

Back to Smith and Bentham: the Influence of Social Interactions on Happiness

Laurie Bréban and Nathalie Sigot

PHARE, Université Paris 1 Panthéon-Sorbonne

(first draft)

Introduction

In the early 1970's, the economist Richard Easterlin, within an empirical study (1974), challenged the positive relation up to then accepted by economists, between income and individual happiness. Thereafter, several works converged on the same conclusion: although within a same country (i) people with higher incomes report a higher level of happiness than people with lower incomes¹; (ii) in the long run, there would be no significant relation between variables such as income per capita and average reported happiness². This finding – also called the “Easterlin Paradox” – opened a field of research – the economics of happiness – and prompted some economists to explore new paths in order to offer an alternative approach to happiness to the one which has dominated in economics, at least since the “Marginalist revolution” in the 1870's.

One of the most notable path consisted in providing a conception of the individual distinct from the isolated *Homo œconomicus* usually associated to the latter, in order to explain the Easterlin Paradox: a conception which would be rooted in social and collective considerations (see, for instance, S. Zamagni, 2005 and L. Bruni, 2006). This gave rise to the relative utility hypothesis which Easterlin himself viewed as a possible explanation of his paradox (1974: 104-118; see also Bruni, 2006: 13)³. Following this hypothesis, an individual's happiness would not depend on his/her absolute but on his/her relative situation, *i.e.* on comparisons that he/she makes between his/her own situation and

¹ Up to now, no study seems to have called into question this result.

² Contrary to the first result, there is no consensus regarding this second result that has been for instance, contested by Hagerty and Veenhoven (2006) or Stevenson and Wolfers (2008).

³ Interestingly, in his article, Easterlin referred to Duesenberry's relative income hypothesis but Veblen's notion of “conspicuous consumption”, that underlined the role of the consumption of “positional goods” (as named by Hirsch in 1976) on the level of happiness, may also illustrates these kinds of comparisons.

others elements which may take various forms (see Cuong Pham, 2008)⁴. Here we would like to focus on interpersonal comparisons which suppose that one compare his/her situation – income, social status, job prestige or consumption (see Veenhoven, 1991: 5) - with the one of a reference group⁵.

In the same line as Bruni (2006), in this paper, we would like to question the meaning and the role granted to social interactions – which mainly take the form of interpersonal comparisons – in today's economic analysis of happiness, by adopting an historical perspective. Though relative utility hypothesis can be considered as an important contribution to the integration of social interactions into economic analysis, we agree with the commentator, even if our diagnosis is not exactly the same, that the way they are conceived is a bit restrictive⁶: in the relative utility hypothesis, others are just a reference to which the individual compares his own situation. Social interactions are then restricted to comparisons – some would say “competition”- motivated by sentiment such as envy or jealousy (see, for instance, Bruni, 2006: 15; Kim Cuong Pham, 2008).

Now, as Bruni (2006), we believe that an historical approach may enrich the economic analysis of happiness on this question. According to us, such an approach presents two advantages. It allows discussing:

1. the filiation often established, by the economists who seek to renew the analysis on happiness, between today's results in economics of happiness and past theories.
2. Bruni (2006)'s diagnosis regarding the evolution which led the economists to overlook what he calls “non-instrumental social interactions” (Bruni, 2006: 1).

With regard to the first advantage, economics of happiness often claims ancient roots coming from early philosophers or economists (see, for instance, Bruni and Porta, 2005). From this perspective, two figures seem particularly called for: Adam Smith and Jeremy Bentham.

⁴ Two other forms of comparisons which may be said to be intrapersonal by contrast to the former have been put to the fore by the economics of happiness. The first one mobilizes the individual's past history to which he would compare his present situation: Duesenberry's “ratchet effect” is often considered as an illustration of this assumption. Another exemple is the “hedonic adaptations theory” relying on the classical work by the psychologists P. Brickman and D. T. Campbell (1971), inspired by H. Helson's adaptation-level theory. The second form of comparison relies on the idea that the individual may compare his actual situation with his or her “aspirations”: from this perspective, happiness would depend on the gap between achievement and aspirations. The implications of rising aspirations with regard to happiness are similar to the one of habituation such as described in the hedonic adaptation theory. This is the reason why Daniel Kahneman (1999, pp. 13-15) introduced a distinction between two kinds of treadmill effects: the “hedonic treadmill” attributed to hedonic adaptation and the “satisfaction treadmill” attributed to aspiration (see L. Bruni and P. L. Porta, 2005, p. 10).

⁵ In economics, the comparison is often limited to income comparisons, which would be “one of the most frequently cited explanations of the Easterlin Paradox” (Clark, Senik and Yamada, 2017).

⁶ After having asserted that Economics “has in time completely lost the non-instrumental interpersonal dimension”, Bruni claims that actually “Economics deals with non-instrumental relationality only in terms of externalities (Bruni, 2006: 1).

Indeed, Adam Smith is often presented as the forerunner of new results in behavioral economics and economics of happiness (see Bréban, 2012; 2014)⁷. The most typical illustration is the article of Ashraf, Camerer and Loewenstein (2005) entitled “Adam Smith, Behavioral Economist”. But, contributions from Clark (2000), Clark, Frijters and Shields (2008) and Kim Cuong Pham (2008), which ascribe to Smith the fatherhood of relative utility, constitute other illustrations. One of the reasons of such an attitude toward the author’s work, seems to be the place that is usually assigned to him, in the history of economic thought, as a pioneer. The fact that his economic work – the *Wealth of Nations* (1776) – comes together with an important philosophical contribution – including the *Theory of Moral Sentiments* (1759) – which has raised a renewed interest at least since the publication of the Glasgow editions of his works in the 1970’s, also seems to play an important part. As for Jeremy Bentham, he is often considered as the forerunner of the hedonic approach in economics because of the preponderance that he grants to happiness in his philosophy, included when he deals with economic issues (see Bruni, 2006). Now, as we are going to show, the interest of Smith’s analysis of happiness as well as Bentham’s one goes beyond the modern concepts that are attributed to them today, especially when this analysis concerns the influence of social interactions on happiness.

With regard to the second advantage, an historical approach prompts to question the role assigned by Bruni (2006) to these two authors in the movement which led economists to get rid of social interactions in the explanation of happiness. If Adam Smith is considered by the commentator as one of the authors having initiated this evolution – because of his supposed tentative to reconcile “Civic Humanism” with the “emerging commercial society” – Jeremy Bentham would have done a “further step” by “removing an ethical conception of happiness” (Bruni, 2006: 1-2). Now, as we are going to see, for Smith, as for Bentham, man is not an isolated individual, but someone whose happiness depends to a great extent on the others’ judgments (both outside and within the economic sphere).

In the paper, the discussion is organized as follow: in a first part, we are going to emphasize the relation that Smith and Bentham establishes between wealth and happiness (§1). In a second part, we are going to highlight the specific influence that both authors grant to social interactions on happiness (§2). This will allow us to conclude about the mutual influence between Smith and Bentham but more generally of their place in the history of the economic analysis of happiness.

1. The Relation between Wealth and Happiness

Unsurprisingly, Smith and Bentham do not grant the same influence to wealth on happiness. As noticed by the initiators of what is sometimes called the “New Adam Smith Problem”, in the *Theory of Moral Sentiments*, Smith is quite skeptical about the aptitude of wealth to bring happiness (see Brown, 1994; Griswold, 1999; Fleischacker, 2004 and Diatkine, 2010)⁸, which led some commentators to draw an analogy between his analysis and the Easterlin Paradox (see, for instance, Brewer, 2009: 533). Bentham is not prey to the same skepticism, even if, in his view, the influence of wealth on happiness is not as uniform as it is usually considered.

⁷ The tendency which consists in establishing Adam Smith as a forerunner is, of course, not recent and not limited to fields such as behavioral economics and the economics of happiness (see Bréban, 2011).

⁸ For a review of the “old” and “new” Adam Smith Problem, see Dellemotte (2011).

Of course, such a divergence between the two authors comes from their respective definition of happiness. Though their definitions mobilize almost the same ingredients, these ingredients are not arranged in the same manner. For instance, for Smith, as for Bentham, there exists a link between happiness and “enjoyment”: more enjoyment means greater happiness. However, in Smith’s analysis, this link is mediated by what he calls “tranquility of mind”, an ingredient related to the practice of virtue which is absent from Bentham’s analysis. And this might explain the distinct influence that they grant to wealth on happiness. Whereas for Bentham, wealth directly influences enjoyment through the “pleasures of wealth”, for Smith, this influence does not exist: more wealth does not bring more virtue and thus, greater tranquility of mind, the “foundation of all real and satisfactory enjoyment.” (TMS, III, 3: 150).

Actually, in Smith’s analysis, the influence of wealth goes through another ingredient which does not concerned the structure of happiness but its stability: this is “security” which consists in avoiding any chance of pain even if it is for the search of pleasure. The fact that this ingredient is defined as the object of the virtue of prudence reflects the preponderance that the Scottish philosopher gives to the stability of happiness to the detriment of its increase. Though “security” is also presents in Bentham’s analysis, it does not follow the same purpose: it consists in avoiding pain in the same manner as we seek pleasure. This may explain why he reverses the priority order with regard to Smith, or in others words, why he considers the positive balance pleasure and pain as overriding compared with the stability of happiness.

1.1. Wealth does not Bring Happiness: the Impartial Spectator’s Point of View

In a much discussed passage of the *Theory of Moral Sentiments*⁹, Smith asserts that:

“When Providence divided the earth among a few lordly masters, it neither forgot nor abandoned those who seemed to have been left out in the partition. These last too enjoy their share of all that it produces. In what constitutes the real happiness of human life, they are in no respect inferior to those who would seem so much above them. In ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possesses that security which kings are fighting for.” (TMS, IV, 1: 185)

Thus, there would be no distinction between “all the different ranks of life”, with regard to the level of their happiness: the rich “lordly masters” would not be happier than a “beggar”.

In order to grasp what, according to Smith, renders these two situations indifferent with regard to happiness, let’s briefly revisit his definition of the concept. Following this definition, “Happiness” would “consists in tranquillity and enjoyment” (TMS, III, 3: 149). Though stated simply, Smith’s conception of happiness is more complex that it seems to be. Contrary to interpretations by Fleischacker and Griswold, it consists neither in a “balance between tranquillity and enjoyment” in favor of tranquillity (Fleischacker, 2004: 68), nor exclusively in tranquillity (Griswold, 1999: 217-227). When Smith, for instance, writes that “[w]ithout tranquillity there can be no enjoyment; and where there is perfect tranquillity there is scarce anything which is not capable of amusing.” (TMS, III, 3: 149) he does not give a greater weight to tranquillity as a component of happiness, but he rather

⁹ See, for instance, Griswold, Jr (1999), Fleischacker (2004) and Diatkine (2010).

argues that it influences the amount of objects that we perceive as able to generate our enjoyment and, by this way, to determine our happiness¹⁰. This means that increasing tranquility would give rise to more sources of enjoyment, so that happiness would vary in the same direction¹¹. Then, when Smith states that the rich is not happier than the poor, he expresses some skepticism regarding the aptitude of wealth to bring more tranquility.

Another famous passage of the *Theory of Moral Sentiments*, in which Smith offers a comparison between two extreme opposite situations - what he calls “the most humble station” and “the most glittering and exalted situation” - seems to confirm this skepticism:

“In the most glittering and exalted situation that our idle fancy can hold out to us, the pleasures from which we propose to derive our real happiness, are almost always the same with those which, in our actual, though humble station, we have at all times at hand, and in our power. Except the frivolous pleasures of vanity and superiority, we may find, in the most humble station, where there is only personal liberty, every other which the most exalted can afford and the pleasures of vanity and superiority are seldom consistent with perfect tranquillity, the principle and foundation of all real and satisfactory enjoyment.” (TMS, III, 3: 150)

Not only “the most glittering and exalted situation” would provide almost the same sources of enjoyment (almost the same kinds of “pleasures”) than “the most humble station”, but it would not lead to enjoy the highest tranquility possible (“perfect tranquility”).

As noticed by several commentators, in Smith’s analysis, an individual’s tranquility of mind is related to his practice of virtue - the more he is virtuous, the more he tends toward perfect tranquility¹²; a practice of virtue which supposes the adoption of what the author calls the “impartial spectator’s” point of view. It is therefore no coincidence that Smith’s comparison between “the most humble station” and “the most glittering and exalted situation” as well as his definition of happiness takes place in a chapter entitled: “Of the Influence and Authority of Conscience” (TMS, III, 3); Conscience of which instance is precisely given by the impartial spectator.

¹⁰ In this sense, Smith’s analysis displays some similarities with that of Hume. According to Hume (1777, pp. 269-270), happiness consists in a mixture of three ingredients: action, indolence and pleasure. The proper proportion between the two former ingredients, that corresponds to the calm passion, results in a higher aptitude to feel pleasure (A. Lapidus, 2010, pp. 17-18). Smith’s conception of tranquillity might therefore be viewed as a homologue to Hume’s conception of the calm passion.

¹¹ This also makes clear why the author usually focuses on “tranquillity of mind” while writing about happiness, leaving aside enjoyment (see, for instance, TMS, I, ii, 3, §7, p. 37; III, 3, §30, p. 149; §31, p. 150; IV, 1, §8, p. 181; VI, ii, 2, §14, p. 232; iii, §19, p. 245): since levels of enjoyment and of tranquillity vary co-monotonously when the individual tries to achieve his greater enjoyment, Smith does not need to mention both components while dealing with happiness. Tranquillity of mind is sufficient to provide the relevant information about the individual state of happiness; and so does enjoyment, since each level of enjoyment is associated to a corresponding level of tranquillity.

¹² “To be amiable and to be meritorious; that is, to deserve love and to deserve reward, are the great characters of virtue; and to be odious and punishable, of vice. But all these characters have an immediate reference to the sentiments of others. Virtue is not said to be amiable, or to be meritorious, because it is the object of its own love, or of its own gratitude; but because it excites those sentiments in other men. The consciousness that it is the object of such favourable regards, is the source of that inward tranquillity and self-satisfaction with which it is naturally attended, as the suspicion of the contrary gives occasion to the torments of vice. What so great happiness as to be beloved, and to know that we deserve to be beloved? What so great misery as to be hated, and to know that we deserve to be hated?” (TMS, III, 1: 113; our italics)

Indeed, Smith introduces the concept of “impartial spectator” in order to explain how we achieve to remove ourselves from our “natural station” (meaning: “partial station”¹³) for judging of our own behavior¹⁴. Through our social interactions, Smith says, we find that others judge of our behaviors exactly as we ourselves, as a spectator, judge of their behaviors. We then become anxious to know “whether to them we must necessarily appear those agreeable or disagreeable creatures which they represent us”. But to obtain this information, we have no other mean than to adopt their perspective – or rather what we imagine would be their perspective - on our own behaviors (see TMS, III, 1: 112)¹⁵. Now, in order to formulate proper judgments on what concerns ourselves, we should imagine that this perspective comes from spectators having “no particular connexion”¹⁶ with us¹⁷. Indeed, according to Smith, spectators having particular connexion with us, or in others words, partial spectators may be too indulgent with regard to what the author considers as the natural preference that each individual has for himself:

“[T]o indulge [...] at the expence of other people, the natural preference which every man has for his own happiness above that of other people, is what no impartial spectator can go along with [...] We must, here, as in all other cases, view ourselves not so much according to that light in which we may naturally appear to ourselves, as according to that in which we naturally appear to others. Though every man may, according to the proverb, be the whole world to himself, to the rest of mankind he is a most insignificant part of it. Though his own happiness may be of more importance to him than that of all the world besides, to every other person it is of no more consequence than that of any other man. [...] When he views himself in the light in which he is conscious that others will view him, he sees that to them he is but one of the multitude in no respect better than any other in it. If he would act so as that the impartial spectator may enter into the principles of his conduct, which is what of all things he has the greatest desire to do, he must, upon this, as upon all other occasions, humble the arrogance of his self-love, and bring it down to something which other men can go along with.” (TMS, II, ii, 2: 82-3).

Consequently, in order to judge of our own behavior, we must identify with spectators able to thwart “the arrogance of our self-love”, by recalling us that we are “but one of the multitude in no respect better than any other in it” (TMS, II, ii, 2: 82-3). More generally, what the author sometimes calls the “indifferent and impartial” spectator does not have any preference except for virtue, the only criterion upon which moral judgement ought to be founded (see TMS, III, 3: 154). Now, from this perspective, wealth and poverty, but not only, cannot be discriminated.

¹³ Smith writes that in our natural station “every thing appears magnified and misrepresented by self-love” (TMS, III, 4: 157).

¹⁴ On the concept of “impartial spectator” in the *Theory of Moral Sentiments*, see Raphael and Macfie (1976). On the meaning that Smith grants to impartiality, see Griswold (1999), Raphael (2007) and Fleischacker (2009). On the distinction and the interaction between an individual’s “natural point of view” and the “impartial spectator point of view”, in the *Theory of Moral Sentiments*, see Bréban (2014).

¹⁵ “We begin, upon this account, to examine our own passions and conduct, and to consider how these must appear to them, by considering how they would appear to us if in their situation. We suppose ourselves the spectators of our own behaviour, and endeavour to imagine what effect it would, in this light, produce upon us. This is the only looking-glass by which we can, in some measure, with the eyes of other people, scrutinize the propriety of our own conduct.”

¹⁶ TMS, III, 3: 135.

¹⁷ “[A]ll the [...] passions of human nature, seem proper and are approved of, when the heart of every *impartial spectator* entirely sympathizes with them, when every *indifferent by-stander* entirely enters into, and goes along with them” (TMS, II, i, 2: 69; our italics).

Indeed, in the *Theory of Moral Sentiments*, Smith extends his statement on the aptitude of wealth and poverty to bring happiness, to “all the ordinary situations of human life”:

“between one permanent situation and another, there [is], with regard to real happiness, no essential difference [...], that, in all the ordinary situations of human life [poverty and riches, private and a public station and obscurity and extensive reputation] a well-disposed mind may be equally calm, equally cheerful, and equally contented.” (TMS, III, 3: 149)

It is no surprise then to find in Smith’s analysis a degree of virtue “to which the actions of the greater part of men commonly arrive at” (TMS, I, i, .5: 26) which may be considered as giving rise an “ordinary tranquility” (TMS, III, 3: 148) as well as to the “natural and ordinary state of mankind” – “the state of the greater part of men” (TMS, I, iii, 1: 45) - or what the authors also calls “ordinary” or “natural state of happiness” (TMS, III, 2: 121) – the state that can be enjoyed in “all the ordinary situations of human life” (TMS, III, 3: 149).

Lastly, it is difficult to conclude this subsection about the relation that Smith establishes between wealth and happiness without mentioning a concept that the author often mobilizes when dealing with happiness, that is, “security”. For instance, when concluding his comparison between “the most glittering and exalted situation” and “the most humble station”, Smith claims:

“Neither is it always certain that, in the splendid situation which we aim at, those real and satisfactory pleasures can be enjoyed with the same security as in the humble one which we are so very eager to abandon.” (TMS, III, 3: 150)

Here, the meaning of “security” should be made more explicit. Note that Smith offers an interpretation of security in a passage which takes place in the section of the *Theory of Moral Sentiments* devoted to the virtue of prudence – “the art of preserving and increasing what is called his external fortune” - and entitled: “Of the Character of the Individual, so far as it affects his own Happiness or of Prudence” (TMS, VI, i: 212). In this passage, security is opposed to “hazard”:

“We suffer more, it has already been observed, when we fall from a better to a worse situation, than we ever enjoy when we rise from a worse to a better. Security, therefore, is the first and the principal object of prudence. It is averse to expose our health, our fortune, our rank, or reputation, [the objects upon which an individual’s comfort and happiness in this life are supposed principally to depend] to any sort of hazard. It is rather cautious than enterprising, and more anxious to preserve the advantages which we already possess, than forward to prompt us to the acquisition of still greater advantages. The methods of improving our fortune, which it principally recommends to us, are those which expose to no loss or hazard” (TMS, VI, i: 213).

The idea according to which security is “the principal object of prudence” comes from a specificity that Smith assigns to men, that is, their greater sensitivity to pain than to pleasure which would results in greater deviations of their happiness from the “ordinary” or “natural state of [their] happiness” in the former case than in the latter case (see, for instance, TMS, III, 2: 121)¹⁸. Security then would consist in avoiding any situation where there exists “hazard”, that is, a chance of an unfavorable event (a negative impact on “health”, “fortune”, “rank” or “reputation”) likely to involve a negative deviation from the ordinary state of happiness. Thus, when Smith claims that the security

¹⁸ On Smith’s justification of men’s asymmetric sensitivity to pleasure and pain, see Bréban (2012)

of the rich is lower than the security of the poor, he means that the situation of the rich is more liable to be threatened by some adverse event than that of the poor. As a result, not only are the rich just as happy as the poor, but their happiness also comes to be less stable¹⁹.

Now, this raises the question of the connection between an economic situation (being rich or poor) and a moral quality, since Smith considers "security" as the "first and [...] principal object of prudence" (TMS, VI, i: 213). The idea according to which it cannot be taken for granted that the situation of the rich is as stable as that of the poor (TMS, III, 3: 150) seems to express Smith's skepticism concerning the practice of virtue, especially the one of prudence, in what he calls "the most glittering and exalted" situation. This skepticism is still more explicit in the famous chapter of the *Theory of Moral Sentiments* about the "corruption of our moral sentiments" (see TMS, I, iii, 3, p. 61). In this chapter, Smith explains that there are two different ways "[t]o deserve, to acquire, and to enjoy the respect and admiration of mankind" which he considers "the great objects of ambition and emulation": (i) the study of wisdom and the practice of virtue, and (ii) the acquisition of wealth and greatness (see TMS, I, iii, 3: 62). More importantly, Smith claims that the admiration of wealth and greatness by greater part of men is independent from their possible admiration of virtue (see *infra*, §2.1.). But whereas, in the middling and inferior stations of life, the acquisition of this respect and this admiration aroused by wealth and greatness is nearly impossible without the practice of virtue, such limitation does not exist for superior stations of life. An obvious consequence is that one should expect more virtue in the poor condition than in the rich one:

"In the middling and inferior stations of life the road to virtue and that to fortune, to such fortune, at least, as men in such stations can reasonably expect to acquire, are, happily in most cases, very nearly the same [...] In such situations, therefore, we may generally expect a considerable degree of virtue; and, fortunately for the good morals of society, these are the situations of by far the greater part of mankind.

In the superior stations of life the case is unhappily not always the same. In the courts of princes, in the drawing rooms of the great [...] flattery and falsehood too often prevail over merit and abilities. In such societies the abilities to please, are more regarded than the abilities to serve."
(TMS, I, iii, 3: 63)

Of course, such a picture of the superior stations of life is inconsistent with the character of the prudent man depicted in part VI of the *Theory of Moral Sentiments* (see, for instance, TMS, VI, i: 213; 214; 215-6). A prudent man who,

"in the bottom of his heart [...] would prefer the undisturbed enjoyment of secure tranquillity, not only to all the vain splendour of successful ambition, but to the real and solid glory of performing the greatest and most magnanimous actions" (TMS, VI, i: 215-6).

¹⁹ This interpretation of the situation of the rich compared to the one of the poor with regard to security is confirmed by several passages of the *Theory of Moral Sentiments*. For instance, when taking up the kind of life to which the rich are devoted, Smith makes obvious that it is not a stable situation because of the high likelihood of an adverse event: "Power and riches [...] are enormous and operose machines [...] which must be kept in order with the most anxious attention, and which in spite of all our care are ready every moment to burst into pieces, and to crush in their ruins their unfortunate possessor. They are immense fabrics, which it requires the labour of a life to raise, which threaten every moment to overwhelm the person that dwells in them" (TMS, IV, 1: 182-3)

For the reader, the conclusion is unambiguous, and lead to found an analytical property of happiness (his stability) to a moral virtue (prudence). The very idea that the situation of the rich is not as stable as the one the poor depends on the lack of prudence in the superior stations of life, when compared to the middling and inferior stations of life.

1.2. Pleasures of Wealth as Terms of the Felicific Calculus

It is well-known that Bentham's definition of happiness takes two forms: a collective and an individual one. Here, we would like to focus on his definition of individual happiness as in the economics of happiness, only this form seems to be relevant (happiness in the society uses to be measured by the average declared happiness). However, before entering into the details of the relation between wealth and happiness at the individual level, we would like to introduce briefly some elements about Bentham's approach of collective happiness. According to him, collective happiness consists in

“four subordinate objects-

Subsistence.

Abundance.

Equality.

Security.

The more perfect the enjoyment of all these particulars, the greater the sum of social happiness”

(*Principles of the Civil Law*, p. 302).

Two remarks are worth mentioning about this definition. It provides a first view of the relation between happiness and wealth, for subsistence and abundance directly depend on the quantity of wealth available in society. As wealth is increasing in society, allowing people to consume more than the subsistence minimum, the level of happiness raises but less than proportionally.²⁰ The second remark concerns Bentham's project: this definition comes within the scope of the search for maximizing collective happiness. In this context, wealth is but a tool at the disposal of the legislator, but should not be considered as an end: “Happiness – enjoyment – not money is or ought to be the ultimate object of the legislator's care” (Bentham's mss, quoted by Quinn, 2016: 14).

²⁰ This idea can also be found in Bentham's position on luxury: in the context of the debate on luxury, he clearly defended the search for luxuries, which allows increasing the level of happiness. The links between happiness and luxuries are described as follows. On the one hand, the quest for luxuries modifies human behavior so that it appears both as “the steady and natural benefactor of the human species” since “he rewards only the industrious” (*The rationale of reward*). This quest is explained by the pleasure of wealth, and more precisely by an insatiable appetite for more wealth: “The attractions of pleasure, the succession of wants, the active desire of adding to our happiness, will, under the safeguard of security, incessantly produce new efforts after new acquisitions. Wants and enjoyments, these universal agents in society, after having raised the first ears of corn, will by degrees erect the granaries of abundance, always increasing and always fall. Desires extend themselves with the means of gratification; the horizon is enlarged in proportion as we advance; and each new want, equally accompanied by its pleasure and its pain, becomes a new principle of action” (*Principles of the Civil Code*). On the other hand, luxuries appear as “a source of virtue” (*Principles of penal Laws*: 541), since it tends “to weaken the dangerous inclinations which man derives from its nature” (*ibid.*: 540). This means that the quest for luxuries turns away people from others consumption that would be prejudicial to collective happiness – such as alcohol abuses.

At the individual level, though Benthamian happiness seems to mobilize almost the same ingredients as Smithian one (enjoyment, security), his definition is quite different: it consists in “enjoyment of pleasures [and] security from pains” (1789: 74). While “enjoyment” is another word for pleasures, “security” is a more complex notion, for it encompasses the protection (by the law) of “person, property, reputation, and condition in life”.²¹ From this perspective, Bentham’s approach is far from being as simple as it is usually asserted.

Of course, Bentham’s *felicific calculus* describes individuals as guided only by pains and pleasures: “they govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it” (Bentham, 1789: 11). Now, this general depiction of the individual behavior is supplemented by a list of “the several sorts of pains and pleasures [...] of which human nature is susceptible” - a list composed of 14 pleasures - which renders complex his approach of happiness.²² In addition to, for instance, the pleasures of “sense”, “the imagination” or “power”, we find the “pleasures of expectations” which may influence the level of all the other pleasures. We also find the pleasures of wealth which allow Bentham dealing with the relation between wealth and individual happiness. Pleasures of wealth are defined as

“those pleasures which a man is apt to derive from the consciousness of possessing any article or articles which stand in the list of instruments of enjoyment or security, and more particularly at the time of his first acquiring them; at which time the pleasure may be styled a pleasure of gain or a pleasure of acquisition: at other times a pleasure of possession” (1789: 43).

Now, Bentham does not limit himself to the simple statement that there is a relation between the pleasures of wealth and individual happiness. He tries to precise the nature of this relation, from at least, two principles:

1. What may be understood as decreasing marginal utility hypothesis;
2. The distinction between pleasure of acquisition and pleasure of possession;

With regard to the first principle, in several of his works, Bentham sets out a series of “axioms of Mental Pathology”, i.e. propositions concerning the effect of “feelings, affections, and passions” upon happiness (*Principles of the civil code*: 304). Some of these “axioms” deals with the relation between wealth and happiness:

“*Caeteris paribus*, - to every particle of the matter of wealth corresponds a particle of the matter of happiness. [...] But the quantity of happiness will not go on increasing in anything near the same proportion as the quantity of wealth: - ten thousand times the quantity of wealth will not bring with it ten thousand times the quantity of happiness. It will even be matter of doubt, whether ten thousand times the wealth will in general bring with it twice the happiness. [...] The effect of wealth in the production of happiness goes on diminishing, as the quantity by which the wealth of one man exceeds that of another goes on increasing: in other words, the quantity of

²¹ “Security has several branches—as many branches as there are distinguishable objects exposed to deterioration or destruction [...]—security against mischief to human life, person, reputation, property (*i. e.* the matter of wealth, considered as lodged in the hands of the individuals, or assemblages of individuals in question) and condition in life”.

²² Bentham does not explain why it is important to make a distinction between pleasures and pains according to their nature. However, his overall project allows us to understand it: see Sigot, 2001.

happiness produced by a particle of wealth (each particle being of the same magnitude) will be less and less at every particle; the second will produce less than the first, the third than the second, and so on.” (1831: 228-9).

These axioms are established in the context of a discussion on equality. Bentham does not try to explain them.

With regard to the second principle Bentham distinguishes the “pleasure of possession” and the “pleasure of gain or [...] of acquisition” (1789: 43). The first pleasure is less conducive to happiness than the second, since it conveys a fear – the fear of losing what we have – while the “pleasure of acquisition” is combined with several other pleasures, such as the “pleasures of expectation” or the “pleasures of the imagination”:

“It is the pleasure of acquisition, not the satisfaction of possessing, which gives the greatest delights. The one is a lively sentiment, sharpened by desire and previous privations, which rushes toward an unknown good; the other is a feeble sentiment, formed by habit, unenlivened by contrasts, and borrowing nothing from imagination.” (*Principles of the Civil code*: 129)

Interestingly, the fear of losing a sum of money that we have is always more painful than the pleasure of earning this same sum: Bentham assumes an asymmetry between pain and pleasure, as Smith did²³.

2. The Influence of Social Comparisons

Let’s now consider the influence of social interactions on the relation that Smith and Bentham establish between wealth and happiness. Indeed, contrary to a common interpretation which consists in ascribing a straightforward individualism to both authors²⁴, Smith and Bentham grant an important role to social interactions within their analysis of happiness. Now, their scope is not restricted to social comparisons, as it is the case within the hypothesis of relative utility. For Smith, social interactions takes the form of sympathetic interactions which does not suppose that one compares his situation to another’s situation. For Bentham, they materialize throughout different pleasures and pains likely to influence an individual happiness such as the selfless “pleasures of sympathy” derived from others’ happiness or the self-interested “pleasures of amity” derived from the perspective of benefiting from others’ prosperity. Now, in both kinds of pleasures, no comparison is involved. Even when social comparisons are taking into consideration by Smith and Bentham, they do not necessarily result in “envy” or “jealousy” but rather in an admiration for wealth and greatness.

Another major difference compared with relative utility is that the influence of social interactions – including social comparisons - on the relation between wealth and happiness is rather considered through *the others’ judgement on our situation* – their judgements about our economic situation depending on whether we are rich or poor - rather than through *our proper judgements about our situation* - relatively to the others. Whereas in Smith’s analysis, the influence of social interactions

²³ On the asymmetric sensitivity to pleasure and pain in Bentham’s analysis, see Lapidus and Sigot (2000).

²⁴ For a critical review concerning Adam Smith supposed individualism, see Denis (1999).

does not change the relation between wealth and happiness²⁵ - except in the case of others' envy - it is otherwise in Bentham's analysis according to which there are likely to cancel and even to reverse the relation.

2.1. Pleasures of the Rich vs. Pleasures of the Poor: the Influence of Social Comparisons on the Content of Happiness

For Smith, as for Aristotle long before him, man is by nature a "social animal" (see Macfie, 1967: 18) and this obviously influences his conception of happiness. Indeed, in his moral philosophy, Smith describes men as the product of their social interactions. Now, he does not restrict these social interactions to social comparisons. In the *Theory of Moral Sentiments*, social interactions take the form of sympathetic interactions. According to Smith, men would have a propensity to identify with others and to imagine what they would feel if they were in their situation. If the feeling that they conceive in this manner coincides with the others' feeling, then Smith says that they sympathize with it or, which is the same that they approve of it (see TMS, I, I, 3). This is how the author explains our moral judgement of the others' behavior, by establishing an analogy between sympathy (absence of sympathy) and approbation (disapprobation). One may say that Smithian sympathy supposes comparison. However, this comparison is not about individuals' situation as it is the case in envy or jealousy (I am jealous because your situation is better than mine). On the contrary, an individual who identifies with another is supposed to do his best for erasing the element of distinction between his and the others' situation (see, for instance, TMS, I, i, 4: 21)²⁶. It is about the feeling that the situation of the person principally concerned is supposed to produce.

Now, sympathetic interactions may be of different kinds. In the first chapters of the *Theory of Moral Sentiments*, Smith is mainly concerned with a spectator's primary sympathy with a person prey to a passion – that he often calls "the person principally concerned" (see TMS, I, i, 1; 2 and 3). From the fourth chapter of the book, the author introduces a second kind of sympathetic interactions, that is, the secondary sympathy of the person principally concerned with her spectator, of which sympathy with the impartial spectator constitutes a special case (see, for instance, TMS, I, i, 4: 22). Through this secondary kind of sympathetic interactions, Smith seeks to explain how the others' judgement is likely to affect us: when the person principally concerned identifies with her spectator, she is led to adopt a distinct perspective on her situation and this may influence her happiness. However, here again, a distinction might be done between the influence: (i) sympathetic interactions with an impartial one that we have already steady in the first section (see *supra*, §1.1.) and (ii) sympathetic interactions with a partial spectator.

As we have seen (see *supra*, §1.1.), the impartial spectator that we imagine in order to judge of what concern ourselves is not influence, in his judgment, by the particular connexion that we have with

²⁵ Actually, social interactions were already present, but only indirectly through the figure impartial spectator, behind Smith's statement according to which wealth does not bring happiness. Now, in this subsection, we would like to insist on interactions with partial spectators which allow grasping the nature and the influence of social comparisons in his philosophy.

²⁶ Such an argument is in the line with Pignol and Walraevens (2017) who assert that Smithian sympathy is a non-comparative form of identification.

him or by another criterion than virtue. As a consequence, he does not have any preference for anything but for virtue. It is otherwise for what Smith calls the “indulgent and partial spectator”. His judgement is influenced either by the particular connexion that we have with him – for instance, our “intimate friends”, our “flatterers”, those are not “independent” of us - or by criterions other than virtue – for instance, those who “value” us not “only for [our] character and conduct” but “for [our] fortune” (see TMS, III, 3: 154). The spectator may also be partial because he does not temper the natural preference which he has for himself. In this case, he ceases to be indulgent. Thus, two kinds of partial spectators must be distinguished, in Smith’s analysis: the indulgent and the inclement one. As we are going to show, this distinction is crucial to grasp the influence of social comparisons on happiness.

Though, in the *Theory of Moral Sentiments*, social interactions are not restricted to social comparisons, these latter are not completely absent from Smith’s moral philosophy. But even when the author considers them, they are not limited to envy or jealousy, as it is the case in the relative utility hypothesis. As noticed by Le Jallé (2009) and Pignol and Walraevens (2017), two kinds of social comparisons can be distinguished in his analysis: the ones stired, to take the author’s words, by “the respect and admiration wealth and greatness”²⁷ and the ones stired by envy. Both have in common to arise from partial spectators. However, they have a distinct influence on happiness because they arise, in one case, from indulgent partial spectators and, in the other case, from inclement ones. Let’s deal successively with these two kinds of social comparison.

As we have seen (see *supra*, §1.1.), according to Smith, men would be more sensitive to pain than to pleasure. Far from being anecdotal, this assertion plays an important part in the argument which leads the author to the famous statement that men have a “disposition to admire, and almost to worship, the rich and the powerful and to despise, or, at least, to neglect persons of poor and mean condition” (TMS, I, iii, 3: 61): it is at the origin of what Smith calls our stronger propensity to sympathize with joy than with sorrow in which admiration for the rich is rooted²⁸. In order to understand this argument, it is necessary to clarify what the author means by “ordinary” or “natural state of happiness”. As shown above²⁹, if Smith calls this state “ordinary”, it is because he considers it as “the state of the greater part of men”. Now, according to him, this state would be much closer to the “highest pitch of human prosperity” than to the “lowest depth of misery”. As a result, if “adversity depresses the mind of the sufferer much more below its natural state, than prosperity can elevate him above it”, it is harder for a spectator to identify with an individual when he faces adversity than when he faces prosperity because he “must depart much further from his own natural and ordinary temper of mind in the one case than in the other”. Thus, “[t]he spectator [...] must find it much more difficult to sympathize entirely [...] with his sorrow, than thoroughly to enter into his joy” (TMS, I, iii, 1: 45)³⁰. As a consequence, he might also find it more difficult to sympathize with the

²⁷ See TMS, I, iii, 3: 61-2.

²⁸ See TMS, I, iii, 1: 45; 2: 50; 52-3.

²⁹ See *supra*, §1.1.

³⁰ Smith calls for a complementary argument to support the idea that people have a greater propensity to sympathize with joy than with sorrow. Since joy is a pleasant emotion, whereas sorrow is a painful emotion for the person principally concerned as for the spectator, “[w]e readily [. . .] sympathize with [joy] in others”

poor than with the rich and the greats (see TMS, I, iii, 2: 50-1). Of course, the man who admires the rich and the greats is not considered by Smith as an impartial spectator. On the contrary, he typically corresponds to the indulgent and partial spectator who values the rich and the greats, not for their “character and conduct”, but for their “fortune” (see *supra*, §1.2), as it is suggested in the following passage, for instance:

“The favour and partiality which, when there is no envy in the case, we naturally bear to greatness, are much increased when it is joined with wisdom and virtue. If, notwithstanding that wisdom and virtue, the great man should fall into those misfortunes, those dangers and distresses, to which the most exalted stations are often the most exposed, we are much more deeply interested in his fortune than we should be in that of a person equally virtuous, but in a more humble situation.” (TMS, VI, ii, 1: 226)

Now, Smith observes that most people are subjected to this “corruption of moral sentiments” so that they mostly belong to the class of indulgent and partial spectators³¹:

“The great mob of mankind are the admirers and worshippers, and, what may seem more extraordinary, most frequently the disinterested admirers and worshippers, of wealth and greatness.” (TMS, I, iii, 3: 62)

Let’s now consider the influence of sympathetic interactions with such spectators on happiness. Actually, the tendency to admire the rich and to despise the poor that Smith ascribes to men allows further highlighting the distinction above discussed between “the most humble station” and “the most glittering and exalted situation” (see *supra*, §1.1). In both situations, Smith asserts that the sources of pleasure reachable are “almost” the same, on the double exception of what Smith calls “personal liberty” which would be the privilege of poverty and of “the frivolous pleasures of vanity and superiority” which would be the privilege of riches. This difference, to which only a partial spectator may be sensitive, would arise from the tendency to admire the rich³². Indeed, this would be at the origin of the loss of liberty associated with the accession to superior stations:

“The man of rank and distinction [...] is observed by all the world. Every body is eager to look at him [...] His actions are the objects of the public care. Scarce a word, scarce a gesture, can fall from him that is altogether neglected [...] It is this, which, notwithstanding the restraint it imposes, notwithstanding the loss of liberty with which it is attended, renders greatness the object of envy, and compensates, in the opinion of mankind, all that toil, all that anxiety, all those mortifications which must be undergone in the pursuit of it” (TMS, I, iii, 2: 51).

However, this loss of liberty would be compensated by the fact of becoming an object of admiration for mankind - this is what Smith calls “the frivolous pleasures of vanity and superiority”; admiration

whereas “[o]ur aversion to grief [. . .] constantly prevents us from sympathizing with it in others” (TMS, I, ii, 5: 42; see also TMS, I, iii, 1: 44; 45–6).

³¹ Though Smith seems to regret such a corruption of moral sentiments, he also considers that it is “necessary to least, to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society” (TMS, I, iii, 3: 61). On this issue, see Le Jallé (2009).

³² “The great source of both the misery and disorders of human life, seems to arise from over-rating the difference between one permanent situation and another. Avarice over-rates the difference between poverty and riches: ambition, that between a private and a public station: vain-glory, that between obscurity and extensive reputation.” (TMS, III, 3: 149)

which is considered by Smith as the sole advantage of wealth and greatness (see TMS, I, iii, 2: 50 and, IV, 1: 182).

Now, there is a case in which others' prosperity does not give rise to the spectator's sympathy: when this latter is prey to "envy" (Le Jallé, 2009), that "passion which views with malignant dislike the superiority of those who are really entitled to all the superiority they possess" (TMS, VI, iii: 244). For this reason, as formulated by Le Jallé (2009: 79), envy may be seen as an exception to the rule of Smithian sympathy, and more especially, to the rule of our easy sympathy with joy. As noticed by Pignol and Walraevens (2017), what Smith considers as "an odious and detestable passion"³³ is a consequence of pride, a vice which leads the man who is under its influence to an excessive self-estimation of his character that no spectator can share:

"The proud man is sincere, and, in the bottom of his heart, is convinced of his own superiority; though it may sometimes be difficult to guess upon what that conviction is founded. He wishes you to view him in no other light than that in which, when he places himself in your situation, he really views himself [...] He disdains to court your esteem. He affects even to despise it, and endeavours to maintain his assumed station, not so much by making you sensible of his superiority, as of your own meanness. He seems to wish, not so much to excite your esteem for *himself*, as to mortify that for *yourself*." (TMS, VI, iii: 255)

Of course, the proud man constitutes a rather inclement partial spectator, indulging in the natural preference that he has for himself to the detriment of the others. This is the reason why Smith asserts that when we judge of the others under the influence of pride, "we cease to be the impartial spectators of their conduct" (TMS, VI, iii: 246). The famous illustration of the "man who, by some sudden revolution of fortune, is lifted up all at once into a condition of life, greatly above what he had formerly lived in", inform us about the way Smith views the influence of the interactions with proud spectators on happiness:

*"An upstart, though of the greatest merit, is generally disagreeable, and a sentiment of envy commonly prevents us from heartily sympathizing with his joy. If he has any judgment, he is sensible of this, and instead of appearing to be elated with his good fortune, he endeavours, as much as he can, to smother his joy, and keep down that elevation of mind with which his new circumstances naturally inspire him [...] And this is the behaviour which in his situation we most approve of; because we expect, it seems, that he should have more sympathy with our envy and aversion to his happiness, than we have with his happiness. It is seldom that with all this he succeeds. We suspect the sincerity of his humility, and he grows weary of *this constraint* [...] the pride of his new connections is as much affronted at finding him their equal, as that of his old ones had been by his becoming their superior: and it requires the most obstinate and persevering modesty to atone for this mortification to either [...] If the chief part of human happiness arises from the consciousness of being beloved, as I believe it does, those sudden changes of fortune seldom contribute much to happiness."* (TMS, I, ii, 5: 41; our italics)

If we take the elements introduced by Smith while comparing "the most humble station" and "the most glittering and exalted situation", it is clear that the upstart's happiness cannot be as important as the one of the rich and the poor: neither he benefits from "the frivolous pleasures of vanity and superiority" – his superiority does not give rise to the others' admiration but rather to their

³³TMS, VI, iii: 243.

“malignant dislike” - nor from the pleasure of “personal liberty” – as he is constrained by the unsympathetic eye of the others. Now, to take Le Jallé (2009)’s words, envy constitutes an exception to the rule of Smithian sympathy, and more especially, to the rule of our easy sympathy with joy. Consequently, in Smith’s analysis, interactions with proud partial spectators should not be considered as a general case of social interactions.

2.2. Admiration of Wealth vs. Prejudices on Wealth: the Influence of Social Comparisons on the Level of Happiness

As Smith, Bentham deals with the influence of social interaction on happiness through the effect of others’ judgment. However, his depiction of human behavior appears to be simpler than Smith’s one. Indeed, contrary to what is generally said about Bentham, in his philosophy, social relationships play an important part: “Scarcely an individual is so insulated, but that, by the eventual agency of another whose interests are affected by his agency, his interest may be affected” (1817: 69). Now, if social relations partly determine individual happiness, it is because of the existence of an interested behavior: fundamentally, what determines others’ assessment is neither envy nor jealousy - two phenomena that Bentham limits to the situations of constitution of “rapid and extraordinary fortunes” (1811, II, 205) and to the comparisons within individuals of close social classes: “envy and jealousy can exist only where there is competition” (1834, 259). Whatever the circumstances in which judgments occur, it passes through a “pleasure of expectation based on the pleasure of wealth” (1811, II, pp. 324 et seq.). In other words, even when the individual cares about others, he acts by maximizing his personal happiness, that is to say the difference between the pleasures and the punishments he anticipates: because he cannot ignore the feelings produced by the judgments of others about him, his behavior cannot be described as selfish; he is simply not altruistic.

Now, social relationships operate at two levels:

- i) They give rise to some of the 14 pleasures;
- ii) They influence the aptitude to feel pleasure and pain.

With regard to the first level, the list given by Bentham takes into consideration two kinds of “extra-regarding” pleasures and pains: the pleasures of benevolence and the one of malevolence. The pleasures of benevolence, for instance, “result[s] from the view of any pleasures supposed to be possessed by the beings who may be the objects of benevolence; to wit, the sensitive beings we are acquainted with; under which are commonly included, 1. The Supreme Being. 2. Human beings. 3. Other animals.” (1789: 44). These pleasures, also labeled “pleasures of sympathy” or of “social affections” (*ibid.*), exclude any instrumental reasoning; it seems to be purely selfless feelings. As such, it contrasts with, for instance, “the pleasures of amity” which consequence is to be “in a way to have the benefit of [other people] spontaneous and gratuitous services” (*ibid.*).

With regard to the second level, social relationships are also evoked when Bentham listed the “circumstances influencing sensibility” to pains and pleasures: among 32 circumstances, sympathy appears again, since an individual is supposed to be affected to a greater or lesser extent by the “sympathetic biases”, that is to have a more or less “propensity [...] to derive pleasure from the happiness, and pain from the unhappiness, of other sensitive beings” (*ibid.*: 57).

Now, these circumstances also concerns the pleasures of wealth, as shown in the analysis that Bentham develops mainly in one of his best-known economic books, *Defense of Usury* where Smith's defense of the laws on usury are criticized. Here, Bentham provides an illustration of why, as a result of interaction between individuals, more wealth does not necessary implies more happiness. The explanation was founded on the judgments by people about wealth. To the pleasure directly derived from the possession or the acquisition of a wealth, are added the pains and pleasures produced by the judgments carried by others on this wealth. Judgments which can take three forms are mentioned by Bentham:

- i) The moral condemnation of enrichment;
- ii) Pejorative words which injure an individual reputation;
- iii) Men's accusation of the rich from which they cannot benefit.

With regard to the first form, the moral condemnation of enrichment, it does not concern the possession of wealth: Bentham considers that the possession of wealth arouses admiration. It concerns the search for more wealth, which comes up against a reverse prejudice; a prejudice which leads any individual to dissimulate -to others and maybe also to himself- his "love of wealth", that is, one of these fourteen pleasures that serve to explain his behavior. This fear of a negative judgment by others – which corresponds to the pain of ill-name – led the individual to explain his search for riches by a "love of labor". Within this general case, wealthy individuals would be considered as greedy if they aim at increasing their wealth, as shown by Bentham's discussion about the nature of rewards to be used by the legislator:

"A man of independent fortune, and of a certain rank in society, would be considered as degraded by accepting a sum that would not degrade a mechanic. [...] [C]ustom has established the prejudice. [...] By combining together money and honour, a compound is formed, which is universally pleasing: medals, for example, possess this double advantage. By a little art and precaution, a solid peace is established between pride and cupidity; and thus united, they have both been ranged under the banners of merit. Pride proclaims aloud—'It is not the intrinsic value of the metal which possesses attractions for me; it is the circle of glory alone with which it is surrounded.' Cupidity makes its calculation in silence, and accurately estimates the value of the material of the prize." (1825: 217)

The wealthier individuals are, the more they should appear as selfless in the eyes of others since the quest for riches by a wealthy individual is subjected to a condemnation by the common view which results from prejudices.

This echoes the distinction made by Bentham between 32 "circumstances influencing sensibility" of individuals (see *supra*, §1.2.). Not only people are more or less able to value some pleasures rather than others: this statement roots in a distinction between "men of education", which are supposed to be "more suited to the elevation of their sentiments" and "the vulgar", "more suited to the narrowness of their intellect" (1789: 19). It seems that "the pleasures of wealth" have a more powerful influence on the behavior of "the vulgar", as compared to the "men of education". This means that, for Bentham, the distinction between rich and poor did not rest upon feelings of

different nature – as in Smith – but on the ability to value different kind of feelings.³⁴ Now, in the context of social interactions, the difference between what a rich values and what is important for the happiness of a poor man acts as a constraint: as shown in the previous quotation, a rich *should* act in accordance to what others are expecting from him, since he is supposed to have certain preferences.

The second form of judgment expresses itself through language: “in the sound of the word usury lies [...] the main strength of the argument: or, to speak strictly, of what is of more importance than all argument, of the hold which the opinion I am [Bentham] combating has obtained on the imaginations and passions of mankind” (1787: 130). This kind of judgment echoes a passage in *The True Alarm* (84-85) where Bentham addressed the issue of luxuries:

“[goods] which are considered as having fancy value receive different names, according to the various sentiments of those who speak of them: those who regard them with approval describe them as comforts, conveniences, amenities, elegance, those who look upon them with envy or disapproval call them luxury, vanities, extravagance or superfluities.”

Both passage shows that language conveys moral judgment, which results from “sentiments” or “passions” that are pleasures or pains –for instance envy– and in turn provokes new pains or pleasures: for instance, a pain of “ill-name” is served to the usurer, whose happiness decreases.

The third type of judgment more explicitly mobilizes social interactions, as illustrated by Bentham’s analysis of the condemnation of usury in *Defense of Usury* and led the author to discuss the relation between individual happiness and global wealth. This judgment echoes Bentham’s analysis of the “pleasures of amity” which consequence is to be “in a way to have the benefit of [other people] spontaneous and gratuitous services” (1789: 69) and his distinction between these pleasures and the pleasures of benevolence (see below). In his *Defense of Usury*, Bentham carefully distinguished the usurer from the prodigal. The first retains its wealth in order to transform it into capital, which it makes available to others in the form of a loan; he therefore does not consume it, so that “no one can participate in the satisfaction which his fortune affords him” (1787, 130). This led him to face a moral condemnation of others, which diminishes his own happiness. He offsets this loss by requiring a higher remuneration for its loans. But usurer exists because of the usury laws at the time: these laws thus contribute to raising the interest rate above the level that would be established in their absence; they results in limiting growth, by diminishing investment. Individual happiness and global wealth evolve here in the same direction: both are decreasing.

Conversely, the prodigal spends his wealth on consumption goods, that benefiting his “very numerous” relationships. As a result, he enjoys an excellent reputation, since “those who live with a man are interested in his expenditure being at least as high as his wealth implies, since there is no such thing as an expense in which an individual can throw himself, the benefits of which are shared

³⁴ Bentham’s assumption about a sensibility to pains and pleasures which varies according to the level of education (and thus the level of wealth) is fundamental to understand his very famous quote, in which he puts a game of push-pin and poetry on equal footing: “Prejudice apart, the game of push-pin is of equal value with the arts and sciences and poetry. If the game of push-pin furnishes more pleasure, it is more valuable than either. Everybody can play at push-pin: poetry and music are relished only by a few” (1825: 253).

to one degree or another by all who surround him" (*ibid.*, 128). But the pleasures of good name enjoyed by prodigals are to the detriment of overall wealth, since their unproductive spending limits investment capacity within society. Individual happiness and global wealth evolve this time in the opposite direction.

Concluding Remarks

The emphasis laid on the influence that Smith and Bentham grant to social interactions on the relation between wealth and happiness, not only allows (i) discussing the authors' role in the history of the economic analysis of happiness but it also enables to (ii) highlight their mutual influence.

With regard to the first aspect, it is worth noting that Smithian happiness, such as it is presented in the *Theory of Moral Sentiments*, attaches a great importance to virtue, including the virtues of prudence and justice to which Smith also refers in the *Wealth of Nations*. Thus, contrary to what Bruni asserts, for the Scottish philosopher, the economic sphere is not a "morally free zone" (see Bruni, 2006: 88). One may object, for instance, that the motive of Smithian prudence is "self-interest"; a motive proper to instrumental relations. However, if Smith says that this is the motive which "originally recommend[s]" the practice of prudence, it is not the one which makes us acting according to its principles. This is actually what the author calls our "sense of propriety", which expresses a non-instrumental "regard for the sentiments of other people" (TMS, VI, iii, conclusion: 262). As for the Benthamian analysis of happiness, it is hard to maintain, again with Bruni, that it is "grouded in individualism and solitude" (Bruni, 2006: 97) since, as we have shown, it gives an important weight to social interactions through the influence of public opinion on individual happiness, the self-interested "pleasures of amity" but also through the selfless "pleasures of sympathy".

All these elements allow asserting that nor Smith neither Bentham are forerunners of the relative utility hypothesis used to explain the Easterlin paradox. Certainly, their analysis mobilizes social interactions! Certainly, these social interactions can lead to qualify the relation between wealth and happiness! However, contrary to the relative utility hypothesis, social interactions for both of them are not restricted to social comparisons, and even less to "envy" or "jealousy". Moreover, they do not only influence an individual happiness through the sentiments that others' situation produces on him but also through the sentiments that others expresses toward his own situation – what we have referred to as the others' judgment.

Lastly, with regard to the second aspect, the joint study of Smith's and Bentham's analysis of happiness leads to nuance Bruni's following claim:

"The link between Smith's theory of happiness and the Utilitarian one still remains mysterious, and it is not easy to understand why English tradition shifted from the Smithian tradition to the hedonist and individualistic version of Utilitarianism that inspired neoclassical Economics at the end of the nineteenth century." (Bruni, 2006: 97)

Actually, it is clear that Bentham was inspired by Smith in the elaboration of the Utilitarian theory of happiness to which Bruni refers in the quotation. Whether it is the ingredient of happiness (security and enjoyment), the asymmetric sensitivity to pleasure and pain, the admiration for the rich or sympathy, we find in Smith's and Bentham's work common elements, even if they do not have the

same meaning or if they are not arranged in the same manner. This leads to question Smith's role in the evolution which led to Utilitarianism.

References

- Ashraf, A., Camerer, C. F. and Loewenstein, G. (2005). Adam Smith, Behavioral Economist, *Journal of Economic Perspectives*, 19(3), pp. 131-44.
- Bentham, J. (1785-86), *Principles of the Civil Code*. In Bentham, J. (1838-43). Vol. I, Part. I, pp. 297-364.
- Bentham, J. (1787), *Defence of Usury*. In Bentham, J. (1952-54), Vol. I, pp. 121-207.
- Bentham, J. (1789a), *Introduction to the Principles of Morals and Legislation* [Burns, J.H. and Hart, H.L.A. (eds.)], Oxford: Clarendon Press, 1996.
- Bentham, J. (1801), *The True Alarm*. In Bentham, J. (1952-54). Vol. III, pp. 61-216.
- Bentham, J. (1802), *Principles of Penal Law*. In Bentham, J. (1838-43). Vol. I. Part. II, pp. 365-580.
- Bentham, J. (1811), *Théorie des peines et des récompenses*, Londres : Vogel et Schulze.
- Bentham, J. (1817), *A Table of the Springs of Action*. In Bentham, *Deontology with a Table of the Springs of Action and Article on Utilitarianism* [Gosdworth (ed.)], Oxford: Clarendon Press, 1992, pp. 1-115.
- Bentham, J. (1825), *The Rationale of Reward*. In Bentham, J. (1838-43). Vol. II, Part. I, pp. 189-266.
- Bentham, J. (1831), *Pannomial Fragments*. In Bentham, J. (1838-43). Vol. III, Part I, pp. 211-230.
- Bentham, J. (1834), *Déontologie, ou science de la morale ouvrage posthume de Jeremie Bentham*, Paris : Charpentier.
- Bentham, J. (1838-43). *The Works of Jeremy Bentham* [Bowring, J. (ed.)], Edinburgh: Tait.
- Bentham, J. (1952-54), *Jeremy Bentham's Economic Writings* [Stark, W. (eds.)], London: George Allen and Unwin.
- Bréban, L. (2012). Sensitivity to Prosperity and Adversity: What Would a Smithian Function of Happiness Look Like?, *European Journal of the History of Economic Thought* [HCERES : rang A ; CNRS : rang 1], 19(4), pp. 551-586.
- Bréban, L. (2014). Smith on Happiness: Towards a Gravitational Theory, *European Journal of the History of Economic Thought*, 21(3), pp. 359-391.
- Brewer, A. (2009). On the Other (Invisible) Hand..., *History of Political Economy*, 41(3), pp. 519-543.
- Brickman, P. and Campbell, D. T. (1971). Hedonic Relativism and Planning the Good Society, in M. H. Appleby (ed.), *Adaptation-Level Theory*, pp. 287-302.

Brown, V. (1994). *Adam Smith's Discourse: Canonicity, Commerce and Conscience*, Londres et New York: Routledge.

Bruni, L. (2006). *Civil Happiness: Economics and Human Flourishing in Historical Perspective*, Londres et New York: Routledge.

Bruni, L. and Porta, P. L. (2005). *Economics and Happiness: Framing the Analysis*, Oxford: Oxford University Press.

Clark, A. (2000). Utilité absolue ou utilité relative. Etat des lieux, *Revue économique*, 51(3), pp. 459-471.

Clark, A. Frijters, P. and Shields, M. (2008). Relative Income, Happiness and Utility: An Explanation for the Easterlin Paradox and Other Puzzles, *Journal of Economic Literature*, 46(1), pp. 95-144.

Clark, A. , Senik, C. , Yamada, K. (2017). When Experienced and Decision Utility Concur: The Case of Income Comparisons, *Journal of Behavioral and Experimental Economics*, 70, pp.1-9.

Dellemotte, J. (2011). La cohérence d'Adam Smith, problèmes et solutions : une synthèse critique de la littérature après 1976 , *Economies et Sociétés*, série Histoire de la pensée économique, 45, pp. 2227-2265.

Denis, A. (1999). Was Adam Smith an Individualist?, *History of the Human Sciences*, 12(3), pp. 71–86.

Diatkine, D. (2010). Vanity and the Love of System in the *Theory of Moral Sentiments*, *Journal of the History of Economic Thought*, 17(3), pp. 383-404.

Easterlin, R. (1974). Does Economic Growth Improve the Human Lot? Some Empirical Evidence, in *Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz* [ed. par P. A. David et M. W. Reder], New York et Londres: Academic Press, pp. 89-125.

Fleischacker, S. (2009). *On Adam Smith's Wealth of Nations: A Philosophical Companion*, Princeton and Oxford: Princeton University Press.

Griswold, C. L. Jr (1999). *Adam Smith and the Virtues of Enlightenment*, Cambridge: Cambridge University Press.

Hagerty, R. and Veenhoven, H. (2006). Rising Happiness in Nations 1946–2004: A Reply to Easterlin, *Social Indicators Research*, 79(3), pp. 421–436.

Helson, H. (1964). *Adaptation-Level Theory*, Oxford: Harper and Row.

Hume, D. (1777). *Essays Political, Moral, and Literary*, edited by E.F. Miller, Indianapolis: Liberty Classics, 1987.

Kahneman, D. (1999). Objective Happiness, in Daniel Kahneman, Ed Diener et Norbert Schwarz (eds) *Well-Being: the Foundations of Hedonic Psychology*, New York: Russel Sage Foundation.

Kim Cuong Pham, T. (2008). L'hypothèse d'utilité relative dans l'analyse économique :enjeux et conséquences, *Revue d'économie politique*, 118, pp. 541-572.

Lapidus, A. (2010). The Valuation of Decision and Individual Welfare: a Humean Approach, *European Journal of the History of Economic Thought*, 17(1), pp. 1-28.

Lapidus, A. and Sigot, N. (2000). Individual utility in a context of asymmetric sensitivity to pleasure and pain: An interpretation of Bentham's *Felicific Calculus*, *European Journal of the History of Economic Thought*, 7(1): pp. 45–78.

Le Jalle, E. (2009). Sympathie et envie selon David Hume et Adam Smith, in *Adam Smith philosophe* [Bessone, M. and Biziou, M. (eds.)], Rennes : Presses universitaires de Rennes, pp. 77-94, 2009.

Macfie, A. L. (1967). *The individual in society: Papers on Adam Smith*, London: Allen and Unwin, 1967.

Pignol, C and Walraevens, B. (2017). Smith and Rousseau on envy in commercial societies *The European Journal of the History of Economic Thought*, 24(6), pp. 1214-1246.

Quinn, M. (2006). Jeremy Bentham, 'The Psychology of Economic Man', and Behavioural Economics, *OEconomia: History, Methodology, Philosophy*, 6(1), pp. 3-32.

Sigot, N. (2001). *Bentham et l'économie: Une histoire d'utilité*, Paris: Economica, 2001.

Smith, A (1759-90). *The Theory of Moral Sentiments* [ed. by David D. Raphael, Alec L. Macfie], Oxford: Clarendon Press, 1976.

Smith, A (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations* [éd. par Roy H. Campbell, Andrew. S. Skinner], Oxford : Clarendon Press, 1976.

Stevenson, B. and Wolfers, J. (2008). Economic Growth and Subjective Well-Being: Reassessing the Easterlin Paradox, *NBER Working Paper*, number 14282.

Raphael, D. D. (2007). *The Impartial Spectator: Adam Smith's Moral Philosophy*, Oxford: Oxford University Press.

Raphael, D. D. and Macfie, A. L. (1976), "Introduction to the *Theory of Moral Sentiments*", in *The Theory of Moral Sentiments* [eds. By David D. Raphael, Alec L. Macfie], Oxford: Clarendon Press, 1976.

Zamagni, S. (2005). Happiness and Individualism: A Very Difficult Union, in Bruni et Porta (eds.), Oxford: Oxford University Press.