Economics Rules Principles of Economics in Context lays out the principles of micro- and macroeconomics in a manner that is thorough, up to date, and relevant to students, attuned to the economic realities of the world around them. It offers engaging treatment of important current topics such as new thinking in behavioral economics, financial instability and market bubbles, debt and deficits, and policy responses to the problems of unemployment, inequality, and environmental sustainability. This new, affordable edition combines the just-released new editions of Microeconomics in Context and Macroeconomics in Context to provide an integrated full-year text covering all aspects of both micro and macro analysis and application, with many up-to-date examples and extensive supporting web resources for instructors and students.

Key features include: An eye-opening statistical portrait of the United States; Clear explanation of basic concepts and analytical tools, with advanced models presented in optional chapter appendices; Presentation of policy issues in historical, institutional, social, political, and ethical context--an approach that fosters critical evaluation of the standard microeconomic models, such as welfare analysis, labor markets, and market competition; Issues of human well-being, both domestic and global, are given central importance, enriching the topics and analytical tools to which students are introduced; The theme of sustainability--financial, social, and ecological--is thoroughly integrated in the book, with chapters on alternatives to standard GDP measurement, the environment, common property, public goods, and growth and sustainability in the twenty-first century; Full complement of instructor and student support materials online, including test banks and grading through Canvas.

The Psychology of Economic Decisions

Bounded Rationality Standard economics theory is built on the assumption that human beings act rationally in their own self interest. But if rationality is such a reliable factor, why do economic models so often fail to predict market behavior accurately? According to Richard Thaler, the shortcomings of the standard approach arise from its failure to take into account systematic mental biases that color all human judgments and decisions.

Quasi Rational Economics Nobel Laureate Herbert Simon developed the concept of bounded rationality in the 1950s. This asserts that the cognitive abilities of human decision-makers are not always sufficient to find optimal solutions to complex real-life problems, leading decision-makers to find satisfactory, sub-optimal outcomes. This was a foundational component of the development of Behavioural Economics but in recent years the two fields have diverged, each with its own literature, its own approach and its own proponents. Behavioural Economics explores the areas of commonality between Economics and Psychology, in terms of its focus and its approach, whereas the bounded rationality literature largely analyses the implications of sub-optimal decision-making through the mathematically sophisticated methodology of mainstream Economics. This book examines the nature and consequences of this divergence and questions whether this is a case of beneficial specialisation or whether it is unhelpful, potentially stunting the development of some aspects of Economics. It has been suggested that the major deficiency of Behavioural Economics is that it has failed to produce a single, widely applicable alternative to constrained optimisation. This book evaluates the extent to which this is the true and, if it is, the extent to which it is a product of the divergence between the two literatures. It also seeks to identify commonalities between the two subjects and suggests avenues of research in Economics that would benefit from a re-
The Why Axis This is the first book to examine the central tenets of economics from a feminist point of view. In these original essays, the authors suggest that the discipline of economics could be improved by freeing itself from masculine biases. Beyond Economic Man raises questions about the discipline not because economics is too objective but because it is not objective enough. The contributors—nine economists, a sociologist, and a philosopher—discuss the extent to which gender has influenced both the range of subjects economists have studied and the way in which scholars have conducted their studies. They investigate, for example, how masculine concerns underlie economists' concentration on market as opposed to household activities and their emphasis on individual choice to the exclusion of social constraints on choice. This focus on masculine interests, the contributors contend, has biased the definition and boundaries of the discipline, its central assumptions, and its preferred rhetoric and methods. However, the aim of this book is not to reject current economic practices, but to broaden them, permitting a fuller understanding of economic phenomena. These essays examine current economic practices in the light of a feminist understanding of gender differences as socially constructed rather than based on essential male and female characteristics. The authors use this concept of gender, along with feminist readings of rhetoric and the history of science, as well as postmodernist theory and personal experience as economists, to analyze the boundaries, assumptions, and methods of neoclassical, socialist, and institutionalist economics. The contributors are Rebecca M. Blank, Paula England, Marianne A. Ferber, Nancy Folbre, Ann L. Jennings, Helen E. Longino, Donald N. McCloskey, Julie A. Nelson, Robert M. Solow, Diana Strassmann, and Rhonda M. Williams.

Law, Economics, and Game Theory Examines how developing countries often sign up to highly potent rules underwriting economic globalisation without even realising it.

The Paradox of Choice This work has been selected by scholars as being culturally important and is part of the knowledge base of civilization as we know it. This work is in the public domain in the United States of America, and possibly other nations. Within the United States, you may freely copy and distribute this work, as no entity (individual or corporate) has a
copyright on the body of the work. Scholars believe, and we concur, that this work is important enough to be preserved, reproduced, and made generally available to the public. To ensure a quality reading experience, this work has been proofread and republished using a format that seamlessly blends the original graphical elements with text in an easy-to-read typeface. We appreciate your support of the preservation process, and thank you for being an important part of keeping this knowledge alive and relevant.

Models of Bounded Rationality

Bounded Rationality and Industrial Organization Recognising that the economy is a complex system with boundedly rational interacting agents, applies complexity modelling to economics and finance.

The Economic Approach to Human Behavior Psychologists have a long tradition of studying human behavior, strengths and weaknesses, biases and limitations. Economists have constructed normative frameworks that capture the most important elements of human decision-making and developed powerful tools to determine individual and strategic choices in a variety of situations. Only recently have their strengths been combined and economic models enriched with key ingredients found in psychological studies. This volume covers four of the most important themes in this interdisciplinary field: feelings, inconsistencies, limitations and biases. Each chapter contributes to a more comprehensive and accurate modelling and description of human behavior. Its four parts cover: the origins, formation, and evolution of beliefs; consistency, commitment, and intertemporal separability of dynamic choices; attention, preference formation, and risk evaluation in limited cognition; and affective behaviour, specifically the role of emotions in decision making.

Rationality in Economics Offers an introduction to modern economics principles.

The Republic of Beliefs Exploration of a new integrative intellectual enterprise: the cognitive social sciences. Research in the cognitive sciences has advanced significantly in recent decades. Computational cognitive modeling has profoundly changed the ways in which we understand cognition. Empirical research has progressed as well, offering new insights into many psychological phenomena. This book investigates the possibility of exploiting the successes of the cognitive sciences to establish a better foundation for the social sciences, including the disciplines of sociology, anthropology, economics, and political science. The result may be a new, powerful, integrative intellectual enterprise: the cognitive social sciences. The book treats a range of topics selected to capture issues that arise across the social sciences, covering computational, empirical, and theoretical approaches. The chapters, by leading scholars in both the cognitive and the social sciences, explore the relationship between cognition and society, including such issues as methodologies of studying cultural differences; the psychological basis of politics (for instance, the role of emotion and the psychology of moral choices); cognitive dimensions of religion; cognitive approaches to economics; meta-theoretical questions on the possibility of the unification of social and cognitive sciences. Combining depth and breadth, the book encourages fruitful interdisciplinary interaction across many fields.

Grounding Social Sciences in Cognitive Sciences The notion of bounded rationality was initiated in the 1950s by Herbert Simon; only recently has it influenced mainstream economics. In this book, Ariel Rubinstein defines models of bounded rationality as those in which elements of the process of choice are explicitly embedded. The book focuses on the challenges of modeling bounded rationality, rather than on substantial economic implications. In the first part of the book, the author considers the modeling of choice. After discussing some psychological findings, he proceeds to the modeling of procedural rationality, knowledge, memory, the choice of what to know, and group decisions. In the second part, he discusses the fundamental difficulties of modeling bounded rationality in games. He begins with the modeling of a game with procedural rational players and then surveys repeated games with complexity considerations. He ends with a discussion of computability constraints in games. The final chapter includes a critique by Herbert Simon of the author's methodology and the author's response. The Zeuthen Lecture Book series is sponsored by the Institute of Economics at the University of Copenhagen.

Modeling Bounded Rationality It then rigorously analyses each model in the tradition of microeconomic theory, leading to a richer, more realistic picture of consumer behavior. Ran Spiegler analyses phenomena such as exploitative price plans in the credit market, complexity of financial products and other obfuscation practices, consumer antagonism to unexpected price increases, and the role of default options in consumer decision making. Spiegler unifies the relevant literature into three main strands: limited ability to anticipate and
control future choices, limited ability to understand complex market environments, and sensitivity to reference points. Although the challenge of enriching the psychology of decision makers in economic models has been at the frontier of theoretical research in the last decade, there has been no graduate-level, theory-oriented textbook to cover developments in the last 10-15 years.

Is Behavioral Economics Doomed? This book uses game theory to explain conflict between individual self-interested behavior and cooperation in economic markets, lawsuits, and legislative bodies. It demonstrates the need for social regulation in addition to free markets and judicial decisions in common law cases.

Economics In a complex and uncertain world, humans and animals make decisions under the constraints of limited knowledge, resources, and time. Yet models of rational decision making in economics, cognitive science, biology, and other fields largely ignore these real constraints and instead assume agents with perfect information and unlimited time. About forty years ago, Herbert Simon challenged this view with his notion of "bounded rationality." Today, bounded rationality has become a fashionable term used for disparate views of reasoning. This book promotes bounded rationality as the key to understanding how real people make decisions. Using the concept of an "adaptive toolbox," a repertoire of fast and frugal rules for decision making under uncertainty, it attempts to impose more order and coherence on the idea of bounded rationality. The contributors view bounded rationality neither as optimization under constraints nor as the study of people’s reasoning fallacies. The strategies in the adaptive toolbox dispense with optimization and, for the most part, with calculations of probabilities and utilities. The book extends the concept of bounded rationality from cognitive tools to emotions; it analyzes social norms, imitation, and other cultural tools as rational strategies; and it shows how smart heuristics can exploit the structure of environments.

Bounded Rationality and Behavioural Economics Two of Forbes magazine’s “world’s most powerful economists” provide the breakthrough ideas to challenge the assumptions of human decision-making. Can economics be passionate? Can it centre on people and what really matters to them? And can it help us understand why they do what they do in everyday life? Two revolutionary economists believe it can. In The Why Axis, Uri Gneezy and John List lead us on a journey to discover the economics underlying human motivation and how to structure the incentives that can get people to move mountains. Finding the right incentive can be like looking for a needle in a haystack, but Gneezy and List have pioneered an innovative approach to zeroing in on those needles. Like other economists, they gather data and build models, but then they go much, much further, embedding themselves in our messy world—the factories, schools, communities and offices where people live, work and play. Their goal: to discover solutions to the big, difficult problems, such as the gap between rich and poor, the violence plaguing inner city schools, why people really discriminate, and whether women are really less competitive than men. Their revelatory and startling discoveries about how incentives really work are both groundbreaking and immensely practical. This research will change the way we both think about and take action on big and little problems. Anyone working in business, politics, education or philanthropy can use the approach Gneezy and List describe in The Why Axis to reach a deeper, more nuanced understanding of human behaviour and a better grasp of what motivates people and why.

The Beginnings of Behavioral Economics This Handbook is a unique and original contribution of over thirty chapters on behavioural economics, examining and addressing an important stream of research where the starting assumption is that decision-makers are for the most part relatively smart or rational. This particular approach is in contrast to a theme running through much contemporary work where individuals’ behaviour is deemed irrational, biased, and error-prone, often due to how people are hardwired. In the smart people approach, where errors or biases occur and when social dilemmas arise, more often than not, improving the decision-making environment can repair these problems without hijacking or manipulating the preferences of decision-makers. This book covers a wide-range of themes from micro to macro, including various sub-disciplines within economics such as economic psychology, heuristics, fast and slow-thinking, neuroeconomics, experiments, the capabilities approach, institutional economics, methodology, nudging, ethics, and public policy.

Misbehaving: The Making of Behavioral Economics Whether we're buying a pair of jeans, ordering a cup of coffee, selecting a long-distance carrier, applying to college, choosing a doctor, or setting up a 401(k), everyday decisions—both big and small—have become increasingly complex due to the overwhelming abundance of choice with which we are presented. As Americans, we assume that more choice means better options and greater satisfaction. But beware of excessive choice: choice overload can make you question the decisions you make before you even make them, it can set you up for unrealistically high expectations, and it can make you blame yourself for any and all failures. In the long run, this can lead to decision-making paralysis, anxiety, and perpetual stress. And, in a culture that tells us that there is no excuse for falling short of perfection when your options are limitless, too much choice can lead to clinical depression. In The Paradox of Choice, Barry Schwartz explains at what point choice—the hallmark of individual freedom and self-determination that we so cherish—becomes detrimental to our psychological and emotional well-being. In accessible, engaging, and anecdotal prose, Schwartz shows how the dramatic explosion in choice—from the mundane to the profound challenges of balancing career, family, and individual needs—has paradoxically become a problem instead of a solution. Schwartz also shows how our obsession with choice encourages us to seek that which makes us feel worse. By synthesizing current research in the social sciences, Schwartz makes the counter intuitive case that eliminating choices can greatly reduce the stress, anxiety, and busyness of our lives. He offers eleven practical steps on how to limit choices to a manageable number, have the discipline to focus on those that are important and ignore the rest, and ultimately derive greater satisfaction from the choices you have to make.

Macroeconomics in Context Development economics and policy are due for a redesign. In the past few decades, research from across the natural and social sciences has provided stunning insight into the way people think and make decisions. Whereas the first generation of development policy was based on the assumption that humans make decisions deliberatively and independently, and on the basis of consistent and self-interested preferences, recent research shows that decision making rarely proceeds this way. People think automatically: when deciding, they usually draw on what comes to mind effortlessly. People also think socially: social norms guide much of behavior, and many people prefer to cooperate as long as others are doing their share. And people think with mental models: what they perceive and how they interpret it depend on concepts and worldviews drawn from their societies and from shared histories. The World Development Report 2015 offers a concrete look at how these insights apply to development policy. It shows how a richer view of human behavior can help achieve development goals in many areas, including early childhood development, household finance, productivity, health, and climate change. It also shows how a more subtle view of human behavior provides new tools for interventions. Making even minor adjustments to a decision-making context, designing interventions based on an understanding of social preferences, and exposing individuals to new experiences and ways of thinking may enable people to improve their lives. The Report opens exciting new avenues for development work. It shows that poverty is not simply a state of material deprivation, but also a tax on cognitive resources that affects the quality of decision making. It emphasizes that all humans, including experts and policy makers, are subject to psychological and social influences on thinking, and that development organizations could benefit from procedures to improve their own deliberations and decision making. It demonstrates the need for more discovery, learning, and adaptation in policy design and implementation. The new approach to development economics has immense promise. Its scope of application is vast. This Report introduces an important new agenda for the development community.

Bounded Rationality and Economic Diplomacy Winner of the Nobel Prize in Economics Get ready to change the way you think about economics. Nobel laureate Richard H. Thaler has spent his career studying the radical notion that the central agents in the economy are humans—predictable, error-prone individuals. Misbehaving is his arresting, frequently hilarious account of the struggle to bring an academic discipline back down to earth—and change the way we think about economics, ourselves, and our world. Traditional economics assumes rational actors. Early in his research, Thaler realized these Spock-like automatons were nothing like real people. Whether buying a clock radio, selling basketball tickets, or applying for a mortgage, we all succumb to biases and make decisions that deviate from the standards of rationality assumed by economists. In other words, we misbehave. More importantly, our misbehavior has serious consequences. Dismissed at first by economists as an amusing sideshow, the study of human miscalculations and their effects on markets now drives efforts to make better decisions in our lives, our businesses, and our governments. Coupling recent discoveries in human psychology with a practical understanding of incentives and market behavior, Thaler enlightens readers about how to make smarter decisions in an increasingly mystifying world. He reveals how behavioral economic analysis opens up new ways to look at everything from household finance to assigning faculty offices in a new building,
to TV game shows, the NFL draft, and businesses like Uber. Laced with antic stories of Thaler's spirited battles with the bastions of traditional economic thinking, Misbehaving is a singular look into profound human foibles. When economics meets psychology, the implications for individuals, managers, and policy makers are both profound and entertaining. Shortlisted for the Financial Times & McKinsey Business Book of the Year Award.

Journal of Economic Behavior & Organization The links between self-interest and morality have been examined in moral philosophy since Plato. Economics is a mostly value-free discipline, having lost its original ethical dimension as described by Adam Smith. Examining moral philosophy through the framework provided by economics offers new insights into both disciplines and the discussion on the origins and nature of morality. The Morality of Economic Behaviour: Economics as Ethics argues that moral behaviour does not need to be exogenously encouraged or enforced because morality is a side effect of interactions between self-interested agents. The argument relies on two important parameters: behaviour in a social environment and the effects of intertemporal choice on rational behaviour. Considering social structures and repeated interactions on rational maximisation allows an argument for the morality of economic behaviour. Amoral agents interacting within society can reach moral outcomes. Thus, economics becomes a synthesis of moral and rational choice theory bypassing the problems of ethics in economic behaviour whilst promoting moral behaviour and ethical outcomes. This approach sheds new light on practical issues such as economic policy, business ethics and social responsibility. This book is of interest primarily to students of politics, economics and philosophy but will also appeal to anyone who is interested in morality and ethics, and their relationship with self-interest.

Behavioral Rationality and Heterogeneous Expectations in Complex Economic Systems There is no doubt that behavioral economics is becoming a dominant lens through which we think about economics. Behavioral economics is not a single school of thought but representative of a range of approaches, and uniquely, this volume presents an overview of them. The wide spectrum of international contributors each provides an exploration of a central approach, aspect or topic in behavioral economics. Taken together, the whole volume provides a comprehensive overview of the subject which considers both key developments and future possibilities. Part One presents several different approaches to behavioural economics, including George Katona, Ken Boulding, Harvey Leibenstein, Vernon Smith, Herbert Simon, Gerd Gigerenzer, Daniel Kahneman, and Richard Thaler. This section looks at the origins and development of behavioral economics and compares and contrasts the work of these scholars who have been so influential in making this area so prominent. Part Two presents applications of behavioural economics including nudging; heuristics; emotions and morality; behavioural political economy, education, and economic innovation. The Routledge Handbook of Behavioral Economics is ideal for advanced economics students and faculty who are looking for a complete state-of-the-art overview of this dynamic field.

The Varieties of Economic Rationality Mainstream economists everywhere exhibit an "irrational passion for dispassionate rationality." Behavioral economists, and long-time critic of mainstream economics suggests that people in mainstream economic models "can think like Albert Einstein, store as much memory as IBM's Big Blue, and exercise the will power of Mahatma Gandhi," suggesting that such a view of real world modern homo sapiens is simply wrongheaded. Indeed, Thaler and other behavioral economists and psychology have documented a variety of ways in which real-world people fall short of mainstream economists' idealized economic actor, perfectly rational homo economicus. Behavioral economist Daniel Ariely has concluded that real-world people not only exhibit an array of decision-making frailties and biases, they are "predictably irrational," a position now shared by so many behavioral economists, psychologists, sociologists, and evolutionary biologists that a defense of the core rationality premise of modern economics is demanded.

Handbook of Behavioural Economics and Smart Decision-Making Macroeconomics in Context lays out the principles of macroeconomics in a manner that is thorough, up to date, and relevant to students. Like its counterpart, Microeconomics in Context, the book is attuned to economic realities--and it has a bargain price. The in Context books offer affordability, engaging treatment of high-interest topics from sustainability to financial crisis and rising inequality, and clear, straightforward presentation of economic theory. Policy issues are presented in context--historical, institutional, social, political, and ethical--and always with reference to human well-being.

A Behavioral Theory of the Firm While traveling the data highway through the global village, most people, if they think about it at all, consider privacy a non-forfeitable right. They expect to have control over the ways in which their personal information is obtained, distributed, shared, and used by any other entity. According to recent surveys, privacy, and
anonymity are the fundamental issues of concern for most Internet users, ranked higher than ease-of-use, spam, cost, and security. Digital Privacy: Theory, Techniques, and Practices covers state-of-the-art technologies, best practices, and research results, as well as legal, regulatory, and ethical issues. Editors Alessandro Acquisti, Stefanos Gritzalis, Costas Lambrinoudakis, and Sabrina De Capitani di Vimercati, established researchers whose work enjoys worldwide recognition, draw on contributions from experts in academia, industry, and government to delineate theoretical, technical, and practical aspects of digital privacy. They provide an up-to-date, integrated approach to privacy issues that spells out what digital privacy is and covers the threats, rights, and provisions of the legal framework in terms of technical counter measures for the protection of an individual’s privacy. The work includes coverage of protocols, mechanisms, applications, architectures, systems, and experimental studies. Even though the utilization of personal information can improve customer services, increase revenues, and lower business costs, it can be easily misused and lead to violations of privacy. Important legal, regulatory, and ethical issues have emerged, prompting the need for an urgent and consistent response by electronic societies. Currently there is no book available that combines such a wide range of privacy topics with such a stellar cast of contributors. Filling that void, Digital Privacy: Theory, Techniques, and Practices gives you the foundation for building effective and legal privacy protocols into your business processes.

Predictably Irrational Microeconomics in Context lays out the principles of microeconomics in a manner that is thorough, up to date, and relevant to students. Like its counterpart, Macroeconomics in Context, the book is uniquely attuned to economic realities. The "in Context" books offer affordability, accessible presentation, and engaging coverage of current policy issues from economic inequality and global climate change to taxes. Key features include: --Clear explanation of basic concepts and analytical tools, with advanced models presented in optional chapter appendices; --Presentation of policy issues in historical, institutional, social, political, and ethical context--an approach that fosters critical evaluation of the standard microeconomic models, such as welfare analysis, labor markets, and market competition; --A powerful graphical presentation of various measures of well-being in the United States, from income inequality and educational attainment to home prices; --Broad definition of well-being using both traditional economic metrics and factors such as environmental quality, health, equity, and political inclusion; --New chapters on the economics of the environment, taxes and tax policy, common property and public goods, and welfare analysis; --Expanded coverage of high-interest topics such as behavioral economics, labor markets, and healthcare; --Full complement of instructor and student support materials online, including test banks and grading through Canvas.

Principles of Economics in Context "[This book] argues that the traditional economic analysis of the law has significant flaws and has failed to answer certain critical questions satisfactorily. Why are good laws drafted but never implemented? When laws are unenforced, is it a failure of the law or the enforcers? And, most important, considering that laws are simply words on paper, why are they effective? Basu offers a provocative alternative to how the relationship between economics and real-world law enforcement should be understood. Basu summarizes standard, neoclassical law and economics before looking at the weaknesses underlying the discipline. Bringing modern game theory to bear, he develops a 'focal point' approach, modeling not just the self-interested actions of the citizens who must follow laws but also the functionaries of the state: the politicians, judges, and bureaucrats enforcing them. He demonstrates the connections between social norms and the law and shows how well-conceived ideas can change and benefit human behavior. For example, bribe givers and takers will collude when they are treated equally under the law. And in food support programs, vouchers should be given directly to the poor to prevent shop owners from selling subsidized rations on the open market. Basu provides a new paradigm for the ways that law and economics interact: a framework applicable to both less developed countries and the developed world"--Jacket.

Beyond Economic Man "I had the good fortune to grow up in a wonderful area of Jerusalem, surrounded by a diverse range of people: Rabbi Meizel, the communist Sala Marcel, my widowed Aunt Hannah, and the intellectual Yaacovson. As far as I'm concerned, the opinion of such people is just as authoritative for making social and economic decisions as the opinion of an expert using a model." Part memoir, part crash-course in economic theory, this deeply engaging book by one of the world's foremost economists looks at economic ideas through a personal lens. Together with an introduction to some of the central concepts in modern economic thought, Ariel Rubinstein offers some powerful and entertaining reflections on his childhood, family and career. In doing so, he challenges many of the central tenets of game theory, and sheds light on the role economics can play in society at large. Economic Fables is as thought-provoking for seasoned economists as it is enlightening for newcomers to the
field.

Digital Privacy This book is a collection of specially-commissioned chapters from philosophers, economists, political and behavioral economists, cognitive and organizational psychologists, computer scientists, sociologists and permutations thereof as befits the polythetic subject of this book: Herbert Simon. The tripartite of the title, Minds, Models and Milieux, connotes the three inextricably linked areas to which Herbert Simon made the most distinguished of contributions. 'Minds' connotes Simon's abiding interest in theorizing human behavior, rationality, and decision-making; 'Models' connotes his extensive computer simulation work in the service of his interest in understanding minds, but also in the service of minds that are situated in a complex social 'Milieux'. This collection while intended to commemorate the centenary of Simon's birth simultaneously offers a timely reassessment of some of his central insights and illustrates the exponentially growing interest in Simon's work from beyond the usual disciplines and constituencies.

World Development Report 2015

Microeconomics in Context The concept of economic rationality is important for the historical evolution of Economics as a scientific discipline. The common idea about this concept - even between economists - is that it has a unique meaning which is universally accepted. This new volume argues that "economic rationality" is not not a universal concept with one single meaning, and that it in fact has different, if not conflicting, interpretations in the evolution of discourse on economics. In order to achieve this, the book traces the historical evolution of the concept of economic rationality from Adam Smith to the present, taking in thinkers from Mill to Friedman, and encompassing approaches from neoclassical to behavioural economics. The book charts this history in order to reveal important instances of conceptual transformation of the meaning of economic rationality. In doing so, it presents a uniquely detailed study of the historical change of the many faces of the homo oeconomicus.

Routledge Handbook of Behavioral Economics A powerful critique of nudge theory and the paternalist policies of behavioral economics, and an argument for a more inclusive form of rationality.

Economic Fables The economics profession has become a favourite punching bag in the aftermath of the global financial crisis. Economists are widely reviled and their influence derided by the general public. Yet their services have never been in greater demand. To unravel the paradox, we need to understand both the strengths and weaknesses of economics. This book offers both a defence and critique of economics. Economists' way of thinking about social phenomena has great advantages. But the flexible, contextual nature of economics is also its Achilles' heel in the hands of clumsy practitioners.

Minds, Models and Milieux The principal findings of experimental economics are that impersonal exchange in markets converges in repeated interaction to the equilibrium states implied by economic theory, under information conditions far weaker than specified in the theory. In personal, social, and economic exchange, as studied in two-person games, cooperation exceeds the prediction of traditional game theory. This book relates these two findings to field studies and applications and integrates them with the main themes of the Scottish Enlightenment and with the thoughts of F. A. Hayek: through emergent socio-economic institutions and cultural norms, people achieve ends that are unintended and poorly understood. In cultural changes, the role of constructivism, or reason, is to provide variation, and the role of ecological processes is to select the norms and institutions that serve the fitness needs of societies.

Predictably Rational? In this book, David K. Levine questions the idea that behavioral economics is the answer to economic problems. He explores the successes and failures of contemporary economics both inside and outside the laboratory, and asks whether popular behavioral theories of psychological biases are solutions to the failures. The book not only provides an overview of popular behavioral theories and their history, but also gives the reader the tools for scrutinizing them.