

At the origin of modern decision theory: was Shackle's decision theory a dead end?

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G.L.S Shackle's rejection of the probability tradition stemming from Knight's definition of uncertainty was a crucial episode in the development of modern decision theory. In a previous paper devoted to Shackle's critique of probabilistic decision making, we argued that a set of methodological statements characterizing Shackle's stance was abandoned for long, especially after Savage's *Foundations*; but now those statements have been re-discovered and are at the basis of current non-expected utility theories, in particular of the non-additive probability approach to decision making. This paper examines the discussion between Shackle and his critics in the period between 1949 and 1961, that is, between Shackle's first attempt to axiomatise a non-probabilistic view of decision-making (in *Expectations and Economics*) and his final re-statement of the theory (in *Decision, Order and Time in Human Affairs*). Drawing on Shackle's papers housed at Cambridge University Library as well as on printed matter, we show that some critics correctly understood two aspects of Shackle's theory which are of the utmost importance in our view: the non-additive character of the theory and the possibility of interpreting Shackle's ascendancy functions as a specific distortion of the weighting function of the decision maker. It is argued that Shackle neither completely understood criticisms nor appropriately developed suggestions put forward by scholars like Ward Edwards, R. D. A. Egerton and Nicholas Georgescu-Roegen. Had he succeeded in doing so, we contend, his theory might have been a more satisfactory alternative to Savage's theory than it actually was.