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# **THE JOURNAL OF PHILOSOPHICAL ECONOMICS: REFLECTIONS ON ECONOMIC AND SOCIAL ISSUES**

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## **Academic discipline of economics as hedonist philosophy**

**Tiago Cardão-Pito**



# Academic discipline of economics as hedonist philosophy

*Tiago Cardão-Pito*

**Abstract:** Contemporary mainstream economics cannot be seen as disconnected from philosophical concerns. On the contrary, it should be understood as a defence for a specific philosophy, namely, crude quantitative hedonism where money would measure pleasure and pain. Disguised among a great mathematical apparatus involving utility functions, supply, and demand, lies a specific hedonist philosophy that every year is lectured to thousands of economic and business students around the world. This hedonist philosophy is much less sophisticated than that in ancient hedonist philosophers as Epicurus or Lucretius. Furthermore, it does not solve any of the systematic difficulties regularly faced by hedonist philosophy. However, the argument that economics is detached from philosophy works as a rhetorical artifice to protect its dominant underlying philosophy: Philosophical disputes would have to be addressed within the biased mathematical apparatus of quantitative hedonism. Economists and business students must learn to identify the underlying philosophy in mainstream economics and alternative philosophical systems.

**Keywords:** hedonism; quantitative hedonism; qualitative hedonism; rhetorical artifice; hedonist economic theory; utilitarianism; labour based economic theory.

The call for papers asks contributors to address a most important question: How economists are taught philosophy? Indeed, every year at business and economic universities, the discipline of economics instructs thousands of young students around the World, many of whom will reach prominent positions in our current human societies. Are these students taught any philosophical-oriented content while studying economics? Take for instance a student who is advancing at a bachelor's degree in economics. Is he/she taught philosophy at all? An analysis of his/her syllabus would probably lead us to the conclusion that he/she is not, and philosophy would simply be neglected. In this essay, I present an

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introduction on why I hold the view that contemporary mainstream economics must not be seen as detached from philosophy. Indeed, mainstream economics is based upon a specific philosophy, namely, quantitative hedonism supposedly measured in money. It is in this concealed philosophy that thousands of students are schooled every year, without the benefit of learning about its limitations or about alternative philosophical systems. As a result, economics ends up indoctrinating students in quantitative hedonism.

This position was formed while I was trying to understand why us human beings are treated as commodities in economics and interrelated social sciences, which results in flawed metaphors as human commodity, human capital, human asset, or human resource. My aim was to find an alternative to this human commodity framework. The reader may find more details of the analysis in Cardão-Pito (2021). I have discovered that the treatment of human beings as commodities comes not from a single type of theory regarding human participation in economic and societal production, but instead from two different theory types, which were developed at a period frequently classified in the history of economic thought as the Classical Period, or Classical Economics (along the 18th and 19th centuries). The two theory types are the i) the work-based theory developed by Adam Smith and David Ricardo, much before Marxism and ii) its rival economic utilitarian hedonism that currently, as I defend, underlies mainstream economics. The work-based theory developed by Smith (1776a; 1776b) and Ricardo (1821, 1888) are based in the economic and moral theory of the great ancient philosopher Aristotle. The opponent utilitarian hedonist theory was developed by writers as Jeremy Bentham (1789; 1800; 1830; 1954), Jean-Baptiste Say (1803a; 1803b), John Stuart Mill (1836; 1848), Thomas Malthus (1836), or Nassau Senior (1836). For reasons of space, I will not address labour-based theories in detail in here (though they undeniably treat us humans as commodities). Still, these are two different and opponent types of theories, which must not be confused. Yet, many previous writers have treated Classical Economics as the same theory.

Labour-based theories and utilitarian hedonist theories have undeniable political and policy implications. Specifically, hedonist economic theory was a political response to the labour-based theory in Smith and Ricardo. Indeed, hedonist theory offers a defence for moneyed persons against the conflicts that

could be anticipated in the division of the mercantile society made by Smith into three classes, namely, capitalists, landlords, and workers. When Marxism was later formulated by Karl Marx and Friedrich Engels, it would bring not a great degree of conceptual innovation to explain human participation in economic and societal production, but a fundamental return to labour theories in Smith, Ricardo, and Aristotle. However, much before the Marxism's advent, the hedonist economic theory had already provided a collection of arguments to integrate us human beings or Nature in their hedonist market parable, which would become highly effective against labour theories, and thus Marxism.

The utility function, currently ubiquitous in economics, is the mathematical expression of quantitative hedonism. It uses Bentham's solution of treating money as 'the most accurate measure of the quantity of pain or pleasure a man can be made to receive' (Bentham 1954, p.306; 1830, p. 254), which is ridiculous, but is so ingrained in mainstream economics that it is no longer discussed. Quantitative hedonist writers as Bentham, Say, Mill, Malthus, and Senior have modified the concept of utility in relation to the previous meaning employed by Smith, Ricardo, and Aristotle. Its previous meaning has to do with usefulness, such as water is useful to drink, rain on plants, prepare food, and so forth. However, for hedonist writers, utility becomes hedonist utility, a quantification of pleasure and pain, thus crude quantitative hedonism. Society would not exist beyond the sum of individual members' pleasure and pain, that is their sum of hedonist utility. As money would be the measure for pleasure and pain, one would need not even need mentioning the flagrant quantitative hedonism when referring to money. Another consequence of transforming money into the measure for pain and pleasure, thus, putting hedonist utility at the core of economic analysis, would be to arrange for the discipline of economics to be at the service of the moneyed persons' interests. This situation remains today in mainstream economics. The supply and demand based upon hedonist utility functions in economic lectures to students are mystical constructions that result in hedonist market parables.

However, quantitative hedonism is a much cruder version to the hedonism that could be found in ancient philosophers. For instance, Epicurus or Lucretius distinguished among legit and not legit pleasures and tried to form moral systems based upon hedonism. J.S. Mill may have had had a determinant role

in promoting quantitative hedonist theory because he would write the reference compendium in economics for many decades, namely, his *Principles of Political Economy with Some of Their Applications to Social Philosophy* (Mill 1848), which had several editions afterwards. It was the key reference in the field until Marshall's *Principle of Economics* (1890). Yet, at the time, utilitarianism faced a barrage of criticism, which included the comparison to a 'pig philosophy' (Carlyle 1850, pp. 319-323), or to a religion addressing the mysteries of the universe through supply and demand, whereby humans would have no further purpose than the pursuit of desires and avoidance of pain (Carlyle 1850, p. 348), or the accusation that utilitarianism claims to be a science of human relations; and yet, it abstracts from man all human characteristics and leaves only brutish ones [1]. Thus, in his *Utilitarianism* (Mill 1863), Mill has felt the need of providing a defence against those who saw hedonist utilitarianism as a pig philosophy. There, he adopted what can be called as qualitative hedonism. As ancient hedonist philosophers, he has attempted a distinction among higher and lower forms of pleasures. Nonetheless, in all economic matters, Mill has remained a determined quantitative hedonist. Furthermore, Mill's qualitative hedonism was a deviation from the course that economics would take. Quantitative hedonism directly derived from Bentham would be restored by authors such as Sidgwick (1874; 1877), Jevons (1874), Edgeworth (1881) or Marshall (1884). To mainstream economics, thereafter, different forms of pleasure and pain would be corresponding, and measurable in money. Quantitative hedonism, economists would implicitly imply, could be addressed mathematically and quantitatively through money.

Moreover, Mill's solution did not solve any of the systematic weaknesses that remain both in quantitative and qualitative hedonism. Those weaknesses include that '(i) pleasure and avoidance of pain are not the only sources of intrinsic value, (ii) some forms of pleasure and pain avoidance are not valuable and can even be harmful to oneself and others around him/her, and (iii) hedonism promotes pleasure as the supreme value without having any coherent and unifying definition of pleasure' (Cardão-Pito 2021, p. 190; see also Moore 2013, Bhardwaj 2010, Feldman 2001, Tsouna 2017, Weijers 2019). Moreover, one can add another weakness that is specific to economic hedonism, namely, that iv)

employing money as a measure for hedonist calculus was never complemented by any proof that money could be used for such aim (Cardão-Pito 2021 p. 190).

Likewise, mainstream economics has not solved any of these systematic problems in its underlying hedonism. What mainstream economics does is to disguise its quantitative hedonism with its mathematical apparatus. It has been noted the over mathematization of mainstream economics along its emphasis on quantitative methods (Beed and Kane 1991; Dow 2008, Heise 2018; Lawson 2004, Leontief 1982, Maziarz 2019). However, quantitative methods are quite relevant for economic and sociological analysis, as they provide valid instruments for research, which do not undermine the usefulness of qualitative research methodologies (Cardão-Pito 2012, 2017, 2021). What is at stake in here is the employment of mathematical technologies to convey a specific philosophy and protect such philosophy from theoretical and philosophical disputes. Recurrently, mainstream economics requires theoretical discussions to involve mathematical constructions that include hedonist utility, hedonist supply and hedonist demand. This requirement, if attended, would bias every discussion towards quantitative hedonism. For instance, great extent of behavioural economics suffers from this condition because instead of trying to provide an actual alternative, it tries instead to accommodate behavioural hedonist utility functions within the debate. Thus, in this manner, behavioural economics has been implicitly captured by hedonist economic philosophy.

Undeniably, economics and philosophy are deeply connected. To be sure, contemporary mainstream economics promotes quantitative hedonist philosophy, which is camouflaged along a great mathematical scheme. However, its philosophical underpinnings are demonstrable. Hedonist philosophy provides economists with the foundations for theories on moral, society, nature, and human beings. Therefore, what formidable would be if thousands of young business and economic students who are yearly indoctrinated in quantitative hedonism could also be made to learn about the severe limitations that there are in hedonist philosophy and about other philosophical systems. We may start by identifying the underlying philosophy in mainstream economics. Demanding that any philosophical and theoretical economic debate must be conducted within the mathematical apparatus of quantitative hedonism is a rhetorical

artifice. Nevertheless, this artifice has definitively contributed for the dominance of quantitative hedonist philosophy in the academic discipline of economics.

## Endnote

[1] This criticism levelled by John Ruskin has been identified by Fain (1943); see also, Henderson (2000). Note that Carlyle's and Ruskin's own economic views would not be acceptable by the standards of our time. Nevertheless, they have identified key problems in hedonist economic theory.

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