

## What are the ethics of welfare economics? And, are welfare economists utilitarians?

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Important terms and names: welfare economics, utilitarianism (Benthamite, act, rule and preference), welfare consequentialism, WB, emotional WB, life-satisfaction WB, preferences, interests, impartiality, fairness, justice, loyalty, holiness, Jeremy Bentham, John Harsanyi, and Peter Singer.

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July 10, 2017

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*The Dictionary of Bad Definitions*

Utilitarian, *n.*

Etymology < post-classical Latin *utilitarius* >

A person who studies, worships, or is otherwise obsessed with the word *utility*.

*Economists must be utilitarians because they are always talking about utility.* (Shakespeare's brother Bob, 1604, in *My letters to Will*)

Welfare economics is an economic ethic that tries to answer the question of whether an action is moral or immoral.<sup>1</sup>

The action could be the action of an individual (her behavior) such as her eating a chocolate bar, smoking in a crowded room, or driving drunk. Or the action could be a government policy such as going to war or using taxation to redistribute income from the rich to the poor, or the poor to the rich. Since economists think on the margin the welfare-economic question is typically not whether the action is moral or immoral but what is the right amount (how much chocolate should I eat, and how many cigars should I smoke). For example, economists, typically don't talk about whether we should or should not pollute, but rather what is the right amount of pollution.

My first inclination was to use the words "good" and "bad" actions, but will instead use "right" or "moral" and "wrong" or "immoral" as in "morally right" and "morally wrong". The words "good" and "bad" are used in many different ways, so easy to misinterpret. Sound good? Morally right sounds pretentious but is clearer. Morally wrong means it should not happen for moral reasons.

The economics of right and wrong is normative: what should happen vs. what does happen. Many economist ethicists, but not all, are welfare economists. Welfare economics is a moral philosophy (an ethical system). In the words of John Stuart Mill, a moral philosophy is simply "a method to test right from wrong," Your first inclination might be to say that welfare economics is not, and was never intended to be, a method for determining what is moral and immoral but, rather, its intent is to tell us what policies, projects, and restrictions to adopt, and at what levels. But that comes to the same thing: to answer one needs criteria for parsing right

from wrong actions.<sup>1</sup> Besides, many people judge many policies and actions right or wrong based on their personal ethics, so even if welfare economists wrongly insist they are not morally judging a policy, most others explicitly are. Consider, for example, the ethics that motivate different view on species preservation and global warming.

Welfare economics can, in theory, judge, using its criteria, whether any action is right or wrong, but often cannot in practice. This is true of many moral philosophies. In practice, policy makers are lucky when a moral philosophy gives us an indication of whether a particular action is right or wrong. Looking ahead, some readers will disagree with my characterization of welfare economics, citing examples of individuals who self-identify as welfare economists but who would disagree with my characterization of it. This is OK: the objective is not for you to agree or disagree with what I think welfare economists agree on, the objective is for you to think about the assumptions welfare economists make, and to think about whether utilitarian is the best word to characterize the ethics of welfare economics.

The important thing to remember about welfare economics is that most moral philosophers reject it as a criterion to parse right from wrong, most normal people do as well. More on this after we list some of the commonalities of welfare economics. While most moral philosophers argue that welfare economics is not the right way to parse right from wrong, the intent of this note is not to judge welfare economics, utilitarianism, and welfare consequentialism; my modest intent is only to define them in relationship to each other

Like choice theories there is no one set of assumptions that all welfare economists agree to, but welfare economists are *consequentialists* in that whether an action is right or wrong depends only on its actual consequences, the intent of the actor is immaterial, so is what we thought the consequences might be.<sup>2</sup> For example, killing someone for fun might be moral if that person would have gone on to cause great suffering, so might breaking a promise or abandoning an obligation. For a welfare consequentialist, the same action can be right in some circumstances and wrong in others: it is determined by the consequences of the act, not the act itself.

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<sup>1</sup> The economic, moral philosopher Daniel Hausman, asks “Do normative economics [economic ethics] in fact require any moral commitments.” Like me, he concludes yes, going on to say, “Rather than pretending to avoid moral commitments, orthodox normative economists have more typically attempted to keep them [their moral commitments] mild and plausible” (Hausman 2010). For example, the assumption that Pareto improvements are morally preferred is both mild and plausible, at least to many welfare economists.

<sup>2</sup> At the other extreme are *processists* who judge the process that caused the act (e.g. a majority vote), not the consequences of the act.

Most people are not consequentialists; most people care about consequences, but not just about consequences; people also care about why and how it happened (the process), so care about intentions, virtues, duties, commitments, and rights. There are famous economist ethicists who have articulated theories of right and wrong who are not welfare consequentialists (e.g. [John Rawls](#) (1921-2002) and [Amartya Sen](#)); they are not welfare economists as I am defining the term.<sup>3</sup>

Since welfare economists care only about well-being (WB), the only consequences that concern them is how the act affects the WB of those individuals that matter—the only consequences that matter are the welfare consequences—so welfare economists are *welfare consequentialists*. But what is WB? Consider the following standard choice-theory assumption: *Experiencing a higher-ranked bundle is better for the individual, from their perspective, than experiencing a lower ranked bundle*. The critical word here is “better”, a better bundle is associated with more *betterment*/WB, where WB is simply a unit of account to compare better and worse, much like temperature is a unit of account that we use to distinguish between different levels of hotness (coldness). Levels of an individual’s WB could be represented with numbers on a numerical scale, the higher your WB number the better off you are.<sup>4</sup>

[Before proceeding it is important to distinguish between a ranking of bundles based on betterment and a ranking based on wants/desires. Consider the alternative assumption: *Higher ranked bundles are more desired/wanted than are lower-ranked bundles; that is higher ranked bundles are preferred*. I will sometimes use the word *preferred* as an abbreviation for *more desired/wanted*. The two assumptions generate the same ranking only when (1) bundles that are more desired are associated with more WB, and (2) bundles associated with more WB are more desired. Whether these two assumptions hold is an empirical question, but welfare economists (at least most of them) assume them, often implicitly. I point out the distinction here for two reasons: (1) If the assumptions hold, and you always choose your highest ranked feasible bundle, you maximize your WB. And (2), Because some ethicists, including some economic ethicists, specify fulfilling wants and desires as the moral objective, rather than increasing WB. For

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<sup>3</sup> It is common to lump together all economists who ask what is the right policy and call the welfare economists, but this is wrong.

<sup>4</sup> As noted, economists typically use the word *utility* rather than WB, but it has so many connotations, so I will try to avoid the word.

clarity, I will exclude these economic ethicists from the roles of welfare economists. I will call them instead *preference-fulfillment consequentialists*.

Table 1 makes the distinction clearer:

	<b>Welfare consequentialist: WB effects are the only determinant</b>	<b>WB matters, but WB effects are not the sole determinant</b>	<b>WB effects play no role in determining</b>
<b>Preferences fulfillment plays no role in determining</b>	I:	II:	III:
<b>Preference matter, but preferences fulfilled are not the sole determinant</b>	IV: Empty (if WB effects are the only determinant, preferences can't be a determinant)	V:	VI.
<b>Preference-fulfillment consequentialist: preference fulfillment is the only determinant</b>	VII: preferences ↔WB	VIII: Empty (if preferences are the only determinant, WB can't be a determinant)	IX:

Table 1: Different ethical systems as a function of whether preference fulfillment or WB are determinants of right from wrong

Welfare consequentialists are in either I or VII, preference consequentialists in either VII or IX (blue and green). In VII, preferences ↔WB. Welfare economists are a subset of I and VII. Ethical systems in III (e.g. Kantian ethics, will of God) are alien to welfare economics, so hard for economists to get their heads around. People who care about both process and WB effects are in either II and V depending on whether preferences also matter.

Welfare economists typically assume (without thinking much about it) that only humans count, but do not have a criterion for determining which individual humans matter/count. They don't justify or explain why only humans count. This is in contrast to other welfare-based moral philosophies which morally assert and defend criteria such as *all individual who can feel pain should count*, or *all sentient individuals should count*. Many welfare economists are willing to exclude humans that are not members of their own group. Not surprisingly, what is morally right or wrong in terms of aggregate WB often comes down to who counts. A big issue is whether future humans count and, if so, how much relative to us. The issue of future humans is further

complicated because current humans influence the number future humans. Within welfare consequentialism, welfare economics is typically the most restrictive in terms of who counts.<sup>5</sup>

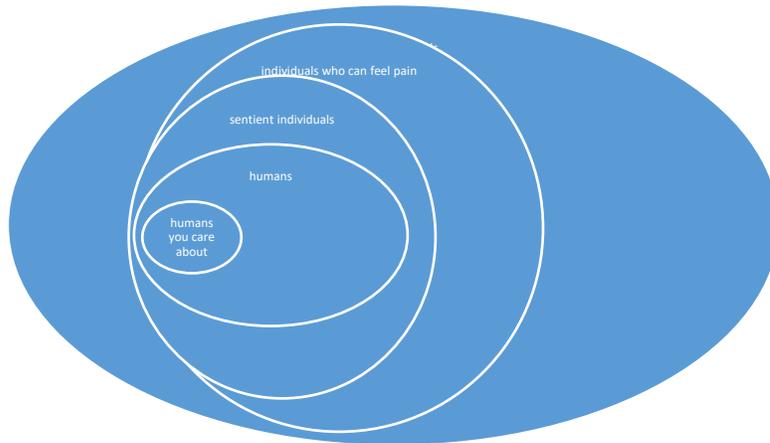


Figure 1: All individuals: Who counts?

Welfare economists agree that the only important consequence of an act is how it affects the WB of society, which is a function of, and only a function of, the WB of each member of society. Let's call the WB of society *social WB*. Actions that increase social WB are right and those that decrease it are wrong, and actions that increase social WB more are morally preferred. Welfare economists assume actions that increase the WB of some members of society and decrease the WB of no other members are right (economists call these Pareto Improvements), and actions that decrease the WB of some members without increasing the WB of any other members are wrong (Pareto Deteriorations).<sup>6</sup>

Think what this means in terms of a voluntary trade: if you assume the WB of the seller and buyer are both increased by the trade (which must be the case if neither mistakenly traded), and if the production and consumption of what is traded decreases no other individuals' WB, the trade is, by assumption, necessarily moral. This trade could even be moral if it makes third-parties worse off, as long as they are not made too worse off.

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<sup>5</sup> While most welfare economists limit who counts to humans, or a subset of humans, one could be a welfare economist (an unusual one) and include everything that can feel pain.

<sup>6</sup> [Vilfredo Pareto](#) (1848-1923) was a famous Swiss economist who in his later years, frustrated with how mathematical economics theories failed in the real world, turned to sociology. He came to believe that men act non-logically "but they make believe they are acting logically."

At this point it is important to stop and make a distinction between social WB and *aggregate WB* where aggregate WB is the simple sum of each individual's WB, summed over all members of society.<sup>7</sup> Some welfare consequentialists define social WB as aggregate WB, but many welfare economists do not.<sup>8</sup>

Welfare economists agree that the WB of every member of society should play a role in social WB in that if the WB of any individual increases, without the WB of any other individual decreasing, social WB has increased, but this does not imply that everyone's WB should count equally. So, all welfare economists agree that the moral objective is to maximize social WB, but this does not mean they all want to maximize aggregate WB. For better, or worse, this makes welfare economics less prescriptive, and harder to explain. It would be easier to understand if welfare economists all agreed that everyone's WB should contribute equally to social WB. The problem is that many welfare economists believe that economists have no expertise in determining what is a fair in terms of the distribution of WB amongst societies members.<sup>9</sup>

A problem for welfare economics, and all other moral philosophies where WB matters, is most actions increase the WB of some individuals while decreasing the WB of others, so are neither Pareto Improvements nor Pareto Deteriorations. So, to determine how an action affects either social WB or aggregate WB requires that you determine how the action affects every individual's WB, and, in addition, you have a method for comparing WB losses and gains across members.

With respect to the first requirement, welfare economists assume you can always compare the value of all things—all values you experience are commensurable from your

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<sup>7</sup> As an aside, many welfare consequentialists argue that the most cost-effective way to increase aggregate WB is to decrease suffering. Describing the goal as minimizing net-suffering puts a different, and appealing, perspective on welfare consequentialism.

<sup>8</sup> Consider whether you would choose the maximization of aggregate WB as the moral criteria under two different conditions: (1) you are an *impartial spectator* choosing whether a group should adopt this objective, or (2) you know you will be part of the group (so are not an impartial spectator) but do not know your specific position in the group. The second is referred to as choosing behind a *veil of ignorance*). [David Hume](#) (1711-1776) and [Adam Smith](#) (1723-1790) considered the impartial spectator: John Rawls and Harsanyi the veil. Harsanyi argues that an individual whose objective is to maximize his expected WB would, behind the veil, choose maximizing average WB (maximizing aggregate WB). Rawls, making difference assumptions, reaches a different conclusion. So, an impartial spectator might choose maximizing aggregate WB.

<sup>9</sup> The conflict is between economics as a science and welfare economics as an ethic. Economics, the science, is a science of behavior, and sciences do not parse right from wrong, whereas the objective of welfare economics is to parse right from wrong.

perspective—many people do not believe that everyone can do this, arguing that some values in some quantities cannot be compared. Commensurable means the rate at which an individual would substitute one thing for another is always specifiable (it could be infinite). Said another way, everything can be expressed in terms of the same measure of value: value only has one dimension. Examples of commensurability include: I would give up my friendship with George for two apples, my friendship with Phil for five apples, and for no finite number of apples would I give up Wanda. And, I would give up my right to free speech for the freedom to do whatever else I please, but I would not give up free speech for one ice-cream cone. Having a ranking of bundles means you know the rate at which you would trade anything for anything else, be it friends, liberty, or cheeseburgers; it is implied by the choice-theory assumption that the individual can rank all bundles. If you believe that value is a multidimensional concept, and value on a dimension cannot always be compared to value on another dimension, you believe there are incommensurables, which is what Aristotle believed, what many modern philosophers (e.g. [Martha Nussbaum](#) (2012), a professor of Law and Ethics at the University of Chicago) believe, and what a lot of normal people believe.

Above I mentioned rights (as in the right to free speech, or the right to vote). Many people believe in inalienable rights, and if you have the right to do something, it is morally wrong (according to Rights Theory) for me to interfere with your ability to exercise that right (your right is a constraint on me). Welfare economists, being consequentialists, do not recognize inalienable rights; they might, for example, talk about the right amount of free speech in the same way they talk about the right amount of pollution. Welfare economists who advocate for property rights do so only because they believe that having and enforcing property rights will increase social WB.

Quite importantly for policy, honest welfare economists agree that increasing efficiency is neither necessary nor sufficient for an increase in either aggregate WB or social WB—an action is efficiency increasing if the gain to the gainers is, in money terms, large enough so that the gainers could compensate any losers for their loss, and still be gainers. (The compensation does not have to occur for the action to be efficiency increasing.) Said another way, an increase

in net real wealth (in \$) does not imply an increase in either aggregate or social WB:<sup>10</sup> money income is not an accurate measure of either individual WB, or aggregate WB, or social WB. For measurement sake—but not for any good reason—this is unfortunate since money is easy to count. An example demonstrates that an efficiency increase can decrease aggregate WB. Donald, a really-rich guy, would be willing to pay you \$1000 for a ring you inherited from your mother. You treasure the ring but, since you are poor, would sell it for \$200, so selling it to him for more than \$200 but less than \$1000 would make both of you better off. And, if no one else was affected by the transfer, aggregate WB and efficiency would both increase. However, Donald steals it, saving himself \$200. The stealing is efficiency increasing but does not necessarily increase aggregate WB. For Donald, it is an additional trinket, for you a treasure was lost (your WB likely went down more than his increased, causing aggregate WB to decline, if that comparison has meaning). While welfare economists agree on all this, for better or worse—and mostly for trying to be relevant—it is common for talking heads (sometimes those same welfare economists) to misleadingly suggest that an action increases either aggregate WB or social WB if it is efficiency increasing. To be clear, some ethicists argue that increased wealth (increased efficiency), not increased WB (aggregate or social), should be the criteria to parse right from wrong—the Federal judge and legal scholar [Richard Posner](#) seems to be in this camp—but these ethicists are not welfare consequentialists, they are wealth consequentialists.<sup>11</sup> Most academic economists concerned with normative economics are not wealth consequentialists.

### So much for what welfare economists agree on

Welfare economists do not all agree on what WB means or how it should be measured.<sup>12</sup> Some welfare economists assume WB is simply emotional WB/happiness, some that WB is life-satisfaction WB, some a combination of the two. Some add more components.

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<sup>10</sup> Note to correctly measure a society's aggregate wealth one must include many things besides the present value of its GDP stream. For example, increase in pollution or a decrease in a county's natural resource stock both affect its wealth but neither is included in GDP.

<sup>11</sup> Posner (1983) argues that, while wealth and welfare are not the same thing, they are related, and that the goal of increased wealth, as compared to increased welfare, provides an ethical argument for honesty, commitment, etc., because these characteristics decrease the cost of market transactions. (A welfare consequentialist would advocate dishonesty if it would increase welfare.)

<sup>12</sup> See Morey (2017, Chapter 4) for a discussion and review of the different ways WB can be defined.

In addition, welfare economists differ in terms of whether WB is cardinally meaningful (e.g. for you, level 4 WB is twice as much WB as level 2 WB) or only ordinally meaningful (for you, level 4 is better than 2, but you do not comprehend degrees of betterment).<sup>13</sup>

Welfare economists also disagree about whether your WB is comparable to mine (measureable on the same scale). Incomparable across individuals is a common assumption among modern welfare economists. Consider four camps of welfare consequentialists: ordinal/comparable, ordinal/incomparable, cardinal/comparable, and cardinal/incomparable.

	<b>WB is comparable across individuals</b>	<b>WB is not comparable across individuals.</b>
<b>For an individual, different levels of WB are cardinally meaningful</b>	Cardinal/comparable	Cardinal/incomparable
<b>Not cardinally meaningful</b>	Ordinal/comparable	Ordinal/incomparable

Table 2: Cardinal, ordinal, comparable, incomparable

Wow. It is hard to get your head around ordinal/comparable (I try below), easiest for cardinal/comparable. If everyone’s WB is a number on the same cardinal scale (cardinal/comparable), and one assumes all members of society count equally, social WB is simply the sum of all the individual levels of WB; it is aggregate WB.

Whether betterment has cardinal meaning is an empirical question that is mostly unanswered. Most of us imagine (would like to think) that we can comprehend and assess different degrees of our own betterment, but that does not make it so. Cardinal betterment is not required for choice, raising the question of why we would experience betterment cardinally if it has no influence on our behavior. Whether it is possible to compare WB levels across individuals is also, arguably, an empirical question. Most of us assert such comparisons (“I am not as happy as George but am happier than Glen, who is always depressed.” Or, “Donald stealing my mother’s ring increased his happiness less than it decreased mine.”). While, at the same time, admitting that we can’t be sure about such comparisons. There are two issues: whether it is meaningful to compare your WB to mine, and, if so, how to do it.

If WB is ordinal/non-comparable, adding WB numbers across individuals makes no sense, but welfare consequentialists can still ask whether a rule could exist that would take your, mine, and everyone else’s ranking of bundles and spit out a ranking of bundles based on social

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<sup>13</sup> Complicating further, there are different degrees of cardinality. See Morey (1984).

betterment. Ideally, the welfare consequentialist would want a rule that worked for all possible sets of individual rankings. And, they would probably also want to impose some ethics restrictions on the rule. A common restriction is that if for everyone bundle X is better than bundle Y, the rule has to rank X higher in terms of social betterment. Kenneth Arrow (1951/63) proved that if you imposed this and a couple of other reasonable restriction on the rule, no rule exists that would work for all possible sets of individual rankings (this is Arrow's famous impossibility theorem). Put simply, if each of us only has an ordinal ranking of bundles, and your ranking is incomparable to mine, for many sets of rankings it will be impossible to convert them into a ranking of bundles in terms of social betterment—at least if you want the results to be at all reasonable.

I was surprised to learn that a rule can exist for ordinal/comparable. For example, the following rule from Rawls (1971): Bundle X is socially better than Bundle Y if, and only if, the individual with the least amount of WB given Bundle X has more WB than the individual with the least amount of WB given Bundle Y. (They don't have to be the same individual.<sup>14</sup>) That is, X is morally preferred to Y, if the worst off is better off with X. The rule is inconsistent with one individual's ranking being the sole determinant of the social ranking, arguably a good thing. It also has the desirable property that how it ranks X vs. Y does not depend on what other bundles are feasible (the *independence of irrelevant alternatives restriction*). In spite of these desirable properties, Donald Trump, and many others, would not like this rule.

### Welfare consequentialism, including welfare economics, scares many moral philosophers because anything goes as long as it increases WB

Most people, including most moral philosophers, reject the premise that the morality of an act is determined exclusively by its WB consequences. In welfare consequentialism, no acts or behaviors are inherently right or wrong. Lying, for example, is not inherently wrong; in fact, it is right to lie (the moral thing) if the lie increases WB. The same hold for breaking promises and dereliction of duties. There is no right to free speech or equal treatment under the law. No proscription on racial, cultural, or sexual discrimination. There is no right to liberty, so no

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<sup>14</sup> Getting technical, with ordinal/comparable WB, WB has no cardinal meaning from the individual perspective. One can achieve comparability across individuals with imposing cardinality by assuming the WB function can only vary across individuals up to the same increasing monotonic transformation. [ $WB_i^*$  is an increasing monotonic transformation of  $WB_i$ , if  $WB_i^* = \phi_i(WB_i)$  such that the derivative of  $\phi_i(WB_i)$  is positive. Comparability is imposed by the requirement that  $\phi_i = \phi$  (that it's the same function for everyone).]

restrictions on the amount the government can interfere in your life. For example, since speaking freely increases the WB of those speaking but often decreases the WB of those who must hear it, morality requires some restrictions on speech. In summary, most moral philosophers, and most people, are not welfare consequentialists. Most think WB impacts should play some role in determining whether an action is right or wrong, but that WB should not be the only determinant of morality.

Consider the implications of assuming the sources of an individual's WB are irrelevant for determining right from wrong. Many, but not all, welfare consequentialists make this assumption, including welfare economists. In which case, the pleasure the neighbor kid gets from his mother's love is worth no more, nor less, than the pleasure he gets from torturing cats. My decrease in WB from knowing poor people are starving in Africa counts for no more or less than the decrease in WB I experience from having to live next to people who are different from me. (To be dramatic I am mis-representing my tastes. I actually get WB from living next to people different from me—as long as they are not too different.) Abhorrent to many is that the WB I get from causing others to suffer, or from the misfortune of others, counts as much as the WB I get from helping a friend or loved one.

If the sources of an individual's WB are irrelevant for determining right from wrong—no matter how yucky or irreverent the source, the WB still counts. Looking ahead to an example in a research study discussed later, the pleasure George gets from having sex with a dead chicken he bought at the supermarket, then roasted and enjoyed for dinner, counts. Of course, welfare consequentialism must take account that the WB of others might decrease if they were to know what George was up to.

If the welfare consequentialist assumes that the sources of an individual's WB are irrelevant and, in addition, assume the moral objective is to maximize aggregate WB, any action that that increases aggregate WB is right (morally preferred) not matter how the WB was generated. Start with a simple example thanks to Sen (1970), an economic ethicist and Nobel laureate, but not a welfare consequentialist or welfare economist. Consider a society of two individuals, Lewd and Prude, where Prude gets WB from denying Lewd a pleasure, and Lewd gets WB from making Prude do something he does not want to do.

*Society has to rank three states: (A) no one reads Lady Chatterley's Lover, (B) only Prude reads it, or (C) only Lewd reads it. Prude, being a prude, does not want to read it but prefers he read it rather than Lewd: Prude hates the idea of Lewd enjoying the book. Best for Prude is no one reads the book. Lewd, on the other hand, would enjoy the book, but loves the idea of Prude being forced to read it. No one reading the book is Lewd's worst outcome.*

To the discern of many, Prude being forced to read the book might increase aggregate WB: both Prude and Lewd are better off if Prude, rather than Lewd, reads it, and while Prude would have more WB if no one read it, this may be more than offset by the great pleasure Lewd gets from Prude being forced to read it. Many people, including many moral philosophers, would object and argue that forcing Prude to read a book he dislikes cannot be the moral high ground. In addition, they would object to having to include both the pleasure Lewd would get from Prude being disgusted, and the pleasure Prude would get from Lewd not having the pleasure of reading the book. Shifting examples, the pleasure George gets from living in a neighborhood with only straight, white people might mean keeping others out is morally preferred to an integrated neighborhood.

If the welfare consequentialist assumes that the sources of an individual's WB are irrelevant and, in addition, assume the moral objective is to maximize aggregate WB, WB generated by ignorance counts as much as WB generated by learning. In moral consequentialism, there is nothing inherently wrong with fake news: it increases the WB of some. There is also nothing inherently right about real news: it decreases the WB of some. The pleasure I get from believing global warming is not real and the pleasure I get from believing my wife is faithful (I am wrong?) counts on the aggregate WB scale the same as the bump in WB you would get from a great day of skiing or from pulling a drowning kid from a pool.

If one takes welfare consequentialism to the extreme, one can create examples that would make most people scream "NO" to awful acts that could, in theory, be justified by welfare consequentialism. These include torture, racial discrimination, sadistic acts, dictatorial rule, and killing humans or other animals for fun and sport.<sup>15</sup> Anything can be morally justified by welfare consequentialism simply by arguing that doing it would increase social or aggregate WB. Of course, you and I could reject the assumption that the sources of WB are irrelevant, but then

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<sup>15</sup> Welfare consequentialists tend to argue that while despicable acts could in theory increase WB, this is unlikely in practice when one takes account of those who suffer from despicable acts.

we would not be welfare economists. Welfare economists include the negative WB impacts of my actions on others, but would never deem certain sources of my WB as immoral per se. [John Harsanyi](#) (1920-2000), the 1994 winner of the Nobel in Economics would; he argued that society should, on ethical grounds, exclude from WB pleasures and pains caused by lack of information, misinformation, and morally objectionable rankings (based on racism, sexism, sadism, maliciousness)—rankings that lead people to trample on the dignity and equality of others (Harsanyi 1977 and 1983).<sup>16</sup> He was not a welfare economist. As a Hungarian Jew, in 1944 he worked in a forced-labor unit, escaping from the train at the Budapest station as his unit was being sent to an Austrian concentration camp (Harsanyi 1995).

Consider the implications of adding to welfare consequentialism the welfare economic assumption that everyone maximizes their WB subject to their constraints (people do not make WB-reducing choices). This makes, for many, welfare economics even more objectionable. More objectionable because the assumption implies it is always wrong to interfere in acts that affect no one other than the actor. You and the government have a moral imperative to **not** intervene when I beat my head against the wall, or drink 12 shots of tequila, or try to commit suicide—unless someone beside me would be negatively affected—a lot. In contrast, a welfare consequentialist who recognizes that some choices reduce WB would be morally compelled to intervene, even if choice would not decrease anyone else's WB. Many regular people would also be compelled.

And finally, many object to the tendency of welfare economists to not consider the WB impacts on individuals who are not members of their group/tribe.

### [Do welfare economists belong to a subset of welfare consequentialists called utilitarians?](#)<sup>ii</sup>

I ask this question because many economists are led to believe (I was) that welfare economics is grounded in the moral philosophy called utilitarianism. So, what is utilitarianism and how does it relate to welfare economics as I have just described it? The first problem with answering this question is not many modern moral philosophers are welfare consequentialists

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<sup>16</sup> An important question is who determines what rankings are immoral. And if, for example, society decides a ranking based on hate is immoral, there is the further issue of whether a particular ranking is, or is not, hate based. In addition, if hate is deemed immoral, how does one determine what a hate-filled person's WB would be if he were hatred free?

and those that are often do not self-identify as utilitarians—utilitarianism seems to have a bad name in large parts of moral philosophy.

So, I start with a simpler question: do welfare economists adhere to the classic utilitarianism of Jeremy Bentham, the father of utilitarianism?<sup>17</sup> <sup>18</sup> Most do not. For one, Benthamite utilitarianism is welfare consequentialism that assumes WB is only emotional WB, where emotional WB is only pleasure minus pain. Most welfare consequentialists, including most welfare economists, take a broader view of WB. Pain might cover all the things that would cause a spider's WB to suffer, but many things that decrease the WB of my dog and I are not physical pain (the firings of specific types of muscular nerve cells), and pain does not always cause a decrease in our WB. Chewing on sticks to dislodge one's baby teeth hurts, but my puppy persists. On the way to the dentist I play with my loose tooth trying to find the amount of pushing that hurts best. After a competitive bike ride, the leg pain tells me I worked hard, my goal, and I know the pain will be gone in the morning. But, pain you do not control, that won't go away, and is a symptom of illness causes a decrease in WB. The word pleasure is also too narrow for humans. Like pain, pleasure is a sensation. Many pleasures (the taste of good chocolate, orgasm) are specific to certain body parts. A pleasure can cause enjoyment, but it can also cause suffering—I am upset with myself for eating those tasty onion rings. Like pain, whether a pleasurable sensation increases WB often depends on the circumstances in which it occurs. Bentham was a pain and pleasure guy; welfare economists are not.

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<sup>17</sup> Utilitarianism was developed and popularized by Bentham's *Introduction to the Principles of Morals and Legislation*. Put simply, humans and other animals experience only pleasure and pain which can be netted and then added across individuals (Bentham's *felicity calculus*). An action is moral if it increases aggregate net happiness. The first sentence of Bentham's book says most of it,

*Nature has placed mankind under the governance of two sovereign masters: pain and pleasure. It is for them alone to determine what we ought to do, as well as to determine what we shall do.*

<sup>18</sup> Initially Bentham did not call it utilitarianism. John Stuart Mill adopted the term after seeing it used in a novel, unaware that Bentham had earlier used the word in a letter (Reeves 2007). Mill suggests that Plato was the first utilitarian (Mill (1879)). "To each his due" suggests actions should be assessed on the basis of how they affect welfare. The expression "the greatest happiness of the greatest number", while popularized by Bentham, can be traced back to the philosopher [Francis Hutcheson](#), a founding father of the Scottish Enlightenment (Reeves 2007). One of the roots of utilitarianism is [Epicurus](#). Bentham claimed inspiration from David Hume. When Bentham came across Hume's discussion of morality he felt as though "scales had fallen from his eyes" (quoted by Gottlieb 2016) "It appears there was never any quality recommend as a virtue, or moral excellence, but on account of it being *useful* or *agreeable* to a man *himself*, or to *others*," (Hume 1758). Hume differed from Bentham in that Hume was noting how people judge, not on how they should judge, and Hume did not think WB quantifiable (Gottlieb 2016)

In addition, in Benthamite utilitarianism your net pleasure has cardinal meaning, and is measured on the same cardinal scale as mine. In addition, the moral objective of Benthamite utilitarianism is to increase aggregate net pleasure, defined as the sum of aggregate pleasures minus aggregate pains.

And, for Bentham this includes the pleasure and pains of all individuals that can experience pleasure and pain, independent of species, so the pleasures and pains of ducks count as much as yours and mine, and all pleasures and pains count equally, including spider pain.<sup>19</sup>

*The day may come when the rest of the animal creation may acquire those rights which never could have been withholden from them but by the hand of tyranny. The French have already discovered that the blackness of the skin is no reason a human being should be abandoned without redress to the caprice of a tormentor. It may one day come to be recognized that the number of the legs, the villosity of the skin, or the termination of the os sacrum [whether one has a tail] are reasons equally insufficient for abandoning a sensitive being to the same fate. What else is it that should trace the insuperable line? Is it the faculty of reason or perhaps the faculty of discourse? But a full-grown horse or dog is beyond comparison a more rational, as well as a more conversable animal, than an infant of a day or a week or even a month, old. But suppose the case were otherwise, what would it avail? The question is not, Can they reason? nor Can they talk? But, Can they suffer? (Bentham)<sup>20</sup>*

Holding all else constant, imagine two worlds: in the first you get 10 additional units of net pleasure and Wilbur, a pig, gets -5, and in the other the numbers are switched. The Benthamite utilitarian is indifferent/impartial: who gains and who loses is immaterial as long as the net gain is unchanged. This *impartiality* is a critical component of Benthamite utilitarianism (Driver 2014), but not welfare economics. Most welfare economists would include only the pains and pleasures experienced by member of their society, which, in practice, means only the pleasures and pains of humans who are members of the welfare economist's group. And, welfare economists do not assume that every member's WB should get equal weight. That is, the objective of Benthamite utilitarianism is to maximize aggregate emotional WB but welfare economists do not assume social WB is aggregate WB. These are critical differences between welfare economics and Benthamite utilitarianism.

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<sup>19</sup> And one does not even need a backbone to experience pain. After using pain-inducing chemicals on spiders, [Thomas Eisner](#) (2003, p253), the recently deceased "father of chemical ecology" concluded, "I have no doubt they did [experience pain]...we came to the conclusion that invertebrates perceive pain, and that their sensory basis for doing so may not be much different from our own."

<sup>20</sup> Bentham was particularly fond of animals, having a pig for a friend and a cat who ate at the table. Mill suggested that Bentham lacked human experience (Mill 1987).

Welfare economics, like Benthamite utilitarianism, assumes that for you all values are commensurable, an assumption that is not widely held by others, so a significant commonality between the two ethics.

Benthamite utilitarianism would judge your behavior as moral or immoral in terms of whether it increases or decreases aggregate WB, and a larger increase in aggregate WB is preferred to a lesser increase. For example, Bentham would judge George smoking another cigarette wrong if it increases his WB less than it decreases the WB of others. Welfare economists, in contrast, would ask whether the act increases social WB. Neither would assume your act is moral simply because it increases your WB. An interesting aside is that since economicus is constrained to maximize his own WB, economicus is constrained to act Bentham immorally if an act increases his personal WB but decreases aggregate WB. That is, economicus is what is commonly referred to as a *psychological egoist*, or *egoist*. Whether Bentham was an egoist is a matter of debate: some argue that Bentham left open the possibility that humans can choose to act contrary to their own WB; if so, Benthamite George might simply choose to not light up.<sup>21</sup> To make Economicus George's behavior moral someone would have to interfere.

In terms of Table 1, Benthamite utilitarianism is necessarily some subset of I and VII, and a strict subset of VII if you interpret Bentham as requiring everyone to maximize their own WB. If you don't interpret Bentham this way, then Benthamite utilitarianism is a strict subset of I. If you interpret Bentham such that Benthamite utilitarianism is a strict subset of VII, it is a different subset of VII than is the welfare-economics subset, with no or minimal overlap.<sup>22</sup>

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<sup>21</sup> Bentham is contradictory on this issue: sometimes saying we are egoists, but sometimes giving us the option of acting contrary to our self-interest. In *The Book of Fallacies*, Bentham says, "In every human breast, rare and short-lived ebullitions, the result of some extraordinary strong stimulus or incitement excepted, self-regarding interest is predominant over social interest: each person's own individual interest, over the interests of all other person taken together" (Bentham 1824 :392-3). Except for the insert, "rare and short-lived ebullitions, the result of some extraordinary strong stimulus or incitement excepted," (which is often omitted replaced with "..."). This sounds like an endorsement of egoism. The insert leaves the door open a bit. But, in contrast, in *An Introduction to Principles of Morals and Legislation* he says, "There is no case in which a private man **ought** not [emphasis added] to aim to produce his own happiness and of that of his fellow-creatures; ... Every act that promises to be beneficial on the whole to the community (himself included) each individual ought to perform of himself; ... Every act that promises to be pernicious on the whole to the community (himself included) each individual ought to abstain from;..." (Bentham Chap 17, paragraph 8). There are differing interpretations as to what Bentham meant (see, e.g. Driver (2009:9-10), Dinwiddy (2004: 137-8) and Lyons (1991)

<sup>22</sup> To get overlap, at some welfare economists would have to assume that only emotional WB matters, that the emotional WB of all animals matters equally, and that WB is cardinally meaningful.

The first place to look past Benthamite utilitarianism, is the utilitarianism of John Stuart Mill, but the ethics of Mill is too complicated for this essay.<sup>23</sup> I will also jump over the influential utilitarian Henry Sidgwick (1838-1900) to the 20<sup>th</sup> century.<sup>24</sup> Simply put, there is no one modern utilitarian ethic, but rather several over-lapping ethics. There is, for example, *act utilitarianism*, *rule utilitarianism* and *preference utilitarianism*. And there are some modern welfare consequentialists who would not label themselves utilitarians, but arguably are. Act utilitarianism, like Benthamite utilitarianism defines the objective as maximizing aggregate WB—act by act; whereas the objective of rule utilitarianism is to identify rules—rules that apply to everyone—that will, overall, lead to the maximization of aggregate WB.<sup>25</sup> The different varieties, for the most part, agree that WB is not simply pleasures minus pain.

For our purposes, the most interesting is preference utilitarianism. Peter Singer states, “my ethical position is a form of preference-utilitarianism:” “I approach each issue by seeking the solution that has the best consequences for all effected. By ‘best consequences’, I understand that which satisfies the most preferences, weighted in accordance with the strength of the preferences” (Singer 1997). A noted difference between Singer and Benthamite utilitarianism is that for Singer the objective is to fulfill an individual’s *interests*, and this is achieved by giving people what they prefer, even if it involves less pleasure and more pain, or even less emotional WB. Singer defines preferences as “wants, needs, and desires” (Singer 2011) Singer does not advocate for the maximization of aggregate WB, so while he is consequentialist, he is a

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<sup>23</sup> In partial explanation: Mill complicated the simplicity of Benthamite utilitarianism by arguing that some pleasures would count more than some other pleasures. And, over his life Mill argued as both a utilitarian (Mill 1867) and a liberalist (Mill 1859), but neither view requires the other. There was Utilitus Mill, the back-looking devoted son of James Mill and the godson of Bentham, and there was the more passionate forward-looking Liberace Mill, committed to liberty; the two mostly coexisted without openly condemning the other, but rarely appeared together in public, and Liberace appeared more as Mill aged. Mill wrote *On Liberty* eight years before *Utilitarianism*. *Utilitarianism*, however, was a look back, “the ideas contained in *On Liberty* underpinned his future actions as both a politician and public intellectual....*On Liberty* illuminated his future” (Reeves).

<sup>24</sup> Sidgwick wrote the influential *The Method of Ethics* (1874) which was both a defense and explanation of utilitarianism (Driver (2014)). He critically pointed out the problem of total emotional WB versus average emotional WB: suggesting that the goal should be to maximize the product of average emotional WB and population size.

<sup>25</sup> One argument for rule over act utilitarianism is that act utilitarianism provides no justification for moral rights or obligations—anything goes as long as it increases aggregate WB (Harsanyi Sec. 9). Whereas the general rules produced by rule utilitarianism provides guidelines (rights and obligations) for behavior. So, for example, rule utilitarianism might warrant the banning of slavery, while in act utilitarianism whether enslaving someone is moral or immoral is determined case by case. The other difference is that an individual undertakes an act taking as given the behavior of others, whereas a chosen rule applies to everyone, so effects the behavior of others.

*preference-fulfillment consequentialist* rather than a welfare consequentialist. He notes that if one only prefers that which increases one's WB, and one always prefers that which increases one's WB, there is no difference between preference-fulfillment consequentialism and welfare consequentialism. See the earlier bracketed [insert](#). A motivation for fulfilling preference rather than increasing WB is that preferences are, in his view, easier to observe and measure. Singer counts equally the preferences of all species capable of having preferences, so gives equal standing to all or most animals.<sup>26</sup> Singer defines basic equality as when each individual's interests get equal consideration (impartiality), and argues that equal consideration of interests is morally preferred over unequal consideration of interests. Singer (2010) describes his preference utilitarianism as an extension of the utilitarian views of his Oxford professor [R.M. Hare](#) (1919-2002).

In 1977 Harsanyi proposed preference utilitarianism. He pointed out (as many psychological studies confirm) that individuals do not always maximize, subject to their constraints, their WB: he argued they make WB-reducing choices based on misbeliefs, emotions, etc. So, he distinguishes between *true preferences* and the preferences implied by observed behavior (*manifest preferences*), and argues that the moral objective is to maximize preference fulfillment based on true preferences.<sup>27</sup> Harsanyi's true preferences align with WB.

The preference utilitarianisms of Singer, Hare, and Harsanyi all have a rules-component in that they argue that most of the time (day to day) the individual should determine what is morally right based on rules that if followed would, most of the time, lead to the satisfaction of more preferences. But, in some complicated cases the rules will not suffice and critical thinking will be required. They also all agree that preferences based on illogical or bad information should not count. While Harsanyi excludes the fulfillment of immoral preferences (hate, sadism, etc.) I have not been able to find anything by Singer or Hare that indicates they agree. Singer emphasizes that the equal consideration of each individual's interests, and in his textbook, *Practical Ethics*, says nothing about inappropriate interests.

Contrasting with preference utilitarianism, welfare economists, as I defined them, are only concerned with welfare/WB, not preference-fulfillment per se. And, many welfare

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<sup>26</sup> Singer is considered the father of the animal-rights movement based on his famous book, *Animal Liberation*.

<sup>27</sup> A question arises: how does one identify true preferences when behavior is based on manifest preferences. And is the WB caused, for example, by hate simply subtracted from the individual's overall WB to get their moral level of WB? Or is it more complicated than that?

economists reject the notion that preferences and WB have intensities that can be compared across individuals. And most welfare economists would not sweat not fulfilling the preferences of non-humans, nor those of humans not members of their group. Another difference is that that like Benthamite utilitarianism, preference utilitarianism gives everyone's preferences equal weight, while welfare economics does not require this.

Welfare economics does not draw a distinction between true and manifest preferences. It assumes your self-assessed WB is always your WB.<sup>28</sup> Preference utilitarianism explicitly admits the possibility that you do not know what is best for you. You can be a preference utilitarian without assuming each individual experiences their highest-ranked feasible bundle, whereas choice theory and welfare economics assumes you always experience your highest-ranked bundle. Preference utilitarians admit WB-reducing choices, and if they believe you are making one, they would advocate for paternalism (limiting and directing your behavior against your wishes). Imagine that your teenage daughter is inclined to cut herself (not uncommon). Welfare economics says let her cut, unless the cutting negatively affects others; a preference utilitarian would advocate for sending her to therapy and throwing away all the knives in the house, even if her cutting affects only her. Or imagine that I, when given the opportunity, poke pins in my eyes and fail to save for retirement. A preference utilitarian might stop the poking and force some saving, but, as long as it does not affect others, the welfare economist has no grounds for interfering. (In determining whether to restrict my behavior, a preference utilitarian would, of course, account for the fact that forcing me to save for retirement conflicts with my preference for freedom.)

Some economic ethicists agree with Singer that the moral objective is increasing preference fulfillment rather than increasing WB. Personally, as I said earlier, I think it misleading to call these economic ethicists welfare consequentialists or welfare economists. As I do Singer, I characterize them as preference-fulfillment consequentialists. In terms of Table 1: preference-fulfillment consequentialists are restricted to VII and IX. If they admit, WB-reducing choices, as most do, they are restricted to IX. The ethicist [Daniel Hausman](#) (2010) critiques the divide between welfare consequentialism and preference-fulfillment consequentialism.

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<sup>28</sup> Self-assessed WB is often referred to as subjective WB in that it is from the perspective of the subject/individual.

I end this comparison of utilitarianism and welfare economics with a short discussion of what each implies about distributing wealth. A moral imperative of the preference utilitarianism of Peter Singer is that once the basic needs of you and your loved ones have been met, morally you should allocate your remaining time and income to reduce the suffering of those individuals who are suffering the most, irrespective of their relationship to you, or their species. This conclusion follows from his assuming (1) preferences have intensity, (2) preferences can be compared across individuals, (3) a dollar spent serving your interests (assuming you are not in desperate straits) will increase aggregate preference-fulfillment less than if it is spent to serve the interests of an individual in desperate straits,<sup>29</sup> (4) you can choose to not pursue only your own interests, and (5) the moral objective is to increase aggregate preference-fulfillment. Singer in his textbook *Practical Ethics* admits he is asking a lot of you. In his discussion, his examples deal with our moral imperative to help desperately poor people, but his assumption that the interests of all individuals, independent of species, should count equally implies that the well-off should also allocate their time and income to reduce the suffering of animals. (Reliably reducing the suffering of domestic animals is likely cheaper than serving the interests of desperately poor people). Most welfare economists would not advocate Singer's moral imperative because they would not, as we have discussed, accept all his assumptions. For one, they would reject (4): economicus cannot do this; he must maximize his personal WB (or desires) subject to his constraints. So, for the welfare economist, you behaving more morally is something that must be imposed on you by the State.

It is the case that if a welfare consequentialist, or welfare economist, adopts assumption (3) and assumes the moral objective is to maximize aggregate WB, they would conclude that it is right (moral) that the State redistribute from the well-off to the worst off.<sup>30</sup> Of course neither all welfare consequentialists, nor all welfare economists, would assume (3), or the objective of maximizing aggregate WB.<sup>31</sup>

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<sup>29</sup> This assumption is akin to what economists call "diminishing marginal utility" and something we teach as a "law" to students in principles of microeconomics.

<sup>30</sup> Everyone, of course, would account for the fact that progressive tax rates might influence your incentive to work.

<sup>31</sup> While the above discussion is in terms of Singer's conclusions on redistribution, Bentham also advocated the redistribution of wealth from the best off to the worst off. While Bentham did not articulate diminishing marginal utility in the full sense of the current term, he did feel that an additional dollar spent by someone well off would increase emotional WB less than if were spent by a worst off, and Bentham's goal was to maximize aggregate emotional WB. Quoting Bentham, "the more remote from equality are the shares [of wealth] possessed by the

Given all these differences, welfare economists are not preference utilitarians. Welfare economists are also not rule utilitarians: they typically think about whether a specific act or policy would increase aggregate or social WB rather than suggesting moral rules that if followed would, on average, increase aggregate or social WB.<sup>32</sup>

Besides not being utilitarians (Benthamite, rule, or preference), welfare economists also differ from most modern welfare consequentialists.

Some modern welfare consequentialists reject the notion that an individual can rank all possible bundles in terms of betterment, arguing there are different ways things can be better, and these ways are not all comparable.<sup>33</sup> For example, maybe I can compare the pleasure I get from chocolate ice cream with the pleasure I get from vanilla, but not the pleasure from chocolate with the joy of a friendship. This view is at odds with choice theory and welfare economics—commensurability of betterments is the foundation of choice theory and welfare economics.

Many welfare consequentialists who accept that all bundles can be ranked in terms of WB reject the additional assumption that you always maximize your personal WB (choose the feasible bundle with the most WB for you). Not maximizing either because you make mistakes or because you choose to do best for a larger group than yourself.

Some modern welfare consequentialists argue that WB is not just about what you feel (your emotional WB) and your level of satisfaction (life-satisfaction WB) but WB also increases with, for example, knowledge, or the extent to which you are fulfilling your capabilities, or even having more capabilities—even if these do not increase your emotional or life-satisfaction WB. According to this view of WB, you can be better off even if you don't feel it or realize it. And you could be better off even though you feel worse off if, for example, newly acquired knowledge makes you anxious and depressed.

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individuals in question, in the mass of the instruments of felicity, --the less is the sum of the felicity produced by the sum of those same shares" (Bentham 1839: 271).

<sup>32</sup> One might argue that the aim of *social-choice theory* (List (2013)) is to identify rules (functions) to identify what is morally preferred based on its welfare consequences. For example, there is the well-researched question of how different voting schemes (rules for decision making) succeed and fail in terms of distinguishing between right and wrong policies.

<sup>33</sup> See Morey (2017a) for arguments for and against incomparability of bundles and the incommensurability of values.

You can, of course, be an economic ethicist that adopts a moral philosophy where the WB of society's members is important, but where WB is not the only thing of importance (II or V in Table 1). But then you are neither a welfare economist nor a welfare consequentialist.<sup>34</sup> This is OK: there is no rule that says economists who care about parsing right from wrong actions can only care about WB. What you are called if you care about WB but not only WB depends on how much you think WB should matter relative to other things, other things like being virtuous or fulfilling your duties. Consider *NotOnlyWB ethics*.

### The moral judgements of regular people: normal do not ascribe to the ethics of welfare economics<sup>iii</sup>

Regular people do not determine whether an act is moral or immoral solely on its effect on WB: most regular people are not welfare consequentialists.<sup>35</sup> In fact, for many people it is not clear that WB effects play a large role in determining whether an act or policy is moral. Research in moral psychology indicates that typical Western research subjects judge morality (of an action or a person) using two criteria: (1): justice/fairness (treating others in proportion to their actions—they should get their just deserts), and (2): caring for others and protecting them from harm. Harming others is wrong; caring for others is right, those who harm should be punished, and those who care and reduce harm should be rewarded.

Recent research indicates that non-Western adults and Western religious conservatives add two additional criteria: (3) loyalty to your community/group, including a respect for its authority, including fulfilling your obligations to the group, and (4): an ethic of holiness (humans are God's creations and are morally obligated to not degrade that holiness). Describing this perspective:

*People are bearers of something holy or god-like, and have moral obligations to not act in ways that are degrading to or incommensurate with that holiness. The ethic of divinity requires that people treat their bodies as temples, not as playgrounds, and so personal choices that seem to harm nobody else (e.g., about food, sex, and hygiene) are sometimes moralized (for a further elaboration of moral foundations, see Haidt & Graham 2007). In sum, the high-socioeconomic status (SES), secular Western populations that have been the primary target of study thus far, appear unusual in a global context, based on their peculiarly narrow reliance, relative to the rest of humanity, on a single foundation for moral reasoning (based on justice, individual rights, and the avoidance of harm to others; cf. Haidt & Graham 2007). (Henrich, Heinz, and Norenzayan 2010)*

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<sup>34</sup> One could even be economic ethicist who believes that how an act influences WB is irrelevant to determining whether the action was moral or immoral. For example, the moral imperative could be fulfilling the will of God.

<sup>35</sup> Most people also do not judge on the basis of efficiency/cost-benefit analysis.

Of these four criteria, 2): *caring for others and protecting from harm* is the only one with that has an obvious link to WB. Linking the others to WB, one might argue that observing or experiencing injustice, disloyalty, and disrespect/desecration decrease WB, particularly for conservatives and non-Western adults.

One way to observe and measure moral diversity is to present people with descriptions of different behaviors and ask how they judge these different behaviors (right or wrong?). Judgement often varies with the respondent's socio-economic status, political orientation (liberal vs. conservative) and religious affiliation. Researchers also ask what criteria the respondent considered when judging an act right or wrong to determine whether the criteria varies across individuals. [Jonathan Haidt](#), his co-authors, and others have tested respondents' reactions to *harmless acts* (acts which cause no physical or psychological damage, except possible offense—acts that often occur in private). Three examples (Haidt, Koller, and Dias 2003):

*A woman is cleaning out her closet, and she finds her old [American or Brazilian] flag. She doesn't want the flag anymore, so she cuts it up into pieces and uses the rags to clean her bathroom.*

*A man goes to the supermarket once a week and buys a dead chicken. But before cooking the chicken, he has sexual intercourse with it. Then he cooks it and eats it.*

*A brother and sister like to kiss each other on the mouth. When nobody is around, they find a secret hiding place and kiss each other on the mouth passionately.*

The authors asked about such activities in three cities (two in Brazil, plus Philadelphia) finding that high socioeconomic Americans tend to view such acts as causing no harm, so not immoral—just activities that might go against social convention. In contrast, poor people and religious people, particularly in Brazil, often find these acts immoral simply because they invoke disgust or demonstrate disrespect. Western democracies typically legislate to reduce harm, not to eliminate harmless acts, but there are exceptions such as laws against homosexual acts between consenting adults. In contrast, religious states such as Iran and the Vatican ban many, so-called, harmless acts.

In 2009 [Jesse Graham](#), Jonathan Haidt and [Brian Nosek](#) identified five different moral intuitions: harm/care, fairness/reciprocity, in-group/loyalty, authority/respect, and purity/sanctity. Across four different experiments, conservatives tend to give equal weight to each of these criteria for determining right from wrong, whereas liberals tended to use only the first two. For

example, in their Study 4 respondents were asked what they would have to be paid to voluntarily do different sorts of distasteful things. The following are examples from each of the five criteria:

*(Harm) Kick a dog in the head, hard*

*(Fairness) Say no to a friend's request for help him move into a new apartment, after he helped you move the month before.*

*(In-group) Burn your country's flag, in private (nobody else sees you)*

*(Authority) Make a disrespectful hand gesture to your boss, teacher or professor.*

*(Purity) Get a blood transfusion of 1 pint of disease-free blood...from a convicted child molester.*

Their Figure 24 shows the results. (Each number on the vertical scale corresponds to much larger dollar amounts than does the previous number.)

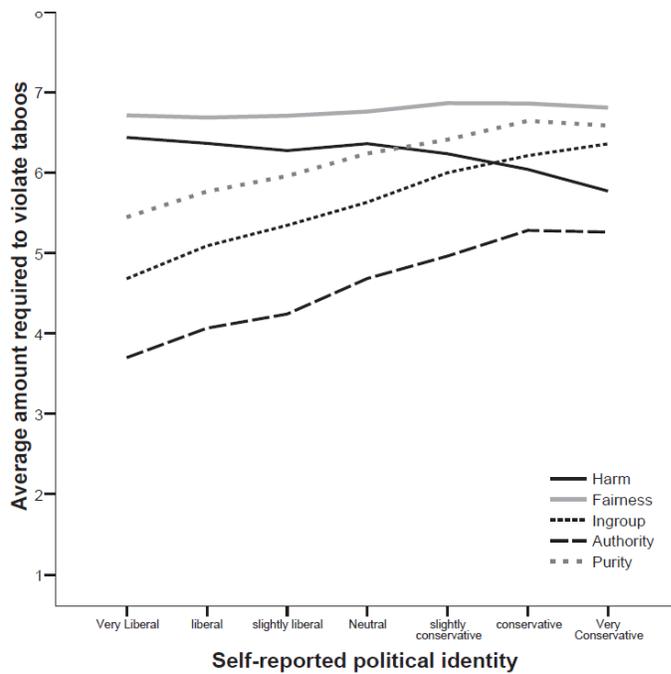


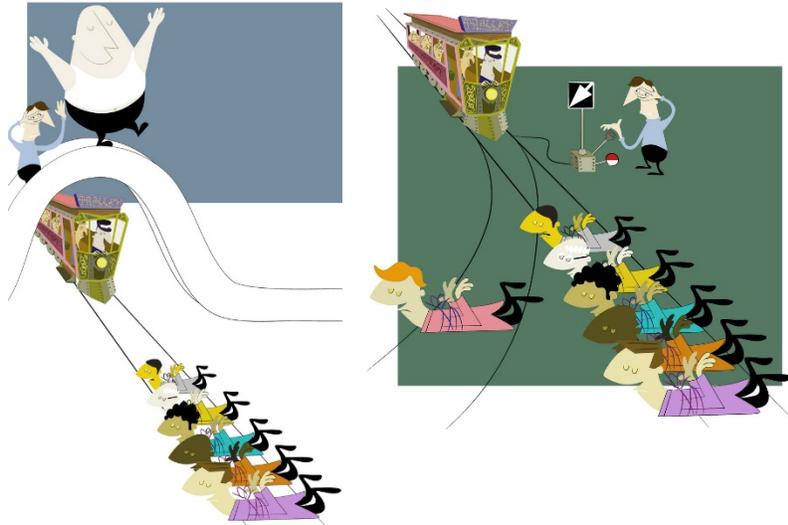
Figure 2: Graham, Haidt and Nosek (2009)

Everyone needed the most money to be unfair and the amount needed does not vary by political orientation (the top solid line); but the more conservative you are the less money you need to do harm. And, when it came to violating your group, authority, or purity, the more conservative the more money you need.

It is difficult to reconcile how these ethical criteria are together consistent with welfare consequentialism, particularly if they each get equal weight. Trying—it would be a form of

welfare consequentialism where WB obtained by being disloyal or disrespectful does not count (most welfare economists would shudder at this suggestion). And, in addition, disloyal acts and unholy acts greatly decreases the WB of the group. And, in addition, since such acts or often not observed by others, the simple knowledge that society does not forbid chicken-date night, and brother/sister kissing decreases, a lot, peoples' WB.

Additional evidence that regular people are not welfare consequentialists: trolley problems:



Philosophers like thought experiments and a favorite is the *Trolley Problem*; the results indicate the people often behave inconsistent with welfare consequentialism. The hypothetical-trolley scenario has numerous variations but at issue is whether is it right or wrong for you (or someone else) to kill (or let die) one person to save five. The brake-less trolley is barreling down the tracks soon to derail on a curve killing all five onboard. You're standing on a footbridge with a fat guy. If you trip, or push, him, he falls on the track and his large body stops the train. [Your body is too small to stop the train.] Or, an empty trolley is barreling down the tracks and will run over five people crossing the tracks unless you throw a switch which will divert the trolley onto another track where it will only run over one person. Assuming everyone at risk is a productive member of society, welfare consequentialists and welfare economists would always throw the guy or the switch. If presented with the switch story, many people say they would throw the switch, but if presented with the fat-guy version few people are willing to trip or push the fat guy, even though switching and pushing both lead to the same number of people saved. Since welfare consequentialists care only about consequences, they would willingly switch or push.

Now consider a third version: you are standing by the track next to a switch. The fat guy is on the footbridge. If you throw the switch rather than diverting the trolley onto the other track, it trips the trap door the fat guy is standing on and he drops to his death on the track. When you were both on the bridge you might not have pushed because you were afraid you would get in a life-or death struggle with someone bigger than you, but fear is eliminated with the trap door. Few people are willing to trip the trap door, but a welfare consequentialist always would. If you would not throw the switch you are neither a welfare economist nor a welfare consequentialist.

The British philosopher and radio host [David Edmund](#)'s explanation ([Would You Kill the Fat Man?](#)) goes to your intent. To stop the trolley with the fat guy, your intent has to be to kill him—he needs to die for the trolley to stop—his death could not be construed as *collateral damage*. In contrast, when you switch the trolley to the other track you are not intending to kill anyone, and once the trolley is on the other track the five are saved even if no one is on the other track. The poor guy crossing the other track is simply collateral damage. You're not responsible for killing him. In summary, people judge acts both on consequence and process. Tweaks to the scenario can be determining.<sup>36</sup> For example whether it is you or someone else deciding.

### Conclusions and qualifications:

Questions addressed: What is the ethic of welfare economics? What is utilitarianism? And what are the ethical distinctions between welfare economics and utilitarianism. This note argues that the ethics of welfare economics is a particular type of welfare consequentialism, and quite different from utilitarianism,<sup>37</sup> the latter comparison complicated by there being different forms of utilitarianism, and by a hesitancy amongst moral philosophers to self-identify as utilitarians—

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<sup>36</sup> It turns out if you enhance your serotonin levels by taking the commonly prescribed SSRI [citalopram](#) you are even less likely to push the fat guy, particularly if you tend to be an empathetic person (the neuroscientist [Molly Crockett](#) and co-authors). [SSRI stands for *Selective Serotonin Reuptake Inhibitor*.] A decision to kill one to save five can be made using the executive-functioning part of your brain, thinking through the consequences, and then choosing the best outcome, which is kill one to save five. Or, it can be driven by your moral empathic-inclination to not harm an innocent person—“I cannot kill someone.” How much your choice is based on moral inclination versus consequence depends on the type of person you are, the amount of time you have to decide, your emotional state, and the emotional salience of the situation. The more emotionally salient the situation (pushing the fat guy is more personal and emotional than flicking a switch), the more likely your decision is based on the moral imperative to not harm, decreasing the probability you will kill the one to save the five. Serotonin is thought to strengthen your natural aversion to doing harm.

<sup>37</sup> Since, in the olden days, all, or most, welfare consequentialists were Benthamite utilitarians, *utilitarian* was the default descriptor for welfare consequentialists. But now, while there are living welfare consequentialists, most are not Benthamite utilitarians, most of them are dead.

for them it is a dirty word. Who is what, and why, depends, of course, on how welfare economists and utilitarians are defined and identified, also on how welfare consequentialism is defined. There is no book of official definitions and some readers will surely object to components of my definitions. This is OK, but I do hope the reader comes away with an aversion to suggesting that economists, and welfare economists in particular, are utilitarians. It is easier and more precise to argue that welfare economists are a type of welfare consequentialist that is different from a utilitarian: if you only care about consequences and if you have “welfare” in your title it follows that you are a welfare consequentialist. But keep in mind that welfare economists are a quirky sort of welfare consequentialist, a sort that most other welfare consequentialists shun.

But then again: maybe utilitarian really means someone who talks a lot about utility.

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