

Stovall, John E.

Temptation with uncertain normative preference. (English) Zbl 1396.91097
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Summary: We model a decision maker who anticipates being tempted but is also uncertain about what is normatively best. Our model is an extended version of *F. Gul* and *W. Pesendorfer's* [Econometrica 69, No. 6, 1403–1435 (2001; Zbl 1019.91017)] with three time periods: in the ex ante period, the agent chooses a set of menus; in the interim period, she chooses a menu from this set; in the final period, she chooses from the menu. We posit axioms from the ex ante perspective. Our main axioms on preference state that the agent prefers flexibility in the ex ante period and the option to commit in the interim period. Our representation is a generalization of [*E. Dekel* et al., Rev. Econ. Stud. 76, No. 3, 937–971 (2009; Zbl 1197.91076)] and identifies the agent's multiple normative preferences and multiple temptations. We also characterize the uncertain normative preference analogue to the representation of *J. E. Stovall* [Econometrica 78, No. 1, 349–376 (2010; Zbl 1202.91057)]. Finally, we characterize the special case where normative preference is not uncertain. This special case allows us to uniquely identify all components of the representations of Dekel et al. [loc. cit.] and Stovall [loc. cit.].

MSC:

91B06 Decision theory
91B08 Individual preferences

Keywords:

temptation; uncertain normative preference; interim preference for commitment

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