and with it the inductivist methodology, which had led to this erroneous psychology. They did not, however, as Popper later did, reject the theory that scientific theories were somehow justified.

In a further study of how individuals think, John H. Holland, Keith J. Holyoak, Richard E. Nisbett and Paul R. Thagard discuss "deductive reasoning" (Holland, Holyoak, Nisbett, and Thagard, 1993, pp. 23-41). The task they set themselves is to empirically examine how and/or to what degree individuals use deductive reasoning. Traditionally, thinkers who have emphasized that thought is deductive have rejected induction both as a viable theory of proof and as a method which has been, and can be, used to guide thought processes. But this approach is not taken here. Rather, with various examples, the authors seek to show that deductive reasoning, as found in the application of deductive logic, is not the method that individuals normally use to solve problems or reach conclusions. Rather, it is some version of inductive reasoning, such as the inference from many repetitive cases to some general statement. The explanation for this lack of the use of deductive reasoning is the failure to use inductive inferences to infer and discover deductivist rules.

This is a very curious treatment of thought processes. All adults have learned how to think. They have done so not merely through practice, but also through learning from others. Sometimes this instruction is quite definite and sometimes it merely arises by imitation of the thought techniques of others. The bulk of any knowledge used in thought processes is not achieved by individuals learning afresh; and it is by no means achieved through induction. Induction cannot yield proof and it can only be applied when assumptions are made which renders it deductivist. We do not simply observe one swan after another, until we come to the arguably justified conclusion that all swans are white. We see a white swan, presume that all swans have the same characteristics, and then deduce that if one swan is white the others will also be white; we adhere to this assumption until a black swan appears on the scene. In everday occurences these, in principle deductive approaches, are neither spelled out nor thought through in ways which would satisfy a logician. But that does not change the fact that they are based on the application – good or bad – of what is taken for previous knowledge. The arbitrary assumption that science and rationality are inductivist does not change this fact, nor does it give any reason for preceding to search for inductive

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thought processes and especially not for the inductive justification of deductive thought processes.

Another attempt to explain whether or not humans are rational has been undertaken by Edward Stein (Stein 1996). In order to decide whether humans are rational or not one must first, of course, explain what humans would do if they were rational. One may then ask whether they in fact do that. But the question of what rational human beings do, or would do, is a philosophical problem with competing theories. Stein seeks to avoid this by swimming with the tide: whatever a majority of thinkers say is rational behavior is rational behavior. So, he simply puts forth his problem as one of determining whether humans follow the rules of logic and use those techniques of finding truth that the establishment endorses. Now, it is clear that no individual always follows the high rules in such a clear-cut way, that this individual could, without further ado, be deemed rational. So, Stein proceeds with various ways of testing the actions of individuals to see if they follow the rules closely enough to be deemed rational. Not surprisingly, he decides he does not know. Indeed, in order to decide, he would have to say just what degree of following a set of established rules is good enough to be deemed rational. And he has no theory which answers this question.

Instead of posing the essentialist problem Stein does, it seems far more sensible to first say a few obvious things. We do not agree on just what procedures rational individuals follow. We all follow, even those rules we endorse, to some degree, but by no means with perfection. We can all encourage a better discussion of just which rules are good or bad, and avoid the slavish acceptance of whatever happens to dominate the discussion today. And we can all improve our degree of rationality to some unknown degree by posing the questions which rules we should follow and how we can realistically improve our ability to do so.[3]

[3] Critics of earlier versions of this essay have objected to the fact that I do not, from their point of view, sufficiently discuss and appreciate various alternatives to the fallibilist approach discussed here. Some of these alternatives, such as Feyerabend's *Against Method* approach, are not in my opinion worth a more detailed discussion. Others, such Fuller's social epistemology, with the influence of Kuhn's methodology, or John Searle's analysis of concepts, or Tuomela's discussion of "sociality" or Manicas's "realist philosophy of social science". I have discussed elsewhere. Various approaches to social scientific research, influenced by various philosophical frameworks, are worth discussing and a pluralist approach in this regard is of considerable value, not merely for philosophical background but also for empirical resarch (Wettersten 2007). However they cannot all be dealt with in one fell swoop.

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A new framework for the study of rationality: rationality vs. *theories of rationality*

Fallibilist theories of rationality have introduced radical changes in our understanding of how individuals can and do pursue truth. These views no longer simply oppose rationality to irrationality, but rather they view rationality as partial. This approach opens up the possiblity of studying how the degree of rationality practised by individuals in any institutional context can be appraised. It may, thereby, offer the possibility of identifying those standards which should be retained, while offering good reasons for doing so, as well as the possibility of improving poorer ones with specific proposals.

The modern criticism of the efficacy of the traditional view of rationality is not merely a repetition of a traditional philosophical debate between skeptics and non-skeptics. Skeptics accept the justificationist standard of rationality but regard it as unattainable, just as Hume accepted induction as the proper method for doing science even though he thought it could not lead to proof. According to the new fallibilist views, we have alternative approaches to rationality, which do not merely question the efficacy of traditional methods of justification; these have regularly been questioned. The new approach goes beyond such skepticism and offers new alternative methods, which are better at getting closer to the truth than the use of traditional justificationist views.

If we admit, on the one hand, that there are alternative theories of how the truth may best be sought and, on the other hand, that the application of these various theories lead to results which are better or worse, but neither perfect nor useless, we have a problem of deciding which among these alternatives are the best, and perhaps which is the best under which circumstances. We can study these questions, if we agree that that theory, which solves problems and withstands criticism the best, should be tentatively regarded as the best. Fallibilists have no problem using these modest standards; they will not ask which theory is best justified because they regard all pursuit of justification as futile. But justificationists may also, and often do, use modest standards to ask which theory solves problems and withstands criticism the best. They normally view good results in this regard as at least progress toward some justification which may follow. Many justificationist scientists, for example, follow Popper and advocate the use of the standard of falsifiability in both natural and social sciences even when, quite contrary to Popper, they regard tests which are passed as movement toward

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justification. There may, then, be some common ground between justificationists and non-justificationists in regard to the search for the best methods for the pursuit of truth. This common ground would consist in the quest for that theory which best explains how truth may be pursued, and which best withstands criticisms of its proposals now. There remains, of course, the serious disagreement whether the quest for better theories of rationality is the end which we pursue, or whether this quest is only a step on the way towards the justification of the true theory of how to be rational by justifying theories. Perhaps we may put this question aside for the time being and seek modest progress where we can achieve it.

Sociologies of knowledge and/or science, developed within the framework of justificationist theories, end up substituting mere social standards, which can be found, for standards of logical justification, which cannot be found. This is a consequence of setting unattainable standards for the necessary conditions for rationality; they see the hallmark of rationality as lying in the abilty to identify true theories. This means that social standards of rationality must be those standards which correctly identify true theories. But, we have no such standards. This inevitably leads to the substitution of unattainable absolute standards of justification with established social standards of justification; this is to fall back into some kind of relativism. Justificationists may argue that, even though no universal standards can now be found or presumed to exist as a regulatory idea, justification within some context is good enough.[4] But then we need to describe why some theory is good enough as justification. We have no such theory. This consequence of some sociological studies of rationality may be avoided if a fallibilist framework instead of a justificationist one is used. Within a fallibilist framework one does not ask which theories are justified – either quite universally as true or locally by some social standard –[5] but rather, which theories solve problems and stand up to criticism best. This approach to the sociological study of rationality is an offshoot from, but certainly not a part of, Popper's fallibilist theory of rationality.

[4] This tendency is found in the methodology of sociology developed by Anselm Strauss, Barney Glaser and Juliet Corbin. They seek to explain how "qualititative research" is "grounded" in the process of its development, without providing any theory of induction or justification which can solve traditional problems (Strauss and Corbin, 1990).

[5] We may of course use local social standards when they are clearly specified as such and are not designed to take the place of universal standards, as in the law or in publication standards or in rules for debate. We may also seek to improve such standards using the program here proposed. We may study, for example, which standards for publication best encourage a high level of critical discussion.

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Methodological individualism has blocked the study of social practices of rationality

Building on Popper's view of science as social, Agassi has developed a fallibilist sociology of science (Agassi 1987; Wettersten 1993). I have followed him in this (Wettersten 2010) and Jarvie has also rather recently endorsed it (Jarvie 2001; Wettersten 2006b). But neither Agassi nor Jarvie has posed the question of what changes this innovation calls for in the methodology of the social sciences. In this regard they have adhered to Popper's endorsement of the methods of economics, that is, of methodological individualism.

One ignored consequence of Popper's theory that all rational practice – not merely scientific method – is social, is that the door for positive social studies of rationality is opened; it does need, as hitherto has been the case, to study above all breakdowns of methods of justification. These new sociological studies of rational practice correspond to the more special studies in the sociology of science. In order to carry out this program for the social study of rational practice, one has to presume that the style and methods of rational practices differ from one social context to another. But all of these practices are partial and subject to improvement. Looking at rational practice from this point of view is blocked, however, as long as one adheres to methodological individualism: this view presumes that rational action is based on rational planning and this rational planning is identical for all individuals under all conditions. Under Popper's influence this theory has become the standard fallibilist view of methods in the social sciences.

Methodological individualists do not offer, and see no need for, any program for studying how individuals think: the way individuals think is taken as given. Popper calls this assumption the "rationality principle". Along with many economists he presumes that individuals pursue their own aims in the logic of the situation (as they preceive it) with plans they have devised to achieve their goals. Even when this assumption does not accurately describe individual thought processes, says Popper (along with Milton Friedman), it should be adhered to as a framework for social scientific research, because without it we cannot construct social scientific explanations (Popper 1985).

This method is supposed to achieve understanding not merely of why particular individuals have acted the way they have but above all of social events. Popper takes over his approach from economics and calls the social events to be explained "typical social situations"

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(Popper 1985, pp. 358ff.). His uncritical attitude toward economics is curious, since contemporary economic methods are riddled with inductvism, as Lawrence Boland has so nicely shown (Boland 1986; 1989). In economics "typical situations" are for the most part markets and individuals that are presumed to pursue their own economic ends in the logic of the situation. This was the model he took over from J. Marschak in the *Poverty of Historicism* (Popper 1964, p. 141; Marschak 1943). Since both the logic of the situation and the rationality of individuals are defined by economists in narrow ways, one can analyse what happens when all individuals in the given (idealized) situation act rationally. Whether such thought experiments apply to the real world is another matter. No one claims that they always do, but economists – the paradigm example is Friedman's famous essay on "positive" economics – do claim that trained economists can judge in which instances particular models correspond near enough to the real world to be useful. This claim appears rather daring in the light of current economic problems, in which economists were largely incapable of sufficiently understanding economic developments in order to make accurate predictions about what should come next.

But what about the social scientific study of institutions? Methodological individualists treat institutions as, above all, consequences of rational behavior. They are built up and/or maintained because they serve the interests of individuals, as thinkers such as Anthony Downs, (1957), James M. Buchanan and Gordon Tullock (1962), and Mancur Olson, (1965) have maintained. But some have observed that this is not all they do. They also have unintended effects which thwart the aims of individuals. Thus Douglass North, for example, points out how particular institutions such as the way land was owned by the monarchy in Spain in the 16th century led to a reinforcement of the very institution which prevented the development of better ways of satisfying the needs and wishes of individuals. As northern European countries moved economically forward, southern European ones declined. This was not due, according to North, to the fact that institutions were not preserved by individuals pursuing their own aims, as the standard theory asserts they are. But, contrary to expectations, the preservation of the institutions as a means of furthering some individual aims was detrimental to those very individuals who were reinforcing them. The institutions, which were detrimental to the well-being of all, were reinforced by the actions of individuals pursuing their own best interests in the logic of the situation they found themselves in (North and Thomas, 1973, pp. 12off.; North, 1981 pp. 24ff.; 1990 pp. 92ff.). In some

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institutional settings, then, rationally pursuing ones own's aims in the narrow sense described above can, in the long run, be detrimental to all.

North's interesting theory was developed in the context of the standard theory of rationality. As a consequence it has a relatively narrow scope (Wettersten 2006a, pp. 91-94). North recognizes this when he calls for further study of ideologies, which he hopes can be carried out within the confines of the standard theory. But this study views ideologies as products of individuals who are maximizers. Why indeed is anything broader needed? Why is it not possible to adequately understand the good and harm that institutions do within the framework developed by Buchanan, Tullock North and others? This is due to the fact that institutions lead people to act in particular ways quite regardless of their pursuit of personal interest. Weber dealt with this problem by deeming the choice of social framework, above all of religion, to be arational: it is due to the acceptance of the message of some charismatic personality. This theory was a consequence of Weber's limited theory of rationality. He thought that science sought and found the truth. But he knew, as he explained in his essay on scientific careers, that there was no proof of this hypothesis. And he further knew that social scientists had to explain the social consequences of non-proveable social frameworks, above all, those of religions. But this view pushes him backward in the direction of functionalism: each society functions in accord with some social framework, most often, religion. The consequences of following such a religion, such as the capitalist consequences of Calvinism, can then be explained.

Weber's methodological approach in regard to this point still has its modern-day followers. Samuel P. Huntington's view of religious clashes is such an example (Huntington 1998). And, Lawrence E. Harrison and he have offered a collection of essays which should show the need for, and the strength of, a Weberian approach (Harrision and Hutchinson 2000). But this approach is quite limited and does not fit with modern theories of rationality (Wettersten 2006a, 15ff, 164ff.). The same can be said for the historical-philospohical-sociological research of J.L. Talmon. Like Weber he views all choices of frameworks as beyond rationality. Rationality itself is a mere secular religion. This leads to a breakdown of any attempt to use rationality to help believers in differing faiths to live together in tolerance (Talmon 1952; 1961; 1963; 1970; 1980; 1987; Wettersten 2012). These views cannot, as Weber intended, be easily combined with methodological individualist theories. The resilience of institutions such as religions, for example, cannot be explained as a consequence of

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individuals persuing their personal well-being by guiding their actions in accord with the rationality principle.[6] At times individuals accept and defend religious principles even at the cost of their own lives. Such instances are not simply aberrations but the norm under some conditions. And their influence extends to all areas of life, even economic ones. If our understanding of societies is to be improved, this phenomena of the commitment of individuals has to be understood, not as an aberration of rationality but as part of the way in which individuals are rational.[7]

Some theorists such as Stark and Bainbridge have tried to explain religions as mere products of individual choice (Stark and Bainbridge 1987). This would avoid Weber's use of the hypothesis of the arationality of the choice of religion and contribute to the reduction of all social scientific research to the use of well-established methodological individualism. But it fails to overcome difficulties facing methodological individualism, as the one and only methodological approach to social scientific research. The authors begin their book with explanations of methodological assumptions which are to be used to develop their theory. This starts out, rather surprisingly, in a Popperian way, that is, it expresses their aim to formulate testable theories and, then, to hope that the proposed hypotheses will, indeed, be subject to empirical tests.

But the authors do not want to merely begin with a conjecture. Rather they propose a method for formulating a theory which may not be perfect, but which comes close to a scientific ideal. In order to do this they seek to formulate their theory in a clear-cut deductivist way, one which takes mathematical formulations of scientific theories as an ideal. In order to do this they begin, really after the style of Descartes, to provide defintions of the concepts which will be used in the formulation of a set of axioms, from which conclusions about religion will be deduced and which can then be tested against sociological observations.

The definitions selected cannot, of course, be arbitrary: they define just which kinds of social objects should be explained. The authors

[6] In a recent study Jeremy Ginges and Scott Atran show how Palestinians follow the social norms of their cultures and/or religions, even at the cost of their own interests. But they still presume that such action is not rational because it is not in accord with rational choice theory (Atran and Ginges 2009; Ginges and Atran 2009).

[7] With colleagues North has recently proposed a quite new approach, which begins to resemble Popper's more closely (North, Wallis and Weingast 2009). He does not say whether he wishes to adhere to his traditional methodological individualism nor whether he has given up on the hope that cognitive psychology could be used to significantly improve our understanding of economic performance over time.

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claim that they start with assumptions which humans can easily accept, though they see a need to refine these assumptions in order to develop a good social scientific theory. In fact, the assumptions they use are by and large taken over from the methodological individualist version of economic theory, that is, individual action is to be explained as an attempt to maximize rewards and minimize undesired conseqeunces. Now, in economic theory such rewards and undesired consequences are above all taken to be economic ones. Economists do not necessarily hold that this is, in fact, always the case but, because it is such a dominant force, it is quite appropriate to assume that it is. However this approach has to be revised if methodological individualism is to be applied to religion: individuals do not believe in some religious doctrine, or join some religious organization, above all for financial gain, even if it can play a role, as de Tocquville noted in the US. The transition from the purely economical use of methodological individualism to its application to religion is carried out by defining a particular kind of "payment" made by religions. This religious "payment" is defined as a "compensator". A "compensator" is some promise of reward invented by religions. (The authors insist that they make no assumption about whether the statements made by religions are true or false.) It can be, for example, the promise to believers that they, and perhaps only they, will enjoy an afterlife in heaven. Such a "compensator" provides no reward here and now. Religions then are those institutions which offer "compensators" and individual members of religions are individuals who weigh the costs and benefits of acquiring compensators and decide that the benefits outweigh the costs.

This methodological individualist definition of religion determines just what social entitities the theory which follows should explain. That is, it does not explain any entitities that some may view as religious but which do not offer "compensators" and whose social qualities cannot be explained as the consequences of individuals seeking to maximize their rewards. An insititution not reducable to one which awards compensators and whose members do not guide their relations to this institution by attempts to maximize received values is not a religion and not a subject of the current theory. The authors note from the beginning that some readers have first rejected their definition and then criticized their results. This kind of response is not allowed.

Unfortunately the determination of the degree to which individuals guide their religious behavior by the quest for personal goods (or "compensators") is just what is at stake. The fact that some religious behavior can be interpreted with the use of the extended assumptions

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of methodological individualist assumptions by no means shows that this explanation is true. (It could under specific conditions be quite false and quite useful if it made some true predictions, and just where it did that was known. But that is not what the authors seek.) So, the authors stress that they seek to offer a testable – really a refutatble – theory, but they formluate their theory and its application in such a way that no test of its general assumptions is possible.

One question, then, is: do the authors provide enlightening (conjectural) explanations of aspects of the formation and maintenance of religions? They only do this if one accepts their definition of religion as a supernatural supplier of valued goods. But, this does not answer questions about other possible aims. It also by no means deals with the question of when religious individuals as a matter of fact follow the methods the authors presume they do. Theorists such as Atron and Ginges, who have discussed these matters directly with religious individuals, have found out they do no such thing. If they are right, the best such a theory as this could offer would be to make true predicions in some cases but by no means explain what was really going on. One further question is: do these explanations provide any grounds for the methodological hypothesis that all social aspects of religions can be explained with methodological individualist explanations? It does not do this simply because it begins the exercise by excluding, by defintion, any aspect of some putative religion which does not conform to their methodological individualist standards.

In order to study the consequences of the use of different standards of rationality, methodological individualism needs to be revised

Methodological individualism places undesirable limitations on the tasks set by the social sciences. These limitations block the social study of rational practice. They can, however, be overcome. There are at least four ways in which improvement can be achieved. Whereas methodological individualism tries either to move in small steps toward comprehensiveness (North 1996) or produce models whose application in any specific instance may only be judged by intuition (Friedman 1953), a modification of methodological individualism can produce partial theories, which can be tested now. Secondly, a modification also allows one to study how rules affect thought processes rather than merely presuming that all indivdiuals think in the same

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way. Thirdly, methodological individualism unreasonably presumes that social scientists can know, or can reasonably assume, how individuals perceive their situations, whereas a modification can make the nature of their perceptions of their situations subject to empirical inquiry. And, fourthly, methodological individualism must assume fully rational behavior whereas a modification can explain even some behavior, which seems irrational on the traditional view because it is partially rational.

The first way to improve research is to avoid the blockage caused by methodological individualism, which results from the pursuit of comprehensive theories or limited models whose application in specific contexts is judged by intuition. In contrast to these approaches one can take problems of social scientific explanation to be problems of explaining how aspects of existing institutions produce the results they do, and/or how reformed institutions might produce different, hopefully more desirable, results. One may then study aspects of social structures as given, in order to develop specific theories of the consequences of the partial maintenance and/or change of institutions. Changes may then be planned, but not in the sense of holistic social planning, so devastatingly criticised by Popper and economists, but in terms of piecemeal reform, which is advocated by Popper and many economists. This can be done when one studies how institutions lead individuals to pose problems and solutions as well as how institutions encourage or hinder critical appraisal of them.

Methodological individualism does not take into account differences in problem-solving approaches,[8] which thereby serves to block social scientific research in a second way. Problem-solving differences exist and are to a high degree dependent on the social contexts in which they occur. Whether one is critical or dogmatic, and under which circumstances and how, depends on social rules and on having learned how to operate properly in given social contexts. In order to understand how institutions lead to certain results, it can be useful to understand these differences. Social rules which lead individuals to solve problems in specific, in good or poor ways, may be identified and evaluated.

The methodological individualist approach to the study of insitutions blocks research in a third way because it is too weak; it normally postulates the importance of economic aims while ignoring others.

[8] I have argued that although Popper and Amartya Sen have remarkably similar points of view, they are both blocked by their adherance to methodological individualism and their failure to take this adequately into account in their research programs (WETTERSTEN 2009).

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This is not a consequence of the theory itself, which merely states that individuals pursue their aims in accordance with their beliefs. The use of the traditional rationality principle enables one to take all factors into account that any individual employs when building some model of his situation. One may take into account his religious beliefs, his moral compunction, his commitment to friends and family, etc. in order to understand his actions. But there is no sensible way of building a model of social situations when such a broad range of factors are taken into account. Each individual's situation turns out to be different from that of his neighbor's, much less from those farther from him in belief and social situation. For this reason the use of the rationality principle leads quite directly to the application of this principle in terms of maximizers, that is, of those who maximize their (economic) utility while mininmizing their cost and risk. But this leads in turn to blocking out real factors in any social situation. Pure economic situations hardly exist and are not stable since various factors can always impinge in situations which seem, at first blush, to fit some model. On a large scale it is hardly possible to accurately say which goals individuals are pursuing. It is impossible to know, on any large scale, how individuals perceive the logic of their situation and whether this perception is approximately correct. Aims are simply postulated in accordance with the narrow theory of rationality employed in economic research and advocated by Popper and his followers. Just as the methods which individuals use to solve problems are to a large degree a product of their social context, so are the goals they pursue and their perception of the logic of their situation.

Methodological individualism presumes that all individuals think alike, and thereby blocks in a fourth way empirical research into the differences that exist between problem-solving approaches. If we do not start, however, with presumptions about how individuals always think but rather with institutions whose rules are relatively stable but which vary from context to context, we may presume that individuals are rational in the sense of trying to solve problems in institutional contexts. That is, in accordance with those rules which these contexts impose on them with more or less rigidity. We may then gain partial understanding of institutions and how they operate, while taking into account various economic, but also non-economic, factors. We may do this without exaggerating the degree of rationality, which is presumed in our models, as the use of the traditional principle of rationality forces us to do – as has been described above. Those who defend causes at great risk to their own personal welfare can be highly rational in that

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they have critically studied alternatives both in terms of their own values and their situation. Individuals may also be partially critical or follow plans at some times but not at others. They may use methods of appraisal which are good or bad. None of these variations are signs of simple irrationality; all are rational to a degree. And the fact that they are rational to a degree makes them understandable to a degree. No one is in fact perfectly rational. We therefore have to settle for explanations of partial rationality and results to which the exercise of partial rationality leads. This is possible when we modify the rationality principle as suggested in this essay.

The theory of rationality vs. *the theory of rational action: how can the use of differing theories of rational action be studied?*

Instead of starting, as methodological individualists must do, with constructions of "typical situations" and asking how any rational person would act in those situations, one begins with institutions, that is to say, with the rules which institutions impose on individuals as they pose problems, create solutions and critically evaluate them. Instead of asking how rational individuals respond to the logic of their situation, one asks how institutional rules determine how individuals pose problems, construct solutions and critically appraise them. We may form, then, theories about these rules, even when they are not used by individuals to achieve their own (private) goals in the logic of their situation. Individuals may use such rules to seek to preserve their societies and/or to improve them even without regard to their private welfare.

The above proposal for a new theory of rationality establishes the tie between institutions and individuals which is lost when, using the established theory, anything broader than problems of simple economic advantage are considered, that is, in most cases. It does this by inquiring how as a matter of fact institutional rules affect the formulation of problems and solutions. One may look for regularities among individuals with differing aims and problems, including social ones, rather than merely individual, economic aims, as they pose their problems, construct solutions and evaluate them. The connection is not between a typical situation and a single rational response. Rather the connection is between the rules of institutions as they effect individuals in various situations. Rules may, for example, be very useful to individuals posing

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problems of one sort and very damaging for those who pose problems of a different sort. Rules may, of course, hinder those who want to start a business, but help those who want to find security for their families. Which rules will be supported by citizens will depend on which problems individuals choose and whether they understand which rules will help them and which rules will hinder them in solving those problems.

If we presume that rationality is social and critical, we may reformulate the tasks of social scientists. Instead of investigating the consequences of rational actions given the logic of the situation, social scientists may investigate the impact of institutional rules on the actions of individuals and the consequences that thereby ensue. Since these institutional rules incorporate various views of and/or standards for rationality, there is no reason to exclude them from, and every reason to include them in, social scientific studies of how these standards influence individuals and, as a consequence, societies. The methods for the study of ordinary rules of behavior and that of rationality are only different insofar as the study of the latter is of the most general, thereby perhaps the most important, standards which guide individuals in their choice of problems, solutions and methods of criticism. Dahrendorf's contrast between the rational "homo ökonomicus" and the role playing "homo soziolgicus" is overcome, (Dahrendorf 1959) because all rational thought and action is shaped to a high degree by social rules.[9] The method proposed here is always piecemeal. It seeks to describe the effects which particular institutions have on particular aspects of society. It also seeks to find out what happens when institutions influence the same aspects of societies in different ways. If general theories are possible, they describe the way institutions do this, but they can only be applied to particular societies in light of which complementary and/or competing institutions are present in specific cases (Wettersten 2010).

[9] The social study of standards of rationality is not an enitirely new development. Ernest Gellner, for example, in his path-breaking book *Legitimation of Belief* described in quite general terms those standards which are used in Western society and which are being taken over in virtually all societies today (Gellner 1974). He also discussed the consequences of the use of these standards. His study still remains, however, too much under the influence of traditional functionalist views in anthropology. He has, to be sure, not only rejected but effectively criticized this view, but did not break free of it enough in this study of rationality. He does not see the use of the standards he described as consituting a coherant whole. But he does see them as determining the whole, without a theory of how the competition between various standards might play out in societies and how standards of rationality might be improved to overcome any unfortunate results. I made this point previously (Wettersten 1979) and Gellner responded to it (Gellner 1996). He claims that I have attributed views to him which he does not hold, but I find his response inadequate because he does not explain how the degree of rationality practised by individuals may be improved (Wettersten 2006a, pp. 154ff.).

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The explanation of institutions as consequences of rational action
vs. *the study of how institutions lead individuals to think in various ways*

It might appear that the proposal offered here is hardly new. According to this proposal a prime task of the social sciences is to first study how institutions lead people to pose problems, to select solutions and to critically appraise them and, second, to ask what the social consequences of these thought processes are. On the one hand one may ask: how is this different from the proposal developed by Popper, Buchanan and Tullock, Downs, and North according to which one explains institutions on the basis of how individuals use them to further their own aims? Both views emphasize that individuals pose their problems in view of the logic of the situation, that is, in terms of their insitutional contexts. On the other hand, one may observe, social scientists have in fact carried out such inquires as those proposed here by asking, say, how individuals view their situations and what consequences result.

The view developed here sets the task of explaining how institutions affect the way individuals pose problems, choose solutions, and critically evaluate them. This task is quite thoroughly ignored when one presumes that all individuals think alike. A second task is to investigate consequences which follow from these decisions based on adherance to specific sets of rules of thinking. We should not then have partial nontestable "explanations" of specific institutional developments, but testable explanations of how specific institutions steer events through the influences they have on how people think. This information should enable one to make some predictions about future events. The crucial difference between these predictions and those made by models hitherto developed in the framework of methodological individualism is that the institutional contexts in which they apply can be specified. Theories about specific institutions may be refuted and replaced with better ones. There is to be sure still no guarantee that these predictions will be true. But they may enable one to prevent some unhappy events from occcuring, and they may enable one to steer events in particular desirable directions. If this were to be the case, the lower ambitions of this program would lead to more powerful results.

A criticism of my claim that this approach is methodologically superior to that which now dominates much of social science in the name of methodological individualism and/or rational choice theory is the following. My claim that this method leads to testable theories and

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the ability to make responsible prognoses far better than alternatives is belied by the fact that I also have to use a *ceterus paribus* clause. For, any institutional practice may have various results in various contexts. And these contexts can never be completely spelled out. Indeed, when some rule is seen to lead to some result, which some individuals do not want, those individuals may very well succeed in devising new strategies to avoid it. The difference, however, lies not only in the increased capacity to specifiy those institutional contexts in which a theory should apply, it also opens the way to discovering how and why it applies in some contexts with specifiable features, but not in other contexts with differing specifiable features. We may form testable theories about which factors need to be taken as constant.

The claim that such inquiries have already been carried out is rendered weaker than it might appear at first blush. Social scientists who leave the narrow bounds set by the economists' use of methodological individualism regularly presume they are also leaving aside the task of explaining events as a consequence of the rationality of actors. If individuals do not adhere to the rules of rational-choice theory they are mistakenly presumed to be acting arationally or even irrationally. This blocks understanding of their behavior as partially rational. Secondly, a new proposal for an alternative theoretical framework for the conduct of social scientific research need not call for the change of all social scientific research to be valuable. It is sufficient if it describes good ressearch, explains problems with other research, and sets new tasks as, I claim, this proposal does.[10]

Social studies of the practice of rationality today

Fallibilist theories of rationality have opened the path to a non-relativist, critical sociology of science and rationality. We can conduct sociological studies to better understand the impact of social rules of the practice of rationality in both everday life and in intellectual endeavors. This possibility has been opened up because of the discovery that rationality is by no means an all-or-nothing affair as all previous (non-fallibilist) theories have assumed. These theories lead to the view that, if justification is not possible, we must make do with relativism and/or we must accept the substitution of power for

[10] For a discussion of this use of philosophical anthropology, see Wettersten 2007.

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reason in the fixation of belief. The fear of this result was movingly expressed by Bertrand Russell as he despaired about the failure to find a solution to the problem of induction (Wettersten 1985); it seems to be the result of the sociology of knowledge or strong programs in the sociology of science (Wettersten 1983; 1993).

But this fear and this result can be avoided with the realization that degrees of rationality can be achieved, maintained, and even improved, if we note what is possible with criticism in the absence of justification. Still further, and the main point of this essay, is that this possibility can best be taken advantage of by noting that all rationality is not merely critical and a matter of degree, but also social. The tasks of maintaining and raising degrees of rationality are not primarily problems of individuals doing better, working harder, or concentrating more intensely; they are institutional. They are problems of improving the quality of institutions, that is, their ability to encourage criticism of a high level.[11]

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[11] In the case of the use of the traditional rationality principle in the social sciences we may see that it leads to an isolation of disciplines – economics, political science, social and moral theory – from one another and that it leads us farther and farther away from the construction of realistic models. It does this by forcing social scientists to accept exaggerated assumptions about the degree of rationality individuals practise and by the need to reduce the factors which are built into models in order to construct "typical cases" which in practice turn out not to be typical at all.

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Résumé

La sociologie standard de la rationalité considère que toutes les croyances rationnelles sont "justifiées" et que les individus rationnels refusent de croire en des propositions non justifiées. Certains pensent que cette théorie permet d'entrer plus profondément dans la compréhension du comportement social : certaines actions présentées par les acteurs comme rationnelles peuvent en fait être comprises comme non justifiées, pures conséquences de conflit de prestige ou de pouvoir. Cependant, s'il apparaît qu'aucune théorie ne peut être justifiée, alors toutes les théories sont irrationnelles, ce qui conduit au relativisme.

Toute théorie alternative de la rationalité doit s'appuyer sur une théorie faillibiliste. Or il est possible de présenter une alternative à la domination de l'individualisme méthodologique. Une action rationnelle est une résolution de problème dans un contexte institutionnel sans justification. Une telle sociologie non relativiste de l'action rationnelle peut être éclairante et utile. Des contextes institutionnels différents offrent des standards de rationalité différents.

Mots clés: Individualisme méthodologique ; Rationalité ; Théorie faillibiliste ; Relativisme.

Zusammenfassung

Etablierte Alternativen der Soziologie der rationalen Praxis, gehen davon aus, dass Rationalität mit Rechtfertigung gleichzusetzen ist: Jeder rationale Glaube ist gerechtfertigt und rationale Individuen glauben nicht an nicht gerechtfertigte Aussagen. Diese Theorie scheint für manche Kollegen, die Möglichkeit einer tiefen Einsicht in soziologischen Verhaltenswiese zu eröffnen: Handlungen, die als rational vorgestellt werden, können sich in der Realität als nicht gerechtfertigt entpuppen. Aus diesem Grund werden sie als bloße Folgen von Prestige- und/oder Machtkonflikten betrachtet. Wenn es sich aber herausstellt, dass keine Theorie gerechtfertigt werden kann, sind alle Theorien irrational. Diese Konsequenz führt zu Relativismus. Die Möglichkeit, dass wir vorteilhafte alternative Theorien der Rationalität konstruieren können, und sie in der Praxis überprüfen, ergibt sich im Gegenteil beinahe eigenständig aus fallibilistischen Theorien der Rationalität. Um einen Vorteil aus ihr zu erlangen, brauchen wir eine nützliche Alternative zur dominanten methodologischen individualistischen Theorie des rationalen Handelns. Nach dieser Alternative besteht rationales Handeln aus der Lösung von Problemen innerhalb institutionellen Kontexten. Einleuchtend kann eine aus dieser Alternative entstehende nicht relativistische Soziologie der rationalen Praxis. Verschiedene institutionelle Kontexten bieten verschiedene Maßstäbe der Rationalität an, und wir können diese überprüfen.

Schlagwörter: Methodologische Individualismus; Rationalität; Fallibilistische Theorie; Relativismus.

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