

Two Brains Running

By Jim Holt

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In 2002, Daniel Kahneman won the Nobel in economic science. What made this unusual is that Kahneman is a psychologist. Specifically, he is one-half of a pair of psychologists who, beginning in the early 1970s, set out to dismantle an entity long dear to economic theorists: that arch-rational decision maker known as Homo economicus. The other half of the dismantling duo, Amos Tversky, died in 1996 at the age of 59. Had Tversky lived, he would certainly have shared the Nobel with Kahneman, his longtime collaborator and dear friend.

Human irrationality is Kahneman's great theme. There are essentially three phases to his career. In the first, he and Tversky did a series of ingenious experiments that revealed twenty or so "cognitive biases" — unconscious errors of reasoning that distort our judgment of the world. Typical of these is the "anchoring effect": our tendency to be influenced by irrelevant numbers that we happen to be exposed to. (In one experiment, for instance, experienced German judges were inclined to give a shoplifter a longer sentence if they had just rolled a pair of dice loaded to give a high number.) In the second phase, Kahneman and Tversky showed that people making decisions under uncertain conditions do not behave in the way that economic models have traditionally assumed; they do not "maximize utility." The two then developed an alternative account of decision making, one more faithful to human psychology, which they called "prospect theory." (It was for this achievement that Kahneman was awarded the Nobel.) In the third phase of his career, mainly after the death of Tversky, Kahneman has delved into "hedonic psychology": the science of happiness, its nature and its causes. His findings in this area have proved disquieting — and not just because one of the key experiments involved a deliberately prolonged colonoscopy.

"Thinking, Fast and Slow" spans all three of these phases. It is an astonishingly rich book: lucid, profound, full of intellectual surprises and self-help value. It is consistently entertaining and frequently touching, especially when Kahneman is recounting his collaboration with Tversky. ("The pleasure we found in working together made us exceptionally patient; it is much easier to strive for perfection when you are never bored.") So impressive is its vision of flawed human reason that the New York Times columnist David Brooks recently declared that Kahneman and Tversky's work "will be remembered hundreds of years from now," and that it is "a crucial pivot point in the

way we see ourselves.” They are, Brooks said, “like the Lewis and Clark of the mind.”

Now, this worries me a bit. A leitmotif of this book is overconfidence. All of us, and especially experts, are prone to an exaggerated sense of how well we understand the world — so Kahneman reminds us. Surely, he himself is alert to the perils of overconfidence. Despite all the cognitive biases, fallacies and illusions that he and Tversky (along with other researchers) purport to have discovered in the last few decades, he fights shy of the bold claim that humans are fundamentally irrational.

Or does he? “Most of us are healthy most of the time, and most of our judgments and actions are appropriate most of the time,” Kahneman writes in his introduction. Yet, just a few pages later, he observes that the work he did with Tversky “challenged” the idea, orthodox among social scientists in the 1970s, that “people are generally rational.” The two psychologists discovered “systematic errors in the thinking of normal people”: errors arising not from the corrupting effects of emotion, but built into our evolved cognitive machinery. Although Kahneman draws only modest policy implications (e.g., contracts should be stated in clearer language), others — perhaps overconfidently? — go much further. Brooks, for example, has argued that Kahneman and Tversky’s work illustrates “the limits of social policy”; in particular, the folly of government action to fight joblessness and turn the economy around.

Such sweeping conclusions, even if they are not endorsed by the author, make me frown. And frowning — as one learns on Page 152 of this book — activates the skeptic within us: what Kahneman calls “System 2.” Just putting on a frown, experiments show, works to reduce overconfidence; it causes us to be more analytical, more vigilant in our thinking; to question stories that we would otherwise unreflectively accept as true because they are facile and coherent. And that is why I frowningly gave this extraordinarily interesting book the most skeptical reading I could.

System 2, in Kahneman’s scheme, is our slow, deliberate, analytical and consciously effortful mode of reasoning about the world. System 1, by contrast, is our fast, automatic, intuitive and largely unconscious mode. It is System 1 that detects hostility in a voice and effortlessly completes the phrase “bread and. . . .” It is System 2 that swings into action when we have to fill out a tax form or park a car in a narrow space. (As Kahneman and others have found, there is an easy way to tell how engaged a person’s System 2 is during a task: just look into his or her eyes and note how dilated the pupils are.)

More generally, System 1 uses association and metaphor to produce a quick and dirty draft of reality, which System 2 draws on to arrive at explicit beliefs and reasoned choices. System 1 proposes, System 2 disposes. So System 2 would seem to be the boss, right? In principle, yes. But System 2, in addition to being more deliberate and rational, is also lazy. And it tires easily. (The vogue term for this is “ego depletion.”) Too often,