

Foreword

<https://doi.org/10.18559/978-83-8211-297-9/0>

 SONIA HUDEREK-GLAPSKA

<https://orcid.org/0000-0002-1470-5541>

Poznań University of Economics and Business

Sonia.Huderek-Glapska@ue.poznan.pl

The growing complexity of economic life and the increasing realism demanded of economic models challenge advanced microeconomics from both conceptual and methodological perspectives. Traditional microeconomic theory has long relied on rational, utility-maximising agents operating in a perfectly competitive market with perfect information. Contemporary research emphasises the need for a deeper integration of behavioural insights, institutional context, and decision-making processes that accurately reflect human cognition and social interaction. There is a need for a better understanding of how economic agents behave under conditions of bounded rationality, uncertainty, imperfect information, and strategic interaction. In this framework, rationality is not treated as a static or universal trait but as a context-dependent and sometimes contested concept.

The essays in this volume reflect this shift in microeconomics fundamental research foundations by moving away from neoclassical economics and its *homo economicus* model. The change in underlying assumptions makes the analysis more realistic and better aligned with actual decision-making processes. A major challenge is posed by behavioural economics and the concept of bounded rationality, which take into account cognitive limitations, heuristics, decision biases, and emotional factors influencing the behaviour of consumers, entrepreneurs, and senior citizens. By addressing topics such as ethical consumption, entrepreneurial risk, fairness in allocation, housing choices among seniors, and strategic behaviour within firms, it is demonstrated that modern microeconomics is increasingly interdisciplinary, drawing from behavioural sciences, cognitive psychology, game theory, and information economics to enrich its explanatory power.

Suggested citation: Huderek-Glapska, S. (2026). Foreword. In S. Huderek-Glapska (Ed.), *Rationality, efficiency and decision-making: Essays in advanced microeconomics* (pp. 7–10). Poznań University of Economics and Business Press. <https://doi.org/10.18559/978-83-8211-297-9/0>



This book is available under the Creative Commons 4.0 license—Attribution-NonCommercial-NoDerivative 4.0 International

One of the central challenges involves revising the neoclassical economic agent—the so-called *homo economicus*. The opening chapter, “*Homo sapiens economicus? The evolutionary critique of the neoclassical economic man*”, sets the stage by challenging the core assumptions of the neoclassical agent. Drawing from evolutionary economics, it argues for a more grounded, adaptive, and socially embedded conception of economic behaviour. This shift reflects a broader movement in microeconomics toward embracing cognitive limitations, social preferences, and dynamic learning.

A second key challenge involves integrating normative considerations into economic analysis. The chapter “Envy-free is fair enough” explores how fairness—specifically envy-freeness—can serve as a legitimate criterion alongside efficiency in evaluating allocation outcomes. This reflects the growing recognition that microeconomics must address not only what is efficient but also what is just, equitable, and socially acceptable.

Behavioural perspectives on individual decision-making add further complexity to the understanding of human behaviour. In “Tackling the rational decision-making in ethical consumption”, it is seen how real consumers often fail to act on their stated ethical commitments, revealing a gap between intention and behaviour that traditional models struggle to explain.

Another area of contemporary concern is decision-making under risk and uncertainty, particularly in entrepreneurial and innovative contexts. “Entrepreneurial decision-making, risk-taking, and business failure: A cognitive approach” employs a cognitive approach to understand why entrepreneurs often deviate from expected utility theory, sometimes to great success and sometimes to business collapse. This calls for richer models that accommodate heuristics, overconfidence, and risk perception as endogenous elements of the decision-making process.

Similarly, the chapter titled: “Decision-making of older adults in the housing market: A behavioural economics perspective” examines how cognitive aging affects economic decisions, raising broader questions about autonomy, vulnerability, and policy design in aging societies. These chapters exemplify the challenge of modelling bounded rationality and context-dependent choice.

The chapter “Efficiency of market structure: The electric vehicle (EV) industry” reminds us that efficiency is not a timeless abstraction but a context-dependent outcome shaped by technology, regulation, and industrial organisation. The question is not only whether markets are efficient in the textbook sense but whether they foster dynamic innovation, environmental sustainability, and social welfare in the long term.

At the organisational and institutional level, the chapters titled “The headquarters and foreign subsidiaries relationship: A game theory approach” and

“Equity-based financing under asymmetric information: A microeconomic analysis of seed and venture capital in startup development” illustrate the challenges posed by information asymmetry, incentive alignment, and strategic interdependence. While these are classic themes of agency theory and contract theory, they are gaining renewed relevance in a world of globalised firms and highly dynamic financial ecosystems.

As economic systems become more interconnected, dynamic, and unpredictable, future research in microeconomics is increasingly turning toward decision theory, bounded rationality, and the economics of complexity. Building on the diverse contributions presented in the preceding chapters, the final chapter, “Future directions in microeconomics: Bounded rationality and efficiency within complexity”, identifies and synthesises the key conceptual and methodological insights to propose future directions for research in advanced microeconomics. Drawing from empirical case studies, behavioural analyses, and theoretical models, it seeks to chart a path forward grounded in complexity, bounded rationality, and institutional realism.

Taken together, the chapters in this volume underscore how advanced microeconomics is no longer a field concerned solely with abstract optimisation; it is increasingly a pluralistic and interdisciplinary science of decision-making—a field that must take seriously the empirical realities of human behaviour, the institutional environments in which decisions are made, and the normative frameworks within which outcomes are evaluated.

One of the challenges addressed in this monograph is to draw attention to the ambiguity in the interpretation of the *homo economicus* model. The concept of rationality is interpreted in a varied manner depending on the theoretical and research perspectives, level of analysis, and the decision-making context considered in each chapter. In Chapter 3, rationality is conceptualised as a method of problem-solving; in Chapter 4, it is framed in terms of maximising expected utility under conditions of uncertainty. Chapter 5 presents rationality as individual behaviour aimed at maximising personal satisfaction, while Chapter 7 defines it as acting in one’s best interest, at the same time acknowledging the individual and collective dimension of rationality. These variations reflect the multifaceted nature of rationality within economic and social contexts.

In this sense, the contemporary challenge is not merely to refine the tools of microeconomic analysis but to reimagine its foundations in a way that bridges decision theory, behavioural economics, institutional analysis, and normative inquiry. This volume is a contribution to that ongoing effort.

The authors of the essays presented in this volume include doctoral students, their academic supervisors, and faculty members from the Department of Microeconomics at Poznań University of Economics and Business. A significant

number of these essays were initially prepared as final papers for the Advanced Microeconomics course within the PUEB Doctoral School program. In addition to addressing pressing issues faced by contemporary microeconomic theory and practice, this monograph also serves as a platform that enables young researchers to showcase their remarkably mature and thoughtful contributions.

I hope that the chapters included in this volume will be warmly received by readers, serve as a source of inspiration, and resonate in the ongoing research of scholars exploring related issues in microeconomics, decision theory, and beyond.