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"Rational and Consistent Choice"

Abstract: The standard notion of rationalizability of a choice function requires the existence of a transitive relation such that, for any feasible set in the domain of the choice function, the selected objects are the best elements in the feasible set according to this relation. This form of rationality is often considered too demanding, particularly in the context of collective rather than individual choice. In this presentation, I review recent results that employ weaker requirements than transitivity in order to obtain a theory of rational choice that is less restrictive. Particular attention is paid to variants of rationalizability involving consistent relations. Consistency requires that there be no cycle involving at least one strict preference -- any cycle must be composed of indifferences only. This property is of importance because, as shown by Suzumura (1976), it is necessary and sufficient for the existence of an ordering extension (Szpilrajn, 1930). Moreover, it is the property required to prevent the existence of a "money pump." In contrast to alternative weakenings of transitivity such as quasi-transitivity or acyclicity, consistency permits characterizations of rationality that are intuitively appealing and relatively straightforward to express.