



## The General Good and the Concept of Utility

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**Abstract:** *The utility is a loose and sometimes controversial topic in microeconomics. Generally speaking, utility refers to the degree of pleasure or satisfaction (or removed discomfort) that an individual receives from an economic act. An example would be a consumer purchasing a hamburger to alleviate hunger pangs and to enjoy a tasty meal, providing her with some utility.*

*All economists would agree that the consumer has gained utility by eating the hamburger. Most economists would agree that human beings are, by nature, utility-maximizing agents; human beings choose between one act or another based on each act's expected utility. The controversial part comes in the application and measurement of utility.*

**Key Words:** controversial, microeconomics, Generally, satisfaction, discomfort, consumer purchasing.

Since ancient times the concept of utility has been the catalyst between philosophy and economics. The question of the relationship between theory and practice has special relevance to the issue. What is the effect of theoretical understanding on the material level? Which interrelationships do philosophy desire: should there be a renunciation of material wealth, or is it as Aristotle states, that without wealth there is no contentment?

What then is (economic) good? The answer often given today is to ensure that basic needs are met. For the Greek economic philosophers among whom, Socrates, Xenophon, Plato, and Aristotle, the provision of goods to meet basic hunger and thirst, was not the task the social thinkers were faced with. Instincts power the drive to meet the basic needs. Economics as a science has another purpose. Before a material answer can be arrived at, there has to be a rational determination of its use. Only then can we speak of free and self-determined action, and only then can we speak of a scientific purpose. Instead of simply fulfilling material needs, which is the purpose of all living beings, the basic purpose of economic science is to create a system by which material goods are properly divided/distributed and used. It is not quantitative, but a qualitative goal. Science (Wissenschaft) is independent of the number of people by whom and on whom it is practiced. The philosophers of antiquity compared the good

economist with the good doctor: like the doctor, the economist is only in part acting to benefit or enrich himself. Economics is the art, that deals with the growth of wealth; the art of the true distribution and maintenance of goods.

The greatest good of the greatest number, as the goal of ethical and economical action, is a problem of coordination. At the center of the problem is the question of coordinating egotistical and communal actions. It's a question of balancing individuals and groups, but also of balancing generations, and, not least, distribution of resources. The underlying premise is that there is a limited amount, which should be fairly distributed. In spite of limited resources and ecological consciousness, a workable economic model for the use of goods is not debated. Even the ecologists seem only to debate the question of fair distribution over generations.

The question of fair distribution has led to great problems and contradictions. It is simply impossible to determine the greatest good for the greatest number, even more so over succeeding generations and across national boundaries. There is no good, which can be said to be equally good for all. Nevertheless, every decision about the preservation of goods and of resources has been based on the premise that certain goods are equally necessary for all. The premise doesn't work, because in the material world everything is relative. There is



no material thing that serves the same purpose for everyone. No one knows whether a fat person needs more air and more sun, and who can determine whether it is just that in the west the criminals are fed, while in India the children starve? The consumption of x vitamins is good and life-prolonging, however, the rule cannot be said to be true for all people to the same extent. There is no just distribution of goods because the matter is changeable. A relation between material objects can never have the force of law only the strength of a rule. To which good then, do all people have the same right?

Quantitative good can only be a result of a qualitative determination of the good. A qualitative determination of the good must be a rational decision. And only a rationally defined good can be equally good for all. What then determines this qualitatively equal good? The answer to this question takes economics back to basic philosophical questions. The philosophical answer is: that the greatest good is the universal good, and the universal good is that which is not contradictory in its application. The universality and freedom from the contradiction of a rationally determined well can be explicated as follows: The greatest common good shall be determined. This can be done in two ways. An average good can be determined from the individual's conception of need. This average can then be used as a consensual norm for all determinations of need. As the above example shows, this average of the majority is neither good nor ill. It is not a value.

There are certainly cases in which the majority decides on an "evil" need. Political and economic history is full of such cases. The other model for creating a definition of good is a synthesis of the different material elements. This synthesis is a unitary concept in which the material elements are contained, which however is not itself a part of the material definition of need. The universal good must take the place of the good of the greatest number. This universal good is a rational measurement, which replaces the material measurement. What are the characteristics of this synthesis? It is not developed from material ideas and therefore is not a part of the elements it contains. Furthermore, since it is a synthesis of these elements, it is not contradicted in

its application of these elements. Whereas the average determined by the general idea of need remains limited by the elements that make it up, the universal synthesis is not part of the elements and therefore not applicable to the individual elements. A concept is universal when it's the application does not create a contradiction. The "test" of universality is the lack of contradiction. The concept is free of history, but its empirical use guarantees its utility.

Let me use an obvious example to illustrate this. The production of weaponry for economic purposes contains a self-contradiction since its production cannot be universalized. The same thing is made to destroy (the other) and not to destroy (one's own). The idea behind the manufacture of weaponry contains a self-contradiction. Seen logically, every self-contradiction in an action leads to the nullification of that action.

The nullification of the action does not necessarily follow immediately upon the action. Certainly, someone can enrich himself with a contradictory action. It is, however, no longer an action within a general good or law, but serves only an individual or group interest. One thing is certain. A self-contradictory action leads sooner or later - logically - to its annulment. An action that is based on a contradiction is on principle pointless. When we talk of wasting resources, we have to examine the actions for their inner contradictions. It is pointless to encourage the production of oil to poison the environment. This use of resources has to be considered economically senseless, even if it is successful for some in the short term. Nobody can claim exemption from the laws of logic, even if he is not directly concerned.

No empirically arrived at a definition of the greatest good can be without contradiction. The result of a material definition of good, is, logically, only the preference of the interests of a group, even perhaps of a majority, but never of the society as a whole, since a material definition of utility is always relative, and therefore not equally applicable to all. The thesis I propose in this paper is that a lack of contradiction and universality are the pre-conditions of a lawful and scientific ethic. That is the only way that the relativity of special interest groups can be



avoided in the economic process. Even Aristotle says, only rational goods can be held in common. They can be shared by all, used by all, and are not used up.

Now that the rational basis for human rights has been established in the political sphere, and the rational, not material equality of the citizen is accepted by many, if not all, the essential task is the formulation of criteria of economic equality. These criteria must have a rational, not material, basis, if they are to be applicable universally, across borders, and into the future. The idea of universal good, with a non-contradictory application, guarantees not only the equality of all in the economic process but also the preservation of economic resources. Creating a norm for economic use, based on a non-contradictory universality, allows all actions that fulfill these conditions, and forbids all that don't. The norm is, however, not only limiting and negative. It does not only say: thou shalt not do this and that. The universal norm of action sets positive, constructive goals that increase and maintain wealth. To act in a manner free of contradiction is to be assured logically, that the action will be successful in the long term, as well as the short term. Since there is no self-contradiction, the action is constructive and will not cancel itself out. Action-based on a universal norm implies the actor being responsible towards himself, towards others, towards the future as well as towards his material. Since the lack of self-contradiction logically determines success, by the same token it eliminates the waste of materials.

Theoretically, economic actions that are free of contradictions and as universal as possible, will be successful. The goal of a constructive economy, therefore, is to test and order economic actions in light of the above principle. For example, the destruction of food, and the subsidies of the common market are both self-contradictory and self-canceling. It is obvious that such self-contradictory actions can have no long-term success. They are simply pacifiers of special interest groups.

The goal of the suggestions contained in this paper is to base economic thought and research on concepts that are general and free of contradictions. The answer to the utilitarian concept

of the greatest good for the greatest number is that non-contradictory and universal actions are truly "social" actions. They are just since they are generally valid. An action that is free of contradictions, cannot be an action that serves only special interest. It is a rule that automatically since it is logically determined, ensures the advantage of the majority, because it does not represent separate interests, but is based on appropriate decisions. The universality of the action reconciles the egoistic and the altruistic on another plane. Anyone who understands this basic law has to see that their own best interest as well as the interest of the majority can only be served by the universal good, although individuals and special interest groups fail to acknowledge it.

A philosophical basis for economics aims to test current theories/concepts in the light of the requirement for freedom of contradiction and universality and to construct new, as yet unknown concepts, that will give the future a positive, lasting, and constructive form. Actions should be determined so that they do not cancel themselves. The concept of economic productivity thus acquires a new meaning. Productivity as a universal free of contradictions has a different meaning to quantitative measurement of production. There is a big difference between approaching the population and resource problem with quantitative or qualitative solutions. My thesis is: that the wealth of a society is not dependent on material conditions, but rather on its reasoning, and its qualitative decisions. Wealth is not determined by mineral riches and is not necessarily connected to the size of the population. It is determined by economic concepts. As long as this basis is not understood, and the solutions are sought on a purely material level, there will be little long-term success. Today, it is vital to find a general, non-contradictory concept of productivity, to determine the greatest good.

The question of the common good is at the core of contemporary political, social, and philosophical reflections. The recent economic crisis has forced us to rethink the models of social coexistence which have shown themselves to be scarcely capable of offering answers to the growing



needs for well-being. This has led us to rediscover an alternative model based on the common good, which appears to be constitutive of the idea of a society in its origin, as theorized for example by Plato and Aristotle.

In the path that from ancient times leads to the current debates on the model of the common good to be adopted and implemented, a fundamental point is represented by Bentham's theory of the principle of utility. Bentham's view of the common good, which is based on his notion of utility, appears to be consistent with the modern conception according to which the individual good should find room and consideration in the collectivity. Bentham considers the idea of the common good as a fictitious entity that needs to be traced back to pleasure and pain as its foundations. A type of society that aims at the greatest happiness for the greatest number cannot be an exclusive type of society that sacrifices the happiness of the few for the happiness of the many. This situation is perhaps provisionally admissible because the common good outlined by Bentham appears to be open to continuous change in order to include an ever-increasing number of individuals. The ideal of the greatest happiness of the greatest number, as the foundation of the common good, is, therefore, a perfectible ideal consisting of the fact that each member of society can ideally find his/her own good. This inclusive, open, and progressive idea of the common good can therefore be valuable in rethinking the current model of social coexistence.

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