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Reinhard Selten [[Ideological Profiles of the Economics Laureates](#)]

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Abstract

Reinhard Selten is among the 71 individuals who were awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel between 1969 and 2012. This ideological profile is part of the project called “The Ideological Migration of the Economics Laureates,” which fills [the September 2013 issue of *Econ Journal Watch*](#).

Keywords

Classical liberalism, economists, Nobel Prize in economics, ideology, ideological migration, intellectual biography.

JEL classification

A11, A13, B2, B3

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http://econjwatch.org/file_download/768/SeltenIPEL.pdf

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Reinhard Selten

by Daniel B. Klein, Ryan Daza, and Hannah Mead

Reinhard Selten (1930–), born in Breslau, a German city in what is now Poland, was raised in a troubled period of German National Socialism, anti-Semitism, and war. His father, who was Jewish, blind, and an entrepreneur, operated a successful “reading circle” business. He eventually was forced to sell it under Nazi law. After the war, Selten’s life was marked by avoiding the Soviet army, international migration, poverty, physical farm work, and a stay from official school work. However, when he returned to school, he excelled. Selten had a knack for

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mathematics, something he noticed in high school. From the age of 15 he taught himself mathematics. However, he knew becoming a mathematician was not in his future (Selten 2009, 178).

High school was also Selten's first exposure to economics. He reflected in an interview:

I was reading much world literature, belletristic, but also books about special subjects, nonfiction. And when I was in my second last year of high school I also had a full time job as a librarian in the America-house in Malsungen. At this time I got used to read[ing] English. In the library they had many books on different subjects, psychology, economics. - I cannot remember which topic was the most exciting one, I read a lot of books, among others a history of economic thought by Heimann, my first exposure to economic theory. (Selten and Selten 1997, 2)

After high school, Selten received his degree in mathematics at Frankfurt University but switched to economics and began working with Heinz Saueremann. It was at this point that Selten began turning away from "naïve rationality." After reading Herbert Simon, he "was immediately convinced of the necessity to build a theory of bounded rationality." He concluded: "Behavior cannot be invented in the armchair, it must be observed in experiments" (Selten and Selten 1997, 4). Selten considers himself a "methodic dualist," developing both pure theory based on completely rational subjects and descriptive theories based on observed boundedly rational behavior (Selten 2003a, 755).

Selten also collaborated extensively with John Harsanyi, particularly on games involving incomplete information. Selten developed the idea of trembling-hand perfection, in which equilibria hold despite a small chance of perturbation (Damme 2008). Selten won the Nobel Prize in 1994, along with Harsanyi and John Nash, "for their pioneering analysis of equilibria in the theory of non-cooperative games."

Selten describes himself as an independent thinker: "I was always skeptical about authority, about things which were told by authorities, because I was living in a country and in a time where the authority was utterly wrong, in my view. And therefore I distrusted, I feared authority, I also fear it today. I am in a very, very fearful, I mean maybe more than other people, but I distrust authority. That makes me more independent and also some part of rebellious, ... I'm a maverick" (Selten 2004).

In his Nobel autobiography, Selten wrote:

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I found myself in opposition to the political views shared by the vast majority of the population. I had to learn to trust my own judgment rather than official propaganda or public opinion. This was a strong influence on my intellectual development. My continuing interest in politics and public affairs was one of the reasons why I began to be interested in economics in my last high school years. (Selten 1995)

Yet, Selten does not seem to have explicated specific ideological views, at least not in English. And aside from a long-held support for the Esperanto movement (Selten 2003b), Selten does not seem to have made explicit political statements.

Selten can be reserved in his analysis. For example, regarding leniency clauses for whistle-blowers on cartels, Selten and his co-authors Jose Apesteguia and Martin Dufwenberg wrote:

We, tentatively, venture the following: Our findings in this paper provide no reason for Gary Spratling and Mario Montito to feel disappointed with the leniency clauses that have recently been incorporated into the anti-trust legislation in most member states of the OECD. (Apesteguia, Dufwenberg, and Selten 2007, 158)

In applying game theory to international relations, Selten has found that political mass movements are difficult for game theory to predict (Selten 2004). Matthias Hild and Tim Laseter note that “Professor Selten has been an active international consultant to both industry and government, and a prolific author of academic publications” (Hild and Laseter 2005). They continue:

Professor Selten has applied his research to numerous high-stakes problems in business and politics. During the early years of the Cold War, he belonged to a pioneering group that developed models of nuclear deterrence under a contract with the U.S. Arms Control and Disarmament Agency (which later became the U.S. State Department’s Bureau of Arms Control). More recently, he worked with a group of military experts to apply game theory to the strategic analysis of the Kosovo conflict. (Hild and Laseter 2005)

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Amartya Sen

by Jason Briggeman

Amartya Sen (1933–) was born in Santiniketan, West Bengal. After being educated in India and Great Britain, Sen commenced an illustrious career, becoming well known for his research in social choice theory, political philosophy, and development economics. Sen has held professorships at Jadavpur University, the University of Delhi, the London School of Economics, Oxford University, and