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### Are Most People Consequentialists?

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# Are Most People Consequentialists?

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**Abstract** Welfare economics relies on consequentialism. Whether a public action is good or bad is then determined by the consequences for people, rather than for example by the extent to which it infringes on others' rights. Yet, many philosophers have questioned this assumption. The present note presents new survey evidence where a representative sample in Sweden are asked about their ethical perceptions with respect to what matters intrinsically. Overall, people's perceptions are largely consistent with consequentialism.

**Keywords:** ethics, rights, consequentialism, social cost-benefit analysis

**JEL:** D6, D7, Q5

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## 1. Introduction

The most fundamental ethics assumptions in mainstream welfare economics is *consequentialism*, i.e., that the consequences rather than, say, some inherent rights are what matter intrinsically.<sup>1</sup> This assumption, which is so frequently made in economics it is rarely even mentioned,<sup>2</sup> is nevertheless frequently questioned by philosophers. For example, “philosophical libertarians” claim that freedom, which depends crucially on the protection of individual rights, is the overriding moral consideration (e.g., Lomasky, 1987). Narveson (1988, 7) put it as follows: “The only relevant consideration in political matters is individual liberty.” Similarly, Nozick (1974, ix) writes: “Individuals have rights, and there are things no person or group may do to them (without violating their rights).”

Moreover, just as one can argue for rightwing politics based on rights-based ethical arguments, leftwing politics are also often supported by rights-based arguments. For example, it can be, and it has been, argued that people have certain rights independent of the market outcome, such as having an acceptable minimum living standard. According to Rawls (1971, 3): “Each person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override.”

Yet, one may argue that what *should* matter in public policy are neither the views of economists nor the ones of philosophers or policy makers, but rather the fundamental values of people in general. However, somewhat surprisingly, there appears to be almost no empirical research on this subject. Perhaps economists have largely considered the

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<sup>1</sup> This does of course not mean that economists do not care about rights or freedom at a personal level. According to Hausman and McPherson (2006, 159) “it is ironic that normative economics focuses on welfare, because economists value freedom very highly. Indeed, we would conjecture that economists value freedom more than do most noneconomists.”

<sup>2</sup> Kotaro Suzumura is a notable exception who has written extensively about the implications of consequentialism, as well as argued that welfare economics should sometimes move beyond consequentialism; see e.g. Suzumura (1999) and Suzumura and Xu (2001, 2003, 2004).

consequentialism assumption to be uncontroversial (to the extent that it has been thought of as an assumption at all), whereas philosophers, until recently, have shown little interest in using empirical methods at all. This note provides a very basic and straightforward test of whether people on average generally agree with this predominant welfare economic approach. This is done by explicitly asking a representative sample in Sweden about their ethical perceptions with respect to what matters intrinsically.

There is a rapidly growing literature that tries to infer people's underlying values, or "social preferences," from their behavior in economic experiments; see, e.g., Fischbacher and Gächter (2010) and Messer et al. (2010) for some recent contributions. For survey-based studies with similar objectives, see, e.g., Yaari and Bar-Hillel (1984) and Kahneman, Knetsch, and Thaler (1986). From this literature, we can, e.g., learn a great deal about the extent to which people care about reciprocity and fairness and about what people's perception of fairness depends on (e.g., Schokkaert and Overlaet, 1989). Yet, the present note is concerned with the underlying ethics at a more fundamental level. The questions of concern here are: Is an action ethically bad primarily because the overall consequences of the action are bad? Or is it bad primarily because someone else's rights are violated? Or are there other reasons that are even more important, such as religious obedience? Section 2 presents the survey results, Section 3 attempts to econometrically explain the differences in values, and Section 4 concludes the note.

## **2. Survey Results**

The survey was mailed to 2,450 randomly selected adults above the age of 18 years in Sweden during the spring of 2004; the overall response rate was 45%, of which 985 respondents (40%) answered the main question of interest, i.e., the question regarding ethical perceptions with respect to what matters intrinsically. The sample analyzed is fairly

representative of the overall underlying sample of adults in Sweden; the last column of Table 2 provides mean values and standard deviations of the explanatory variables used. We have an over-representation of university-educated people and a slight over-representation of women.

**Table 1 around here**

As seen in Table 1, the result is quite consistent with the consequentialist ethics underlying conventional economic welfare theory, since almost two-thirds chose this alternative. Still, a non-negligible fraction of the respondents appear to have other fundamental ethical views, of which the rights-based motivation is the second most common. Whether the support for consequentialism is sufficiently large to motivate welfare economics to almost exclusively rely on it, and hence to largely ignore alternative rights-based approaches, is of course an open question that is beyond the scope of the present note.

**3. Econometric Analysis**

In order to look into the determinants of the variation in people's ethical perceptions with respect to what matters intrinsically, we ran a multinomial logit regression.

**Table 2 around here**

Table 2 reveals that the probability of choosing the "consequences for others" alternative increases with the respondents income. The 0.048 parameter for equivalent household income on "consequences for others" in Table 2 implies that the probability of choosing this alternative increases by almost 5 percentage points when the equivalent household before-tax income increases by 10,000 SEK per person per month, at sample means. Increased age significantly decreases the probability of choosing the "consequences for others" alternative and increases the probability of choosing the "violation of what is natural" alternative by about equally much. This may in part reflect a pure age effect, yet it is possible, and perhaps

likely, that it also reflects a generation effect. For example, society as a whole was much less tolerant toward homosexuality (which some still consider unnatural) 50 years ago than it is today.

Not surprisingly, people who see themselves as Christian believers are more likely to choose the “violation of Christianity” alternative. University education increases the probability of choosing the “consequences for others” alternative and decreases the probability of choosing the “consequences for me”<sup>3</sup> and “violation of what is natural” alternatives. Perhaps university education teaches people to think more systematically about ethical issues, which in turn reduces the probability of displaying more dogmatic motivations. Women are more likely to choose the “violation of someone else’s rights” and less likely to choose the “violation of Christianity” alternative. The former result is possibly a reflection of more women than men being focused on men’s crimes against women when answering. Regarding these crimes, a great deal of focus in recent debate has been on respecting the rights of women. The latter result may to some extent reflect the fact that Christian rules, as well as the rules of most other religions, have been, and sometimes still are, discriminatory against women.

#### **4. Conclusion**

This note provides survey-based support for the consequentialist assumption associated with welfare economics. Yet, this does of course not imply that economists should feel obliged to *always* rely on consequentialism in normative analysis, or that Bentham (1843, 501) is necessarily right in claiming that “*Natural rights* is simple nonsense: natural and

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<sup>3</sup> It is possible, of course, that some of those who chose the “consequences for me” alternative misunderstood the question, or had a vague idea about the meaning of “an ethical point of view.” Still, what has become known as *ethical egoism* is sometimes defended in the philosophical literature (see, e.g., Rand, 1964; Kalin, 1970), even though it is of course much easier to find critics than supporters of this doctrine.

imprescriptible rights, rhetorical nonsense - nonsense upon stilts.” Moreover, and needless to say, interpreting survey-based evidence is not without problems; see, e.g., Bertrand and Mullainathan (2001). However, it is not obvious how one could have obtained this type of conclusion in a more reliable way by inferring them from observed behavior. Moreover, it is hard to see why people’s responses would systematically be biased due to self-signaling reasons, which is sometimes a problem with survey responses, i.e., in order to signal to themselves that they are in some dimension “better” than what they really are. Thus, for issues of this kind, it is easy to agree with Sen (1973, p.258) that “we have been too prone, on the one hand, to overstate the difficulties of introspection and communication and, on the other, to underestimate the problems of studying preferences revealed by observed behaviour.” Nevertheless, future research that uses other methods and samples is encouraged in order to test how robust the results presented here are and the extent to which they can be generalized.

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Table 1. Response distribution on the following question: *One can have different opinions about what determines whether an action, from an ethical point of view, is “bad.” Mark the alternative that you think corresponds best with your view. How bad an action is, from an ethical point of view, depends primarily on...*

How bad the consequences of the action are for myself	5.3%
How bad the consequences of the action are for other people and for the society	62.7%
The extent to which the action infringes upon someone else’s rights	17.5%
The extent to which the action violates what is natural	10.6%
The extent to which the action violates Christianity according to the New Testament in the Bible.	3.7%
The extent to which the action violates the rules given by any other religion (such as Islam or Buddhism)	0.3%

Note: number of observations = 985

Table 2. Marginal effects evaluated at sample means for a multinomial logit regression based on the responses to the following question: *One can have different opinions about what determines whether an action, from an ethical point of view, is “bad.” Mark the alternative that you think corresponds best with your view.*

	<i>How bad an action is, from an ethical point of view, depends primarily on...</i>					<i>Mean value [std] of the independent variables</i>
	Consequences for me	Consequences for others	Violation of someone else's rights	Violation of what is natural	Violation of Christianity or other religion	
Constant	-0.026 (-0.93)	0.40*** (5.70)	-0.14** (-2.45)	-0.18*** (-4.09)	-0.050** (-2.52)	
Equivalent household income per capita (10,000 SEK/month)	-0.013 (-1.18)	0.048** (2.25)	-0.0087 (-0.51)	-0.014 (-1.10)	-0.012* (-1.95)	1.42 [1.17]
Women	-0.011 (-0.76)	-0.011 (-0.76)	0.056** (2.06)	-0.0070 (-0.40)	-0.027*** (-3.48)	0.551 [0.498]
Age (years)	-0.0003 (-0.74)	-0.0027** (-2.35)	-0.00007 (-0.07)	0.0028*** (4.10)	0.00034 (1.31)	46.42 [15.11]
Has children	-0.027* (-1.65)	-0.060 (1.63)	-0.031 (-1.00)	-0.0035 (-0.16)	-0.00035 (0.042)	0.357 [0.479]
University-educated	-0.039** (-2.47)	0.12*** (3.64)	-0.020 (-0.72)	-0.072*** (-3.46)	0.0061 (0.80)	0.412 [0.492]
Would vote for the right-wing party	-0.001 (-0.05)	-0.035 (-0.82)	-0.041 (1.19)	-0.011 (0.48)	-0.016 (-1.50)	0.162 [0.369]
Lives in one of the three biggest cities in Sweden	-0.016 (-0.86)	0.017 (0.42)	-0.056* (1.73)	-0.065** (-2.45)	0.0067 (0.77)	0.259 [0.438]
Lives in the countryside	-0.013 (-0.82)	-0.0056 (-0.15)	0.0092 (0.29)	0.0034 (0.19)	0.0062 (0.77)	0.323 [0.468]
Christian believer	0.020 (1.18)	-0.013 (-0.30)	-0.043 (-1.18)	-0.0077 (-0.32)	0.043*** (4.50)	0.171 [0.376]

Note: number of observations = 919 (the discrepancy compared to Table 1 is due to missing observations for explanatory variables, in particular income).

- \*\*\* Statistically different from zero at the 1% significance level.
- \*\* Statistically different from zero at the 5% significance level.
- \* Statistically different from zero at the 10% significance level.