



**Herbert A. Simon**  
International Society



**THE FUTURE OF ECONOMICS:  
UPDATING BOUNDED RATIONALITY**

Workshop organized by

The International Herbert A. Simon Society

In collaboration with

Italian Cultural Institute of New York

and

Fondazione Rosselli, Turin, Italy

May 23, 2011 – New York

Italian Cultural Institute

686 Park Avenue, New York, NY 10065

## INTRODUCTION

Beginning the activity of the Herbert Simon Society with a discussion on bounded rationality seems the most natural move for two reasons. First, bounded rationality is the most important conceptual contribution of Herbert Simon. Second, bounded rationality focuses on the status of rationality, which is one of the most important but controversial concepts in epistemology, economics, psychology and social sciences. Rationality is a normative concept but bounded rationality is a mestizo concept, in the same time normative/descriptive. The bounded features come from the subjective side, that is cognitive limitations, and from the objective side, that is environmental complexity. The bounded features may be so pervasive to annihilate the normative dimension as in some theories like that of adaptive or ecological rationality. In some cases rationality disappears leaving room to the descriptive models of reasoning and decision making.

## GOALS

The goal of the workshop is to update the concept of bounded rationality and to deepen its impact mainly in economics and social sciences. Updating bounded rationality means to understand how the philosophical analysis and the neurocognitive research have changed the features of the limits of rationality. Naturalizing epistemology program and the minimal rationality approach, on one side and the development of dual theory of mind-brain on the other have changed the traditional coordinates of the concept. Moreover, studies on cognitive anthropology, primatology and developmental psychology are shedding light on the empirical features of “abnormal” rationality as a way to understand the adaptive function of non-canonic reasoning and decision-making process. How is the updated bounded rationality theory affecting economic theory and social disciplines as sociology and political science? Are the recent financial crisis and the many market failures a final blow to the concept of olympic rationality and a definitive victory of bounded rationality? Are the many heterodox currents in economics as behavioral, cognitive, evolutionary, institutional economics and organizational theory finding in bounded rationality a common denominator from where to develop a unified economic theory? May the continuous methodological crisis of sociology torn by hermeneutics on one side and sociometrics on the other be solved by a bounded rationality foundation of social actor theory?

The workshop will be organized as a brainstorming. Each participant will have max 10 minutes to present the main points of his position. The discussion will start after each presentation. One of the aims of the workshop will be also to structure the program of the International Conference “Updating Bounded Rationality”, that will be organized in Turin in April 2012.

## **PROGRAM**

**10 AM**

**Welcome remarks**

**Riccardo Viale** (Director of Italian Cultural Institute of New York), Chairman

**10:15 AM**

**Introductory Lecture**

**Massimo Egidi** (LUISS University, Rome)

**Talks and Discussions**

**Daniel Kahneman** (Princeton University): “Emotion and Rationality”

**Alvin Goldman** (Rutgers University): “Naturalizing Rationality”

**Dan Sperber** (Institut Jean Nicod, Paris): “Rationality and Argumentation”

**Richard Nelson** (Columbia University): “Bounded Rationality and Evolution”

**1 PM**

**Lunch Break**

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**2 PM**

**Talks and Discussions**

**Giovanni Dosi** (Sant’Anna School of Advanced Studies, Pisa): “Evolutionary Rationality”

**Roy Radner** (New York University): “Bounded Rationality?”

**Colin Camerer** (California Institute of Technology, Pasadena): “Bounded Rationality and Neuroeconomics”

**Edward Feigenbaum** (Stanford University): “Bounded Rationality and Computer Science”

**Participants to the discussion:**

**Craig Calhoun** (New York University)

**Lawrence Hirschfeld** (The New School, NY)

**Steven Lukes** (New York University)

**Hugo Mercier** (University of Pennsylvania)

**Gloria Origgi** (CNRS, Paris)

**Giacomo Rizzolatti** (University of Parma)

**Sidney Winter** (Wharton University of Pennsylvania)

**6 PM**  
**Conclusion**

**6:15 PM**  
**Meeting of the Executive Committee of The Herbert Simon Society**