

## Comments on

Sergio Nisticò (2014). Enjoyment Takes Time: Some Implications for Choice Theory. Economics Discussion Papers, No 2014-39, Kiel Institute for the World Economy. <http://www.economics-ejournal.org/economics/discussionpapers/2014-39>

This paper discusses consumer choice theory in the light of Gossen's original, time-dependent approach. By doing so, the author joins Ian Steedman's (2001) Gossen revival and extends the approach as follows: Time use for consumption is analyzed analogously to Hicks' temporary equilibrium method developed for analyzing time use in the context of capital. In addition, Scitovsky's (1976) distinction of two basic consumption motives (comfort in satisfying recurrent needs and pleasure in seeking stimulation and escape from boredom) is brought to bear on the analysis of consumer choices. With these two extensions, a reformulation of first-order optimality conditions for consumption choice is derived. In the view of the author, it is able to remedy the frequently (also in this paper) criticized shortcomings of the a-temporal consumer choice theory which was initiated by Marshall and is still present in all elementary economics textbooks.

The paper is written in a fluent and easy to follow style. The critique that is launched in the first 17 pages, including a thorough criticism of Gary Becker's time allocation model, is well argued and convincing. A noteworthy strength of the paper is its profound history-of-thought background. The reader is informed about why and how a-temporal consumer choice theory has become what it is today and, in a sense, what went wrong with it. The author's synthesis of three seminal contributions – Gossen, Hicks, Scitovsky – is original and imaginative. The derived new model of consumer choice is, as far as I can see, logically sound and capable of working out the contrast to the a-temporal model.

Acknowledging these accomplishments, I have little to add to the author's discussion, except some minor remarks – and a more general, albeit highly subjective, comment.

### Minor remarks:

- in Section 3, Becker's simplifying assumption that the purchasing of goods and services in the market only serves to provide the inputs which the households need in producing their commodities is maintained. This means that calendar time used for "shopping" is not assumed to be intrinsically pleasant time (or direct source of the individuals' satisfaction). Given that for many people today the opposite holds it would be interesting to see what happens when the restrictive assumption is relaxed;
- reference Glaeser 2004 on p. 21 is missing in the reference list;
- the assumption that "... reiteration of the same weekly plan tends to lower the overall rate of return" (p.25) is in my view somewhat problematic. First, several of the results in Section 5 are a direct consequence of this assumption and would not otherwise follow. Second, I have empirically motivated doubts that Gossen's hypothesis of a decreasing marginal utility derived from repeating the same (single) activity, e.g. eating, can be generalized into the hypothesis that a weekly sequence of (diverse) activities to the same effect. Many people seem to enjoy a peaceful life in a stationary environment precisely because of its reiterative course of events;

-- Figure 2 (p. 31) has discrete periods of time at the abscissa, but continuous time profiles for the strategies. To be consistent, either time on the abscissa should be made continuous or the continuous curves be made step functions.

More general comment:

The history-of-thought perspective underlying the paper is illuminating where it guides that critique of the a-temporal model. However, where it inspires the author's synthesis of elements from Gossen, Hicks, and Scitovsky I find it delimiting the extent to which the paper breaks new ground in the theory of consumer behavior. The merger of Gossen's pre-psychology intuition, Scitovsky's rather special interpretation of motivation theory, and Hicks' algebraic approach to integrating the time dimension results in but a variation of the marginal calculus of the standard model. No doubt, the analysis of the model, which makes up the core of the paper, overcomes a-temporal utility maximization. But, interesting as it is, the main implication (basically pointing to a possible time discount effect that favors consumer materialism) can be argued to fall short of what a timely new beginning in consumer choice theory would require as first steps. We now have a much more differentiated view of consumer motives than Scitovsky (who developed his, after all, for the special purpose of his critique of the American way of life) or even Gossen. One may therefore wonder whether continuing the conventional economic marginal calculus reasoning can really lead to new horizons concerning an integration of (psychological and behavioral) motivation theory into consumer choice theory.