

Peer Review

Review of: "Review, Evolution, and Theoretical Implications of the Utility Concept"

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This is an interesting paper trying to bring together many strands of literature into a synthesis. It's a worthwhile endeavour, and I think there's already a lot of value in the paper and depth to it. However, I think it could be sharpened and cleaned up quite a bit.

Let me start with something relatively small. The taxonomy of utility theories in this article (material, hedonic, procedural, communicative) is, I think, broadly correct. However, given how much reference is made to the historical development of the utility concept, it would be ideal, necessary even, to include some quotes that evidence this transformation in the original texts. In the conclusion, the authors write: "This study examined the evolution of the meaning attributed to the concept of utility throughout the history of economic analysis, identifying four main phases." I don't think this is true. There is no 'examination', only statement. There isn't even much reference to the history of intellectual thought literature, only Broome. To be honest, I think this part of the paper could simply be cut. You could identify these four different varieties of utility in various writers, e.g. Jevons (Hedonic), Smith (Instrumental), procedural (Stutzer or perhaps Buchanan), and communicative (Habermas, though I think he would be puzzled by his inclusion among economists), and then just get on with your more mathematical/graphical elaboration, which is the real meat of the paper.

Without wanting to open the authors to the full brunt of the intellectual history tradition, I think Bentham is trickier to place than is sometimes made out. Notably, the quote that is typically used for describing Bentham as a sensory hedonist is the following (1780, p. 1): "nature has placed mankind under the governance of two sovereign masters, pain and pleasure." But almost immediately after this statement, he makes comments that suggest that he uses pain and pleasure as shorthand for the more general categories of value and disvalue: "By utility is meant that property in any object whereby it tends

to produce benefit, advantage, pleasure, good or happiness, (all this in the present case comes to the same thing) or (what comes again to the same thing), to prevent the happening of mischief, pain, evil or unhappiness to the party whose interest is considered: if that party be the community in general, then the happiness of the community: if a particular individual, then the happiness of that individual.” (Bentham 1780, p. 2). So while the Benthamite ‘tradition’ is certainly of the sensory hedonist variety, as is the new happiness economics literature in Layard, Dolan, Veenhoven, and Kahneman, it’s not clear to me that Bentham himself had an especially clear definition of wellbeing. He seems more to follow the convention in economic modelling of just writing (+) or (-) and leaving the rest to philosophers. This is entirely in keeping with his very neuro-divergent way of thinking (and feeling).

My more substantive concern with the paper as it stands is a question: “What is the theory of utility being developed for? Welfare analysis or behavioural analysis? This matters because sometimes the authors seem to fall back on utility determining preference orderings, for example: “Finally, let us consider the case of events that can generate well-being but which do not constitute actions: meeting by chance a individual with whom we will fall in love and who will make us happy is an event that generates well-being but does not result from deliberate action and could not be represented, a priori, in the preference order of either of the two people who met. ”. Preference orderings relate to the behavioural theory in economics, but they also constitute an independent theory of what wellbeing is (see [Erik Angner](#) “Are subjective measures of wellbeing direct?”). Having your preferences/desires satisfied is good according to this account whether or not it generates any of the forms of ‘utility’ the authors outline. This is the distinction Kahneman makes (a bit clumsily) between decision utility and experienced utility. Sometimes it’s hard for me to tell whether the authors are trying to provide a better account of utility for welfare analysis in economics, or better behavioural predictions, or both. These matters need to be attended to; otherwise, they invite confusion. Choice might be driven by a different subset of utility considerations than welfare and thus require different modelling.

I don’t think the association between hedonic-subjective and instrumental-objective is a helpful one. The objective list tradition in wellbeing theories regards some things as good for you even though they are not useful to you specifically. For example, knowledge is good for you, even knowledge you don’t especially value. Or, in Sen’s case, freedoms being made available to you that you have no personal interest in exploiting (i.e., they are not of instrumental value to you). Similarly, there can be subjective values that are not hedonic. I might, for example, value the existence of a forest that I never visit (this is a common theme in valuing environmental goods). The distinction between hedonic/instrumental seems

to provide some useful analytical traction without introducing confusion in this way (at least not as much confusion). So I would suggest dropping the subjective/objective bit.

Perhaps the issue here is the meaning of ‘hedonic’? The authors list emotional, symbolic, or cultural value. It’s not clear to me that the last two align with conceptions of hedonism seen in, for example, Paul Dolan’s happiness economics. As far as I can tell, he restricts himself to mood states and things like an experience of meaningfulness. A symbolic value that doesn’t generate a mood wouldn’t count. I suspect that Layard would similarly distinguish between what, in his view, is intrinsically wellbeing, namely happiness, and what is merely instrumental to it, e.g., symbolism or culture. Culture is only valuable, says Layard (I presume), insofar as it generates happiness. I don’t find contemporary happiness economics philosophically sophisticated, with the exception of Michael Plant, but I think some effort should be made, ideally again with direct quotes from key texts, to substantiate what views of utility these authors have. If they’re not especially clear, don’t respond to established counterarguments, or seem internally inconsistent, then just note that and try to place them in good faith anyway.

Some small things:

- Stylistically, I would love to see more paragraphs. There are some huge paragraphs in here.
- The OU acronym seems to be introduced without defining what it refers to.
- I find this claim odd as I only use my bikes for practical purposes, and I know people who have separate bikes for practical vs recreational ends: “Conversely, the use of bicycles is primarily associated with recreation rather than practical needs.”

Declarations

Potential competing interests: No potential competing interests to declare.