

Rational Valuations

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ABSTRACT:

Valuations are ubiquitous. We may be for or against genetically modified food; we find some politicians irresponsible; we prefer Beethoven to rock 'n' roll or vice versa; some enjoy bird-watching while others find it boring; and we may think that we have to tighten up on green-house gas emissions. Valuing is pervasive and often we are not even aware that we are valuing. However, many of our valuations are ill grounded and rationally defective. They are frequently based on misinformation, sloppy thinking, prejudice, and are biased in many ways as psychological research shows. For this reason there is widespread agreement among phi-losophers that we need an account of substantive valuational rationality, both for the theory of practical reasoning and for ethics as well. My main object in this paper is to outline such an account and to present a principle that allows a non-technical rational criticism of valuations.

Key-words: Practical reasoning, practical rationality, rational valuation, rational desire, rational preference.

I

Since philosophers are divided over the problem of rational valuations, it may not go amiss to consider first briefly whether valuations can be appraised as rational or not rational. In our day-to-day life we certainly do regard valuations as reasonable or not. If someone wants to become a musician but possesses only little talent for music we would consider his plan as unreasonable, and a person's desire to be in two places at once would certainly be regarded as irrational.¹

Philosophers have traditionally distinguished between intrinsic and extrinsic valuations. There is broad agreement that *extrinsic* valuations are amenable to being rationally assessed. Even Hume conceded that a passion can be called unreasonable, 'when founded on a false supposition, or when it chooses means insufficient for the designed end ...' (1964, II.3.3); and Audi (2001) holds that an instrumental desire is rational 'only insofar as realizing it contrib-utes to satisfying one's intrinsic desires' (p. 77). There is, however, considerable disagreement among philosophers whether *intrinsic* valuations can be rational or irrational. The view that they are *not* was already expressed by Aristotle's famous dictum 'we deliberate not about ends, but means to ends' (NE 1112b); it was adopted by many modern authors, for instance, by Russell (1954, 8) who claimed that reason 'has nothing whatever to do with the choice of ends';² it has been held by instrumentalists in the theory of practical reasoning,³ and by many decision theorists.⁴ On the other hand, there are those who are convinced that intrinsic valuations are appraisable as rational or not rational. Among them are Brandt (1979), von Wright (1994), and Audi (2001) who holds that the least controversial examples of rational intrinsic desires concern one's own pleasure and pain (p. 71). As will be

apparent shortly, on my view both sides are right to a certain extent but not completely because some intrinsic valuations are rational or irrational while others are not.

Even if authors agree that valuing can be more or less rational, they may still be divided over how this rationality can be appraised. A few examples must suffice here to illustrate this. Nozick (1993) suggests some rationality principles, for instance that a person does not have desires that she knows are impossible to fulfill. But he admits that he took only ‘a few steps toward a theory of the substantive rationality of desires and goals’ (p. 140). Audi (2001) out-lines a ‘well-groundedness conception’ of justifying valuations where intrinsic desires are the basis of other desires which can be justified by them. Weirich (2004) presents a method of ‘intrinsic utility analysis’, which is intended to address the problem that decision theory defines rational preferences only by structural conditions such as transitivity and complete-ness. A more detailed theory was presented by Brandt (1979), which consists of an elaborated process of confronting desires with relevant and available information and the principles of inductive and deductive logic.⁵

This is not the place for a full-scale discussion of these accounts. But their variety shows the widely felt need for an account of valuational rationality. The view I put forward in this paper seems to me to combine most of the merits of previous explanations, but to avoid their difficulties.

II

As will be apparent shortly, for a theory of valuational rationality the fundamental distinction is not between intrinsic and extrinsic valuing but between *cognitive* and *noncognitive* valuations. Let me briefly explain this distinction.

We value many things for a certain reason. We may have a positive attitude towards exercise because we think it is healthy, and we may have an aversion to our drinking water if we have reasons for believing that it contains heavy metals. If a valuation is based on cognitive factors such as believing, thinking, reasoning, or memorizing, I call it *cognitive*. I wish to emphasize that cognitive valuations are those that are *in fact* based on cognitive factors, regardless of whether we are *aware* of their genesis or can *know* it. This characterization is admittedly rough, but this is not the place for a detailed discussion and I think that the notion of a cognitive valuation is sufficiently clear at an intuitive level. Besides, the examples which we shall be discussing will clarify it further.

It is a psychologically well-confirmed hypothesis that many of our valuations are formed on the basis of cognitive factors. Some think that our entire valuing is of this kind but this seems not to be tenable.⁶ There is, however, little doubt that we often value objects because we believe something about them. I would not regard running shoes as good if I did not think they are cushioned and durable; and we have reasons why we prefer one car to another. As I will argue below, cognitive

valuations can be rational or irrational, depending on the rational-ity of the factors they are based on.

However, not all valuations are cognitive. Sometimes we value a thing, but our valuation is not based on cognitive factors. If you burn your finger you will have an aversion to the pain you feel. But you do not dislike the pain because you believe something about it. This is not to say that there is no belief involved. You certainly believe that you have burnt your finger, but your disliking the pain is not *dependent* on this belief. I will call this kind of valuation *non-cognitive*.

You may regard noncognitive valuations a suspect notion and it certainly needs to be made more precise. Firstly, it must be distinguished from *pro tanto* valuations. We often value only this or that aspect of a thing and not the thing overall seen. Such *pro tanto* valuing, however, can be cognitive, noncognitive, or even a mixture of both, as can easily be seen when we consider, say, the valuation of the colour of a car. Noncognitive valuing is also different from *intrinsic* valuations. If I value a vase because of its shape (an intrinsic property) I value it intrinsically. But this valuation can be cognitive or noncognitive. It is cognitive if the vase is, for example, in a museum which I once visited. My valuing is then dependent on my belief that the vase has a certain shape. In other words, I value the vase because of one of its intrinsic properties and therefore intrinsically. But my valuing is nonetheless cognitive because it is depending on my belief that the vase has this property. I can, however, value the vase also noncognitively, for instance, if it stands right in front of me on the table and I perceive its attractive shape. The distinction between cognitive and noncognitive valuations is not based on *what* we value but on *how* we value. Noncognitive valuations are *direct* (often based on perceptions) while cognitive valuations are *indirect*, based on what we believe about some-thing that is valued or on other cognitive factors.

It seems that we often value things noncognitively. We dislike hunger, thirst, heat, and cold, but we do (normally) *not* do so for a reason. We disvalue them *noncognitively*. Some people prefer music in a minor key to major keys. Again, they do not do so for a reason. Some prefer red to blue, and many can't stand the smell of rotten eggs. Once more, their valuations are not based on something they believe about these colours or this smell. Brandt (1998) conjectured that the aversion of many people to snakes and spiders may be evolutionally determined, which would mean that it is not cognitively based; and the research of Moncrieff (1966) suggests that our liking and disliking of certain odours is not based on cognitive factors. It seems possible to distinguish between noncognitive valuations that are biologically determined (e.g. disvaluing pain, hunger, or thirst)⁷ and valuations that are acquired but without involvement of cognitive processes, for instance through instrumental or classical conditioning. Psychological research has accumulated ample evidence that supports this hypothesis.⁸ I wish to emphasize that I do not claim that the examples given here are clear and unambiguous cases of noncognitive valuations. I rather hold that it is a plausible hypothesis that we value these things often noncognitively. At any rate, whether we value in a given situation cognitively or noncognitively can only be determined by a careful psychological

analysis.

A further point needs to be made in this connection. Many valuations are *mixed*. They have a cognitive and a noncognitive component. I may dislike my drinking water because of its mouldy taste (i.e. noncognitively) but also because I believe it contains pathogenic microorganisms (i.e. cognitively); and our aversion against certain snakes will be partly due to our belief that they are poisonous.

Since my account makes the rationality of valuations dependent on the rationality of the factors they are based on, noncognitive valuations are *not* appraisable as rational or not rational because they are by definition not based on any cognitive factors. They are *non-rational*. My disliking the feel of a burn is in my view thus neither rational nor irrational, it is rather *nonrational*.

Let us consider a few examples to qualify and refine this point. Suppose that Anne likes listening to loud music. On my view, then, her enjoying the music is a valuation that is (pre-sumably) not based on cognitive factors and is therefore *noncognitive*. Contrary to how it may appear, this does not commit me to the view that indulging her passion for loud music cannot be rationally criticised. There is information available that frequent exposure to loud music impairs hearing and this fact tends to make her listening to loud music rationally defective, as will become apparent below. What cannot be rationally criticised is only her enjoying the loud music. But this enjoyment is only one kind of valuing and a rational overall valuation needs to include other valuations also. Another example should make this point clearer. Suppose you want to buy a car and you like its colour. Its metallic green is aesthetically just appealing to you. Your liking the colour is noncognitive (as we shall plausibly assume here) and it is therefore *nonrational*. This, however, does not mean that your valuation of the car is not criticisable. The car may be in a sorry state and too small for your purposes, and a rational valuation needs to include these *cognitive* valuations also.

I certainly do not mean to suggest that if we value a thing noncognitively our valuation is not open to rational criticism. On the contrary, I hold that normally there are further factors that need to be considered and if we ignore them our valuation becomes rationally defective. It should be clear by now that my view that noncognitive valuations are not rationally criticisable refers only to those valuations of a thing that are not based on cognitive factors, that is, usually, only to some components of a valuation.

III

After these preliminaries I can now state my principle of valuational rationality as follows:

S's valuation of x at time t is the more rational the more to S at t relevant information S has

taken into consideration – proportionally to the justifications of (i) this information, (ii) the relations between x and something S (dis)values, and (iii) these valuations themselves; and in accordance with the strengths of these relations and valuations.

The principle may look more complicated than it is. It consists of two main clauses. The first makes the degree of rationality dependent on the amount of relevant information and the second prescribes *how* this information should be used. I shall explain these clauses in turn, beginning with the first.

The rationality of cognitive valuations is based on *information* about the valued thing.⁹ If I think that the wristwatch I see in a shop is good, I certainly value it based on information that I have about it. (Instead of ‘information’ we could also use the term ‘fact’, but it suggests that our information must be true, which need not to be the case. As will be shown shortly, only justification is required.) However, not any information will do. In order to rationally evaluate a wristwatch, I do not need to know the diameter of a hydrogen atom. The information must be *relevant*. But what makes information relevant? Brandt (1979) explained relevance in terms of *causal* influence on our valuing. This was rightly criticised because not all factors that have an impact on our valuing need to be relevant and some information is relevant but does not influence the valuer (Postow, 1989). To avoid these shortcomings of a causal account of relevance, I define ‘relevant information’ as follows: Information is *relevant* to S ’s valuation of x at time t *iff* it allows S at t to relate x to something that he rationally or nonrationally (dis)values (or believes he *will* or *could* so (dis)value).

Let me explain this. The phrase ‘or nonrationally’ is required because information can relate a valued object to something that is noncognitively valued. For the sake of simplicity, however, my explanation will refer here to cognitive valuations only. The information that the wrist-watch is Swiss-made, is relevant to me if I can infer from it that the watch is precise and I rationally value precise watches. There are three main conditions of relevance implied in this simple example.

(i) It is possible for the valuer (under normal conditions) to relate the information to the object of a rational attitude. This can often only be done if the valuer collects additional information. That the watch is Swiss-made does not allow me to infer that it is exact. This is possible, however, if I gather the additional information that most Swiss-made watches are exact. Only the combination provides therefore relevant information.

(ii) The relation can be of different kinds: for example, causal, deductive, or inductive. I take ‘relate’ here in a broad sense that permits saying that a thing is related to its properties. If I learn that the watch is exact and I value exactness, then I relate the watch to one of its properties. I do not think that this stretches the notion of *relation* beyond its normal boundaries.¹⁰ Relating the valued object to something S values can require a complicated logical or mathematical procedure or it can be straightforward as it is in our example; and it can relate the valued object to more than

one thing. If a woman obtains the information that *in vitro* fertilisation possibly leads to multiple births, she may be able (depending on further information) to relate this to an increased risk of miscarriage, an increased risk of perinatal mortality, and an increase of economic and care burden on her family.

(iii) The information must relate the valued object to something which *S* rationally (dis)values or believes he *will* or *could* (dis)value.¹¹ This condition seems to me to draw the line between relevant and irrelevant information at the right place. Factors are *irrelevant* if they allow *S* to relate the valued object to something he values, but *S* has no reason for his attitude. That the wristwatch is Swiss-made is irrelevant, even if it allows *S* to infer from it that it is very precise if he values its precision irrationally (say, because he believes it makes him immortal). On the other hand, this condition renders information *relevant* if it allows *S* to relate the valued thing to something he is in fact indifferent to, but should not be so because there are reasons for him to (dis)value it. Assume that *S* is reliably told by his physician that his systolic blood pressure is 160mmHg and he can relate this to an increased risk of suffering from a stroke, but he happens to be indifferent to this fact. We should nonetheless say that this information is relevant to *S*, given that there is information available that allows him to relate his blood pressure to something he presumably disvalues (being seriously handicapped).

We do not need, however, to be *sure* that we have a rational attitude towards something that the valued object is related to. It is sufficient that we believe we *could* or *will* (dis)value it. That I *could* or *will* want one day a highly water-resistant wristwatch renders the information that the watch I see in the shop has this quality a relevant factor.

What information is relevant to a valuer? It seems to me that this cannot be specified because it depends on too many subjective factors, for instance, education, age, and even financial means to gather required information. That sunlight contains ultraviolet light is not relevant to many Bushmen in southern Africa because they cannot relate it to an increased risk of skin cancers. The most obvious relevant factors are usually those that have caused a valuation. But rationality requires normally going beyond these factors and gathering more information from standard sources such as experience, reason, memory, or introspection. This can sometimes be clear and straightforward, but it can also require a lengthy process of learning (e.g. principles of logic) and some factors may even be unconscious and only be available after psychoanalysis. I do not think there is need to labour this point. To make our valuations more rational, we must normally gather more information, but it is not possible to specify what information is relevant to a person as this depends on the specific situation of the valuer.

It is sometimes suggested that information must not only be relevant but *available* also.¹² I think, however, that this view is misguided. To illustrate, suppose that you are in the wilderness and have run out of water. Luckily, you find a water-hole and after tasting the water you decide it is

safe for drinking. Certainly, it is also relevant whether the water is contaminated with bacteria, but this information is not available to you. Nonetheless, it has an impact on the rationality of your valuation. The *lack* of this information makes your valuation less rational. On the other hand, the fact that you have found the water in the afternoon is available but *not* relevant information and therefore has no influence on the rationality of your valuation. This suggests that information must be relevant but need not be available.

Cognitive valuations are not either rational or irrational; they are rather more or less rational. Some may be rationally so defective that it is appropriate to call them irrational, but the distinction between rational and irrational is not clear-cut and where we draw the line is always to some extent arbitrary. According to the proposed principle, our valuing is, all other things being equal, the more rational the more relevant factors have been taken into consideration.¹³ One reason why many valuations do not stand up to rational criticism is that we have based them on too little information. We may be against globalisation even though we know only little about international economics, we may admire persons based on the little we know about them from the media, or we may buy products based on the scant information we have from advertisements. It is (partly) the lack of information that makes these valuations rationally defective. I do not hold, however, that there always exists further information that can make a valuation more rational. My view is rather that usually there *are* more facts obtainable and, if this is the case, a valuation becomes the more rational the more such factors have been considered.

Griffin (1986) holds that more information is not always better because ‘it might cripple me to know what someone thinks of me, and I might sensibly prefer to remain in ignorance’ (p. 13). I agree that it may be rational not to obtain this information, but this is not an objection to my view. We must distinguish between the rationality of collecting more information and the rationality of valuing something. The view I am defending is that my self-valuation may be less rational if I do not know what someone thinks of me, but I can at the same time consistently admit that knowing it may be detrimental to my well-being and that it may therefore be rational to remain in ignorance. It is not always rational to make our valuations more rational. This seems to be contradictory only if we confuse different questions. This can be made clearer when we consider the fact that gathering information is an act that can itself be more or less rational. My attitude towards jogging is more rational after reading all the available literature on it, but this does not mean that it was rational to spend so much time on reading all those books.

IV

Our valuations can be rationally defective despite our collecting relevant information about the object we value because we can use this information inadequately. In this section, I will explain

my view of *how* relevant information should be used to make our valuing more rational. According to the proposed principle, we need justifications for (i) the information, (ii) the relations between the valued object and something we value, and (iii) for these valuations themselves. In addition, our valuations need to be in accordance with the strengths of (iv) these relations and (v) the valuations. Let me take these conditions in turn.

(i) Saying that we must justify relevant information is not exact; what we need to justify are our beliefs that the information is correct. This seems to me an obvious requirement of valuational rationality. My valuing a wristwatch on the ground that I believe it is shockproof is *ceteris paribus* more rational if I have a good reason for this belief. Many of our valuations are rationally defective because they are based on beliefs that are insufficiently supported. Some base their aversion against abortion on the belief that blastocysts are already human beings with a soul while others support abortion on the ground that fetuses are not more than human tissue. Both valuations would be more rational if their proponents had adequate reasons for their views.

(ii) Roughly speaking, information is relevant if the valuer believes that it relates the valued object to something he (dis)values. Rational valuation requires that the valuer has a justification for this purported relation. To keep things as simple as possible, let us consider a straightforward example. From my information that Swiss-made watches are exact and that this watch is Swiss-made, it follows that it is exact and I value the watch *in virtue* of its precision. However, that the information implies that the watch is exact does not render my valuation more rational if I do not have a reason to believe that this entailment relation holds. It is not rational to believe the conclusion of a valid argument if one has no reason that it *is* valid. Emphasizing this may seem pedantic but it is an important condition of valuational rationality that is all too easily overlooked. In the theory of practical rationality, for instance, it is hardly ever mentioned.

(iii) Now suppose I have a justified belief that a watch is Swiss-made, that such watches are exact and, in addition, that I can justify that it follows from this that the watch is exact (which I value). My valuation is nevertheless rationally defective if I value exactness irrationally. Suppose I value exactness only because I believe possessing such a watch makes its owner immortal. Since there is no reason for this belief, my valuing exactness is irrational and this irrationality, in turn, makes my valuing the watch rationally defective. Of course, the example is bizarre. Normally, we have some reasons for our cognitive valuations. The rationality is then proportional to the quality of these reasons (as I shall outline below).

At this juncture, I need to point out another implication of my account. As the example above suggests, justifications of valuations can be *iterative*. Suppose I value the watch because of its purported exactness. As previously said, the rationality of this valuation depends then partly on the reasonableness of my valuing exactness. Now suppose I value exact watches because I believe I would be more often punctual if I had such a watch. I need to justify now my valuing punctuality, and so on. I do not think, however, that we can ever reach valuations that are not in need of being

rationally criticized but can provide justification for other valuations that rest on them. That is, I do not embrace valuational foundationalism. I rather tend to adapt Karl Popper's (1968) view about science to our valuing, holding that it does not rest upon solid bedrock. The justifications for our valuing seem to me like 'piles driven down from above into the swamp, but not down to any natural or "given" base; and if we stop driving the piles deeper, it is not because we have reached firm ground. We simply stop when we are satisfied that the piles are firm enough to carry the structure, at least for the time being' (p. 111). Obviously, this is a complex problem and I won't try to settle this question here.

(iv) Now suppose you can choose between rolling a red or a blue dice. If you choose the red one, you win if you roll a six; in case you opt for the blue one, you win if you roll an even number. All other things being equal and assuming that you want to win, you should prefer rolling the blue dice because the probability of winning is higher. This simple example suggests that the *strength* of the relation is another relevant factor for valuational rationality. As I have already mentioned, the relation between a valued object and something *S* (dis)values admits of varying degrees of strength and weakness. Sometimes it is deductive but often it is much weaker. On my view, information counts, *ceteris paribus*, for the rationality of our valuing according to the strength of this relation. It should be noted that the justification of the relation and its strength are factors that are independent of each other. We can, for instance, have a good justification that a weak relation holds or bad reasons for the belief in a strong relation. In the example given, you will have an equally good justification about how likely you are going to win. What makes the difference is the *strength* of the relation.

(v) We value things more or less, and how much we desire them is another factor that is relevant to the rationality of our valuations. To illustrate, suppose you want to buy a shirt. You find an attractive one, and since it is on sale in yellow or green, you have to choose. You prefer the yellow one, which means that you value it *more* than the green one. All other things being equal, you should therefore take the yellow shirt. The reason for this is simply that you value it *more* than the other one.

The *ceteris paribus* clause is, of course, important as an example given by Griffin (1986) shows: 'If my doctor tells me that I shall die if I do not lay off drink, I shall want to lay off it. But I may later crack and go on a binge, and at that point my desire to drink will, in a perfectly clear sense, be strongest' (p. 15). Clearly, the strong desire to drink does not make it rational to go on a binge because there is plenty of information available which, if appropriately taken into consideration, shows the rational defectiveness of bingeing.

V

According to the proposed principle, the factors discussed in the previous section must be

taken into consideration proportionally to the degrees of their justifications and in accordance with their strengths. This is our next topic and there are three points I wish to make in this connexion, referring for the sake of brevity only to the justifications. (However, the comments apply, upon changing what needs to be changed, to the strengths of the relations and valuations also.)

(i) I can have the required justifications, but nevertheless value something irrationally because my valuing is not *based* on these factors. That I have justified information does not mean that I use it. Gathering information and justifying it is pointless if we do not base our valuations on them. The phrase ‘*S* has taken into consideration’ (see the principle) is meant to exclude this possibility. When we take something into consideration, we *base* our valuing on it.

(ii) Justifications admit of degrees. As I see it, all other things being equal, information, relations, and valuations make an attitude the more rational the better justified they are. If we take these components separately, this seems to me quite obvious. For instance, if someone has no reason for believing that a certain information is true, this information does not contribute to the rationality of his valuation at all; if its justification is weak, its contribution is weak as well; and the better justified it is, the more rational it makes the valuation. It is not clear, however, how we should *combine* these factors. It seems to me that if there is no reason for at least one of them, information becomes rationally worthless. Let me illustrate this by an example already given. If I have a justified belief that a watch is Swiss-made, can justifiedly relate it to exactness, but value exactness irrationally (because I believe it makes me immortal), then the information itself becomes irrelevant (see the explanation of relevancy above). This may suggest that the factors should be combined by multiplication, but this is a complex issue and once more, I won’t try to settle it here.

(iii) We value things at a certain time. Regardless of when we value them, the proposed principle holds that information must be relevant at the same stretch of time as our valuing occurs. This restriction is necessary because if information becomes relevant only later, or was relevant but has ceased to be so, this does not render our present valuations less rational. If future research shows that a certain diet increases the risk of suffering from Alzheimer’s disease, this does not make my present desire to eat this food rationally defective; and if some information is now not relevant to me, but becomes so later when I have acquired the necessary skills to relate it to something I value, this also does not show that I am now valuing irrationally.

Sometimes we value things *now* that may happen *later*. Such now-for-then valuations may seem to be a special problem for an account of valuational rationality. Suppose that now I do not want to be kept alive if I am seriously handicapped, but later when the time comes I change my mind and want to live. Is my now-for-then valuation rational? My principle can be applied to such cases as well. The relevant information includes factors about what I likely *will* desire also; and since there is reliable information available that people do indeed change their minds in such situations, my present desire is at least to some extent rationally defective.

VI

To show that the principle presented in this paper can be used to criticise and correct valuations that are ill grounded and biased, I will apply it now to some further examples. Let us start with an intrinsic valuation because in the first section I have claimed that such valuations can be appraisable as rational or not rational.

(i) In short, we value something *intrinsically* if we value it *in virtue* of its intrinsic properties.¹⁴ I shan't be able here to discuss the elusive notion of intrinsic properties and how they differ from extrinsic properties, but I think I can rely on our intuitive grasp of this distinction.¹⁵ Suppose I appreciate Schubert's Impromptu opus 142 no.4 because of its *con delicatezza* passage (bars 131-184). This passage is part of the structure of this piece of music and is therefore one of its intrinsic properties. Since I value this piece in virtue of this passage, I value it intrinsically. My valuing, however, is based on my belief that this passage is part of this (and not another) Impromptu. It is therefore *cognitive*, and for this reason it can be more or less rational. Let us suppose that I heard this piece a long time ago. My belief that it is this Impromptu that contains the *con delicatezza* passage is then not very reliable and the justification for my belief is therefore weak, which, in turn, impairs the rationality of my valuing this piece. This is a simple example of an intrinsic valuation that can be rationally criticised. Compare this to my *noncognitive* disliking of the noise I am now exposed to. This aversion is not based on cognitive factors and is therefore neither rational nor irrational but rather *nonrational*.

(ii) Suppose you are tested positive for a terrible but very rare disease. In fact, only one person in ten thousand suffers from it. You know that if you have this disease, the only way to save your life is a risky operation. Since the test is very accurate (it is 99 percent right) you consider it likely that you have the disease and prefer risking the operation. Your valuation seems, however, to be flawed because it is likely to be based on what is called the base-rate fallacy. You have overestimated the low probability of suffering from this disease. Probability theory tells you that there is a less than 1 percent chance of suffering from this disease, despite the 99 percent accuracy of the test result. Psychological research shows that we are prone to this kind of mistake; and when we face situations like this, our valuations tend therefore to be rationally defective.¹⁶

How can my principle be used to avoid such flawed valuations? As noted, we are prone to this mistake because we estimate a much too high probability of suffering from this disease. In my terminology, we think there is a much stronger relation between the information (the test result) and something we disvalue (suffering from the disease) than there in fact is. Since we do not have good reasons for believing that this relation holds, my principle correctly points out one mistake. In addition, the principle tells us that we should have gathered more relevant information. If we are

not able to calculate the correct probability ourselves, we could have asked others or we could have studied some basic probability theory. I think the principle not only pinpoints the mistakes, it can guide us to avoid them also.

(iii) I am planning to buy a used car and at a local car dealer's I find a suitable one. The dealer charges me • 8000 and after some bargaining we agree on • 7000. I think this is a good deal, after all I pay • 1000 less than first charged. But my positive valuation of the deal is probably rationally defective because dealers tend to deliberately charge customers prices that are too high in order to shift their sense of a commodity's worth upward. This trick is called *anchoring*. Research shows that our estimations of the worth of something starts from an initial value and can then be adjusted. Our adjustments, however, are typically insufficient; they are biased towards the initial estimation. To return to our example, if my initial estimation of the car's worth had been shifted upward by anchoring me at a too high price, my adjustment started from this level and I found a price fair that I would have rejected otherwise. In short, I may have been fooled and thought erroneously that the car was a bargain at that price.

Applying the proposed principle could have helped me to make a better deal. For the sake of brevity, let us focus only on two problems of my valuation. Getting an expert mechanic to check the vehicle over, checking prices of comparable vehicles in a used car price guide, and asking a knowledgeable friend for advice would have given me a clearer picture about the car's worth and could have made me immune to the anchoring trick. In addition, the scant information I had was badly justified because its source was not trustworthy. Taking more information into account proportionally to their justification, as my principle suggests, would clearly have made my valuation more rational.

It should be clear by now that the problem of valational rationality is complex. It depends on a variety of factors, which may interact, and it is far from clear how they should be combined; and they need not be combined in the same way in each case. My principle does not allow calculating the rationality of valuations in any precise way. Expecting this would be naïve and would show a too simplistic view about the nature of valational rationality. Nonetheless, it seems to me that the principle does not only make us aware of factors that need to be taken into account, it can, in addition, be used as a rough guide for estimating the rationality of our own and other people's valuations.

Notes

¹ It is sometimes suggested that we value *propositions*. That is, strictly speaking, we should not say ‘I enjoy the summer’, but rather ‘I enjoy that it is summer’. Since I do not think that we always value propositions, I have not adopted this view here. But nothing in this essay hinges on this issue and therefore we need not settle it here.

² Quoted from Schmidt (2001, 237).

³ See Fehige who defines instrumentalism as ‘the doctrine that the choice of means to our ends can be more or less rational, but our ends themselves can’t’ (2001, 49).

⁴ Maurice Allais is quoted by Broome (1995, 104-5) as saying, ‘It cannot be too strongly emphasized that there are no criteria for the rationality of ends as such other than the condition of consistency. Ends are completely arbitrary.’

⁵ See also Brandt (1998) where he summarizes his account.

⁶ See Eagly and Chaiken (1993).

⁷ Brandt (1979) holds that ‘being in pain, being too cold or too hot, being unable to breath, having to stay awake when sleepy, being bored, stubbing one’s toe, receiving an electric shock, are examples of natively unpleasant experiences, dozing when tired, eliminating, eating good food, having novel stimuli, tasting something sweet, are examples of natively pleasant ones’ (p. 130).

⁸ See, for instance, Eagly and Chaiken (1993, 419-22), Staats and Staats (1958), and Zajonc (1998). Compare to this also Brandt (1979).

⁹ I take ‘valuation’ here in a broad sense that includes *indifference*, which can be more or less rational as well. The same factors that can make a pro-attitude of mine irrational can also render my indifference to, say, climate change rationally defective.

¹⁰ Clearly, this raises metaphysical questions about the relation between individuals and universals. But this problem is far too complex to pursue in any detail here.

¹¹ Rational valuation is, of course, the point at issue in this essay and its meaning will become clearer as we proceed. At this point we do not need more than an intuitive notion of what it means to value rationally.

¹² Brandt (1979), for example, holds that rational criticism of valuations requires confronting them with relevant and available information (p. 113).

¹³ This talk of ‘all other things being equal’ or ‘*ceteris paribus*’, which has been adopted throughout this paper, is just another way of recognizing that a given factor is not the only significant factor that comes into play in a rational criticism of valuations.

¹⁴ It is sometimes claimed that we value something intrinsically if we value it *for its own sake*. This is not only unclear (what does ‘for its own sake’ mean?), it also confuses intrinsic and *final* valuations. I take the notion of intrinsic valuations here in a strict sense. That is, only valuations *in virtue* of intrinsic properties are intrinsic valuations.

¹⁵ G. E. Moore’s (1922) discussion of this problem is still worthwhile reading.

¹⁶ Compare to this and the other examples in this section Tversky & Kahneman (1986).

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