

**PHD THESIS SUMMARY:**  
**Why We Need to Talk About Preferences: A Federalist  
Proposal**

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Among the social sciences, economics has often been portrayed as the one that has its house in order. Whereas the other social sciences are engaged in never-ending squabbles over words and definitions, their dismal monarch purports to have no interest in such profanities. Economics is content with having built its house on solid theoretical foundations by using a precise and formal toolkit, i.e., (rational) choice-theory. The long-winded debates of its wordy relatives concerning ‘what some x really is’ provoke nothing but bewilderment and sometimes even disdain in economics.<sup>1</sup> While becoming more sentimental in recent years, economics tried to stay away from its relatives as best as it could for most of its life (see Hausman 1992).<sup>2</sup> Some of economics’ disciples have even gone so far as claiming that if you train to become a social scientist, you either learn to use the precise toolkit of choice-theory or nothing at all (e.g., Gintis 2016, 138).

Nevertheless, there is one issue that economics would like to hide in the basement. Ever since the initial development of its choice-theoretic toolkit in the 1870s, questions have been raised about what ‘utility’ and ‘preferences’ really are (see Moscati 2018). ‘Preference’ is arguably the most central concept in economics. Yet, there is no explicit definition of the concept in economic textbooks (see, for example, Mas-Colell, Whinston, and Green 1995; Rubinstein 2012; Varian 2014). Thus, the last few years have seen the emergence of several views concerning the nature of preferences in economics. There are two main camps: mentalists and behaviorists. Behaviorists (e.g., Ross 2005; Gül and Pesendorfer 2008; Clarke 2016) hold that preferences just refer to patterns in choice-behavior. On

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<sup>1</sup> For instance, consider debates about definitions of (i) class in sociology (Kincaid 2016), (ii) interstate cooperation in political science (Graefrath and Jahn 2021), and (iii) attention in psychology (Watzl 2011).

<sup>2</sup> That economics has become more open to outside influences is, for example, evidenced by the rise of behavioral economics (see Angner 2019).

the other hand, mentalists (e.g., Hausman 2012) argue that preferences are some kind of mental state (for a more detailed outline of these two positions, see Beck and Grayot 2021).

What is the point of this debate? One may assume that debating what preferences in economics really are—i.e., mental phenomena or only choice patterns—can inform us about what kind of evidence is relevant for economics. However, the problem with this view is that the evidential base of a theory can be *both* narrower and broader than its content. For example, even if economic models were only about patterns in choice, this would not entail that the evidential base of economics is only choice data. It is, therefore, unclear if and how debating the nature of preferences can inform the practice of economists.

So, is a debate about the concept of preferences in economics worth having? In my doctoral thesis, I make the case that, contrary to the appearances of unity, economists are highly disunified in their understanding of preferences. Pace the dominant conceptions of preferences (i.e., mentalism and behaviorism), which are meant to apply across all of economics, I hold that defending a single, comprehensive story is a mistake. Instead, I propose that we should acknowledge and take seriously the conceptual disunity within economics regarding central concepts like ‘preference’. I hold that explicating this disunity not only helps us account for important controversies at the forefront of economic research, but also points us towards potential resolutions of these controversies.

As a first step in this argument, I demonstrate that the grand narratives about preferences philosophers have explored so far (i.e., mentalism and behaviorism) fail to account for substantial contributions and practices in economics. For instance, mentalism has trouble accounting for choice-theoretic models that aim at describing entities we usually do not ascribe mental states to. Moreover, behaviorism has difficulties accounting for the importance of beliefs for inferring preferences from choices and the role of preferences in causal explanations (chapters 2 and 3). I then argue that these shortcomings of the two dominant narratives about preferences are to be expected as only a minimal conception of preferences holds the federation of economic research programs together. Following Guala (2019), I argue that if our aim were merely to reconstruct economic practice, it would be best served by dispositionalism.

*Dispositionalism.* An agent prefers X over Y if she is disposed (in a way that depends on her informational state) to choose X in some circumstances, where Y is also an available option.

Nevertheless, while dispositionalism can account for the practices that behaviorism and mentalism have trouble capturing, it is too barebones to guide economic research (chapter 4).<sup>3</sup>

However, in the thesis, I then propose that dispositionalism—qua being merely a minimal conception—is usually enriched with further local assumptions that differ across various research programs and are tailored to their specific agendas. My key claim is that explicating and appraising these local and often implicit assumptions will—in contrast to how the debate currently proceeds—allow us to contribute substantially to the progress of economics. The thesis supports this claim by looking in detail at (i) the disagreements concerning what kind of experiments microeconomics needs and (ii) the recent controversy about preference purification in behavioral welfare economics.

Concerning the first debate, I argue that the disagreement between the two most prominent experimental paradigms in economics can be understood in terms of diverging assumptions about the causal base of preferences (chapter 5). In particular, I argue that proponents of the *heuristics-and-bias* program usually put internalist restrictions on the causal base of preferences, while proponents of *experimental economics* in the tradition of Vernon Smith (2008) permit agents' external environments to play a crucial role in the constitution of their preferences. I point out that the burden of proof in this debate lies with the *heuristics-and-bias* tradition and those who want to uphold the more demanding internalist restrictions on the constituents of preferences (published as Beck 2022a).

Regarding the second debate, I introduce the idea of preference purification as one of the aims of behavioral welfare economics and show that scholars fiercely disagree about its plausibility (chapter 6). I then argue that disentangling two different substantial notions of rationality, i.e., procedural and structural rationality, which go beyond its technical meaning in economics, can help us account for the vastly different assessments

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<sup>3</sup> To illustrate, I argue that dispositionalism can account for the role of beliefs in capturing choice-behavior by making preferences *information-dependent* choice dispositions.

of the plausibility of preference purification by offering two different visions of what purified preferences are.<sup>4</sup> In particular, I explicate a structural alternative to the predominant proceduralist understanding of purified preferences and defend it against several obstacles to highlight how one can conceive of preference purification as a feasible enterprise (published as Beck 2022b).

All in all, my doctoral thesis makes the case that economics has more to gain from an explication of the implicit assumptions about choice-theoretic concepts made by different research programs than from overly broad narratives about ‘what preferences really are’.

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<sup>4</sup> Procedural rationality ascribes rationality to agents that have formed their attitudes by relying on a particular process, while structural rationality concerns the relations between an agent’s different attitudes.

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**Lukas Beck** obtained his Ph.D. at the University of Cambridge. He is currently a member of the Scientific Assessments, Ethics, and Public Policy working group at the Mercator Research Institute on Global Commons and Climate Change (MCC) in Berlin, where he works on the FORMAS-funded Rivet project (with Lund University) on 'Risk, values, and decision-making in the economics of climate change.' His research focuses on economic methodology, the intersection between economics and cognitive science, and the normativity of the sciences. What unifies these interests is a desire to understand better what it means to make justified decisions in complex scenarios and what this implies for how we should live together.

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