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## › Happiness by Maximisation?

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When having to decide what action to take, most people want to achieve the best outcome possible. A merely good outcome seems to be less attractive, let alone a bad outcome. But what is ‘the best’? Obviously it is something that has to be characterised qualitatively: in terms of pleasure or altruism, for example. But in order to be ‘the best’ it is seemingly not sufficient to do what is pleasurable or altruistic if we are in a position to do something which is *more* pleasurable or *more* altruistic. This introduces a quantitative dimension. More of something good is better than less of it. Money is a fine example, but not the only one. If one has the choice, it would be preposterous to prefer poorer to better health, less beauty to more, a shorter life to a longer one, less justice to more. What could be wrong with that? – Nevertheless, it will be argued in this chapter that a general tendency to maximising the outcomes of one’s actions is not conducive to one’s happiness and, therefore, not rational. Furthermore, some of the reasons why this is the case will be considered.

### I. Two Distinctions

It is a popularly held belief that human action is always aimed at the realisation of a maximum. Let us call this the ‘maximisation assumption’. It pertains to a descriptive assertion: an assertion about a factual tendency found in human beings and their actions. This assumption reared its head, for example, when the international financial crisis set in motion in August 2007 was

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attributed to human 'greed': to the desire for more and more and more, in particular more and more and more money. Whether or not this 'greed' is an ineliminable part of human nature or the product of specific social conditions, such as capitalism, is a matter of some controversy, however. – Whereas in everyday use the maximisation theory is often cited with regret and critical intention, in large parts of the scientific community it is viewed as a neutral description of just the way human beings are. In some areas of psychology, biology and especially economics, it assumes a quasi-axiomatic status in explaining and predicting human action. *All* human action.

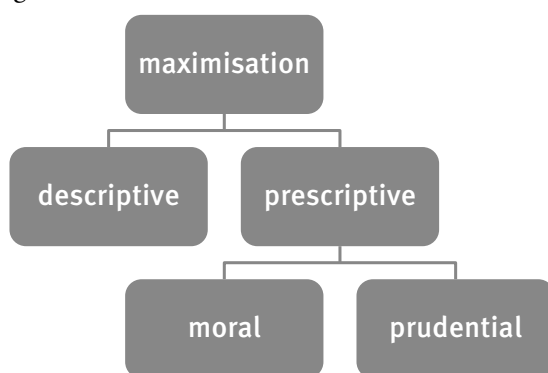
This maximisation assumption needs to be distinguished from the 'maximisation *principle*': the requirement that human action *ought* to aim at the realisation of a maximum. We occasionally come across this prescriptive assertion in an everyday context, but more frequently in the economic sciences and in decision theory, where it is deemed a principle of rationality. According to Gary Becker, for example, "everyone more or less agrees that rational behavior simply implies consistent maximization of a well-ordered function, such as a utility or profit function." (1976: 153) Accordingly, 'acting rationally' means nothing other than: always choosing from the available options the one course of action which, when realised, will be linked to the greatest possible utility. Some philosophers have also appropriated this interpretation of rationality, as illustrated by the following passage from David Gauthier's book *Morals by Agreement*, in which he summarises the standard position of decision theory: "Practical rationality in the most general sense is identified with maximization. Problems of rational choice are thus of a well-known mathematical type; one seeks to maximize some quantity subject to some constraint. The quantity to be maximized must be associated with preference; but the theory of rational choice defines a precise measure of preference, *utility*, and identifies rationality with the maximization of utility. Utility is thus ascribed to states of affairs considered as objects of preference relations. The constraint under which utility is to be maximized is set by the possibilities of action. The rational actor maximizes her utility in choosing from a finite set of actions, which take as possible outcomes the members of a finite set of states of affairs." (1986: 22) I shall return to some of the points mentioned here later on.

If we now examine this maximisation principle (MP) more closely and ask *whose* utility is to be maximised, a second distinction results. On the one hand (based on an objective concept of rationality), the principle can be interpreted as demanding that agents maximise the *universal* utility. This is a demand advocated by several moral philosophers, in particular the utilitarians. According to John Stuart Mill, the norm of utilitarianism "is not the agent's own greatest happiness, but the greatest amount of happiness altogether". (1969: 213) For utilitarians, MP possesses not only the status of a principle of rationality, but also that of a moral principle. Here the rational and the moral coincide. For each and every agent, MP amounts to a moral obligation to maximise the utility of *all* those affected by a course of action. For example, parents then have an obligation to ensure that their (future) children have a chance of enjoying the best life possible. "If couples (or single reproducers) have decided to have a child, and selection is possible, then they have a significant moral reason to select the child, of the possible children they could have, whose life can be expected, in the light of the relevant available information, to go best or at least not worse than any of the others." (Savulescu/ Kahane 2009: 274) This explicitly includes application of the diagnostic and therapeutic options provided by gene technology in order to guarantee the best possible genetic make-up of (future) children.

On the other hand (based on a subjective concept of rationality) MP can also be interpreted as demanding that agents maximise their *own* utility. According to this view, it is not rationality and morality which coincide, but rationality and prudence; and MP is comprehended not as a

moral principle, but as a prudential principle which governs actions or decisions. The hegemonic influence it currently possesses was acquired after it was adopted by the economic sciences in the 19<sup>th</sup> century and then formally developed in the book *Theory of Games and Economic Behavior* by John von Neumann and Oscar Morgenstern in the 20<sup>th</sup> century. In agreement with the economic tradition of the time, the authors took it as given “that the consumer desires to obtain a maximum of utility or satisfaction and the entrepreneur a maximum of profits”. From this (empirical?) supposition they proceeded directly to the normative ascertainment: “The individual who attempts to obtain these respective maxima is said to act ‘rationally.’” (1953: 8–9) In the decades which followed, the principle was increasingly viewed as a *general* principle of rational action, beyond the field of economics, and then codified within the framework of decision theory. (Luce/Raiffa 1957: 12–38) Although it soon became clear that it was based, in its formally elaborated, axiomatised form, on unrealistic prerequisites, it is still taken as a “gold standard” (Klein 2001: 104) for the rationality of decisions taken by all types of agents in all areas of life.

Diagram of the two distinctions:



## II. Prudence and Happiness

We commonly say of an action that it is ‘prudent’ if it promotes the happiness of the agent. Viewed as a general principle of practical rationality, MP (in its prudential variant) states: a person wishing to be, to remain or to become happy must maximise. Or: the more we succeed in extracting the maximum from every situation, the happier we will be. – This idea has been around for a very long time. It can be found in various Platonic dialogues, for example, where it is ascribed to the sophists. Let us take a look at the following plea: “The man who is to live rightly should let his appetites grow as large as possible and not restrain (kolazein) them, and when these are as large as possible, he must have the power to serve them, because of his bravery and wisdom, and to fill them with whatever he has an appetite for at any time... luxury, intemperance (akolasia), and freedom, if it is well supplied, this is virtue and happiness.” (*Gorgias* 491e-492d) Plato’s dislike of the sophists is very apparent in this formulation, and he attempts to discredit them by linking them to MP. They are meant to appear as blind hedonists and inconsiderate egoists who strive for maximum happiness of their own, even if this harms others in the process. Whether or not the sophists really did advocate such a principle historically, and how we should interpret Plato’s representation of them, cannot be explored here; suffice it to say that, for Plato, the principle represents (albeit misguided) instructions for happiness. And it is often still seen that way today.

I shall concentrate in the following on this prudential variant of MP. I shall therefore *not* be addressing the issue of whether or not human beings really are maximisers, or of how successfully human action can be explained or predicted using the maximisation assumption. Nor shall I be taking a closer look at the moral variant of MP. I should merely like to make a passing reference to the ‘excessive demands’ objection often raised in conjunction with utilitarianism. For utilitarians it is not enough simply to do good; rather, with each action one has to strive for the best possible result. According to the utilitarian view, a person who strives only for good, and not for the best, is acting not only irrationally, but also immorally. ‘Harmless’, i. e. morally neutral actions no longer exist; agents are obliged to perform at the highest moral level at all times. The extent of this obligation becomes particularly clear when we realise that it is the best possible result *for everyone* which is being demanded. Agents are thus required to demonstrate an impartiality which excludes not only a precedence for satisfying their own interests, but also excludes a precedence for privileging other persons close to them. Instead of financing the education of their own children, for example, parents with utilitarian motives would therefore have to finance the education of their neighbours’ children if this would (probably) lead to greater overall utility. The objection that such demands are excessive has of course prompted a response from the utilitarians (or consequentialists), who have developed proposals for how such problems can be solved within their theoretical framework. (Mulgan 2001: 127–44; Jamieson and Elliot 2009) There is no room to discuss these proposals here.

What should have become clear by now is that the relationship between the moral and prudential variants of MP is a tense one. Although universal well-being and one’s own well-being are not always irreconcilable, this is uncomfortably often the case. And when it is so, a decision about the ranking of the two variants has to be made: does universal happiness weigh more than the happiness of the agent? In the past, this tension has often constituted the main objection to the prudential variant of MP, the latter prescribing that immoral action be taken (at least occasionally) if this should prove necessary for our own personal happiness. Of course this is a legitimate objection; and yet its impact is limited. We could, after all, easily imagine a variant of MP which links maximisation to a condition, along the lines of: ‘Maximise your utility, but only within the limitations of that which is morally permissible!’ Such a variant would circumnavigate the objection of potential immorality, and we would be forced to conclude that, under this condition, maximisation was rationally required.

A far stronger objection to MP would emerge if it were possible to demonstrate that this principle is not only morally, but also *prudentially* counterproductive, in other words that maximising behaviour (independently of potential infringements of moral norms) is *not* conducive to the happiness of the agent. This objection also dates back to Plato, who attempted to justify it in detail in his *Republic*. Whereas Plato put forward some very presumptive metaphysical arguments, the foundations for this objection in more recent empirical research are very different. Together with a number of colleagues, Barry Schwartz developed a catalogue of questions enabling test persons to be classified as “maximisers” or “satisficers”. The behaviours and psychological conditions of the members of both groups were then investigated in several subsequent interviews and experiments. They revealed that “maximisers” have a significantly lower level of satisfaction, as well as a lower level of self-esteem, and that they are less happy and less optimistic. “Maximisers” regret their own decisions far more than the members of the other group and have a significantly higher tendency towards depression. In the study, extreme “maximisers” achieved almost clinical levels of depression. (Schwartz et al. 2002; Schwartz 2004) It is worthy of note that “maximisers” achieve significantly higher incomes in their careers and yet are less content with their professional situations. (Iyengar et al. 2006) Even though they

achieve *objectively* better results through their decisional behaviour, their results are therefore *subjectively* worse.

It is not immediately apparent what this finding means. Firstly, it is of course possible that the empirical evidence is not correct. For example, authors of a later study were unable to confirm the negative results of the maximisers: “Our findings suggest that maximizers may not be so unhappy after all.” (Diab et. al. 2008: 364) What is true, however, is that in this later study the maximisers also appeared not to be any happier than the non-maximisers, even though they supposedly should be. In addition, the later investigation also came to the conclusion that “maximisers” tend far more to regret their decisions later on than non-maximisers do; and no one could claim that regret is conducive to happiness. Other studies (Parker et al. 2007; Chowdhury et al. 2009) have confirmed the findings of Schwartz et al. Overall, it seems safe to conclude that these findings are not fundamentally wrong.

A second objection could be based on the fact that MP is a *principle*, whereas the findings of Schwartz et al. refer to a *decisional disposition* or *factual decisional style* (or more precisely: to persons who attribute themselves with having this decisional style). The principle dictates a prescriptive and universal rule which can be applied in practice more or less well. It establishes an ideal which is seldom achieved in real conditions. If a principle is applied suboptimally, then the principle cannot be held responsible for suboptimal results. – This objection draws attention to an important difference: a principle is one thing; whereas a mental disposition, a decisional style, not to mention the actual decisions reached on the basis of the principle, are all quite another. And yet however much this difference may be justified conceptually, in the contexts of interest to us here its reach is limited. For (a) one will hardly be able to doubt the existence of correlations between the two sides of the difference. MP may be viewed as the ‘rational reconstruction’ of a maximising decisional style; or a factual decision may be viewed as a (more or less good) application of MP. And (b) the difference cited exists for *all* principles. It is probable that, in practice, principles of action are always applied suboptimally. Since this will also be true of the principles applied by the non-maximisers, the empirically ascertained relative differences between the two decisional styles cannot automatically be attributed to this factor.

With all due caution, these findings may thus be evaluated as indication that a decisional style aimed at maximisation is not conducive to happiness, and that in terms of happiness MP is thus counterproductive. That at least is the hypothesis upon which I shall be basing the following deliberations. – But then what could this counterproductivity be ascribed to? Three possibilities require consideration.

1. *The concept of utility.* For reasons which cannot be gone into here, MP is based on a subjectivistic concept of value or utility, according to which ‘valuable’ or ‘useful’ are what the individuals in question *deem* to be valuable or useful; and it is based on an instrumentalistic concept of rationality, according to which ‘rational’ denotes the adequate choice of means to given ends, but with the ends themselves being beyond discussion. (cf. Gauthier 1986: 25f) Apart from the fact that both prerequisites are philosophically substantive and contested, it could be that the reason behind the counterproductive effects of maximisation is that the wrong things are being maximised. Empirical findings exist which point in this direction. (for an overview cf. Haybron 2008: 225–51) Then the problem would no longer be maximisation itself, but the maximised goals.
2. *Summation.* MP prescribes maximisation in discrete situations. If we now perceive ‘happiness’ not merely as a state following on directly from a single decision, but as a temporally more or less prolonged state, ideally over an entire lifetime, then ensuring the rationality

of a decision in a discrete situation is no longer sufficient. Far more, we have to view sequences of decisions, ultimately the entire sequence of all decisions made in one lifetime. The conventional approach states that lifetime happiness is compiled from the sum of discrete experiences of happiness (brought about by individual rational decisions). A person who maximises successfully in each discrete decisional situation will accordingly achieve the maximum happiness over his or her entire lifetime. Now this summation theory could conceivably be wrong; a decision-maker could maximise successfully in each individual situation and still not be happy or maximally happy. If this possibility cannot be ruled out, then MP cannot form the core of a comprehensive theory of practical rationality. Since MP does not provide a criterion for sequences of decisions, it contributes nothing to ensuring the sustainability of happiness.

3. *Maximisation itself.* Finally, the possibility also exists that there is something wrong with maximisation itself with regard to discrete decisions; that consistently maximising behaviour is in itself counterproductive in terms of happiness. – I shall not pursue the first two possibilities any further in the following, concentrating instead exclusively on this third idea. I shall attempt to make plausible that MP (even in its less idealised interpretations) is problematic *as such*; or at least when viewed as a general principle of practical rationality.

### III. Tendential Endlessness

If we question more closely what MP demands, we encounter a situation which is not particularly clear. In contrast to what might be expected in the light of the formal elaborateness of the literature on decision theory and economics, no uniform use of the term ‘maximisation’ or related terms such as ‘optimisation’ exists. (cf. Klein 2002) According to a proposal repeatedly put forward by Amartya Sen, the maximisation postulate merely requires that, out of the options open to them, decision-makers choose none for which a better option is known to them by comparison. (1997: 746, 763ff and 2000: 483, 486ff) This proposal might be uncontroversial, but it is also not very helpful. For the idea that, out of a sum of given and knowable options, one should not choose one which is worse than another known and chooseable option follows automatically from the conventional definition of the expression ‘good’, stating nothing other than that the thing thus denoted is ‘preferable *ceteris paribus*’. A person who has understood what the expressions ‘good’ and ‘better’ mean therefore has to accept Sen’s definition. This is (put kindly) analytically true or (less kindly) trivial.

In place of a definition, I shall start from an intuitively plausible example of the rationality of maximising *behaviour* and describe the difficulties which the maximiser encounters in pursuing it. I shall thus analyse the maximising decisional style and its consequences for happiness, and in so doing will view MP as an incitement to adopt this style in practice. Relativising the conceptual difference between a principle and its application in this manner seems to be legitimate in this context because a connection is to be established between the empirical findings mentioned briefly above and the ‘logic’ of MP. It should become plausible why application of MP is not conducive to happiness. – Since in the relevant literature houses are often sold, I too shall discuss an example from the province of real estate. To this end, let us imagine that Mary would like to sell her house. She has had three offers: the first for €100,000, the second for €110,000 and the third for €120,000. Which offer should she accept? The obvious and intuitive answer would be that Mary should accept the third offer. It would be irrational to sell the house for €100,000 if she can get more. But *why* is that so?

There are several possible answers to this (rarely asked) question, but I would like to restrict myself to just one. It has two components. (i) The first component states: if something is good (has a 'utility'), then it would be unreasonable to wish to achieve less of it than is possible. Put another way: *if* *g* represents a good (utility, value, etc.); and *if* an agent can realise different quanta of *g* through different possible actions; *then* it is rationally required to choose the option which realises the largest possible quantum of *g*. This deliberation seems to give a strong justification for MP. It tells us why Mary ought to *maximise* the sale price; but not why she ought to maximise *the sale price*. (ii) To answer this latter question, we have to examine Mary's preferences. *If* it is important to Mary to earn as much money by selling her house as possible, *then* she should accept the highest offer. Another scenario is also conceivable, however, in which the most important factor for Mary is her garden, her pride and joy, and that it will be taken care of properly once the house is no longer hers. It would then be rational to sell to the person who can provide her with the maximum guarantee of this happening; to sell to a passionate gardener. Maximisation takes place in both scenarios: in the one case with regard to price, in the other with regard to the commitment of the buyer to gardening.

Here we can see how the preferences of the agent determine the utility to be achieved; once that has occurred, it is then rationally required to maximise this utility. But we can also see how this simple example involves several prerequisites. *One* of these is that decision-makers can only maximise sensibly if they have a clear idea about their utility; and for this, in turn, they need to have a clear idea about their preferences. In standard decision theory, this prerequisite has been defined very precisely: accordingly, 'utility' results from a complete and transitive ordering of all preferences. In Mary's case, for example, it is assumed that as high a sale price as possible is more important to her than any other parameter (including whether or not the buyer enjoys gardening). Another prerequisite is that this order of preference does not change. Although it is obvious that one needs to have a sufficiently exact idea of what one wants in order to act successfully and maximise the success of one's actions, these prerequisites are patently excessive. Empirical evidence has confirmed that human beings possess such an order of preference only in exceptional cases, if at all. Under realistic conditions, therefore, a key prerequisite of the maximisation principle remains unfulfilled.

In the following I should like to examine another prerequisite in more detail. Mary has precisely three options (= offers on her house) and they are known to her. The intuitive plausibility of this example is obviously based on this prerequisite: *if* Mary more than anything wishes to achieve a high sale price; and *if* the three cited offers are available to her; *then* it is rationally required to choose the third one. – And yet this conclusion is only compelling if the second prerequisite is fulfilled: in other words if exactly these three offers have been made to Mary and are known to her. Of course, we could also imagine a different number of offers with different sale prices; but in each case Mary can still only reach a maximising decision if a particular number of offers is *available* to her and *known* to her. In standard decision theory, this condition has repeatedly been underlined. We recall that Gauthier (1986: 22) formulated: "The rational actor maximizes her utility in choosing from a finite set of actions, which take as possible outcomes the members of a finite set of states of affair." The decisional situation is thus presumed to be 'closed'.

Here the problems begin. The first becomes clear if we consider that usually when selling a house it is possible to wait, beyond the offers available at a certain moment, for other offers to come in, or to become active and seek other offers. One can, for example, put an announcement in the newspaper, advertise one's house on relevant websites or commission a real estate agent to find a further potential buyer who might be interested in offering €130,000 for the



house. It should be clear that in very many situations, albeit not in all, the possibility of increasing one's options exists; and that this is probably even standard. Human beings are active creatures, not only in the sense of choosing actively from among given options, but also in the sense of seeking to change their options to their own advantage.

But if the options are no longer fixed and can instead be increased, Mary no longer has a reason to accept the highest of the three offers. And even if by waiting or actively seeking she found somebody willing to offer €130,000, the game would still not be over because, by waiting or seeking again, she might be able to find a buyer willing to offer €140,000 or €150,000, and so on... The problem is therefore that it would be irrational for Mary to accept *any* offer. In principle, the sale price of her house knows no limits: there *is no* highest price. – If we view the problem from Mary's epistemic perspective, it becomes even clearer that in striving to achieve the maximum she can *never* come to a decision. Even if a maximum were to exist, she could never *know* that for sure. Therefore, even if nobody *will* ever de facto offer her more than €130,000, she cannot know this for sure and can therefore always hold out in the hope of achieving €140,000. Consequently: in contrast to the decisions of choice involved in 'closed' situations, maximisation becomes *fundamentally impossible* as soon as the possibility of increasing one's options comes into play.

Looked at more systematically, Mary is confronted with not one, but two decisions:

- D<sub>1</sub> She has to choose one of the three cited options. The object of this decision is the prices offered by the three potential buyers.
- D<sub>2</sub> At the same time she has to decide between choosing one of these three options or waiting/seeking additional offers. The object of this decision is the number of options available.

Taking the two situations together, D<sub>2</sub> logically has to come first. Mary could not decide D<sub>1</sub> without eo ipso co-deciding D<sub>2</sub>; this is not true in reverse. But when she (inevitably) makes her D<sub>2</sub> decision, a maximising Mary has to apply MP as a universally valid decisional principle. She is therefore rationally obliged to increase her options by waiting or seeking. Limitation to a fixed number of options is therefore not only unrealistic and artificial, but also directly contrary to MP. – It therefore seems as if the rational decision-maker is forced to increase his options in a process which can never end; that he is sent on a path which cannot lead to a destination and is therefore endless.

Although this problem does not seem to occur in 'closed' decisional situations, a closer observation reveals that here, too, the decision-maker is led along a path which is endless. This brings us to a second problem. We conclude that the options of choice (whether there be a finite number or not) must be *known*. To the extent that this demand refers to the mere existence of options, it is trivial; of course one can only choose between options which one knows to exist. And yet the options also have to be 'known' in a more sophisticated sense: one has to be able to estimate the (expected) utility connected with choosing them. In Mary's case this is very easy: she knows that the utility increases with the increase in sale price and therefore has no problem in identifying the offer with the greatest utility for her. – But the situation is more difficult if Mary is primarily concerned not with the sale price, but with the future of her garden. She then has to find out how committed each potential buyer is to gardening. Since the relevant knowledge is useful to her, Mary will have to maximise it. It will hardly suffice to ask each buyer how passionate he or she is about gardening; instead she will have to research their horticultural interests and botanical experience with care. Even if she has only three potential

buyers, this may involve a considerable amount of time and/or money: she will take a look at the buyers' present gardens or maybe engage a private detective to investigate for her. The more comprehensive, more precise and more reliable this information needs to be, the more effort will be required; it has the same tendency towards endlessness as the efforts to increase one's options.

If we now make ourselves aware of the fact that this problem of acquiring information occurs in nearly all realistic decisional situations (the exception being a decision between different prices for exactly the same good), then it becomes clear that in a practical and relevant respect the difference between 'closed' and 'open' decisional situations is more one of graduation than of principle. In 'closed' situations maximisers might not need to bother with increasing their options; but they are still rationally obliged to maximise the information available about each option.

These theoretical deliberations correspond to the behaviour of 'maximisers' as ascertained empirically. Several studies have found evidence of a widespread tendency in 'maximisers' to increase their options and to identify from the known options the 'best possible one'. Compared to non-maximisers, the consequences of this tendency are significantly greater decisional stress and a significantly reduced satisfaction with decisions reached. (Iyengar et al. 2006; Chowdhury et al. 2009) Further confirmation of these findings would explain, at least in part, why maximising is not conducive to happiness.

#### **IV. External Constraints**

Friends of maximisation will not be particularly impressed by this result and will attribute it to a misunderstanding. The consideration outlined above first implies the idea of an 'absolute' maximum and then predictably arrives at the insight that there can be no such thing. This is especially true of sale prices, of course. *Every* price can be numerically topped by another one; in absolute terms there can therefore be no highest price. And yet, within the context of the maximisation principle, it is not an absolute maximum which is meant. In standard decision theory, a finite number of given and known options is presupposed, from which the decision-maker then has to make his choice. It should now be clear why this supposition is necessary: from a fixed set of options there can be a maximum, which can then also be identified and chosen. In our example, Mary has precisely three options, of which one is the highest, and MP stipulates that this is the one to be chosen. MP is therefore aimed not at an absolute, but at a 'relative' maximum: relative to a set of given and known options.

We have seen, however, that such a limitation to given and known options is artificial; even that it is in contradiction to the 'spirit' of MP. An agent who is rational in the MP sense will be concerned with increasing the number of available options. And friends of maximisation will further argue that, in so doing, the decision-maker is *not* going off down an endless path. For we have not yet taken into account the fact that each instance of maximisation takes place under empirical conditions. Of course Mary can *hope* to find somebody through waiting or seeking who is prepared to offer €130,000 (or more) for her house. And yet, for all her hoping, she should not ignore actual market conditions. It could be the case that in the light of the actual housing market Mary's hope is phantasmal, that €120,000 already represents an extraordinarily good offer for her house and that she would therefore be well advised to take it and be content. Even though numerically there is an infinite number of prices higher than this sum, €120,000 could be the highest sum which will *really* be offered. Mary therefore has to reckon with this sum representing the real maximum.

The obvious counter-argument that the housing market can also change, that a higher price at a later moment in time cannot be ruled out, does not get us very far. For it is probable that Mary has not just *one* preference (a high sale price), but others besides. This has already been made clear in the abovementioned call for an order of preference, in which the various preferences are viewed systematically. In particular, all human decision-making and actions take place within a limited time. Life is finite and Mary will not want or be able to wait until she achieves the maximum price *sub specie aeternitatis*; instead she will accept the highest offer made to her within a period of time she herself will determine. Generally speaking: even if it is right at the top of an order of preference, maximisation of a single preference will always be limited by other preferences.

In the real world, every instance of maximisation occurs under certain constraints, of which we have addressed two types: (i) external factual conditions imposed (economically speaking) by the market and (ii) internal factors which arise from the multitude of preferences held by all agents. Additional constraints can also be cited which do not require further discussion here: moral norms, for example. – Even if MP sets decision-makers abstractly onto a path of endless progression, in actual fact they are subject to various types of constraint which will counteract the endlessness of this progression. Under real life conditions, maxima do not extend sky-high.

The technical expression for maximising under limited conditions is ‘optimising’. Mary, for example, has to determine a period of time within which she will decide to take the maximum offer available to her by then. If we now assume that this period of time can be chosen freely (within certain limits), then by lengthening or shortening it she can influence the probable level of the achievable sale price. The optimisation process therefore has (at least) two adjustable screws: Mary can try for a higher price but maybe have to wait longer; or she can sell fast but maybe not get such a good price. Striving for a maximum sale price is thus countered by a time preference. – At a ‘technical’ level the problem of endlessness has thus disappeared. MP is no longer directing decision-makers down a path which will never end.

But what impact does application of MP have from the perspective of the agents or decision-makers? Consistent efforts to apply this principle will place them in an ambivalent situation. On the one hand, the principle makes high demands on them. It requires the greatest possible clarity with regard to their own preferences; a perfect overview of all the available options, including the utility (presumably) linked to each one; as well as an error-free calculation of that utility. It may be possible to characterise this as an ideal which – although unattainable – indicates the direction of searching and striving.. Then the function of MP would consist in a reminder not to slack in one’s efforts to reach the best decisions possible and always at least to strive for the maximum. The reward which MP promises for this effort is correspondingly high. Agents following this principle are guaranteed that they will always achieve the best possible result and lead the best possible life. (‘Best possible’ not in an absolute sense, but in the relative sense explained above.) The expectations harboured by decision-makers on appropriating MP and attempting to apply it are no doubt correspondingly high.

In contrast to this is the experience of decision-makers in attempting to apply MP. Generally speaking, they are shown a path along which the only stopping point is one where progress is terminated. MP only foresees a clear stopping point in cases such as Mary’s where there is a finite number options, of which one is the highest. These cases are seldom, however, and not typical. With regard to the multitude of realistic decisional situations with which we are confronted, MP shows us a path which does not have an *internally* defined end. The point at which we stop all further searching and come to a decision is marked out by external and contingent constraints. Either it is the (in the most general sense of the word) market conditions

which lead Mary to sell her house at a particular price; or it is other preferences of her own which guide her. In this second case we are also concerned with external contingent factors to some extent: for although the limiting factors are also her own preferences, they are not ones she wishes to maximise. In relation to her desire to achieve as high a price as possible, her limited time budget is an external and contingent constraint.

The deciding and acting subject therefore *always* has to be content with a compromise which is enforced through the finite nature of life, through the limitation of resources or through pressure from another preference. Taking MP as a basis, the subject can therefore never reach a decision which, in strong terms, is *his or her own*; and with which he or she can therefore be wholeheartedly satisfied. This is not just a theoretical presumption, but is empirically reinforced by the findings outlined briefly above. Amongst other things, consistent efforts towards maximisation promote decisional stress and regret and are therefore counterproductive in terms of happiness.

## V. Summary and Conclusion

- (1) The deliberations in this chapter do not rule out the possibility that it may be rational in certain situations and under certain conditions to maximise. Mary's example could describe just such a situation. But situations of this type are the exception. A false assumption that they represent the rule is one of the reasons why MP is still persistently deemed to be a general principle of practical rationality.
- (2) In its formally elaborated, axiomatically polished form, MP is not universally applicable because it entails unrealistic preconditions, both with regard to the deciding subject and to the decisional situation. This has largely been recognised. But it is not sufficient to lower one's sights from the ideal simply in the interests of practicability. Even in its less idealised versions, MP prescribes a decisional behaviour which, on the one hand, promises decision-makers maximum results and yet, on the other, makes each decision reached seem like a compromise which has been imposed by contingent constraints.
- (3) These deliberations permit us to surmise that a consistently maximising decisional style is (a) incompatible with the personal autonomy of the agent, at least in a demanding sense of 'autonomy', and (b) is not actually conducive to the happiness of the agent. Empirical evidence exists to support this supposition.
- (4) If we assume the theory to be correct that a decisional style is only prudentially rational if it sustainably promotes the happiness of the agent, then the deliberations laid out here lead us to conclude that consistent maximisation is not rational.

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