

Dynamic Objective and Subjective Rationality

Jos Heleno Faro ¹, Jean Philippe Lefort ²

¹ Insper

² U. Paris-Dauphine

Resumo/Abstract:

We characterize Bayesian updating, prior-by-prior, in the joint model of objective and subjective rationality proposed by Gilboa, Maccheroni, Marinacci and Schmeidler (2010). These rationality concepts are represented respectively by the Bewley unanimity rule and maxmin expected utility with a common set of priors. We show how this two-preference relations set-up can be viewed as an advantage to tease out a novel rationale for full Bayesian updating of maxmin expected utility preferences.