

*Mind* 101, 402, 1992, 381-383

Edward F. McClennen *Rationality and Dynamic Choice: foundational explorations*, Cambridge, Cambridge University Press, 1990, pp 309, £27.50 or \$39.50, ISBN 0 521 36047 1

McClennen defends a conception of rational choice which is context bound, in that the selection of an option to be acted on as part of a plan may depend on the plan's past and future choices. This may seem like a fairly minor change of perspective, but as McClennen shows any non-trivial such conception brings one into conflict with conditions which decision-theorists standardly impose on rational choice. Moreover, the intuitions which would make one want to explore such a dynamic idea of rationality concern risk-taking and cooperation, topics where there are independent reasons for believing that the standard conditions may be too restrictive. So the topic is important and interesting. And this is definitely an interesting book, though it is quite hard going, often unnecessarily so.

The idea is generally in the air at the moment. John Broome, Peter Hammond, Isaac Levi, Brian Skyrms, and others have recently discussed related ideas, and the stage was set for them by writers such as Elster, Allais, and Kahnemann-and-Tversky. McClennen's distinctive contribution is to have cast the issues explicitly in terms of context boundness, and to have focussed some of them on a three-way contrast between 'myopic', 'sophisticated' and 'resolute' choosers. Myopic choosers make each decision as it comes, in a completely context free way. If their preferences are at all complex, for example if they have more than the amount of risk-aversion allowed by standard utility theory, they can be caught in situations in which successive changes of context extract unlimited amounts of money (or whatever) from them. Sophisticated choosers avoid this by looking ahead and not making choices which will get them into such a fix. Resolute choosers stay safe by looking back and tuning their present choices to those they made earlier. The main thrust of the book is to defend the rationality of resolute choice.

An introductory chapter gives a helpful summary of the whole book. Then the next six chapters are mostly concerned with the entailment relations between a large number of

conditions on rational choice. These are referred to by acronyms: thirty-six of them. There are few appeals to intuition here, but also no interesting mathematics. But building on these carefully laid foundations, using them to define his different types of choice, McClennen can now argue for the advantages of resolute over sophisticated choice. The advantage of either over myopic choice is that they allow one a wider range of preferences without being vulnerable to dutch book traps and the like. McClennen argues that whenever sophisticated choosers can avoid such pragmatic problems, so can resolute choosers, and that resolute choosers pay a smaller price for their safety: they may assume fewer side constraints and can make their choices more independent of those of other agents.

The argument here is almost entirely in terms of the relations between the various conditions on rationality. One of the few appeals to intuition is in a discussion of a thought-experiment, due to Kavka and discussed also by Bratman, in which one can get a reward by merely intending to do something. Myopic choosers, on McClennen's variant of the story, have a problem here in that after getting the reward they will no longer have a motive for doing the act, so their intentions are in a way unreal. Sophisticated choosers may be able to constrain themselves so that, for a price, they can really intend and thus really qualify. Resolute choosers do not need to pay; they can just intend and then stick to their intentions. (Ulysses could pay his men to bind him to the mast, or he could just sit at the tiller and ignore the call of the sirens: if he knows his will is strong enough.)

This example does help. But the situation it describes is very peculiar. Detailed examples of risk-taking and promise-keeping would be more help. Although issues about risk lie behind many of the conditions McClennen discusses, risk is rarely discussed explicitly. And the moral and game-theoretic aspect of the issues is only alluded to as part of the publicity for, rather than the content of, the theory. This is a real pity. My own view is that the value of the book will be as part of a larger project of rethinking individual rationality in terms of agents' capacities for coordinated behaviour. And the most profitable way to develop and defend liberalized accounts of rationality for this purpose, I would suggest, is not to trace routes through an intricate network of conditions on choice. (That reminds me of the way logical systems were developed, before we appreciated the semantical point of view.) Instead, we

should investigate how, given a variety of risk-presenting and cooperation-requiring situations, agents employing different strategies will fare. And the natural way to work this out is in terms of computer-based models of complex and repeated games.

Be that as it may, there is no doubt that this book is concerned with some fundamental questions, and brings to them a unifying point of view that may turn out to be an early stage of some far-reaching developments.

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