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978-0-521-11836-1 - An Empirically-Based Microeconomics

Herbert A. Simon

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RAFFAELE MATTIOLI LECTURES

In honour of the memory of Raffaele Mattioli, who was for many years its manager and chairman, Banca Commerciale Italiana has established the Mattioli Fund as a testimony to the continuing survival and influence of his deep interest in economics, the humanities and sciences.

As its first enterprise the Fund has established a series of annual lectures on the history of economic thought, to be called the Raffaele Mattioli Lectures.

In view of the long association between the Università Commerciale Luigi Bocconi and Raffaele Mattioli, who was an active scholar, adviser and member of the governing body of the University, it was decided that the lectures in honour of his memory should be delivered at the University, which together with Banca Commerciale Italiana has undertaken the task of organising them.

Distinguished academics of all nationalities, researchers and others concerned with economic problems will be invited to take part in this enterprise, in the hope of linking pure historical research with a debate on economic theory and practical policy.

In creating a memorial to the cultural legacy left by Raffaele Mattioli, it is hoped above all that these lectures and the debates to which they give rise will prove a fruitful inspiration and starting point for the development of a tradition of research and academic studies like that already long established in other countries, and that this tradition will flourish thanks to the lasting partnership between the Università Commerciale Luigi Bocconi and Banca Commerciale Italiana.

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CONTENTS

PREFACE	XI
FIRST LECTURE	
Rationality in Decision Making	3
1. Development of the Concept of Rationality, pp. 3-13.	
2. Contemporary Choice Theory, pp. 13-17. 3. The Plurality of Rationalities, pp. 17-19. 4. The History Reviewed, pp. 19-22. 5. Empirical Tests of Theories, pp. 22-23.	
REFERENCES	23
DEBATE OF THE FIRST LECTURE	25
SECOND LECTURE	
The Role of Organizations in an Economy	33
1. Organizations and Markets, pp. 33-38. 2. Altruism and Organizational Identification, pp. 38-45. 3. Organization, Management, and the Economy, pp. 45-51. 4. Conclusion, pp. 51-52.	
REFERENCES	53
DEBATE OF THE SECOND LECTURE	54
THIRD LECTURE	
Empirical Evidence for Economics	61
1. How Much Theory, and How Concrete?, pp. 61-63.	
2. Implications of Data for Theory, pp. 63-70. 3. The Sources of Data on Economic Processes, pp. 70-71. 4. Seeking Empirical Data Outside the Business Firm, pp. 71-81.	
5. Decision Making in the Business Firm: Case Studies, pp. 81-84. 6. Economic History, pp. 84-85. 7. Data from "Applied" Economics, pp. 85-88. 8. Survey Techniques, pp. 88-89. 9. Conclusion, pp. 89-91.	

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[More information](#)

CONTENTS

REFERENCES	91
DEBATE OF THE THIRD LECTURE	94
COMMENTS	101
Claudio Dematté	103
Massimo Egidi	111
Robert Marris	133
Aldo Montesano	145
Riccardo Viale	153
SIMON'S REPLY	167
HERBERT A. SIMON'S AUTOBIOGRAPHICAL SKETCH	189
BIBLIOGRAPHY	197
INDEX	217

PREFACE

I am grateful to the Università Commerciale Luigi Bocconi and the Banca Commerciale Italiana for inviting me to present my views on microeconomics, and especially on the kinds of empirical research that are going to be needed to assure its steady advancement. I am especially pleased at the opportunity this has given me to exchange ideas with a number of distinguished Italian economists in the question periods that followed my talks and in the final round-table discussion. Our interchange has enabled me to reassess my ideas, to change some of them, and to acquire new ones. My hosts at the Bank and the University also conspired to make my visit not only intellectually stimulating, but most pleasant as well.

In visits to Italy in the past decade, to Milano, Padova, Pavia, Roma, Siena, and Torino I have found, among the economists I have met, a strong spirit of innovation, and vigorous efforts to move economics in a behavioral direction and to strengthen greatly its empirical foundations. There is widespread recognition that economics needs closer and more direct contact with the phenomena it seeks to explain: that it must develop its methods for observing economic decision processes closely, inside business firms as well as in markets; must make more extensive use of symbolic computer simulation of these decision processes; and must expand its use of thinking-aloud protocols and other techniques for modeling decision making at a detailed level. I feel that empirically based behavioral economics is in excellent hands in your country, and I hope that these lectures will give additional support to the trends I saw there.

I want to thank all of those who were responsible for the arrangements of my visit, who participated in the discussion, and who assisted in the preparation of my lectures and the discussions for publication. I would like to mention, in particular, Professor Piero Tedeschi who, as the editor of this volume, oversaw the collection and revision of all the manuscripts and carried them safely through the final stages of publication.

HERBERT A. SIMON
Pittsburgh, Pennsylvania
June 18, 1996