Self-Flagellation and Utility Maximization

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ABSTRACT

Economic models explain human behavior only to the degree that the underlying assumptions of the model are fulfilled. Consumer theory of rational choice has been applied to a wide array of situations. This paper examines the results of the model when consumer considers bundles of goods, some of which may affect her self image. Under these conditions, wrong decisions are not easily corrected, but can more easily be reversed if the individual is able to forgive herself for having made the wrong decision.
**Self-Flagellation and Utility Maximization**

The economic model of consumer behavior offers a convenient and powerful framework for understanding the behavior of individuals in society. Specifically, consumer theory provides insight into how individuals make decisions.¹ Such models predict what combinations of goods consumers will choose or address more complex issues such as whether to commit suicide, or perhaps decide to attend church. Thus the model is widely applicable. However, it may be the case that the assumptions while intuitively appealing often are not fulfilled. Since the conclusions of a model depend on the assumptions, in cases in which the assumptions are not fulfilled the conclusions are not applicable. In the case considered herein, the model’s assumptions are not valid when the individual facing two equivalent choices (arbitrarily) selects one, and having selected, finds the two choices no longer equivalent.

Here we examine how the choice of goods may impact an individual’s view of his or her self.² For example, suppose an individual chooses to consume a good or partakes in a behavior that she perceives

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¹ See Hunt and Swartz (1973) for a selection of readings which critique the assumptions of traditional economic theory.
² The question originally was applied to individual behavior in regards to spiritual identity and its link to the consumption of certain goods. However, the principle is more widely applicable, as noted earlier. Nevertheless, our study reflects the original focus on spirituality.
as immoral in nature. Her normative evaluation of the act may occur at that time or later. It could also be that she thinks others regard the act as immoral; to the extent she accepts their valuation, she will also accept the immorality of her action. The relevant point is that the individual has unexpectedly realized a decrease in her self esteem (and total utility) from the expected level. Often incomplete or false information at the time can lead an individual to make such a decision, or time preferences may lead to cycling of preferences and intransitivity. While Arrow’s impossibility theorem clearly holds for three individuals with choices over three alternatives, perhaps one person may have three drives/desires along with three options. That may lead to such cycling of preferences within a person. As a result, the individual unintentionally may have isolated some options that otherwise were available earlier, or at least reordered her preferences given the outcome of her choice.

Our decisions affect our possible future decisions, and thereby rearrange our potential possibilities. By changing the environment in this way, the individual sets constraints that prevent a return to the initial consumption choice. The individual’s choice may have made her worse off. However, there is a variety of outcomes of immoral behavior.

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3 There are many activities that are irreversible in some significant way (e.g., first sexual experience, getting married, selling one’s soul). While one could discontinue these activities, one cannot undo them. While the same can be said for any activity, these activities are cited because they may be significantly important to the individual.
The best case is where the breaking of a taboo is better for the individual and for the group.\(^4\)

But imagine an individual breaks a rule that she respects as morally right. This may induce regret and remorse, reducing her utility. Further, the individual’s now negative view of herself denies society the contributions from an otherwise better individual. Religion can facilitate readjustment and may produce an optimal outcome for the individual and possibly for society.\(^5\)

**A Traditional Western Economics-Liturgical Debate**

One of the most enduring concepts in economics is the assertion that each individual working in his or her own self interest will effect an outcome that benefits society as a whole. This recurring theme dates back to Adam Smith’s “invisible hand theory”\(^6\) and is noted again in the more contemporary writings of Milton Friedman.\(^7\) Moreover, the Austrian School of economic thought and some public choice economists argue that virtually any attempt to modify an individual’s pursuit of self

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\(^4\) For example, in a multiple iterative game in which a tit-for-tat strategy is followed, if an error is made (breaking the rule) an optimal solution is more quickly reestablished if the transgressor is contrite and tries to revert to a pre-transgression position (Wu and Axelrod (1995)).

\(^5\) Of course, in the name of religion, sub-optimal behaviors can actually be encouraged, e.g. arguably in the case of suicide-oriented cults, crusades, the Inquisition, etc.

\(^6\) Smith (1776) argues that when individuals pursue their own interests, the best interests of society are effected.

\(^7\) Friedman (1970) purports that society’s best interests are attained when a firm attempts to maximize its profit; if the firm tries to serve society in any other way, e.g., via social programs or conservation, the society will be worse off.
interest including attempts made by the government or by means other than friendly persuasion will necessarily lead to lower welfare for both the individual and society\textsuperscript{8}.

In contrast, many religious and social philosophies, including the Judeo-Christian religious tradition (hereafter referred to as “the church,” which we of course understand is a rather limited Western notion of the word), recommend that each individual pursue what is best for others or society as a whole at the expense of his or her own worldly interests. This recommended behavior will decrease utility generated from worldly sources, but will increase spiritual welfare. The Church’s directive is needed, ostensibly, because individuals make decisions while underestimating the size of spiritual rewards and will too heavily discount a benefit stream generated over eternity. Under these conditions the individual will view the Church’s guidelines as detrimental to her welfare.

The premise we are examining here is that acting selfishly with regard to worldly goods often leads to unsatisfactory solutions and should be discouraged. This occasional result is exemplified by the fact that seemingly successful individuals who have sufficient-to-excessive material wealth often can feel frustrated, depressed, or betrayed by the lifestyle into which they have so heavily bought. They may display such feelings directly via public declaration or indirectly through alcohol or

\textsuperscript{8} See, inter alia, Murry Rothbard (1971), Ludwig von Mises (1949)
drug abuse, the need for psychiatric care, or potentially suicide. At a minimum, such behavior seems to lead to a sub-optimal solution; one that falls short of “happiness” in any time frame except the very immediate run. Such non-fulfillment may be the result of the universal existence of scarcity--there just are not enough goods to satisfy these people, or the fact that temporary joys diminish at a remarkably fast rate. If this is the case, then little can be done to remedy the situation. Alternatively, as we posit, it may be that the model predicting a self-interest-driven utopia is often flawed when dealing with all but subsistence goods and services.

While the traditional economic model may apply strictly to the most fundamental needs of the individual, it cannot with impunity be extrapolated to other decisions. For instance, the conditions relevant to the self interest model may change as a result of changes in income; in the same way that individuals opt to increase the hours worked as wages rise and work less as incomes approximate a satisfactory standard of living. Thus, it may be appropriate for other decision-making or group heuristic paradigms to replace the traditional self interest philosophy.

In contrast, and perhaps in lieu of the limits to the self interest model, the Western church has over time established its own set of behavioral rules. These religious guidelines are designed to encourage behavior that is allegedly best for the society and may also help
individuals to lead a more “fulfilling” life in the long run. Although these guidelines comprise a significant body of liturgical theory and are beyond the scope of this paper, they generally include consideration of the intrinsic “nature of man” (theologically speaking) and a social conscious. In addition, the Western church offers forgiveness and redemption, both of which help to correct the consequences of suboptimal behavior motivated by self interest. To understand the basis of this debate we evaluate the economic model on its own merits and ascertain whether its claims generally are appropriate for the wide array of activities to which it is often applied, including religious consumption.

One Traditional Economic Argument

Traditional models of consumer behavior (rational choice) contend that individuals have the ability to choose freely among alternative sets of goods. An individual’s tastes and preferences dictate: 1) the value assigned to alternative combinations of goods, 2) how much of one good would willingly be given up for another, and 3) what combination makes one better off. Individuals will consider this information when

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9 Since the benefits of the behavior are unknown to the individual at the time a decision is made, the church rules will contradict a behavior that appears to the individual to be a best option, but which, when all costs and benefits are known, will be suboptimal.

10 We consider a “good” to be something that individuals prefer more of rather than less, and is not necessarily tangible.
formulating a decision. Individuals attempt to maximize their “utility” or satisfaction.

What if one chooses the “wrong” combination of goods? For instance, suppose an individual buys a product based on incomplete or false information. This decision could prove to be a “mistake” for the individual if her expectations are not met.\textsuperscript{11} Rational choice models assume that the next time around the individual will realize her error and thus make a different selection. This process in fact could be repeated until one decides no further mistakes have been made.\textsuperscript{12}

The process of adjustment in the face of and consequently away from wrong decisions\textsuperscript{13} is critical to the economic model. In most cases it is not enough to know that there is a set of circumstances that would satisfy the individual. Such a position of satisfaction may not be attainable. The individual may not be able to correctly calculate how to attain it or she may not even know where it is (i.e., what circumstances would result in satisfaction). In order for the individual to maximize utility she must take some action if she feels she can improve her lot. When such a move occurs the individual stays at the new position provided the result is as expected (or better). If the individual is less

\textsuperscript{11} The cause of the mistaken decision is not especially important. It may be the result of poor information concerning the goods. Alternatively, over longer periods of time the decision may be the result of hyperbolic discounting which drastically lowers the value of benefits in the distant future (Ainslie 1991 and 1992). For whatever reasons a poor decision was made.

\textsuperscript{12} While adjustments are assumed to occur both ways (from A to B and from B to A) and with equivalent ease, there is some evidence to the contrary. (Bruner and Potter, 1964 and Lord, Ross and Lipper, 1979).

\textsuperscript{13} This adjustment process is an example of “disequilibrium”.
satisfied after the new experience, she will return to her original consumption choice. Either way, the model is adequate in terms of explaining the individual’s ultimate choice.

A Model Given Inhibited Adjustment

The question arises whether the individual is always free to correct such mistakes, and to what extent. Once an individual has made a decision the consequences are now a part of experience. Therefore, we would expect to see a change in the affected individual’s self-understanding and tastes or preferences. This is referred to as the “endowment effect”. The endowment effect considers the impact that an individual’s starting position will have on her consumption choice.14 Further, the effect is such that the individual is unlikely to change if the expected gain is very small, since she is familiar with an experienced position and its effect on her life. The individual’s preference is for the current pattern of consumption. Subsequently, the individual is free to change her behavior as desired.15

According to the endowment effect, after a good is consumed, or a particular behavior experienced, the individual relates the behavior to the

14 This endowment effect could be based on psychological anchoring in which individuals ignore information that is contrary to what initially led them to a particular conclusion (Bruner and Potter, 1964).
15 That is, the individual would change if the expected gain were more than large enough to offset the loss from leaving a comfortable (or known) position.
status quo. She favors the behavior because its outcome is known and thus less risky than those she has not yet experienced. However, the selection of a specific bundle can also affect an individual’s consumption preferences overall. Consumption bundles contain a variety of goods and services. Some of these commodities may influence the individual’s self-perception or her values. This change in personae may be in the mind of the individual herself or it may reflect how she believes others view her as a result of her behavior. Both sources of self-image may affect the individual depending on how much weight she places on her self-image or others’ view of her. For our purpose either source will affect the individual’s self-perception.

The individual may conclude that a mistake in judgment occurred that consequently altered her self-image. The fact that the individual relates her self-image to her consumption pattern reduces her ability to adjust after a sub-optimal experience. This situation violates the assumption that the individual has ranked equivalent bundles in a reflexive relationship. Not only could this prevent a re-adjustment (i.e., backtracking to a previous position), it could result in perverse adjustment patterns.

16 For instance, she may feel personal guilt from engaging in the behavior or she may be ashamed in front of others.
17 If an individual believes that the benefits can be attained at a later date(such as the case with an item for which one has an “acquired taste”) the individual may increase consumption of that good in order to acquire the taste more quickly. For example, an individual who chooses to imbibe in excess of her tolerance level may find the experience overall to be unpleasant. The individual could suffer from a hangover or feel social discomfort from acting foolishly in public. However, it is possible that the benefits
Consumptions patterns that impact self-identity offer the most
insight into the shortcomings of the traditional economic model. For
simplicity, one can assume that the individual is faced with the choice of
two goods or groups of goods, made available by her income.
Consumption of the initial bundle might be the result of the influence of
others (such as parental decisions for children) or the result of passive
decision-making by the individual (such as going along with a crowd or
watching whatever currently is on television.)

Suppose an individual subsequently is exposed to new information
from friends, advertisers, or the internet, and believes that a superior
consumption bundle is now available. Perhaps she decides to change her
consumption pattern in the subsequent period, consuming more of an
alternative good or set of goods. Assume as the scenario unfolds she
discovers that the new information was not as reliable as initially had
been supposed and that the second position is inferior to the first.
According to the choice model, she would resume the initial position in
the next period. In this case, the endowment effect would not preclude
the second adjustment. She is now familiar with both positions and
would have no a priori disposition toward either. The decisions would be
based solely on the benefits derived from each consumption bundle.

of drinking accrue over time. As the individual becomes more tolerant of alcohol,
nausea may decrease and hangovers may be less severe. Moreover, the reputation as a
fun-loving partier may increase her social standing. Under these expectations, the
individual may increase her consumption of the good more quickly to acquire these
benefits.
Under these conditions she would re-adjust to the initial position and resume the original identity.

Suppose however that in moving from the first to the second choice (following the selection and consumption of the new bundle) that the individual has acquired a new identity. She now feels more in vogue, or more conservative, younger at heart, wiser, more religious, more independent, *vel cetera*. These newfound characteristics may be beneficial or harmful. Our interest is captured by those choices that are harmful to the individual\(^{18}\). Extreme examples of harmful consumption include goods that have negative consequences (such as real, physical damage) or whose expected benefits are comparatively less for the consumer. For example, illegal substance use or addiction to pornography can not only cause a loss of self-respect, but can damage reputations and hence an individual’s social standing in the community.\(^ {19}\) Other activities such as changing political parties or one’s religious affiliation can isolate the individual from others who had previously been acquainted with her through such associations. In these cases, the decision to return to a previous state can be difficult.

If the individual recognizes that such behavior ostracizes her from society (and we assume that reputation is important to her), then she

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\(^ {18}\) Bundles that generate more benefit than expected would induce the individual to continue to move farther in that direction. If the phenomenon were to continue, the individual eventually would buy only that good. In economic terms, there would be a corner solution.

\(^ {19}\) It should be stressed that the illegality of a behavior is irrelevant to the analysis other than as a confirmation that society views the act as undesirable and consequently the individual experiences lower self esteem.
faces a significant change in social- or self-perception and will view a return to the original consumption bundle to be costly. For instance, a personal addiction, or identification with a cult, if undone will require the individual to admit a mistake had been made. In some cases the new identity may be the only one the individual has had that distinguishes her from “the crowd”. Additional “compensation” may be required for the person to forgo the new identity and return to the original choice of good(s).

In addition to the self-identity\textsuperscript{20} problem, the person may be hesitant to return to the original consumption choice if she feels that admitting to the error would make things worse. Returning to the original bundle would not only result in a loss of self-identity but also would highlight a serious error in prior judgment and thus a loss of *hubris*.\textsuperscript{21} In cases of socially unacceptable behavior, society may force the individual back to their original consumption choice, for instance through incarceration or other mandatory behavior modification. The imposition of correction from elsewhere allows the individual to correct the position without having to admit prior judgments were poor. This imposed correction reduces adjustment costs and thus makes the readjustment more likely. In the absence of such imposed changes the individual may

\textsuperscript{20} Hereafter, self-identity and social-identity in the mind of the individual are both included in the term “self-identity” since either is sufficient to effect a change in the behavior of the individual.

\textsuperscript{21} That is, admitting to having made a poor decision incurs an additional cost in terms of self-esteem.
feel that it is necessary to engage in some type of atonement or retribution for past digressions.\textsuperscript{22}

In graphical terms, multiple adjustments following errors involving self-image will have the effect of shifting the indifference curves away from the origin, and self-forgiveness will shift them toward the origin.\textsuperscript{23}

The popular press abounds with examples of this type of behavior. The all too often case of the star athlete, actor, or performer whose career started off in fine fashion only to get sidetracked by drugs, or outlandish partying typifies this behavior. Hyper-inflated egos and conspicuous

\begin{itemize}
\item Suppose an individual faces a consumption space with n goods \((X_i)\) in which one good, \(Z\), has the additional characteristic that its use bestows on the individual some degree of self-image \((I)\). Thus the individual faces a utility maximization scenario with respect to n goods
\[U = f_1(X_1, X_2, \ldots, X_{n-1}, Z)\]
Subject to a budget constraint
\[\text{Income} = \sum X_i P_i\]
where \(i\) takes on values 1 through n.

Additional units of good Z will affect the utility function in the traditional way, but will also affect it through the indirect effect of the change in self image; hence, the marginal utility of good Z is
\[\frac{dU}{dZ} = \frac{\delta U}{\delta Z} + \frac{\delta U}{\delta I} \times \frac{\delta I}{\delta Z}\]

While this specification of the utility function is consistent with our scenario, it implies the individual can move about the commodity space and not impact the utility function. However, as cited above, part of the self-esteem component is how error-free (empirically steady) the individual is with respect to the good Z. This component of self image may be seen as integrity, reliability, trustworthiness, etc. and will vary inversely with the size and magnitude of variation in the consumption of Z. If we depict this positive attribute of self image as \(\alpha\), then
\[\alpha = f_2 \left( \frac{|Z_t - Z_{t-1}|}{Z_t} \right) \text{ where } f_2' < 0, \text{ and} \]
\[U_2 = f_3(X_1, X_2, \ldots, X_{n-1}, Z, \alpha)\]

As variability with respect to consuming Z increases, \(\alpha\) (and welfare) decreases. The individual can regain this benefit if she can forgive her variations in Z consumption. Thus the value for forgiveness is \(dU/d\alpha\).

\textsuperscript{22} This inward shift inward is limited to the original (pre-transgression) position of the indifference map. Alternatively, if forgiveness is plotted on an axis as one of the goods, the income constraint is perpendicular to that axis, as no resources are required for self-forgiveness. In the same way the shifting indifference curves are limited, the flat budgets constraint will terminate, preventing a net increase in welfare as a result of the transgression-forgiveness scenario.
consumption can all be cited as changes in a person’s consumption choices that result in less than desirable outcomes. Further, the correction of this behavior necessitates a radical departure and return to prior modes of consumption behavior. In virtually every case the star denies any excesses and refuses to take responsibility for past actions until some breaking point (legal or otherwise) is reached. The costs involved in making the requisite changes are often substantial and the celebrity may be prone to fall back into a less than desirable lifestyle.

Clearly this type of behavior is not unique to celebrities and the lifestyles of the rich and famous. Consider the day-to-day choices confronting all of us: religious tenets versus worldly pursuits, morality and immorality, liberal versus conservative, etc. In cases such as these, once a decision has been made it is much more difficult to switch back. A return begs admitting a mistake as well as the loss of an identity, for which the individual must accept or be compensated.

The rational choice model assumes that the individual can be compensated for the loss of one good by increasing the consumption of another good (provided the shift back can occur). However, the move requires a greater compensation if the move back is accompanied by a loss of image or reputation. The traditional analysis of indifference curves ignores this fact, but can be modified to account for this effect. Thus a return to the precise, original position would cause welfare to decrease below its original level since the consumer’s multiple adjustments have
caused the curves to compress toward the origin. Additional goods are required to fully compensate the individual. This implies that movements back and forth will result in an ever-worsening position for the individual. More importantly, if the move back is not accompanied by more goods than were available in the first place, the individual will not receive sufficient compensation for the loss of self-esteem. Consequently, she is likely to be “stuck” in a sub-optimal situation that now cannot advantageously be corrected.

The Western Church’s Role in Facilitating Economic Adjustment

The role of the Western church in facilitating an efficient solution has been considered extensively elsewhere, and there is also a growing body of work studying non-Western religious traditions and their relationships to the economics that are embedded within. Attention has been paid to the role of the church in lowering crime (Cochran and Akers, 1989 and Bainbridge, 1989), as well as the role in effecting a social optimum (Lipford, McCormick and Tollison, 1993). As described in

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24 In cardinal terms, suppose the individual originally has a happiness coefficient of 10. Induced by a desire for greater satisfaction, the individual moves to a position of drug use that promises a satisfaction level of 15. Having used the drugs the individual determines the experience to have been overstated and rates it at a 7. Giving up the drugs involves moving back to the position that before promised a satisfaction level of 10. However, the shame of being demonstrably misled (stupid, gullible, immature, etc.) causes the individual to incur a happiness adjustment cost of -2, leaving her at a rating of 8. Thus, the net effect of the individual’s experiment with drugs reduces her original empirical position by two happiness units. If the happiness adjustment is more pronounced, say -4, the individual is now best off staying in the new position.

25 See, for example, Chapra (2000).
the literature, the church provides many services but the role of the church as a dispenser of forgiveness is the focus of this study.

We have argued that individuals facing choices especially those concerning moral or spiritual issues may find themselves in a sub-optimal position and be unlikely to correct it. When we relax our assumption that individuals may face incomplete or false information it is more likely that an individual from the start will choose a more efficient outcome. Disseminating truthful information is one of the goals of church programs but in many cases attempts to prevent wrongful choices or harmful decisions have not been effective. What is needed is a corrective measure. A policy solution might entail the establishment of institutions that would facilitate optimal adjustment or at least effect the optimal solution in spite of the individual’s inaction.\textsuperscript{26}

Social philosophies including the Judeo-Christian tradition provide a mechanism whereby individuals who face such a dilemma can voluntarily correct the situation. The doctrine of forgiveness allows one to costlessly “save face” so that readjustments do not require additional immediate or future compensation, and hence would more readily occur. For example, in Old Testament writings the concept of forgiveness, \textit{aphiemi}, has the connotation of sending away, laying aside, or separating. According to this concept forgiveness separates the sin

\textsuperscript{26} Empirically, it has been better to change institutions or incentives to induce individuals to alter their behavior rather than to force the solution on them. The latter approach has been seen as a cause of the Crusades and jihad.
(action) from the sinner (actor) and allows the individual to lose any sense of guilt or other baggage associated with previous actions and decisions. Psalm 32 cites this notion of forgiveness:

Happy is the person whose sins are forgiven, whose wrongs are pardoned... Then I confessed my sins to you, and you didn’t hide my guilt. I said, ‘I will confess my sins to the Lord,’ and you forgave my guilt.

Thus the notion is one of separating the offence from the offender. 27 When we apply this to the economic model, we discover that forgiveness is exactly what is required to help the individual revert to her original consumption choice. 28 The act of forgiveness separates the individual from her prior indiscretions and no longer impinges on her self-identity. Therefore, the indirect impacts of prior decisions no longer are relevant to current ones. By separating the individual from her past, her set of previous options are restored. Consideration of the religious teaching of

27 Other traditions preach a similar message. Some notes on New Testament writings can be found in the Appendix.

28 The economic interpretation of the phrase, “Happy is the person” is that forgiveness can make an individual better off. Hence forgiveness is in the traditional sense an economic good, a benefit provider. Incorporated into the model, the individual views forgiveness as a good and attempts to acquire as much of it as she can afford. This is given the trade-off between forgiveness and the other goods that may have been sacrificed. The individual could choose from an array of goods (given income and time) but would try to acquire a combination that generates the most benefit. This interpretation of forgiveness based on the traditional economic model has significant inconsistencies—forgiveness is acquired as a gift rather than purchased. However, in our model the individual does not need to perceive forgiveness as a good at all. Rather the individual engages in economic activity and forgiveness allows her to be better off. This is true of course in those cases where as a result of a bad choice adjustments back to the better position are not feasible.
forgiveness more accurately portrays the behavior of individuals and offers greater credibility to the economic model.\textsuperscript{29}

\textbf{Conclusions}

While the economic model accurately predicts the behavior of individuals in many cases, if the assumptions of the model are not fulfilled the model will lend itself to inaccurate predictions. Certainly this is true with spiritual decision-making and when the individual links her self identity to consumption choices. In these cases consumer behavior violates the assumption of reflexiveness. Past decisions not only carry direct consequences, but also impact the individual’s self image, as well as her sense of self worth. Indeed, the scenario of spiritual decision-making is the obvious application for this scenario, but it is difficult to identify any good or service that would fail to influence an individual’s self-identity.

When prior consumption affects an individual’s tastes and preferences readjustment to a preceding and most likely preferred position is inhibited. Consequently, the individual is likely to discover

\textsuperscript{29} It is interesting to note that the role of the church in teaching the benefits of forgiveness is a unique characteristic. The role of forgiveness, cited here as a requirement for optimality, is the result of religious orientation rather than random social interaction. The vast literature on the role of the church and religion in optimal economic solutions considers many attributes of that institution. These studies cite religious activity and its influence on behavior, often measuring religious activity as attendance of the individual in religious services. In this light, the effects of religious activity are somewhat ambiguous and it is unclear whether the results are due to the religious content or the social interaction at such gatherings. (Pescosolido and Georgianna 1989).
that she “burns bridges” with each adjustment and finds her options to be increasingly inferior. A more accurate application of the traditional economic model would remove the indirect consequences of previous consumption behavior from the individual’s sense of self. Forgiving oneself for mistakes made in the past helps the individual to achieve this goal: the separation of self from consumption choices. Several philosophical teachings including the Judeo-Christian tradition are consistent with the economic reality of a situation in which the individual is faced with “significant choices”—those that identify the individual in some significant way. The doctrine of forgiveness provides an institutional framework within which the individual can freely adjust her consumption choices, unencumbered by prior decisions and behaviors. Religious institutions allow the individual to return to earlier positions or to choose new and ultimately better consumption bundles in spite of past transgressions.
APPENDIX

Much of the work on forgiveness is premised on the empirical aspects of forgiveness. Thus it is alternatively defined as “rationally determining that they have been unfairly treated [people] forgive when they wishfully abandon resentment...and endeavor to respond...on the moral principle of beneficence” (Enright and Fitzgibbons, 2000), “letting go of negative affect, ... negative cognitions,...and negative behavior,...in response to a considerable injustice” Rye and Pargament (2002) , and prevention of unforgiving emotions [such as resentment, bitterness, hatred, hostility, and fear] by experiencing strong, positive, love-based emotions as one recalls a transgressor (Worthington et al., 2001). Each of these understandings is appropriate to its use, but each seems reduce the act to the effects on the natural (physical and emotional) aspects of the actor, while ignoring the spiritual effects. More insight into the Church’s dicta encouraging forgiveness by looking at the Church’s understanding of the process of forgiveness.

Throughout the Old Testament, God repeatedly tries to maintain a relationship with man. The covenants with Adam, Noah, and Abraham are perhaps the most obvious of these renewed attempts to maintain a relationship with mankind. As with all of the Old Testament covenants, these were with nations, and were broken through the sinful nature of man. Through forgiveness, God establishes a method of maintaining a relationship on an individual basis that can be repeatedly violated and reestablished. Through forgiveness, man could understand the nature of God’s desire to maintain a relationship despite man’s desire to injure that relationship (man’s sinful nature).

For Christians though, New Testament understanding is more relevant. Throughout Christian teaching, the role of forgiveness plays a vital part. New Testament scripture teaches the importance of forgiveness
almost as often as love. From the gifts of the Magi, representing an offering of atonement, to the last words of Christ on the cross (Luke 23:24) the relevance of the need for forgiveness is addressed throughout Christ's life.

The importance of forgiveness seems to have two related but distinct strains. The first is the importance of the Christian to forgive others. This action is closely tied to the ideal of charity, and is best seen in the use of the Greek work charizomai meaning “to be gracious.” Forgiveness is perhaps the most complete of the observable manifestations of Christian love. Christian teaching requires that Christ's followers forgive as examples of Christ reflected in their lives. In Ephesians 4:32, Paul cites this reflection in his instruction: “Be kind and compassionate to one another, forgiving each other, just as Christ God forgave you.” No other manifestation of love is cited in this respect. Paul again instructs Jesus’ followers in the letter to the Colossians: “Bear with each other and forgive whatever grievances you may have against one another. Forgive as the Lord forgave you.” (Colossians 3:3). The importance of forgiveness in Paul’s exhortations for Christian behavior is perhaps the most important attribute of the Christian life, to the extent that some have suggested Paul views forgiveness as synonymous to justification.

As insightful as they are, one need not rely on Paul's understanding of forgiveness. Jesus' teaching directly addresses the importance of forgiveness of others as an outward sign of Christian love. In a passage that requires little interpretation, Luke records “Be merciful, just as your Father is merciful.” (Luke 6:36), and the parable of the prodigal son is difficult to interpret in any way other than as an admonition to forgive from at least two perspectives. Other passages are more direct and imperative: Jesus admonishes that forgiveness is not
only required, but must be abundantly (endlessly) given (Matthew 18:22 and Luke 17:4). Even the first of the “last words” on the cross were a request for forgiveness. (Luke 23:34).

There is an economic implication for the above discussion. This first set of citations seems to suggest that forgiveness is an important activity that would reflect Christian love for one’s fellow humans. As a possible action, there is no indication that forgiveness is the only expression of love. Hence, this understanding of the nature of forgiveness seems to assign forgiveness a position as an element in the vector of love-induced actions. If the individual has a limited set of resources (time) to allocate, it is likely that she cannot do all that she would like. In such a situation, it seems to be up to the discretion of the individual whether to forgive or to choose from an array of substitutable actions to demonstrate her Christian nature. It would be easy to infer that forgiveness is an optional gift for the receiver, nice to get, but not really necessary for his material or spiritual well being. Christian living can be realized through forgiveness, but equally through “compassion, kindness, humility, gentleness, and patience” (Colossians 3:12), not to mention a vast array of social programs that differ by denomination and church.

As presented in the body of the paper, the importance of forgiveness in the economic paradigm seems to come from a different perspective. In addition to the advantages accruing to the forgiver, a second set of passages suggests that forgiveness is an important thing to receive as well. Luke 6:37 is one of these passages that suggest the importance of being forgiven: “Do not judge and you will not be judged. Do not condemn, and you will not be condemned. Forgive, and you will be forgiven.” Here the benefits of forgiveness lie with forgiver, not the one forgiven. Here the tone for encouraging forgiveness changes from doing an optional good deed to self-preservation. Less subtle admonitions can
be found: “And when you stand praying, if you hold anything against anyone, forgive him, so that your Father in heaven may forgive you your sins.” (Mark 11:25) and “If you forgive men when they sin against you, your heavenly Father will also forgive you. But if you do not forgive men their sins, your Father will not forgive your sins.” (Matthew 6:14-15) It is interesting to note that the citations exhorting people to forgive as a matter of self-betterment are given in the Gospel accounts, while the more “friendly” instruction appear in letters from Paul. Whether or not the stronger admonitions are more authentic (closer to the truth), it is this second aspect of forgiveness that is of interest here.

The citations here are important because they emphasize not only the importance of being forgiven, but the nature of the forgiveness and the individual’s well being. In the passage cited above from Luke 6:37, “forgive, and you will be forgiven,” the Greek work is “apoluo,” which has the connotation of “to loose” from the offence, of the release the individual. Hence the Old Testament meaning of covering the sin, aphiemi, is replaced by a concept of separating the offence and the offender, and restoring the offender to the previous position. It is this restoration that directly impacts the economic scenarios discussed in the first part of the paper.

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30 There are other accounts of forgiveness throughout the Bible, including Joseph’s forgiveness of his brothers (Genesis 50:20), Solomon’s forgiveness of Adonijah (1Kings 1), and Stephen’s forgiveness of hisstoners (Acts 7:60).
SOURCES


