EXPANDING THE EXPLANATORY SPHERE OF RATIONAL CHOICE THEORY: BRIDGING RATIONAL CHOICE THEORY AND SOCIAL IDENTITY THEORY

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ABSTRACT

The main purpose of this paper is to suggest expansion of rational choice theory´s explanatory sphere through bridging of rational choice theory and social identity theory. In terms of interest(s), it is suggested that the clear distinction between the individual "self" and an inescapable social group, e.g. race, is neutralised through bridging of rational choice theory and social identity theory. Hence, it is also argued that by pursing the collective interest of an inescapable in-group, the individual is indeed pursuing its own interest, as the interests of the individual are inextricably linked to the interests of the whole group. Therefore, the pursuit of private utility maximisation, on the expense of an inescapable in-group, is irrational while pursuing the collective interests of an inescapable in-group is indeed rational. Thus, through bridging of rational choice theory and social identity theory, the explanatory sphere of rational choice is expanded to include action undertaken in the name of a social group.

Keywords: Rational choice theory, Social identity theory, Self-interest, Individual mobility.

INTRODUCTION

Due to its fundamental assumption of self-interest, rational choice theory falls short in explaining essentially any behavior that does not wed with the selfish dictates of private utility maximisation. In other words, rational choice theory falls short in explaining any "selfless" action undertaken in the name of an identity group (Aguiar and Francisco, 2009). Any "selfless" action undertaken in the name of an identity group is considered irrational and thus beyond the explanatory sphere of rational choice theory. Thus, social identity poses a rather significant challenge for rational choice theory. Externalist and internalist rational choice constitute the two approaches to social identity from rational choice theory (Yoshimichi, 2010). The former rejects social identity or reduces it to revealed preferences (Aguiar and Francisco, 2009). The latter considers social identity vital in explaining social action (Yoshimichi, 2010). It has been stressed that incorporation of social identity into rational choice theory would broaden the horizon of rational choice theory and enhance its explanatory power e.g. Yoshimichi (2010) and Aguiar and Francisco (2009). Yet a theory that fully incorporates social identity into rational choice theory has yet to be produced. The present paper proposes a rethinking of rational choice theory's explanatory sphere. Its main purpose is to suggest expansion of rational choice theory´s explanatory sphere through bridging of rational choice theory and social identity theory. In terms of interest(s), it is suggested that the clear distinction between the individual "self" and an inescapable social group, e.g. race, is neutralised through bridging of rational choice theory and social identity theory. Through bridging of rational choice theory and social identity theory, it appears that an individual's self-interest is inextricably linked to that of the whole group if such group is inescapable i.e. membership is based on unalterable physical characteristics. Given the preceding, members of inescapable groups are indeed pursuing their own self-interest when pursuing the interest of the whole group. They are indeed acting rationally when pursuing the common interest of an inescapable group, through membership of which individual members are evaluated. Hence, provided that the low-status in-group that the individual wish to distance the "self" from, physically and/or psychologically, is escapable, then individual mobility is rational

even on the expense of the former in-group. Provided that the low-status in-group that the individual wish to distance the "self" from, physically and/or psychologically, is inescapable, then individual mobility, on the expense of an inescapable in-group, is irrational.

STRUCTURE

The structure of the present paper is as follows. First, the main tenets of rational choice theory and social identity theory are briefly outlined. There are several versions of rational choice theory. However, each is not discussed in detail. Of prime interest is the fundamental assumption of self-interest. Regarding social identity theory, this paper draws on Tajfel and Turner (1979). The overriding argument, briefly outlined above, is developed and discussed more explicitly after the main tenets of rational choice theory and social identity theory are briefly outlined.

RATIONAL CHOICE THEORY

The main assumption of rational choice theory is that an actor chooses an alternative that he/she believes brings about a social outcome that optimises his/her preference under subjectively conceived constraints (Yoshimichi, 2010). In other words, the individual has subjectively based "self-interest" and concerns itself only with consequences for itself. In a given decision-making situation, an actor considers a finite set of alternatives, ascribes consequences to them, orders these consequences according to their importance and values, and makes an optimal choice among available alternatives. Rational choice theory occupies a key position in relation to the conceptualisation of human action in the social sciences (Burns and Roszkawska, 2016). Yet, rational choice theory has been subjected to much criticism. The foundational implicit assumptions that rational choice theory rest on, constitute the point of departure of the common main criticism of rational choice theory. The first of these is that the decision-making actor is completely informed i.e. he/she is fully aware of all possible alternatives and knows which courses of action that will lead to which alternative. Second, the actor is capable of an objective, logical analysis of all available evidence in relation to the identification of best alternatives and can see the finest differences between choice alternatives. It is also assumed that a decision-making actor is completely rational i.e. he/she is not blurred by emotions and the like and is thus fully capable of ranking alternatives according to their utility relative to the ends the actor finds important (Sydney, 2017). Considering the generally accepted wisdom that people are constrained by institutions, cultural influences and psychological limitations, it becomes evident that the assumptions of rationality are problematic.

> *A common main criticism is that real decision-makers are not strict rationally calculating and self-interested. They are constrained by institutions, cultural influences, and psychological limitations that make the assumptions of rationality problematic at best, and foolhardy at worst.* (Burns and Roszkowska, 2016, p. 196)

It is, however, not the objective of the present paper to engage in a discussion on the soundness of assumptions implicitly rooted in rational choice theory. As briefly explained in the introduction, the purpose is to suggest expansion of rational choice theory´s explanatory sphere by bridging rational choice theory and social identity theory.

SOCIAL IDENTITY THEORY

Social identity theory is a classical social psychological theory. It departs from the assumption that an individual´s identity is in rather significant ways defined by membership of social groups (Jetten et al., 2008). Put differently, an individual has both a personal and a social identity, which constitutes a source of self-esteem as individuals are evaluated through membership of social groups e.g. class, nation, ethnic group, gender, race etc. Social identity theory grew out of Henri

Tajfel's minimal group study experiments, where individuals were arbitrarily divided into two categories. It appeared from these experiments that even "minimal" group basis led people to form psychological groups, exaggerating the positive qualities of one's own in-group while exaggerating the negative qualities of the out-group (Islam, 2014). An individual´s social identity can be defined as those aspects of an individual´s self-image that derive from the social categories to which he/she perceives itself as belonging. The general assumptions of social identity theory are as follows:

- Individuals strive to maintain or enhance their self-esteem: they strive for a positive self-concept.
- Social groups or categories and the membership of them are associated with positive or negative value connotations. Hence, social identity may be positive or negative according to the evaluations (which tend to be socially consensual, either within or across groups) of those groups that contribute to an individual´s social identity
- The evaluation of one´s own group is determined with reference to specific other groups through social comparisons in terms of value-laden attributes and characteristics. Positively discrepant comparisons between in-group and out-group produce high prestige; negatively discrepant comparisons between in-group and out-group result in low prestige (Tajfel and Turner, 1979).

There are mainly three different identity management strategies utilised by disadvantaged social group members: (a) social competition; (b) social creativity; (c) individual mobility. Social competition and social creativity are not discussed thoroughly in this paper (Tajfel and Turner, 1979). Individual mobility on the other hand stands central in relation to the overriding argument of the present paper. The purpose of individual mobility is to maintain a positive personal identity rather than a positive social identity. Hence, individuals that self-categorise at the individual level in a given social context are more prone to adopt individual mobility strategies (Branscombe and Ellemers, 1998). Four different forms which individual mobility attempts can take are briefly delineated in what follows. The first and perhaps also most obvious of these is physical distancing. That is when people physically distance the ´self´ from their devalued in-group and formally gain access to another group. The second form, which individual mobility can take does not require that an individual physically leaves its devalued in-group. That is, as individual mobility may also take the form of psychological distancing. This form is usually adopted by members of devalued groups when membership of such groups is based on physical characteristics e.g. gender or race. The third form of individual mobility is one where the individual denies the validity of group-based differences by maintaining that individuals should not be evaluated in terms of their group membership. Thus, this form of individual mobility emphasises the significance of personal rather than social identity. The final form that individual mobility can take is one where the individual embraces the characteristics of its social identity (Ellemers and Van Laar, 2010).

CONSEQUENCES OF INDVIDUAL MOBILITY

When individual mobility attempts are successful, i.e. the individual leaves its devalued in-group and gains inclusion to a higher standing group, then people may gain a number of benefits e.g. personal prestige and wealth as a result of their individualistic strategy (Branscombe and Ellemers, 1998). It is imperative to stress that the positive outcomes of individual mobility strategies, mentioned above, are far from the inevitable result of individual mobility attempts. First, members of devalued groups who are engaged in individual mobility might only achieve marginal acceptance from a higher-status group who they wish to join, or they might even be completely rejected by such group, particularly when discrimination is prevalent. Another risk associated with the adoption of individual mobility is that actors might end in a situation where they are rejected by the higher status group who they wish to join and simultaneously rejected

and considered a traitor by the former in-group (Branscombe and Ellemers, 1998). Also vital to stress is that people prefer individual mobility strategies over collective strategies whenever possible. Experimental research has shown that members of devalued groups engaged in collective strategies to improve the social position of their in-group only when adoption of individual mobility was not possible (Jetten et al., 2008).

The overriding argument of the present paper, briefly touched upon in the introduction, is now developed and discussed explicitly. First, a discussion on under which conditions individual mobility is rational is provided. The concept of nation and class are used as examples in this context. Subsequently, a discussion on whether and under which conditions individual mobility may be irrational is provided. In this context, the concept of race is used in the development of the argument. A summary of the argument can be put as follows;

- Provided that the low-status in-group that the individual wish to distance the ´self´ from, physically and/or psychologically, is escapable, then individual mobility may be rational even on the expense of the former in-group.
- Provided that the low-status in-group that the individual wish to distance the ´self´ from, physically and/or psychologically, is inescapable, then individual mobility, on the expense of an inescapable in-group, is irrational.

INDIVIDUAL MOBILITY AS THE RATIONAL CHOICE

It appears difficult to escape the fact that the nation remains a rather significant form of collective identity in the contemporary world. As Anna Triandafyllidou (1998) puts it:

> *Not only does the organization of the world in nation-states seem ´natural´ but the whole perception by each individual of the surrounding world is based on the distinction between the in-group, namely the nation, and the foreigners, those belonging to other communities, the 'others'.* (p. 593)

In many ways, Anna Trindafyllidou is right in her interpretation of the nation´s importance in the contemporary world. Both national and class-based social groups constitute rather significant forms of collective identities i.e. in-groups through membership of which individuals are evaluated. Thus, class-based and national groups are significant sources of social identity and hence self-esteem. Establishment of hierarchy in terms of membership of social groups, that membership of a specific social group is more important than others, is perhaps not appropriate. This is mainly so for two reasons:

- Membership of all social groups is significant in terms of social identity.
- When exactly membership of a specific social group becomes salient or remains latent hinges on specific contexts. In one context, membership of a national group might for instance prove more significant than membership of a class-based group. In a different context, it might be reversed i.e. membership of a class-based group might appear more significant than membership of a national group etc.

Insofar as hierarchy is to be established, it is suggested that inescapable in-groups, i.e. in-groups where membership is based on unalterable physical characteristics e.g. race, are more important than escapable groups. The later refers to social groups where membership is not based on unalterable physical characteristics e.g. national and class-based social groups. Vital to stress is that the preceding should not be interpreted as an attempt to claim that membership of a social group is insignificant merely because such group is escapable. The point being made is that both national and class-based groups are escapable, since neither of them is normally based on unalterable physical characteristics. In other words, members of low-status national and/or class-based groups may leave their low-status group and thus enhance their social identity/self-esteem by adopting individual mobility strategies. For instance, Jetten et al. (2008) propose that when

encountering important life-transitions, such as entering university, students from more disadvantaged backgrounds are engaging in individual mobility strategies, as they are gaining professional skills and higher earning potential than if they were not to attend university. In some societies e.g. the U.S and U.K, university education is rather costly. While students from the poorest segment of society would most likely be prevented from attending university, due to lack of economic resources, students from slightly more privileged backgrounds would be allowed to leave their relatively low-status groups by adopting individual mobility strategy i.e. attending university and thus investing in their ´human capital´. Important here is to stress that the first type of students, those at the bottom of the socio-economic ladder, are not bound to remain in their class-based low-status group. The point is merely that such students are compelled to identify alternative ways to escape their low-status social groups. Central is the fact that class-based low-status groups are theoretically escapable. The concept of nation is in many ways more complicated than that of class. A comprehensive discussion on national and ethnic boundaries would for instance require a whole book. However, as is the case with class-based low-status groups, also national groups are normally not based on unalterable physical characteristics and are thus also escapable. Briefly speaking, members of a low-status national group can, at least theoretically, escape such group through upward individual mobility i.e. by gaining access to a higher standing national group. Thus, individual mobility is rational provided that the low status in-group, from which the individual wish to separate the ´self´ from, is not based on unalterable physical characteristics. When group membership is not based on unalterable physical characteristics, an individual can normally escape the negative value connotations associated with a specific social group that contributes to the social identity of the individual. Consequently, enhancement of one´s social identity through individual mobility is rational even if it is done on the expense of the low-status group that the individual wish to separate the "self" from. In a nutshell, pursuit of private utility maximization is the rational choice of members of devalued social groups, provided that such groups are not based on unalterable physical characteristics and are thus escapable e.g. class and national groups.

INDIVIDUAL MOBILITY AS IRRATIONAL

Under which conditions individual mobility is rational was discussed in the preceding section. It was argued that pursuit of private utility maximisation through individual mobility is the rational choice of members of low-status social groups, if membership of such groups is not based on unalterable physical characteristics. Whether and under which conditions individual mobility may be irrational is discussed in what follows. Although both class-based and national groups constitute rather significant sources of social identity and thus also significant sources of self-esteem, it remains the case that both are theoretically escapable. A Romanian might for instance enhances his/her social identity through individual mobility e.g. by becoming an American citizen. By gaining access to a higher standing national group, an individual from Somalia is for instance also escaping his/her low-status national group. Important here is to stress the difference between the white Romanian and the Black Somali. While it is theoretically possible for both to escape their low-status national groups, through individual mobility, it appears evident that a Black individual can normally not escape his/her low-status racial identity through individual mobility. The point being made becomes clearer through the difference between class-nation and race. As Alcoff (2006) puts it:

> Class and nationality are also embodied identities, but their relationship to the body is less intimate and more easily alterable than the relationship with one´s race or one's gender. Class and nationality profoundly affect the shape and condition of the body, but the physical effects can often be overcome when class and national identities are changed. Class and nationality are primarily manifest as behavior,

> *whereas race and gender affect, and reflect, less easily alterable physiological features.* (p. 86)

In terms of social comparison and hierarchy, it appears evident that being Black is the most devalued and thus least advantageous racial identity in the contemporary world. Since membership of racial social groups is based on unalterable physical characteristics, members of racial social groups can normally not leave such groups through physical distancing. In fact, a Black individual cannot escape his/her racial identity through individual mobility attempts - irrespective of such attempts being physical or psychological. For instance, a Black individual that attempts individual mobility through psychological distancing is not significantly distinguishable from a poor person who imagines that he/she is wealthy and behaves accordingly. Psychological imagining does not alter the socio-economic position of a poor individual. It is equally evident that psychological distancing does not alter the fact that any Black person, irrespective of nationality and class, is evaluated through membership of the most devalued racial category in the contemporary world. Put shortly, members of inescapable social groups cannot evade negative value connotations associated with their respective social groups through individual mobility. Therefore, it is argued that if the low-status social group that the individual wish to distance the "self" form, physically and/or psychologically, is inescapable, then individual mobility, on the expense of an inescapable social group, is irrational. Rather than individual mobility, I suggest that pursuit of collective strategies may constitute the rational choice of members of inescapable low-status social groups.

This point becomes clearer through bridging of social identity theory and rational choice theory. As previously explained, rational choice theory falls short in explaining any selfless action undertaken in the name of an identity group. Social identity theory holds that individuals are evaluated through membership of social groups/categories and that they strive to maintain or enhance their self-esteem: they strive for a positive self-concept. Thus, the self or the individual is incorporated within the group identity. In other words, members of inescapable social groups´ self-interest is inextricably linked to that of the collective group. Distinction between members of inescapable social groups´ self-interest and the collective interest of the whole group is thus neutralised through bridging of social identity theory and rational choice theory. Individuals being evaluated through membership of social groups, from which they derive their self-esteem, constitutes the greatest evidence in defense of the preceding contention. Thus, it becomes sound to suggest that members of inescapable groups are indeed pursuing their own individual interest when pursuing the collective interest of an inescapable group. In a nutshell, by pursuing the interest of an inescapable group, individual members are indeed pursuing private utility maximisation, since their individual self-interest is inextricably linked to the social position of the collective group.

Thus, it becomes evident - through bridging of rational choice theory and social identity theory - that the explanatory sphere of rational choice theory may be expanded to include action, where the individual is not concerned with consequences only for itself. Consequently, the explanatory power of rational choice theory is expanded through bridging of rational choice theory and social identity theory.

CONCLUSION

Expansion of rational choice theory´s explanatory sphere, through bridging of rational choice theory and social identity theory, has been attempted in this paper. It is concluded that an individual can escape the negative value connotations, associated with a specific social group that contributes to the social identity of the individual - if membership is not based on unalterable physical characteristics. Hence, individual mobility is rational provided that the low-status in-

group, from which the individual wish to separate the ´self´ from, is not based on unalterable physical characteristics. In other words, enhancement of one´s social identity, through individual mobility, is rational even if it is done on the expense of the low-status group that the individual wish to separate the "self" from. In a nutshell, pursuit of private utility maximisation is the rational choice of members of devalued social groups, provided that membership of such groups is not based on unalterable physical characteristics. If the low-status social group that the individual wish to distance the "self" from, physically and/or psychologically, is inescapable, then individual mobility, on the expense of an inescapable social group, is irrational. When a social group is inescapable, i.e. membership of it is based on unalterable physical characteristics, individual members cannot escape the negative value connotations associated with membership of such group. Rather than individual mobility, it is suggested that pursuit of collective strategies may constitute the rational choice of members of inescapable low-status social groups. That is, as members of inescapable social groups´ self-interest is inextricably linked to the social position of the inescapable social group. In a nutshell, by pursuing the interest of an inescapable group, individual members are indeed pursuing private utility maximisation.

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