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Rational behavior: a. individual behavior that satisfies a number of internally consistent axioms (e.g. transitivity, completeness, independence). Going back to Samuelson's (1938) revealed preference theory. b. individual behavior that aims at maximization of (expected) utility, where utility is defined in terms of self-interested preferences. Preferences are assumed to be complete, fully formed and independent. Also called the *homo economicus* model. Formalized by von Neumann and Morgenstern (1944). c. in the context of collective action, game theory and social choice, behavior that leads to a Pareto-optimal allocation of resources. Social dilemmas arise when individually rational behavior (b) leads to collectively irrational outcomes.

Further reading:

Herfeld C. 2020. The Diversity of Rational Choice Theory: A Review Note. Topoi. 39(2):329–347. doi:10.1007/s11245-018-9588-7.

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Von Neumann J, Morgenstern O. 1944. Theory of games and economic behavior. Princeton, N.J.: Princeton University Press.

See also: Bounded rationality, Collective action, Consumer sovereignty, Game theory, Social dilemma, Social choice