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using Scitovsky's *The Joyless Economy* as a point of
departure

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Draft for comment, thank you.

^φ The concepts in this paper were written in conjunction with a seminar on public memory conducted by Elzbieta Matynia during the New School for Social Research's Krakow Program, July 2007. The author thanks Elzbieta and Julie of the Krakow Program for the opportunity to attempt the mathematical formalization of certain philosophical concepts. This paper is dedicated to my Dad, a fan of both opera and Jerry Lee Lewis, for I still remember I played for him the Velvet Underground, especially the smile on his face when he said "I have never heard music like this before."

A theory of memory's role in a decent human life using Scitovsky's *The Joyless Economy* as a point of departure

DRAFT

“Only in being productively active can a man make sense of his life” – Karl Marx¹

“The general theory of choice and preference goes far beyond the horizon of which encompasses the scope of economic problems as circumscribed by the economists from Cantillon, Hume, and Adam Smith down to John Stuart Mill....It is the science of every kind of human action” – Ludwig von Mises²

I. Introduction

This interdisciplinary paper uses the work of Tibor Scitovsky's classic *The Joyless Economy* (1975) as a starting point to conceptualize the role of an individual's memory in what philosopher Allen Buchanan calls a “decent human life”. The proposition is that memory, or remembered events, are one part of this decent human life. Scitovsky's deconstruction of utility theory also serves as a building block to describe the compliments to memory in human well-being. These compliments include activities and people we enjoy and the need to feel control over our own destinies. The corollary proposition is that the relative weights that of each these three compliments to a decent human life – Novelty (memories of things we experience for the first time), Flow (activities and people we enjoy so much that we lose ourselves in them), and Destiny (a sense of control over our lives) – change over the period of a person's life.

¹ In Scitovsky, p. 90.

² Mises, p.3.

II. *The Joyless Economy*, Utility Theory and a Decent Human Life

Utility in economics, and energy in physics, are oft-discussed even nebulous concepts³ which are used as the philosophical underpinnings of their respective sciences. In mainstream economics utility⁴ (usually assumed to be consumption) is maximized by rational agents acting under resource constraints. Mainstream economics has recently been expanded to include the “economics of happiness,” which might be summarized as relative wealth, income, and consumption comparisons in social construction.⁵

Scitovsky used consumption theory to introduce the concept of the “pursuit of novelty” into economics stating that people choose to consume either for comfort or for novelty. He was wary that society is headed towards consumption for comfort to the detriment of consumption for novelty, which he believed were expenditures on the finer things in life such as art, music and literature. In this consumption analysis, although unfortunately missing from his book, he was building upon Thorstein Veblen’s original critique of consumption theory, that of “conspicuous consumption” (what Scitovsky calls “status consumption”) where consumption for display was emulation of one’s perceived betters, as opposed to maximizing one’s own individual consumption preferences. Underlying Scitovsky philosophical re-examination of mainstream consumption theory was the belief that maximizing consumption for comfort to the exclusion of novelty was the Socratic unexamined life.⁶

³ See Mirowski for a history of the energy concept in the physical sciences and its equivalent, utility, in economics.

⁴ Sen discusses how the utility concept under Aristotle (*eudaemonia*) was originally more broad than it is most commonly viewed today. The consensus view today includes; 1) mental satisfaction, 2) fulfillment of felt desires, and 3) a representation of choice behavior through revealed preferences. Aristotle saw utility, “as being constitutively diverse, leading to heterogeneous view which is implicit in Scitovsky’s own analysis....,” p. 489-490.

⁵ *The Joyless Economy* contains what might be the first quantifications of the “economics of happiness” which Scitovsky calls “rankhappiness”; we find both happiness polls over time and happiness by income category, discussions of relative and absolute income and wealth, and partitioning of consumption for necessities and luxuries.

⁶ Sen, p. 485.

Another critique of utility theory that entered into Scitovsky's analysis was the concept of work or labor. In mainstream economics, work is something that *subtracts* from utility. Utility is what the economic agent has netted after her work is completed.⁷ This follows utilitarian philosophy which says people seek pleasure and avoid pain. Work in mainstream economics is seen as pain. Scitovsky (like Marx and Ludwig von Mises; see the quotes prefacing this paper) said that this view was incorrect and wrote, "To the psychologists, work is a source of stimulation, and so it is potentially pleasant"⁸. "A worker may get satisfaction out of making the goods he sells in the market."⁹

It should be noted too that Scitovsky thought Marx incorrect in his theory of industrial revolution and worker alienation, "Marx was unduly pessimistic when he said that the capitalist system was taking the fun out of work for workers and capitalists alike."¹⁰ A generalization of this type was not indicative of individual preferences, "The same work can, of course, be pleasant to one person and unpleasant to another, it can be pleasant at times and unpleasant at others, even to the same person."¹¹

This notion of subjective, and changing, preferences is key to the concept of memory presented here. Every individual experiences an event in her own way, this then manifests itself in the person's memory of this event. One's memory of an event undergoes change the further one gets from this event in time. To quote Jean Cocteau, "Memory is free. It composes. It compiles. It compounds."¹²

⁷ An example of this quantification of the burden of work is to be found in Macho-Stadler and Perez-Castrillo (p. 168), where net utility for the worker in employment contracts is the utility of the wages earned minus the utility of the effort put forth, or, $u(w) - v(e)$.

⁸ Scitovsky event went so far as to lament the lack of worker satisfaction from national income statistics, p. 102.

⁹ Scitovsky, p.91 and p.82.

¹⁰ Ibid., p. 92.

¹¹ Ibid., p. 93.

¹² Cocteau, p. 151.

Scitovsky's view of the nature of work is also fundamental to the model we present in the next section. As stated, only an individual knows what work they enjoy best and when they enjoy it. This might be seen as "radically subjectivist" in its outlook but Scitovsky was clear in his writings that an individual's well-being is a function of being a contributing member to society, "The comfort of belonging, up to a point, is a biological necessity in a very real and literal sense of the word. Man as an individual cannot survive in isolation; he must defend himself by the concerted action of an organized group."¹³ "The power of precedent, custom, fashion, mass movements all testify to the strength in man's desire to imitate and conform to the behavior of the group he belongs or wants to belong to."¹⁴

What is missing in Scitovsky's work but needed in our Novelty-Flow-Destiny (NFD) model is the psychological concept of needing to feel in control of one's destiny.¹⁵ In economic philosophy this might equate to Aristotle's notion of capabilities, where one is born with innate capabilities but may not have the material means to exercise these capabilities. However the notion of material capability is not completely absent from Scitovsky's consumption analysis, "But why is the individual so greatly concerned with his personal income? The question has many answers. The simplest and most obvious, of course, is that survival in our economy depends on things we need money to buy. The average person, however, devotes a rather small part of his income to mere survival, which suggests this is a relatively small part of the answer." The other part of Scitovsky's answer, to paraphrase, is "status income."

That the 'average person' spends a small portion of their income on exercising their capabilities is of course open to debate, especially in post-colonial nation-states which did not have the opportunity to develop local governance institutions prior to colonization. However, there are non-economic fetters on a sense of destiny. These constraints can be socially and family-constructed, as well as experientially-based subjective confidence levels¹⁶ and even the oft-quoted

¹³ Scitovsky, p. 114.

¹⁴ Ibid., p. 115.

¹⁵ NEEDED here is original concept (whose?) of NFD.

¹⁶ Berlin's concept of individual identity is also based on one of social status recognition. "In our world crisis is caused by the feeling that individual talent and success, economic power and ability, and sometimes even political influence, have fallen too far out of step with the all important factor of the craving for social status," p. 254. The feeling of the lack of status

Rawlsian luck.¹⁷ As shown in the next section, a sense of destiny is a fundamental compliment to a decent human life.

III. Novelty, Flow and Destiny as the Means to a Decent Human Life

We are proposing a time-variant model of a decent human life based on the needs of an individual to experience new things (Novelty), to lose themselves in activities and people that they enjoy (Flow), and to have the feeling of control over the direction in their life (Destiny). The time-variance aspect in the model proposes that these compliments change their relative weightings in our consciousnesses over our lifetimes.

We are also proposing that as one grows older they are less able to experience things for the first time. This should be self-evident. You can only see a Picasso painting or your first movie for the first time once, you can only fall in love for the first time once, you can only ice-skate for the first time once, you can hear the John Coltrane play the saxophone once for the first time, a Brazilian can only go to Paris for the first time once. This of course is not to diminish more in depth treatments of these phenomena the next time around. But from a purely aesthetic point of view, the beauty of something new can only be experienced, sensed, one time for the first time. It is this sensory impulse that gets imprinted into our memory and sums up the compliment in our measure of a decent human life over time called Novelty.

Marcuse equates beauty with freedom. “In Kant’s system, morality is the realm of freedom, in which practical reason realizes itself under self-given laws. Beauty symbolizes this realm in so far as it demonstrates intuitively the reality of freedom.”¹⁸ This sense of beauty, of freedom, may have declining importance in our sense of self as we grow older because the number of “firsts” must decline. Resources are limited as is our ability to experience subjectively the truly beautiful

recognition may effect confidence and the the feeling of having a sense of control over one’s destiny.

¹⁷ See Arthur and Shaw, eds., for Rawls, Nozick and others on trade-offs between liberty and public policy adjusting for luck as fairness.

¹⁸ Marcuse, p. 159.

over time.¹⁹ This is not because the number of beautiful things is finite but because the opportunity cost of experiencing everything is infinity.

This theoretical conjecture may seem to be a story with an unhappy ending, but our story does not end with declining aesthetically-based moments of freedom. The other compliments Flow and Destiny increase in importance as Novelty decreases in importance.²⁰ In fact we learn to become more discriminating in our tastes and actions, more aware of who we are as individuals, and more confident in the control over our own lives. Perhaps we may become “better people” as we grow older.

Cocteau wrote of his idea that events grow larger the further we get from them²¹ while paradoxically phenomenological objects become larger the closer we get to them.²² Decreasing opportunities for Novelty over time implies that memories of more significant events “crowd-out” lesser memories, “entire periods of our lives are buried away.”²³ In addition as new events (new ‘human actions’) decline as a percentage of the total number of memories the older, more significant, memories

¹⁹ The concept of declining first-time aesthetical experiences does not imply that we live in a zero-sum non-evolutionary closed universe(s). Leibniz’s critique of Descartes holds; energy is not conserved. Sentient intelligence and mind are constantly creating new energy and ideas. It is the ability to experience external sense phenomena of genius and beauty which declines as we get older, not least because of the physiological deterioration which comes with age. This is subjective to an individual, not to the concept known commonly as ‘the history of the universe.’

²⁰ It should be noted that Scitovsky was clear that he was not proposing complete consumption for novelty and no consumption for comfort. Like utility theory itself, it is the “consumption bundle” which is emphasized; novelty and comfort are compliments not substitutes. This applies to our NFD model. Some people of course know early on what activities bring them Flow (for example Eric Clapton knew at age 6 that he was to be a guitar player). This paper proposes that the preferred consumption bundles of Novelty, Flow and Destiny change in relative weight over time due to the theory that opportunities for first-time aesthetically-profound memory consumption are diminishing over time. In addition, it is possible that for some people the role of memory in a decent human life increases, as people only find the financial means and opportunity to experience actions that they were unable to earlier on in life. This could mean that earlier in life they emphasized work (Flow) and material sustenance (Destiny) over Novelty due to lack of material capability for the latter.

²¹ Thus the idioms “good old days” and “you’ve never had it so good.”

²² “Time will play the role attributed to space,” Cocteau, p. 182.

²³ Cocteau, p. 151.

which remain grow in importance. These more significant memories then may guide our future actions and make them more richer with experience.²⁴ In addition, as Novelty manifested in memories decreases in importance relative to Flow and Destiny we may find that we are able to get more satisfaction from living ‘in the present’ than thinking of the distant past or anticipating Novelty in the future, “my memory is never so happy as when I ignore it.”²⁵

From a Flow perspective over time we may learn to find work and creative activities we enjoy out of pleasure not out of necessity. We lose ourselves in what we do to a finer degree (there are positive returns to scale) because we become better at we do. We take more pride in our work and become more confident in our social status. Perhaps more importantly, we learn who are our friends and who are the people we enjoy, and learn to love and appreciate our families more as we grow older. We are no longer thrill-seekers but perhaps people of more depth, “human action is [becomes] purposeful action.”²⁶ The joy of immersing ourselves in something at which we excel and/or enjoy surrounds us at the appropriate times. Scitovsky asks “what’s wrong with specialization?”²⁷

Novelty still plays an important role. Scitovsky writes, “Perfect comfort and lack of stimulation are restful at first, but they soon become boring, then disturbing. At that stage the organism actively seeks stimulation.”²⁸ The tendency for Novelty remains a necessary part of a decent human life but Flow and Destiny grow in relative importance.

²⁴ “The conceptual vehicle by means of which historians construct or analyze the contingency and temporal fatefulness of social life is the *event*,” (Sewell, p. 9).

²⁵ Ibid., p. 154.

²⁶ Mises, p. 11.

²⁷ Scitovsky, pp. 264-284; the last chapter of *The Joyless Economy* is entitled “What’s Wrong with Specialization?”

²⁸ Scitovsky, p. 31

From a Destiny point of view, economics has shown us that as we ‘cycle’ through our lives we gain more of the material means to control our destiny.²⁹ In addition the cognitive dissonance of uncertainty is reduced through experiential trial and error and we learn to discard, or temper, unhealthy and wasteful habits and relationships.³⁰ As our self-recognition increases so does the sense of control over our life. We can evolve into being equal partners with those around us.

IV. Conclusion

Like many good theorists Scitovsky’s work has contradictions. Despite his belief that ‘the average person’ does not struggle to survive materially he does believe that we struggle to survive socially. “Status seeking, the wish to belong, the asserting and cementing of one’s membership in the group is a deep-seated and very natural drive whose origin and universality go beyond man and are explained by that most basic of drives, the desire to survive.”³¹ I think that Scitovsky may hold this non-evolutionary psychological view because he does not factor in the

²⁹ Modigliani and Brumberg found in their “life cycle economics” that people’s income, savings and debt levels change throughout their lifetimes. Early in life one accumulates debt while living at lower levels of consumption. In the next stage of life income and consumption increases and savings increases (debt decreases). Later in life after peak income and consumption levels, income and consumption decrease while one also lives with less debt. We could carry this analysis a step further and say that with less debt over time one is living more free over time.

³⁰ Scitovsky does not minimize the difficulty of breaking habits. *The Joyless Economy* has a chapter entitled “The Psychology and Economics of Motivation”, in it we find a studied knowledge of experimental psychology, “one reason for the existence of habits is that once they are established, they are painful to stop...a habit is extinguished by so-called extinction trials, the non-rewarding of an act whose previous rewarding reinforced it and made it into a habit, but it usually takes many more extinction trials to extinguish a habit than it took to establish it,” p. 128. He then applies this concept to his theory of consumption, “the drug [he mentions alcohol, coffee, cigarettes and even a ‘habitual’ breakfast of bacon and eggs as having withdrawal symptoms] user’s desire for his drug is not qualitatively different from the average person’s desire to continue consuming whatever he habitually consumes,” p. 129.

³¹ Scitovsky, p. 115.

time-based theory³² found in our concept of memory's role in an individual's decent human life. The dynamic interplay of new things, things and people we enjoy and increasing self-control provide countervailing tendencies against the deterministic seeking of status through consumption and the base survival instinct.

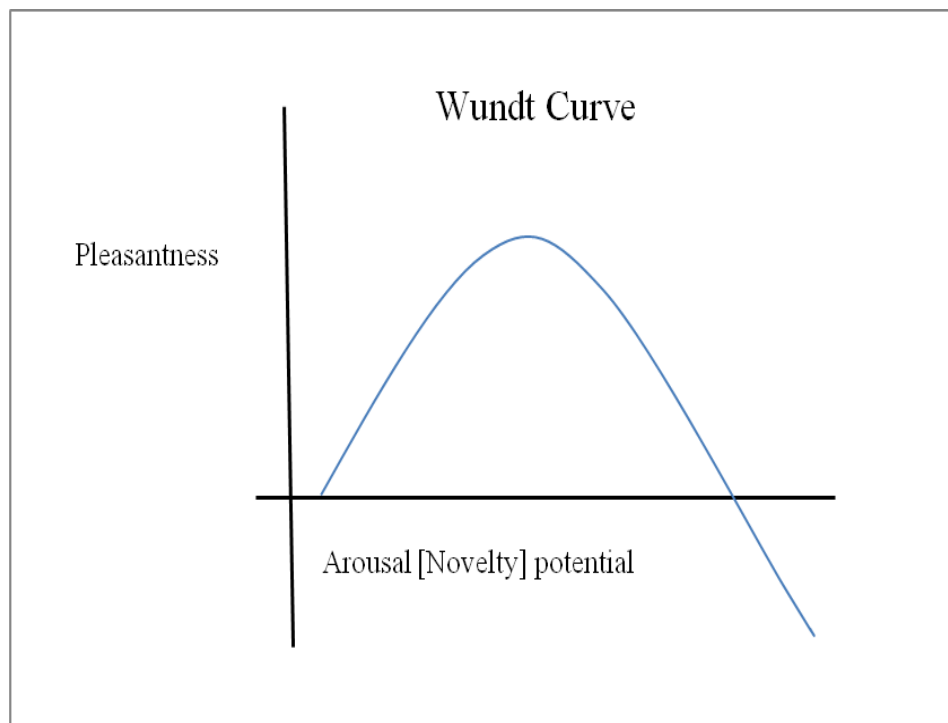
Maybe Tennessee Williams was right when in *Night of the Iguana* he had a character say "only idiots are happy." But this paper has attempted to show that a decent human life may be possible through learning to gain a deeper appreciation and enjoyment of what we already have and do.

³² See the Appendix for a mathematical formalization of the time-based theory of memory's role in a decent human life.

Appendix: Graphical Analogies

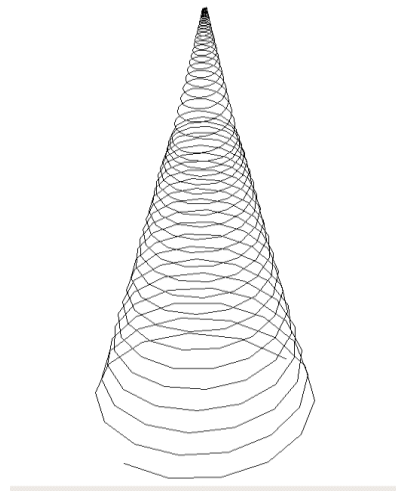
1. Wundt Curve

The Wundt Curve (Wilhelm Max Wundt 1874) shows that the pleasantness of something new “grows on you”, but then peaks, decreases and then can become unpleasant or annoying. “Here in a nutshell is the theory I am setting out to document and develop. The fact is that the most pleasant is on the borderline with the unpleasant” (Scitovsky, p. 34).



2. Model of decreasing time-space event moments

Below is a “spiral cone”. This is a metaphor for the decreasing relevance of time-space event moments in time, as the opportunity for experiencing new things diminishes. The higher up the cone you go (as time moves on up the Y-axis) the lesser of a percentage of total experiences is each new experience. This represents graphically the theory that there are “decreasing returns to memory” in a person’s life.³³



³³ Spiral cone downloaded from www.vla.nrao.edu/memos/rfi/33/33.doc (January 20, 2008).

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