Gebhard Kirchgässner

Homo Oeconomicus

The Economic Model of Behaviour and Its Applications in Economics and Other Social Sciences
Contents

Preface .................................................................................................................. vii

1 Introduction: Economics as a Positive Science ............................................. 1

2 The Economic Model of Behaviour ............................................................... 11
   2.1 Human Behaviour as Rational Action ..................................................... 12
   2.2 Bounded Rational Behaviour and the Influence of Rules .................... 25
   2.3 On Preferences .................................................................................... 35
   2.4 The Assumption of Self-Interest ......................................................... 41

3 Homo Oeconomicus in Economics ................................................................. 59
   3.1 Microeconomic Theory ....................................................................... 59
   3.2 Macroeconomic Theory ..................................................................... 73

4 Applications of the Economic Model of Behaviour in Other Social Sciences ........................................... 87
   4.1 The Economic Theory of Politics ....................................................... 90
      4.1.1 Social Choice ........................................................................... 92
      4.1.2 The Economic Theory of Democracy ....................................... 100
      4.1.3 The Theory of Interest Groups .................................................. 109
   4.2 The Economic Analysis of Law ........................................................... 119
      4.2.1 Legal Regulations in Environmental Policy ............................... 121
      4.2.2 Environmental Liability Law ..................................................... 125
      4.2.3 Economic Analysis of Fighting Illegal Drugs ......................... 131
   4.3 Economics as an ‘Imperial’ Science ..................................................... 135

5 Low-Cost Situations and Moral Behaviour ................................................. 139
   5.1 Low-Cost Situations in the Political and Judiciary Spheres ............... 141
   5.2 Moral Behaviour: Definition and Classification ............................... 155
   5.3 Conditions for Moral Behaviour of Many People ............................. 163
   5.4 On the Social Necessity of Moral Behaviour of ‘Average Human Beings’ .... 168
   5.5 The Role of Heroes in Political and Economic Processes ................... 177
   5.6 On Problems with Not Self-Interested Behaviour ............................. 181