Comment: Célestin Monga

The Economy of Tastes, Feelings, and Opinions

I still remember vividly the strange mix of excitement and bewilderment that overwhelmed me in my high school years when our professor of accounting taught us the fundamentals of benefit-cost analysis. I immediately went to my dormitory and spent most of the evening trying to apply this powerful technique, not to assess whether the advantages of a hypothetical investment project were likely to outweigh its drawbacks, but to evaluate my own life prospects. Benefit-cost analysis seemed like a rigorous and revealing tool to examine whether my minuscule and uncertain existence was a "profitable" venture, or at least a worthwhile escapade that deserved to be continued. Of course, the few friends to whom I confided this found it a ludicrous idea. They reminded me that a benefit-costs analysis is always controversial, even when circumscribed to real investment decisions or to public policies. They were right: Applying it to one's life opened even more unresolved conceptual questions. But so what?

I kept running the numbers. To ascertain the net effect of an imaginary list of positive and negative changes to come in my well-being, I first had to come up with a way of measuring the gains and the losses. The identified benefits and costs, even though they were expressed in monetary terms, went well beyond changes in my projected individual income: My well-being was to be affected positively or negatively by nonmonetary factors, whether linked to my individual and personal preferences or related to the well-being of people around me (social benefits and costs).

I also had to decide how to imagine and estimate the prospective benefits and costs of my entire life to come. Using my own personal value scale,

I calculated the costs as the amount of compensation required to exactly offset negative consequences of being alive for the 50 years or so of life expectancy ahead. The compensation required was the monetary amount that would leave me just as well off as before engaging in this exercise. Benefits were measured by my willingness to stay alive and enjoy all the things and emotions that I could reasonably expect for the decades ahead. Knowing that, in the end, life always results in death, typically following either an abrupt and tragic event like a car or airplane crash, or a long and painful illness, I could not find many benefits whose present and expected value could match and compensate for the pains and disappointments of the costs. The results of my benefit-cost analysis were not very promising: Taking into consideration all current and expected streams of good and bad news, life did not appear to be a "profitable" investment.

Shocked by the outcomes, I quickly did some sensitivity analyses to check the robustness of the findings: No matter what discount rates I chose, the calculations still yielded disappointing numbers to the question of whether life was a worthwhile venture. This was all the more puzzling, because I actually loved many aspects of my life. Not knowing what to do with the analyses, I concluded that one should either doubt the validity of certain measurement instruments and our ability to use them "objectively," or radically give more weight to whatever we define as "positive" outcomes for our actions or inactions, or accept the very probable hypothesis that happiness may be an illusion but those who choose to live should learn to ignore its downsides. I could only forget the outcomes of my own study by learning to radically change whatever assumptions I used in carrying it out. "Life is impossible without the ability to forget," philosopher Emil Cioran once said. But some memories are just too long lasting to be erased.

Carrying out the same benefit-cost analysis today, even with the same elements and discount rates, would obviously yield different results. This illustrates some of the truly challenging conceptual problems at the heart of the study of well-being, whether it is approached through the lens of welfare, utility, or the standard of living of one individual. The challenges are even more formidable when one tries to assess not just the perspectives and preferences of one person but also the social preferences of people in a group; then one has to aggregate and make sense of the various viewpoints of all members of the society. The complexities are not just "technical" or methodological—after all, these can be addressed with carefully designed

quantitative frameworks and clearly formulated assumptions; they also involve ethical and psychological issues that do not fit nicely in any linear models of aggregative social choice theory.

I should not have been surprised to feel lost trying to determine and assess the validity of my own present and future welfare. Cioran also warned about the dangers of loving oneself, which is falling in love with someone about whom we know nothing. If capturing one's own utility, welfare, and standard of living is so challenging, how about doing the same exercise at the level of a group or society? The instability of my preferences and of my own subjectivity, the constantly changing moods and mental states, and the inability to even decide for myself what my objective functions are or should be explain why my schematic benefit-cost analysis was unsatisfactory and inconclusive. These problems are compounded when one gets to the level of social aggregation. How would one confidently compute and aggregate individual tastes and opinions that are moving targets? What is the right approach to ethical decision-making, both at the individual level and at the social/aggregative level? And what are the appropriate ethical stances for comparative analyses of such scope?

Central to the general topic of social aggregation is the issue of interpersonal comparisons of well-being, which has preoccupied economists, social scientists, and philosophers for centuries. At least three types of problems must be addressed to elaborate intellectual and policy frameworks for making socially acceptable decisions. One must obviously start with valid methods for defining, understanding, capturing, and measuring the notion of individual well-being. Second, these methods should be extended to social groups in ways that make them meaningful and credible. Third, one should remember that the very purpose for carrying out such an exercise may affect the answers to the two initial questions posed (Elster and Roemer 1991). All this supposes that individual preferences can be measured at a satisfactory level of confidence that the intrinsic subjectivity in such exercises are more than compensated by objectivity in the methods used.

The various steps that one must go through (from theory to specific concepts and empirical strategies) are therefore both daunting and exciting. Not surprisingly, many of the most creative minds in economics have tried to climb that mountain, a task that requires not only using the traditional quantitative tools of economics but also taking stock of the relevant findings of philosophy, psychology, and even biology. Amartya Sen's chapter,

"Social Choice and Welfare Economics," which builds on several important previous contributions (most notably Sen 1970), is the latest attempt to do so. As always with Sen, the reader is taken on an erudite and insightful journey, intellectually challenging but always rewarding. Before offering a summary exposition of his bold thesis, let me provide an initial overview of some of the elements of the puzzle that he heroically tries to assemble.

My comment offers a brief reassessment of the elements of the debate. Section 1 summarizes the intellectual progress made by economists in the search for a valid social choice theory and outlines a few aspects of Amartya Sen's new contribution on the topic. Section 2 discusses some of the remaining ethical questions and urges economists to be more attuned to the research findings in the other social sciences and the humanities. Section 3 offers a few concluding remarks.

Beyond Utilitarian Calculus: Amartya Sen's Bold Thesis

How to assess and report our own pleasures, utility, state of mind, and opinions? How to make individual and collective choices? How to prioritize and rank them? And how to compare and aggregate our selections with those of other people in a credible and legitimate social welfare function? How should we make collective decisions that reflect optimally the preferences and welfare of everyone in a social group—so that they can all live, if not happily, at least with the feeling that the decisions are made in ways that are acceptable to everyone? Underpinning these questions of social aggregation of utility, tastes, and opinions is the issue of interpersonal comparisons of well-being, which has preoccupied economists, social scientists, and philosophers for centuries. Various waves of research on the topic have basically identified several types of problems that must be addressed to elaborate an intellectual framework for making socially acceptable decisions. Such frameworks obviously start with valid methods for defining, understanding, capturing, and measuring individual preferences and then extend them to social groups, with a satisfactory level of confidence that subjectivity is more than compensated by objectivity.

Capturing one's feelings and converting them into indicators of welfare or utility, measuring them and aggregating opinions from groups of people have long been challenging questions for researchers. In an introduction to one of his books, Jevons ([1871] 1970, 85) warned that:

> The reader will find again, that there is never, in any single instance, an attempt to compare the amount of feeling in one mind with that in another. I see no means by which such comparisons can be accomplished. … Every mind is thus inscrutable to every other mind, and no common denominator of feeling seems to be possible.

Economists followed suit and showed a strong reluctance to carry out interpersonal comparisons of utility that were forcefully promoted by logical positivists. The economists justified their position by arguing that ethical statements were always unverifiable and therefore lacked scientific foundations—see Ayer ([1936] 1971).

Utilitarian economists were particularly adamant in their opposition to interpersonal comparisons of utility, arguing that it is unsound to make use of interpersonal comparisons of individual utilities. Jeremy Bentham, the leading proponent of such utilitarian calculus, was concerned only with maximizing the total utility of a community, irrespective of its distribution. Even the early critics of utilitarianism thought that interpersonal comparisons of utility had no scientific basis: "Every mind is inscrutable to every other mind and no common denominator of feelings is possible" (Robbins 1938, 636). Such views were rooted in *logical positivism*, also called *logical* empiricism, a philosophical movement that emerged in Vienna in the 1920s and considered scientific knowledge to be the only kind of factual knowledge.

The general reluctance of researchers to move to that terrain led to major intellectual impasses in both social choice theory and welfare economics. Although positive economics could be carried out without interpersonal comparisons of utility, social choice theory without interpersonal comparisons of utility could not go very far: The scope of normative economics and welfare economics was basically limited to theoretical developments concerning the identification of Pareto efficient outcomes or Pareto improvements to existing economic situations. "Traditional comparisons of utility have to be made if there is to be any satisfactory escape from Arrow's Impossibility theorem," notes Hammond (1991, 235). But the lingering fundamental question raised by the logical positivists had to be answered: How can one rigorously construct an interpersonally comparable utility function?

Starting in the 1950s, economists, mathematicians, and philosophers took up the task. Alternative methods of making different forms of interpersonal comparisons of utility were offered by several researchers, with various degrees of complexity and success. The really exciting intellectual journey

in the quest for a more convincing social welfare function was launched by Arrow ([1951] 1963), who put social choice theory in its modern, fully axiomatized form. He tried to identify the most valid procedures for deriving a collective or "social ordering" of the alternatives (from better to worse) from people's preferences. His search for a "general possibility" theorem, as he called it, led to the conclusion that it was in fact an impossibility—no single procedure could satisfy a few straightforward assumptions concerning the autonomy of the agents and the rationality of their preferences.

Several generations of researchers subsequently attempted to modify Arrow's requirements and come up with a solution to the impossibility theorem (see Maskin and Sen 2014). Generally these solutions led to other difficulties. This research quickly became a journey into the dilemmas and challenges of normative ethics and how economics has struggled with them. It strongly focused on discussions of utilitarianism, understood in its generic definition as the view that the morally right actions are those that generate the most good, with the implication that the social good is the sum of the welfares of individuals in a group—assuming that the latter are interpersonally comparable. Harsanyi (1953, 1955, 1977) provided the most debated axiomatic arguments in support of utilitarianism. His work set the stage for the issues of utility and preferences as seen by economists and mathematicians, and it suggested a framework for modeling moral value judgments.

Harsanyi's main insight has been to imagine an impartial observer who can determine a social ordering of the existing alternatives faced by all members of a given group or society. Although detached from the group, the observer in question is also sympathetic to its concerns, and he imagines how he would determine a social ordering of the available alternatives based on an impartial attitude toward the interests of all members of the group. The neutral observer imagines how he would assess the various alternatives if he were in the shoes of, say, individual *i*, with *i*'s objective circumstances, tastes, and opinions. Harsanyi makes two additional and important suppositions: The impartial observer has preferences about these hypothetical alternatives that satisfy the expected utility axioms,[1] and these prefer-

1. The von Neumann–Morgenstern axioms of the expected utility theory that define a rational decision-maker are as follows: completeness, which assumes that an individual has a set of well-defined preferences and can always decide between any two alternatives; transitivity, which assumes consistency in the decision-making of the

ences are represented by a von Neumann–Morgenstern utility function. It is also assumed that the observer (who plays the role of and seeks the interests of society as a whole) respects the orderings of social alternatives by the individuals. With the adoption of the impartial perspective, the resulting judgments computed from the observer's utility can be considered moral judgments, as they give equal consideration to the interests of each person in the group.[2] Harsanyi used this framework to elaborate aggregation and impartial individual theorems with strong assumptions: the existence of a single profile of *individual* preference orderings and of a single *social* preference ordering of a set of social alternatives (consisting of all lotteries that can be generated from a finite set of alternatives).

Harsanyi's approach is based on the notion of "impersonality," which posits that it is possible for an ethical observer of any situation to free himself from selfish perspectives when weighting moral issues by pretending to be entirely uncertain about which individual the oberver will become after the issue has been decided. In sum, one should be willing and capable of becoming somebody else completely: This is a clever device, comparable to Hare's (1963) principle of "universalizability" and Rawls's (1971) notion of the "veil of ignorance." These ideas paved the way for other influential approaches, which recommended inferring interpersonal comparisons from different aspects of the behavior of individuals. Yet in the end, such behaviorist empirical methods were often found to be unsatisfactory, as they typically required ethical judgments and also led to normative statements that could not be made from empirical observations alone.

Then came Amartya Sen, the most daring theorist among those who have studied the issues surrounding the rationality of economic agents from various angles. In this chapter, he revisits the theme but approaches it obliquely and offers a comprehensive analytical framework for interpersonal comparisons. One obvious and striking feature of the chapter is its

individual; independence, which assumes that two lotteries mixed up with an irrelevant third one will maintain the same order of preference as when the two initial lotteries are presented independently of the third one; and continuity, which assumes that when there are three lotteries (1, 2, and 3) and the individual prefers 1 to 2 and 2 to 3, then there should be a possible combination of 1 and 3 in which the individual is indifferent between this particular mix and lottery 2.

2. See Weymark (1991) for an excellent discussion.

style: Sen's prose is always very precise, soft, and elegant. It constantly keeps the reader in focus, even when the issues discussed are technically demanding. Sen is also a master at challenging erroneous ideas without ruffling feathers. It can be said about him what is often said about former US senator Joseph Lieberman: "He is so elegant in his criticism of his opponents that even if he tells you to go to Hell, you would actually enjoy the ride!"

Sen begins with a reexamination of some old questions in the theory of collective decision-making, which he traces back to Jean-Charles de Borda (1781) and de Condorcet (1785). Sen's deconstruction of the problem at hand starts as follows: Suppose a group of people is facing some alternatives to choose among (such as candidates in an election, policy options, projects and programs, and distribution of income). How does one make acceptable social decisions for a group (such as a nation, or a community, or any other collectivity) in a way that the diverse views and interests of members of the group all receive attention and importance? How does one go from individual preferences over different states of affairs to a social preference over those states, reflecting an "aggregation" of the points of views of all members of the society?

In fact, Sen had attempted to answer these questions in many previous works. He gracefully fired multiple salvos to some of the earlier theories of and approaches to social welfare (Sen 1970, 1977, 1986). Building on Arrow's work, Sen did not hesitate to question it, but with elegance and admiration—he always did it in homeopathic doses, relaxing assumptions here, delicately challenging the rigidity of the impossibility theorem there, or taking the tangent whenever he believed that his predecessors' frameworks were erroneous. Sen's analyses have brought new hope to the search for rational social choice procedures based on individuals' own preferences.

Sen begins the chapter with the acknowledgment that there is not going to be any perfect resolution of the social choice dilemmas of the kind identified by Arrow through voting procedures. He rejects the notion that they can be used in all situations: "Voting-based procedures are entirely natural for some kinds of social choice problems, such as elections, referendums, or committee decisions. They are, however, altogether unsuitable for many other problems of social choice."

Sen's reasoning is logical: If it is true that there are no faultless voting procedure out there to be found, the next logical question is whether some of them could yield better results than others. And by the way, is voting itself

a good method to resolve social choice problems of all kinds? Didn't Winston Churchill famously say that "The best argument against democracy is a five-minute conversation with the average voter?" (Priest 2017, 3). Sen is an optimistic economist: He is skeptical of the traditional welfare economics developed by the utilitarian researchers. He is very confident that interpersonal utility can be measured satisfactorily. He challenges the historical consensus against the use of interpersonal comparisons in social choice.

Sen's recommendation is bold and hopeful: One must go beyond the class of voting rules (studied by Borda, Condorcet, and Arrow) to address distributional issues, particularly in welfare economics. The decision to reject the philosophical basis of logical positivism and to believe instead, like philosopher Donald Davidson, that people can understand and relate to other people's minds and feelings only by making some comparisons with their own minds and feelings, allows new ways of thinking about social choice. Then Arrow's impossibility theorem and its related results just go away when different kinds of interpersonal comparisons are used in social welfare judgments.

Sen observes that each kind of comparability requires a particular way of combining welfare numbers of different people in a group. Of course, such comparisons need not be very precise before they can be used systematically in social choice. He writes:

> We may be able to make interpersonal comparisons to some extent, but not in every comparison, nor of every type, nor with tremendous exactness. … It can also be shown that terribly refined interpersonal comparisons may not be needed for arriving at definite social decisions. Quite often, rather limited levels of partial comparability will be adequate for making social decisions.

A very clever way of using minimalism to achieve maximum intellectual impact, indeed.

Beyond Aggregation Techniques: Some Ethical Challenges

Developing a legitimate framework for making social decisions—one that accounts "democratically" for the preferences and interests of the members of the group or society under consideration—is likely to remain an elusive quest. It requires much more than an intellectual consensus on the measurement and aggregation techniques that game theory and mathematics have so far offered. It is indeed impossible to carry out any social choice

theory without acknowledging the underlying question that is the basic problem of moral philosophy: "What should I do?" Issues of individual and group preferences or interests are likely to collide in ways that cannot be fully captured by the rigid laws of averages, which underpin most aggregative theories. Group decisions are also mired in ethical dilemmas and conceptual inconsistencies that economics is not equipped to handle.

The impossibility theorem, which Sen describes as a result of breathtaking elegance and power, is a very useful tool for assessing which outcome is "right" when thinking about social choices. Each of its axioms is reasonable and compelling, but taken together, they are overwhelming. I agree with Sen that Arrow may have overstated the negative case by insisting that each rule under consideration satisfies all the axioms no matter what people's rankings of their preferences and choices turn out to be.[3] I also agree that to lay a broader foundation for a constructive social choice theory, we have to reject the historical consensus against the use of interpersonal comparisons that was prevalent in the first part of the twentieth century and became conventional wisdom. Sen argues that we should resist such historical consensus, because it "was based on a rather fragile understanding of epistemology." I would suggest that we explore new frameworks for different levels of interpersonal comparisons of utility but remain mindful of the intrinsic limitations of such analytical tools, which clearly rely on rigid and sometimes simplistic assumptions, and that lessons from various disciplines be considered.

Sen believes that the search for a social welfare function may not even need to be very precise. This valid point also leaves open many questions about the "appropriate," acceptable standards of comparability of welfare numbers of different persons. Even in situations of full comparability of self-reported well-being numbers (which Sen would use to justify full interpersonal comparability), one obvious question is how much faith should be given to self-assessments. How much trust should be given to self-reported welfare numbers? The legitimacy of someone judging her own welfare and giving a metric to characterize it doesn't solve the problem of being "wrong" in that self-assessment. As Cioran reminded us, among the many reasons for invalidating narcissism is the fact that it is based on profound

3. See Maskin (2009) and Sen and Maskin (2017) for new and interesting ways of approaching voting measures.

uncertainty and randomness, because it is basically an exercise in which we fall in love with someone we know very little about.

Fortunately, Sen also believes that rigorous interpersonal comparisons need not be of mental states only. He is right in his benign neglect of the validity of self-evaluation of mental states in interpersonal utility comparisons. Can we trust ourselves to know what we actually go through in each particular life situation, how we actually feel, what we actually believe in each situation, and how we actually convey it to ourselves and to others? And does what we believe and how we feel matter if our behavior, actions, objective welfare, and standards of living are not really impacted by such perceptions? If the answers to such questions are positive, what are the implications for the analytical frameworks for interpersonal comparisons that rely on self-reported indicators of welfare?

Self-reported welfare and happiness numbers may be too subjective to be relied on. The problem goes beyond narcissism. Recent work on the economics of "motivated" belief distortions, both individual and social, shows how agents often try even unwittingly to maintain positive self-images and identities (Bénabou 2015). It has been shown, for instance, that most people believe they are more likely than others to experience favorable life events and less likely to suffer adverse ones, such as unemployment, accidents, divorce, or major illness (Weinstein 1980).[4] "We also commonly see ourselves as better drivers, better citizens, less biased and more attractive than others. Some widely held beliefs are just plainly implausible or demonstrably false, given publicly available knowledge" (Bénabou 2015, 3). Such departures from objective cognition may have subjective or objective value. Still, the prevalence of overoptimism and the reality of overconfidence has heavy economic and social costs. An illustration of the problem is the fact that large numbers of people in high-income countries who could afford life insurance (given the risks they face) choose not to buy it.

"There are many difficulties in judging the well-being of a person by his or her mental state," Sen rightly points out. "The metric of pleasure or desire may sometimes quite inadequately reflect the extent of a person's substantive deprivation." True. Hence, his recommendations that such variables as incomes, commodities bundles, or resources more generally be

4. For a more nuanced analysis, see Harris and Hahn (2011).

"of direct interest in judging a person's advantage." Perhaps. But this prescription raises several uncomfortable obvious questions. If mental states (as self-reported) are insufficient or even invalid as metrics of personal utility, who has the legitimacy to select the more "relevant" additional or substitute variables to carry out interpersonal comparisons of utilities? Who gives us the right to judge anyone's mental states and to even decide that some "objective" variables of their welfare should be given consideration? Who decides that another person is living "well" or "poorly"?[5]

A sequence in Sergio Leone's epic movie *The Good, the Bad, and the Ugly* shows the main character Tuco (a bandit) is being lectured by his brother Pablo, who is a priest. "Outside of evil, what else have you managed to do?" Pablo asks him. Tuco listens patiently to his sermons and reprimands and then responds vehemently:

> You think you're better than I am. Where we came from, if one did not want to die of poverty … one became a priest or a bandit! You chose your way, I chose mine. Mine was harder. You talk of our mother and father. You remember when you left to become a priest. I stayed behind! I must have been ten, twelve. I don't remember which, but I stayed. I tried, but it was no good. Now I am going to tell you something. You became a priest because you were … too much of a coward to do what I do!

In some ways, Tuco emerges from that scene as more than the cartoonish bandit character that he appears to be in the first half of the movie. He also is revealed to be a humble and thoughtful man who simply faced impossible choices in his life and made those that seemed to him to be the most courageous and even "ethical." When Pablo chose to abandon the family to pursue (selfishly) his calling as a priest, Tuco was left to take care of their parents. He tried to the best of his abilities and presumably in the most ethical way but failed. The only other option left for his own survival was to become an outlaw.

This is more than the often derided "situational ethics"—the notion that when assessing human responsibility, one should keep in mind that the "right" or "wrong" thing to do depends on the situation,[6] because there

5. See Monga (2015a, 2015b, 2017) for further discussion.

6. Situation ethics (Fletcher 1967) may have its flaws. But one should remember that even John Dewey held views that rejected moral universality: such a stance "would assume the existence of final and unquestionable knowledge upon which we can fall

are no universal moral rules or rights that apply everywhere and always. Tuco's apparently shocking discourse can still be viewed as rational and deeply rooted in moral philosophy—his willingness as a minor child to stay home and take care of his parents when his older brother selfishly left the family home to (egoistically) pursue his personal calling. Tuco may be the worse bandit the West has ever produced, but he would argue that his decision-making is still profoundly moral not just descriptively (in terms of the codes of conduct put forward by his society) but also normatively (the necessary behavior and actions that, given specified conditions, would be put forward by all rational persons). In sum, Tuco is actually a moral agent in the Kantian sense, who simply finds himself expressing what he saw as a "categorical imperative."[7] If Tuco and other comparable characters are indeed justified in their "perverse" moral stance, perhaps one should conclude that rationality cannot be defined at the moral philosophy level in a way that allows for interpersonal comparisons. This would be another real impossibility theorem.

In fact, rationality assumptions (more precisely, *some* conceptions of rationality) are everywhere in the reasoning and modeling of the social choice procedures offered by all social choice theorists. Without such assumptions, no valid ordering of social preferences can take place, because any ranking must be based on preferred alternatives by people who are supposed somehow to be rational agents. Sen's very sophisticated and extremely elegant framework for interpersonal comparison also shows a lot of faith in some generic level of Rationality (with a capital "R"), which

back in order to settle automatically every moral problem. It would involve the commitment to a dogmatic theory of morals" (Dewey and Tufts 1908, 488). However, Dewey's skepticism of moral universality mainly reflects his skepticism about one method (the method of abstract moral reasoning) in favor of another (what he calls the "experimental" or the "method of democracy"). His proposed method

> implies that reflective morality demands observation of particular situations, rather than fixed adherence to a priori principles; that free inquiry and freedom of publication and discussion must be encouraged and not merely grudgingly tolerated; that opportunity at different times and places must be given for trying different measures so that their effects may be capable of observation and comparison with one another.

See Dewey and Tufts (1908, chapter XVI (1)) on "Morals and Social Problems."

7. See Kant ([1797] 1993).

presumes that people always have reasons for their actions. Even when people offer reasons for their actions, such reasons may not necessarily need to be validated identically. Infinitely many explanations exist for why people are (or are not) motivated to do the "right" thing.

Economists should be cautious in their faith in rationality, regardless of its scope and use. Some cognitive scientists have conjectured that reason may be an evolutionary attribute to human beings, just like bipedalism—a trait that occurred only over time. Mercier and Sperber (2017) suggest that reason initially emerged in the savannas of Africa when human beings realized that they needed to cooperate among themselves. In their view, reason, which has become the ultimate and unique characteristic of the human race, developed mainly to allow the resolution of problems posed by living in collaborative groups. Reason had a purely utilitarian genesis as "an adaptation to the hypersocial niche humans have evolved for themselves" (Mercier and Sperber 2017, 330). Reason emerged not to help people solve abstract problems but rather to fill their trust deficit, which was the critical criterion for improved living conditions and for survival.

Reason is therefore a constantly changing human trait, a unique faculty that is also moving target. It is therefore an enigma. If one agrees to link human reasoning to evolutionary processes, such as natural selection, then it is understandable that the dynamics of social change always creates distortions between phenomena that human brains can grasp, study, and debate, and real life—even though most phenomena that humans can grasp may be a part of reality—which sometimes occurs at a much more rapid pace. The Neanderthal man didn't have to worry about cyber attacks or the ideal curriculum for training a good economist. His life prescription did not include the need to see a dentist twice a year. He lived in small groups of hunter-gatherers, and his reasoning could be used to focus only on the key elements of such an existence. Today, few people live like Neanderthals and have to confront and solve the problems similar to those from 25,000 years ago. Some wealthy people live in spectacular houses or skyscrapers and mainly worry about finding the time to enjoy all the many comfortable features in their lives, or about what is said about them on Facebook. Other individuals live in poverty and permanently face the burden of social exclusion, stigma, and the destruction of their human dignity. In sum, the differential of pace between social change challenges and the adaptation of human reason to them would explain why many

economic agents who seem reasonable often act foolishly—and why reason often fails us.

A good illustration of this differential in pace is the discrepancies often observed in the way societies that strive for morality also seem to tolerate for an inordinate time laws, regulations, and norms of behavior that are subsequently viewed as violating and even damaging their own moral philosophies. Appiah (2010) has examined moral revolutions and campaigns against repugnant practices, and he concludes that appeals to reason, morality, or religion aren't enough to spur fundamental changes in ethical standards. Objectionable practices seem to be eradicated only when they come into conflict with the prevailing conception of honor. Appiah's work convincingly demonstrates how moral codes evolve across space and time, and why we should be skeptical of any form of immanent rationality. Generations of historians have wondered how Thomas Jefferson, the intellectual and visionary humanist who wrote in 1776 the words "all men are created equal," could have been the proud owner of a 5,000 acre working plantation and owned 607 slaves over the course of his life (Thompson 2017). Jefferson, the third president of the United States, was the father of six children of one of his slaves, Sally Hemings. Was he simply another cynical hypocrite? Not necessarily. Simply, perhaps, just another human being going through the tragic contradictions and mysteries of life. One can safely guess that there have always been millions of Thomas Jeffersons and Sally Hemings out there, who would have struggled to define and self-report their well-being, utility, or welfare metrics. If that is the case, then any social choice theory that places too much faith in any conception of rationality runs the risk of being at some level, a non sequitur.

Sen has carefully avoided falling into that trap by making his comparative utility framework broad and flexible enough to accommodate many of the conceptual challenges faced by social choice theorists. His remarkable insights certainly open up interesting new avenues for solving Arrow's impossibility theorem. He also provides valid arguments for ignoring the skepticism of the likes of Lionel Robbins. He emboldens researchers who struggle with the complex issues of social aggregation to rethink utility comparisons at levels that may not require the types of rigid conditions imposed by Arrow. Sen's more relaxed approach makes possible the design of consistent analytical frameworks to assess and measure interpersonal welfare. But one can only take his proposed intellectual route at the

(somewhat heavy) cost of accepting the big assumptions that such exercises should be done at several different levels and that the exclusive reliance on mental state comparisons may not be relevant in social choice. These are elegant but big assumptions.

Conclusion

In the end, we should perhaps acknowledge that there are situations in which one simply cannot win. Francis Blanche, the late French comic, often said in one of his sketches: "I was married twice, two catastrophes: The first time my wife left; the second time, she stayed!" He never wondered whether the problem was with his wife-selection skills, or with him more generally. But would it matter? The more serious points are our innate inability to look beyond our intrinsically self-centered natures, our shifting egos and psyches, and our unstable preferences; our inability to consistently define our own tastes, feelings, and opinions; and the structural limitations of any attempt to consistently capture and aggregate the criteria for common well-being.

Such a perspective alters one's view of rationalities. It also allows me to regard rather favorably the various attempts by economists and other social scientists to free their disciplines from the tyrannies of rationality. In this critical endeavor, Sen's contribution in particular, has been salient and spectacular. I still am hopeful that, one day, perhaps using Sen's analytics, I will be able to carry out a rigorous benefit-cost analysis of my life and find out whether it had enough meaning to look like a "profitable" investment. But the constantly shifting values of time, discount rates, and ethical criteria for interpersonal welfare comparisons may render my intellectual journey irrational and foolish.

References

Appiah, Kwame Anthony. 2010. *The Honor Code: How Moral Revolutions Happen*. New York: W. W. Norton & Company.

Arrow, Kenneth J. [1951] 1963. *Social Choice and Individual Values*, second edition. New York: Wiley.

Ayer, A. J. [1936] 1971. *Language, Truth, and Logic*. Harmondsworth, UK: Penguin Books.

Bénabou, Roland. 2015."The Economics of Motivated Beliefs." Jean-Jacques Laffont Lecture, delivered at the Congress of the French Economic Association, June 2014. Forthcoming in *Revue d'Economie Politique* 2015/5 Vol. 125, 665–685.

Borda, Jean-Charles de. 1781. "Mémoire sur les élections au scrutin." *Mémoires de l'Académie Royal des Sciences,* 657–665. Translated by A. de Grazia. 1953. *Isis* 44 (1/2): 42–51.

Condorcet, Jean-Antoine-Nicolas de Caritat. 1785. *Essai sur l'Application de l'Analyse à la Probabilité des Décisions Rendues à la Pluralité des Voix*. Paris: L'Imprimerie Royale.

Dewey, John, and James H. Tufts. 1908. *Ethics*. New York: Henry Holt & Co.

Elster, Jon, and John E. Roemer. 1991. "Introduction." In *Interpersonal Comparisons of Well-Being,* edited by Jon Elster and John E. Roemer, 1–16. New York: Cambridge University Press.

Fletcher, Joseph. 1967. *Moral Responsibility: Situation Ethics at Work*. Philadelphia: Westminster Press.

Hammond, Peter J. 1991. "Interpersonal Comparisons of Utility: Why and How They Are and Should Be Made." In *Interpersonal Comparisons of Well-Being*, edited by John Elster and John E. Roemer, 200–254. New York: Cambridge University Press.

Hare, Richard M. 1963. *Freedom and Reason*. Oxford: Clarendon Press.

Harris, Adam J. L., and Ulrike Hahn. 2011. "Unrealistic Optimism about Future Life Events: A Cautionary Note." *Psychological Review* 118 (1): 135–154.

Harsanyi, John C. 1953. "Cardinal Utility in Welfare Economics and in the Theory of Risk-Taking." *Journal of Political Economy* 61 (5): 434–435.

Harsanyi, John C. 1955. "Cardinal Welfare, Individualistic Ethics, and Interpersonal Comparisons of Utility." *Journal of Political Economy* 63 (4): 309–321.

Harsanyi, John C. 1977. *Rational Behaviour and Bargaining Equilibrium in Games and Social Situations*. Cambridge: Cambridge University Press.

Jevons, William Stanley. [1871] 1970. *The Theory of Political Economy*. London: Macmillan.

Kant, Immanuel. [1797] 1993. *Groundwork of the Metaphysics of Morals: With On a Supposed Right to Lie Because of Philanthropic Concerns*, third edition, translated by J. Ellington. Indianapolis, IN: Hackett.

Maskin, Eric. 2009. "The Arrow Impossibility Theorem: Where Do We Go from Here?" Arrow Lecture presented at Columbia University, New York, December 11.

Maskin, Eric, and Amartya K. Sen. 2014. *The Arrow Impossibility Theorem*. New York: Columbia University Press.

Maskin, Eric, and Amartya K. Sen. 2017. "The Rules of the Game: A New Electoral System." *New York Review of Books*, 64(1): 8–10.

Mercier, Hugo, and Dan Sperber. 2017. *The Enigma of Reason*. Cambridge, MA: Harvard University Press.

Monga, Célestin. 2015a. "Principles of Economics: African Counter-narratives." In *The Oxford Handbook of Africa and Economics. Volume 1: Context and Concepts,* edited by Célestin Monga and Justin Y. Lin, 303–333. New York: Oxford University Press.

Monga, Célestin. 2015b. "Measuring Democracy: An Economic Approach." In *The Oxford Handbook of Africa and Economics. Volume 1: Context and Concepts,* edited by Célestin Monga and Justin Y. Lin, 427–452. New York: Oxford University Press.

Monga, Célestin. 2017. "The Macroeconomics of Marginal Gains: Africa's Lessons to Social Theorists." In *The Political Economy of Everyday Life in Africa*: *Beyond the Margins*, edited by Wale Adebanwi, 115–132. Woodbridge, Suffolk; Rochester, New York: Boydell and Brewer.

Priest, Kyle. 2017. "Churchill's Argument Against Democracy: The Average Voter. Information Levels and News Sources among Americans." Political Science Senior Thesis. Bemidji State University.

Rawls, John. 1971. *A Theory of Justice*. Cambridge, MA: Harvard University Press.

Robbins, Lionel. 1938. "Interpersonal Comparisons of Utility: A Comment." *Economic Journal* 8 (192): 635–641.

Sen, Amartya K. 1970. *Collective Choice and Social Welfare*. San Francisco: Holden-Day.

Sen, Amartya K. 1977. "On Weights and Measures: Informational Constraints in Social Welfare Analysis." *Econometrica* 45 (7): 1539–1572.

Sen, Amartya K. 1986. "Social Choice Theory." In *Handbook of Mathematical Economics*, volume 3, edited by Kenneth J. Arrow and Michael D. Intriligator, 1073–1181. Amsterdam: North-Holland.

Thompson, Krissah. 2017. "For Decades They Hid Jefferson's Relationship with Her. Now Monticello Is Making Room for Sally Hemings." *Washington Post*, February 19.

Weinstein, Neil D. 1980. "Unrealistic Optimism about Future Life Events." *Journal of Personality and Social Psychology* 39 (5): 806–820.

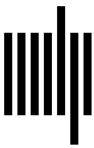
Weymark, John A. 1991. "A Reconsideration of the Harsanyi–Sen debate on Utilitarianism." In *Interpersonal Comparisons of Well-Being*, edited by John Elster and John E. Roemer, 254–320. New York: Cambridge University Press.

The State of Economics, the State of the World

Edited by: Kaushik Basu, David Rosenblatt, Claudia Sepúlveda

Citation:

The State of Economics, the State of the World
Edited by: Kaushik Basu, David Rosenblatt, Claudia Sepúlveda
DOI: 10.7551/mitpress/11130.001.0001
ISBN (electronic): 9780262353472
Publisher: The MIT Press
Published: 2020



The MIT Press

This book was set in Stone Serif and Stone Sans by Westchester Publishing Services. Printed and bound in the United States of America.

Library of Congress Cataloging-in-Publication Data

Names: Basu, Kaushik, editor. | Sepúlveda, Claudia Paz, 1969– editor. | Rosenblatt, David, editor.
Title: The state of economics, the state of the world / edited by Kaushik Basu, Claudia Sepulveda, and David Rosenblatt.
Description: Cambridge, MA : MIT Press, [2019] | Includes bibliographical references and index.
Identifiers: LCCN 2018046336 | ISBN 9780262039994 (hardcover : alk. paper)
Subjects: LCSH: Economic development. | Information technology—Economic aspects. | Monetary policy. | Social change.
Classification: LCC HD82 .S8223 2019 | DDC 330.1—dc23
LC record available at https://lccn.loc.gov/2018046336

10 9 8 7 6 5 4 3 2 1