

Preface

The story usually goes as follows. On one side there are the supporters of normative rationality, with their typical belief that to make a decision is basically a matter of ordering the preferences according to a rational framework; on the other side there are people who are enthusiastic about psychological findings showing that real individuals are not so “rational” as the opponents believed. In fact, human beings get continuously conditioned by biases and traps for the mind. It seems that human rationality is not so efficient as one can suppose. The controversy between normativists and descriptivists on decision theory is about the very nature of human understanding. How much is “free” or “bounded” the rationality to determine overt behavior? Is the maximization of personal gain the real “rationale” of human understanding? Immanuel Kant was irresistibly fascinated by the idea that rationality is able to autonomously determine the moral behavior. Indeed, in his opinion, a behaviour can be considered as “moral” only if this is the case. According to an old philosophical tradition, human behaviour is more or less “moral and efficient” insofar as it is more or less “rational”, i.e., not conditioned by anything else. Emotions, of course, are especially to be avoided. We have to consider a choice as rational if the used means are appropriate to the given end; and, it seems that in balancing means and ends there is no room for emotions and any other non-rational elements. Nowadays, it seems that the scene is changed. We are finally aware of the ecological and embodied character of human understanding. Reason is no more regarded as an emotionally bland and cold thing. Moreover, reasoning itself—not emotion—is affected by a lot of bias which subconsciously drives our thought pathways to many kinds of mistakes.

This book argues that a third way between normative and descriptive accounts of rationality in decision theory is possible. It is matter of a sort of normative rationality with a human face, that is, a naturalistic account of rationality disciplined by the needs of the economic paradigm. This latter involves a certain interest in the way things ought to be. It is the economic perspective itself, even in the case of the “biological economy”, which Mario Graziano—following Alfred Marshall—endorses, that implies a normative constraint. Economics, even if inspired by biology, cannot be a purely positive science. In this book the reader can appreciate a naturalistic account on decision theory. The word “naturalism” in philosophical discussions means many things. However, it is uncontroversial that

if only natural science can tell us how the world really goes, then there is no space for any kind of normative facts—a crucial point for decision theory. In *this* book, naturalism is inspired by the biology of complex systems and neuroeconomics. One of the most intriguing facets of *this* book is the appeal to the social cognition in order to deal with the main problems of decision theory. This move depends on an epistemological worry, that is, to adopt a theoretical framework compatible with both the interpersonal dimension and a normative evaluation. Moreover, because of its dependency by neuroscience, social cognition provides the naturalistic compatibility which is a major tenet of the book.

The desire of a third way between normativism and descriptionism in decision theory is urged by the field of application of the analysis. Since economic behavior is the core *explanandum* of the book, some amount of normativity is requested. This attitude could be a good example in the usual debate. Should the decision theory be subjected to a normativist or a descriptive account? Perhaps the right answer can be: “It depends”. In fact, it depends on the purposes of which our scientific enterprise is engaged. For example, if we are interested in improving certain budget standards in a health care system, then we ought to be also interested in some amount of normativity. It could be useless to know only why the managers are conditioned by their mental biases. We would like to improve their behaviors. And, of course, “improvement” is a normative concept. Knowledge about the cognitive architecture and the neurophysiological basis of mental biases is a wonderful thing. We can deduce many significant consequences from that knowledge. The improvement of the behaviors in order to fulfill a certain purpose is another kind of question. In *this* book the “it depends-strategy” is guided by the theoretical needs of the economic perspective, but it can be proposed more in general as the right attitude towards the normativism/descriptionism debate in decision theory.

Anyway, in *this* book we can appreciate the possibilities of a naturalistic account on decision theory committed to the normative constraints involved in the economic behavior. A great part of this commitment depends on the appeal to the paradigm of social cognition. This way of reasoning is perhaps similar to what Steven Stich proposed in an essay on the Daniel Dennett’s theory of intentional systems (“Dennett on Intentional Systems,” *Philosophical Topics*, 12, 1, 1981, pp. 39–62; now in S. Stich, *Collected Papers*, vol. 1, p. 73). “So any object will count as an intentional system if we can usefully predict its behavior by assuming that it will behave rationally. And what is it to behave rationally? Here, Dennett suggests, the full answer must ultimately be provided by a new sort of theory, intentional-system theory, which will provide us with a normative account of rationality. This new theory “is envisaged as a close kin of—and overlapping with—such already existing disciplines as epistemic logic, decision theory and game theory, which are all similarly abstract, normative and couched in intentional language” (D. Dennett, “Three kinds of intentional psychology,” in *Reduction, Time, and Reality*, Cambridge University Press, 1981, p. 19).

Epistemology of Decision
Rational Choice, Neuroscience and Biological
Approaches

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