

## DECISION UNDER RISK: PARADIGM SHIFT

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Economics has been developing for more than twenty centuries according to the utility paradigm that has been embodied in a number of economic theories, including the theory of the decision-making under risk. At the same time, the existence of many facts indicating a discrepancy between the theory of decision-making under risk and economic practice raised the question of the need to search for new theories that would be free from these numerous fixed discrepancies.

To solve this important task is possible only within the framework of a new paradigm - the paradigm of four basic types of decisions, which would help to avoid many existing contradictions between the theory and the practice of making economic decisions under risk.

The fundamentally significant practical result of the dominance of the centuries-old utility paradigm is that decisions under risk taken by subjects of economic relations are compared based on their value.

Within the framework of the paradigm of four basic types of decisions, the economic interest of the subject of economic relations to the implementation of any of four basic types of decisions is determined by the difference between the value of the basic type of decision in relation to the implementation of which the economic interest is determined and by the value of the second alternative basic type of decision which is only possible in a given stable state.

The key difference between the utility paradigm and the paradigm of four basic types of decisions in the context of decision-making under risk theory is that, within the framework of the utility paradigm, specific decisions under risk taken by the subjects of economic relations are compared on the basis of their value, and, within the framework of the paradigm of four basic types of decisions, specific decisions are compared on the basis of the values of economic interests in the implementation of these specific decisions.

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