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“Given that the only certain fact is the intensity of pleasure felt at an instant of time, the only epistemologically sound approach is to take intensity as the primary concept.” Georgescu-Roegen, in his introduction to the English translation of Hermann Gossen’s book on behavioral theory ([1854] 1983, lxxxi).

ABSTRACT

It is of course true of science that deeper theory opens new vistas, and economics may now justifiably advance to a more essential paradigm. The basis for this deeper theory is empirical (cardinal and measurable) instant utility (feeling state, Dolan [2002])—the time derivative of utility (satisfaction). Immediate benefits could include: Reconciling sociology and economics (both could now agree that wants, desires, satisfactions, etc. are endogenous); more correct modeling of time and (periodic) human activity in microeconomics; modeling macroeconomic equilibrium-states as a locus of dynamic states; and the substantive modeling of bounded rationality, including uncertainty and expected risk. Because socioeconomic theory could now be

derived from deeper instant utility theory, the several branches may be unified in an overarching classification. As a demonstration herein, Real Business Cycle Theory and Equilibrium Theory are connected or related by a sequence of definitional assumptions on the basis of instant-utility theory (the Gossen Equation). Then, after presenting the mathematical formulation of instant-utility theory, Ramsey’s rule for saving is extended to account for expected-risk and autonomic discounting. Finally, the prospect for greater cooperation between sociology and economics is addressed. ...It may be emphasized that much of the important and far-reaching progress in economics and social psychology over the past 100+ years is naturally accommodated by the instant-utility theory. This progress includes the rationality assumption, diminishing marginal rates of substitution, the theory of the firm in economics; and social-identity theory in social psychology. Furthermore the historical bases for finite interest rates—time preference, better times ahead, shortness of life, increasing technological knowledge, diminishing vitality in later years, and risk—may be substantively formulated.

[Instant Utility Approach--9-16-11a.pdf](#)

Note: This paper, originally completed in July 2003 and briefly refined for SSRN upload in 2004, is

unchanged herein except for clarifying refinements of (non-mathematical) text. However, it should be

noted that a recent paper—“Fully Temporal System Linking Productivity to Risk and Yielding Completed Input/Output Substitution.” (2011; (Available on the Social Science Research

Network:

<http://ssrn.com/author=381224>.)—has integrated neoclassical and Gossenian utility theory, and unified or joined the corresponding (previously separate) economic systems.