

The Utility of Liberty

"Not a Libertarian "

Utilitarianism is the doctrine that one state of the universe is better than another if the total utility of the one exceeds the other. By utility, I mean a cardinal measure of well-being experienced by sentient beings. There is no reference in this definition to the planet earth or to *Homo sapiens*, but I will for present purposes confine myself to such local matters. Doing so, I define one set of actions in a society as preferred to another if it yields greater expected utility.

No structure of society can be logically deduced solely from utilitarian principles. All arguments are to be judged on the empirical grounds of which structure yields the most utility. The utility-maximizing society is not necessarily one with a government assigned the task of utility maximization. This is so because there are usually psychic or material costs associated with any human attempt at calculating utility. More important, there is no inherent reason to believe that a central, coercive body set up with the task of utility maximization can or will achieve this purpose, and do so better than through non-coercive means.

An application of this principle might be that most utilitarians would prefer a law that guarantees freedom of expression to one stating that 'government shall at all times grant the utility-maximizing degree of freedom of expression.' If the government consisted of an omniscient disinterested computer engaged in costless calculations of actual utilities, and could costlessly coerce individuals, then a utilitarian would doubtless program this government to maximize utility. Actually, a utilitarian must seek to make reasonable assessments of how governments will act, and support the government institutions that he believes will enhance utility. Such assessments would not call for future governments to engage in any explicit calculus of utility.

Utility and Individualism

Utilitarianism seeks to maximize the sum of utilities of sentient beings, it condemns any consideration of relationships among persons that do not directly affect the utilities of the individuals. The necessity that any alleged benefits of a policy must accrue to individuals in a society and not to "society" itself raises doubts about the validity of many of the objectives of statist. There are often arguments that this focus on individuals ignores the important "social being" of the individual. But such a criticism very much misses the meaning of individualism. There are quite obviously very many interactions among human beings, with very important consequences. What utilitarianism asserts is that the only relevant consequences of such actions are consequences to individuals in the society (and to other sentient beings).

The other important part of individualism is that utility, as a measure of the well-being of a sentient creature, is a matter of self-valuation as opposed to society-valuation. Self-valuation is a matter of how the sentient being itself feels about its situation, and not a matter for extra-personal values. It is how an individual actually feels about consuming a certain good that determines his utility, and the views of an unknown social planner of how important that good is does not affect his utility (although intransigence among persons in accepting certain goods as vital might cause distress among the social planners, and thus affect total utility). However, utility being a matter of self-valuation does not automatically mean that all individuals behave so as to maximize their utilities.

Is My Utility Bigger Than Yours?

Utilitarianism explicitly calls for the measuring and making of interpersonal comparisons of utility. Such comparisons are the necessary and correct moral criteria for evaluating various states of society, and should not be rejected on philosophical grounds. Such comparisons and

measurements are very difficult tasks, and therefore make our efforts to maximize utility very much more difficult. It is a strong characteristic of the free market that it helps us to both solve and avoid this problem.

The problem can be largely avoided by allowing uncoerced exchanges among the individuals, assuming that such individuals are to a large degree utility-maximizing. The fact that individuals choose to make an exchange means that all parties to the exchange have increased their utilities. This may be familiar to many readers as the term "mutual gains from trade". Thus, even if we are unable to guess at the utilities of individuals, we can guess that such uncoerced individuals are taking advantage of opportunities to increase their utilities.

One attribute of the free market helps us confront the problem of calculating utility more directly. Revealed preference is the idea that through the behaviour of uncoerced individuals, we gain much information about what provides those individuals with utility. If concerned utilitarians do not know whether bananas or oranges give Mrs Fruit more pleasure, they can find out by following her into a grocery store and observing which fruit she purchases. In addition, by observing how she reacts to different prices we can obtain an idea of how much she prefers one fruit to another.

In many other situations it is difficult to ascertain which goods or services provide a person with utility. The very attempt to use government to improve welfare might hamper the ability to measure that welfare well. This point is related to the debate over whether economic calculations can be made in a socialist society. In a market situation, the prevailing prices do much to reveal the preferences of members of that society, and therefore inform us of what provides them with utility. It is difficult to determine what prices to "set" in a socialist economy. Actual preferences are better hidden by the coercion inherent in a socialist state. For instance, if we dictate to all persons that they 'work according to their ability', we will not know how much the person values leisure. Further, if we follow Mrs Fruit into the store in this new society and tell her to "take according to her need", we might find that Mrs Fruit

considers large portions of both fruits as vital. A social planner, even if he wanted to distribute according to desires, would not know Mrs Fruit's preferences for leisure, bananas or oranges.

No Logical Connection

There is no tautological connection between uncoerced action and utility maximization. It is possible that individuals take actions, even with complete information, which do not maximize their utilities. It is most often the assumption in standard economic theory that individuals maximize their utilities. This may be a very convenient and appropriate simplification to make. It is often, however, promoted on axiomatic grounds - that it is useful to characterize human behaviour as the pursuit of some set of goals. Utility, so used, is not the same as it is to a utilitarian.

A human might freely choose to take drugs which will decrease his well-being, or a whale might choose to beach itself for non utility-maximizing reasons. Altruism is the conscious effort to help others at potential cost, in utility terms, to oneself. Such behaviour is not undertaken for self-satisfying reasons. There are individuals who take drugs, overeat, avoid work, beach themselves, or otherwise harm themselves, when it is clear to them that their utility will not be enhanced. I invite the reader to question whether there have been times when he has made a choice, even with all relevant information, that caused his well-being to be diminished.

But utility is a matter of self-evaluation. It is something that has to do only with the feelings of beings. This does not mean all behaviour is therefore optimal. It does mean that an individual in a sense assesses, via his feelings, the end result of an action, though he may still be unaware of what exactly caused his feelings. Perhaps any such 'irrational' behaviour may be incorporated into a more traditional economic framework: lack of will-power might just be described as a constraint on the number of actions available, and stupidity may be seen as a sort of internal imperfect information.

Inefficient Coercion

The recognition that individuals are not inherently utility-maximizing when involved in uncoerced activity does not automatically recommend coercion. Individuals in most situations approximate utility-maximizing behaviour, making allowances that they often show concern for others. In most cases regarding the sane adult population other persons are not as well able to make appropriate utility decisions. The informational and incentive reasons, coupled with the belief that individuals do tend to pursue well-being, mean that uncoerced transactions contribute to the total utility, in most situations, much better than coercion.

One of the reasons that free actions can be better than state actions is precisely because individuals do not always maximize their own utility. Many instances cited by statisticians as needing governmental remedy implicitly assert that no private altruism is possible. Extensive uncoerced altruism can occur. The utility of others can often be guessed at and it is the persons most closely situated that can observe it best. It is only in a predominantly market economy that such preferences are revealed well enough to make meaningful charity plausible. As marginal utility of income decreases in a progressing market economy, the propensity for charity is likely to increase.

Utility Beats Rights

Utilitarianism does not require unrealistically strong assertions about how easily government can calculate utility or how likely the government is to promote it. It must be recognised that many utilitarians are too generous in their assumptions about the state. As many of the arguments for libertarianism and other ideologies are implicitly utilitarian, explicit recognition of utilitarian principles will greatly contribute to the rigour of the case for liberty. Arguing from a 'natural rights' perspective is both incorrect and unlikely to win significant, lasting support for liberty. In the long run people will choose liberty (or otherwise) based on how they believe it will reflect the well-being of themselves and others.

Free Life