# Assignment #7

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## 3. Watts (2014)

When initially introduced in the 1960s, some early models based on the rational choice theory received many criticisms. According to some critics, these models "relied on implausible or empirically invalid assumptions about the preferences, knowledge, and computational capabilities of the actors in question" (Watts, 2014, p.320). Other critics challenged that the predictions based on these models were inconsistent with empirical evidence (Watts, 2014, p.320).

According to the author, the main pitfall in using commonsense theories of action is that these common-sense theories "are generally valid in everyday situations" (Watts, 2014, p.327) even though they are not universally valid. It is problematic in the construction of sociological theory because the "conflation of understandability and causality" (Watts, 2014, p.327) is difficult to check. Obviously, the assumption that "understandability and causality were effectively interchangeable" (Watts, 2014, p.327) is not always true. "Because an explanation makes sense of some observed outcome is in fact no guarantee that it also corresponds to any generalizable causal mechanisms" (Watts, 2014, p.327). Consequently, the corresponding predictions will not be accurate.

In response to the issues with rational choice modeling and causal explanation, the author proposed several solutions to help sociologists to "produce more scientifically rigorous or more satisfying explanations" (Watts, 2014, p.335). First of all, the most straightforward approach is experimental methods such as "field experiments, natural experiments quasi-experiments and laboratory experiments" (Watts, 2014, p.335). Besides, "the counterfactual model of causal inference applied to nonexperimental data" (Watts, 2014, p.336) is another approach. This approach is combined with other methods such as computational methods, statistics and econometrics. The third approach is to "evaluate explanations in terms of their ability to predict" (Watts, 2014, p.337).

Although this paper has a brilliant exposition in relating commonsense and causality in sociology, the author ignores the importance of some necessary simplifications and specific assumptions about mechanisms in the evolutionary process of theoretical models. In the initial stage of one theoretical model, it is impossible to capture all the facts in the reality. Necessary simplifications and some specific assumptions are effective tools. We can use these tools to select the underlying factors to build our theoretical models and further facilitate causal inference and prediction. Although these specific assumptions and simplifications perhaps will lead the model to fail to explain certain situations in the real word, they still make sense in terms of providing a simple way to analyze and a clear scope of the application of the theoretical model. Besides, with the

development and maturity of theoretical models, we can relax some assumptions to form more complex theoretical models which are closer to the real world. In the area of Economics, necessary simplifications and specific assumptions are not rare to see. Basically, in order to simply economic models, we need a basic behavioral assumption—people tend to make decisions based on their own best interests. For example, people tend to maximize their utilities given their budget constraints, firms tend to maximize their profits given the limited resource. However, these assumptions and simplification are not always true in the real world. Other factors may also influence people's decisions, such as emotional needs or moral constraints. But there is no doubt that these assumptions and simplifications are necessary foundations of many economic models and they could benefit causal inference and prediction. In a word, theoretical models—with their necessary simplifications and their specific assumptions about mechanisms—could benefit causal inference and prediction.

## Reference:

Watts, Duncan J., "Common Sense and Sociological Explanations," American Journal of Sociology, September 2014, 120 (2), 313–351.