

## THE MORAL THEORY OF VALUE; A GIFT LEMMA & HYPOCRISY THEOREM

Adil Ahmad Mughal

Department of Economics, FCCU, Lahore  
[adilmogul@live.com](mailto:adilmogul@live.com)

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### ABSTRACT

Aside from the calculating and always troublesome utilitarian ethic, a moral theory of value can better serve as a desirable form of the Rawlsian veil of ignorance analogy on the part of the arbitration of allocation procedures. Kierkegaard suggested a 'moral absolute' that achieves a 'teleological suspension of the ethical'. This suspension, or the veil of ignorance, can be formulated as a randomization of allocation procedures across agents in a given preference space; such that, a truly self-interested gain remains unpriced in the form of a true gift, that is, a gift without an obligation. Any further than this gift, only, and importantly, the hypocrisy value of unpriced morality is left.

**Keywords:** true gift; truly subjective value; true self-interest; moral theory of value; invariance of domain; moral value of hypocrisy; theory of justice; political economy

### INTRODUCTION

The aim of this paper is to define the philosophical foundations of morality and ethics in an analytical framework of political economy. This approach has the objective of attempting to treat what is the moral the same way, following Rawls, as justice; that is, in the economic sense. This theoretical justification arms us, like in (Karni & Safra 2002), with a mathematical tractability which not only proves to be useful in solving the here defined problems but most importantly in defining those problems as such. For instance, the moral is given a qualification in (Kierkegaard 1843) by the philosopher Kierkegaard, namely, in "teleological suspension of the ethical". The ethical, likewise, is given the status of "the universal" (Kierkegaard 1843) as compared to the teleologically suspended moral as "absolute". (Karni & Safra 2002), following Rawls, turns the "veil of ignorance" analogy, on the part of the arbiters of welfare allocation procedures, into a *randomized* market allocation assumption. The veil of ignorance can be plausibly compared with the teleological suspension. The ethical being the universal for (Kierkegaard 1843) can be considered, in the

economic sense, to be the utilitarian and the priced welfare outcome with some subtle accompanying conditions. For a more particular but both philosophically and economically informing case Carnap's rather disqualifications, for what is the moral, can be vetted. For the philosopher Carnap if any moral arguments become "empirically" established, which is usually a desirable outcome, they become "facts" and therefore cease to be *moral*. If, like in this paper, we define the "empirical" in the economic sense then it only has a utilitarian meaning. Given this, the "categorical imperative" in terms of Kant's moral maxims is very similar to Carnap's definition of the moral.

The teleological suspension of the ethical and the veil of ignorance analogies from (Kierkegaard 1843) and (Karni & Safra 2002) respectively are implied after the main lemma but before that consider the aesthetic nature of the gift and that of what is seen as moral; of which this lemma is proposed to be a framework. The famous postmodernist Derrida wrote about the "impossibility of a gift" because of it always being within the logic of economic exchange like

the instances where "gifts are exchanged". He saw the ineradicability of a necessarily obliging "intentionality" in giving and receiving gifts. The true gift, he thought, must be veiled from the gifting intentionality in the giver as well as the receiver<sup>1</sup> (Malo 2012) (Shurmer 1971). The true gift proposed in this paper is that which is made of the economic logic itself such that it orthogonally defies the measures of the exchange logic of economy from within that very exchange. As even a greater requirement of this paradox, the true gift here is made one with a truly subjective and therefore a true self-interest<sup>2</sup> which remains unpriced as the sublime or as the aesthetic of subjectivity. Kant, in Critique of Judgement, ties the sublime and the aesthetic with the moral as a "supersensible" world of aesthetic taste and virtue. As Kant put it: "For these properties taken together constitute the characteristic social spirit of humanity by which it is distinguished from the limitations of animal life." (Ginsborg 2022) (Kant 1790)

On the opposite pole of what is moral there is hypocrisy, as an evident dual (Priolo et al 2019) of the moral, unburdened with an exercise of its utility because it is perceived to have none. Hypocrisy commands all the negative connotations; yet, as proposed in this paper, it seems that only in hypocrisy a moral value is saved from being rendered in utilitarian and pricing terms. Rudolph Carnap, a philosopher, contended in (Carnap 1959) that whenever a

moral value-judgment is tested in its empirical validity the success of this test turns that judgment into an 'empirical fact' which no longer retains a 'moral value'. This paper takes this empirical validity to be a utilitarian and therefore a priced value. That is, a priced value has its domain inside the utilitarian ethic therefore this value becomes an empirical fact of this utilitarian ethic. Thus in Carnap's formulation every priced and established utilitarian value is a non-moral value although without being an *immoral* one. Given this criterion the only possible moral value must stay unpriced like a true gift as this paper shows. It is also noteworthy that the moral value of altruism faces the similar paradox as Carnap's, like the true gift problem.

#### RELATED LITERATURE:

Across the theories of justice like Rawls's (Karni & Safra 2002) there is a tendency to mostly view justice in terms of, after all, economic allocation procedures which are just naturally accommodated inside the ethical and then, in explicitly economic terms, the utilitarian. Yet the moral, after Kantian categorical imperative in the Groundwork of Metaphysics of Morals, (Kant 1785), must either resort to the inherent universalizability of moral maxims where, like Carnap, no utilitarian conception is allowed; see A-1 and A-2. Or like Kierkegaard's teleological suspension of the ethical, (Kierkegaard 1843), the moral is taken as an absolute; A-3. This paper

<sup>1</sup> An obscure philosophy meme put it this way: "that the impossible as impossible is now possible"; this is that punning possibility of the impossibility of a gift which Derrida wanted for a true gift which he could never conceive of.

<sup>2</sup> Contradicting Hegel when he asserts: "Whether wealth is the passive or the null, it is in any case a universal spiritual essence; it is the result which is continuously coming to be, just as it is the work and the doings of all, as it again dissolves within everyone's consumption of it. In consumption, individuality comes to be for itself, or as a singular individual. However, this consumption itself is the result of the universal doing just as it reciprocally engenders both universal work and everyone's

consumption, and the actual has the utterly spiritual significance of being immediately universal. In this moment, each singular individual surely thinks he is acting in his own interest, since it is the moment in which he gives himself the consciousness of being for himself, and for that very reason he does not take it to be something spiritual. Yet even viewed only externally, it is evident that each in his own consumption benefits everyone else, and that in his labor each likewise works for everyone else as well as for himself, and in turn everyone else works for him. *His being-for-itself is thus in itself universal, and self-interest is only something fancied that cannot even come close to making actual what it intends to do, namely, to do something that would not be to the benefit of all*". (Author's italics) Pinkard, T (2018)

shows the latter to be conceivable even within the economic and utilitarian exchange such that it can even define this exchange with that "suspension" of the utilitarian ethic. This is a non-utilitarian (for Kantian and Carnapian concerns) but economic (as allowed in Kierkegaard's moral absolute and veil of ignorance analogy in (Karni & Safra 2002)) result in this paper. This first makes the *randomized* economic allocation procedures to be moral in "suspending" the teleology of the utilitarian ethic. Secondly, it makes the truly subjective and unpriced true self-interest to be the true gift from within the economic exchange; A-4. Thirdly it gives a negative existence of a moral result in the form of hypocrisy such that the only instance where a moral value is neither priced (satisfying Carnap's condition) nor utilitarian (satisfying Kant's condition, (Kant 1785)) is when a moral value remains unpriced like the true gift. And this is only possible when a moral is held as a hypocrisy, as in (Priolo et al 2019), because there can be no utilitarian or pricing expectation from a hypocrisy; A-5. For an everyday moral conduct hypocrisy itself is a collective true gift because it still upholds a moral, like human dignity and such, without it being demanded to be real in payoff or pricing terms. (Sherry 1983), (T. Godbout 1998), (Wolfenbarger 1990), (Tigert 1979) problematize these aspects of gifts in the framework of consumer theory.

#### **METHODOLOGY:**

This paper turns the included philosophical qualifications for the ethical and the moral into axioms of mathematical tractability for meaningful Economics and Social Sciences' context. Particularly, the method of (Karni & Safra 2002) has proven to be especially useful in defining and extending a true gift value in the sense of Rawlsian arguments on justice and their utilitarian implications. The major spin in taking the values like the ethical and the moral into a mathematically tractable justification comes from Rawlsian theory of justice itself. The way justice has been theoretically established to be framed in the economic sense, as in (Karni & Safra 2002) among others, this makes the mathematical formalism of Economic theory immediately

understandable. In the same vein this paper takes the leap in defining the moral in terms of the economic allocation procedures for a welfare outcome. The essence of this method proceeds from this observation: if given a preorder on a preference between  $x$  and  $y$  is such that,  $x$ , is weakly preferred, or indifferently preferred, to  $y$  as,  $x \succeq y$ , then the prices  $p$  are also such that,  $p(x) \succeq p(y)$ . Now, if there is a strict individual preference exercised as, following (Karni & Safra 2002),  $x \succ y$ , then this preference of  $x$  over  $y$  is an unpriced gain in a truly subjective value. This result is further strengthened in its Economically meaningful proof the Gift Lemma through Invariance of Domain theorem in Topology for a convex set. The relevant philosophical axioms about true gift, moral and hypocrisy values are then formalized in economic formulation through this method both as philosophical inputs and analytical outputs.

#### **RESULTS:**

**A-1:** The social value,  $s(\cdot)$ , as a universalized value, is also the moral value,  $\Delta$ , in the Kantian sense, if and only if, it is reflexively moral, that is,  $\Delta = \Delta \Leftrightarrow s(\Delta)$ .

This must be so regardless of the fact that the social value,  $s(x) = p(x)$ , the priced value.

**A-2:** The Carnapian condition demands that  $s(\Delta) = 0$ .

**A-3:** The teleological suspension of the ethical/universal demands that the value of a moral is absolute as,  $v(\Delta) = \infty$ .

**A-4:** That  $v(\Delta) = p^*$ , where  $p^*$  is defined below.

**A-5:** The hypocrisy value,  $v^* = |-(v(\cdot) > 0)| = -\Delta$ . It neither implies A-1 nor A-2.

**Definition 1:** A true self-interest lies in the existence of a 'non-price'  $p^*$  as,  $p^*(v(p(x))) \leq 0$ , for a preference bundle  $x$ , with a positive market price  $p(x)$ , for its truly subjective preference  $v(p(x))$ , with its social preference as,  $s(x) = p(x)$ , when  $x$  is strictly preferred to a bundle  $y$ , as  $x \succ y$ , given a priced and weak preference called a

preorder  $\succeq$  on all locally similar preferences,  $(x \succeq y)$  in which either  $x$  is preferred to  $y$  or there is indifference between the two, in a randomized endowments and exchange market allocations procedure  $P$ , such that the truly subjective preference  $v(p(x))$  is 'unpriced':  $p^*(v(p(x))) \leq 0$ .

That is, the price  $p^*$  of the truly subjective value,  $v(x)$ , of the price of  $x$  as  $p(x)$ , is  $\leq 0$ .

Where,  $0 < p(x) > p^*$ , while,  $x \succeq y \Leftrightarrow p(x) \succeq p(y) \in P$ . So the gift value  $g(x) \notin P$ .

And  $g(x) =: \{ [v(x)/-p^*(x)] - [p(x)] \}$ , for a  $p^* \neq 0$ . And,  $(g \cap P) = \emptyset$ .

**The Gift Lemma:**  $\exists p^*(v(p(x))) \leq 0, \forall x \succeq y \in X \subset \mathbb{R}^n_+$  and  $\forall p(x) \succeq p(y) > 0, \forall p \in P \subset \mathbb{R}^n_+$ . If and only if,  $x \succ y$ , for some  $x, y \in X$ .

**Condition 1:** It is impossible for a social preference,  $s(x)$ , to not be priced. That is, it is a must that,  $s(x) = p(x)$ . And, a priced, and therefore randomized, even though an individual preference,  $h(x)$ , is always such that,  $h(x) = s(x)$ ,  $\forall x, y \in X$ .

Conversely, a truly subjective preference,  $v(x)$ , must be unpriced. And because the unpriced preferences are only subjective and therefore truly self-interested in being purely subjectively perceived (for instance, a consumer surplus), the true self-interest is best pursued by going for the priced social preferences given in the preorder like,  $x \succeq y$ . Therefore a true gift is the one where there is no obligation of an exchange left for the receiver. Thus, only an unpriced and a true gift without an obligation can constitute a true self-interest; only if it is mediated by a "veil of ignorance" (Karni & Safra 2002) and a "teleological suspension of the ethical" (Kierkegaard 1843) - for instance, a suspension of the utilitarian ethic - in the form of a randomization of allocation procedure. Such a procedure, seen in this practical way, mirrors the suggestion of a moral absolute instead of that of a necessarily and socially 'priced' ethical universal.

**Proof:** Let  $P$  be the market price allocations across preferences in the commodity space  $X$ , and  $P \subset X$ , or even  $P = X$ , where  $P, X \in \mathbb{R}^n_+$ . Let  $P$  be the retraction of  $X$  as a continuous function,  $r : X \rightarrow P$  as  $r|P$ , then,  $P$  being a retract of  $X$ , a continuous inclusion map,  $f : P \rightarrow X$  must be injective. That is, the  $p^*(x) \notin \mathbb{R}^n_+$ .

**Through Invariance of Domain:** If  $P$  is the open price subset of the commodity space  $X$  and  $P, X \in \mathbb{R}^n$  then there is an  $f(P)$ ,  $f : P \rightarrow X$  is continuous and injective, that is, there does not remain a  $p \in P$  which is not corresponding to an  $x \in X$  so that the  $p^* \notin P$ , as shown above. And then  $f(P)$  is open in  $X$  so the inverse function,  $f^{-1} : f(P) \rightarrow P$  is also continuous. Munkres (2016)

**Remark 1:** Given the discontinuity of  $p^*(v(p(x)))$  in  $P$ , the  $v(x)$  can be conceived as a single point, related to any respective good like  $x$ , with Lebesgue measure zero.

**From Carnap:** If every moral value-judgment can be proven empirically, let's say in a utilitarian allocation procedure, then such a judgment becomes an empirical fact that is no longer a moral value-judgment which always remains elusive, (Carnap 1959). Carnap's formulation is very informing and relevant here because it prompts us to devise, if at all, a relatively clean adumbration of what is ethical, empirical and factual on the one side of the social and that of what is moral on the other. Towards its solution, the following is proposed.

**Definition 2:** There is a value  $v(\cdot)$ , with a corresponding  $p(v(\cdot))$  as its price and payoff in parity, that can be conceived as a 'moral value'  $\Delta$ , if and only if,  $\Delta = p(v(\cdot)) = p^* = 0 \mid v(\cdot) > 0$ , where  $p^*$  is as above and  $p \in P$  and therefore  $p \in X$ , that is,  $p \Leftrightarrow v(x)$  for some  $x \in X$ .

That is, every moral value must have a non-positive priced payoff. This is the condition for keeping the moral value from turning into Carnap's 'empirical fact'.

**The Moral Lemma:** If  $v(\cdot) > 0$  for  $(v, p) \in X$ , then it must imply that  $p > 0$  for  $p(v(\cdot))$  if  $p \in P$ , whereas, if  $p = p^* \notin P \Leftrightarrow v(\cdot) \leq 0 \Leftrightarrow (p, v) \notin X$ .

**Statement:** Given a  $v(.) \in X$  with  $p(v(.)) \in P$  and  $P, X \in \mathbb{R}^n_+, \{ v(.) > 0 \Leftrightarrow p(v(.)) > 0 \} \Leftrightarrow \Delta \leq 0$ .

In (Grodeck & Schoenegger 2023) the "moral demandingness", for instance, does not increase the charitable donations. That is, the more explicit a moral argument gets it does not get more socially priced, for example, in the form of an "additively" increasing amount of donations.

**The Moral Value of Hypocrisy:** For solving the paradox of the moral with non-positive payoff a negative value taken in an absolute magnitude is proposed to serve the purpose. It is uncanny in abstraction but once its socio-cultural and economic content is posited in the tangible even though in the seemingly perverse moral context of hypocrisy the meaning of it is immediately clear. It turns out that hypocrisy is the sincerest compliment.

**Hypocrisy Theorem:** Let there be a hypocrisy value,  $v^* \neq v(.), \forall v(.) \in X$ , and  $v^* = p^*$ , where  $v^* \notin X$  as  $p^* \notin P$ , such that,  $v^* = p^* \leq 0$ , and,  $v^* = | - (v(.) > 0) | = - \Delta$ . Where  $\{ v^* = -\Delta \}$  is the moral value of hypocrisy such that  $v(.) \neq 0$ .

**Proof:** Given the above Proof and The Moral Lemma, the proof is evident in view of the formulation of moral value as a non-utilitarian formulation as adapted from Carnap's assertion. The only way a  $v(.)$  or equivalently  $v(x)$ , with  $p(v(.)) \notin P$ , can exist, is when  $v(x)$  or  $v(.) \notin X$ , which is impossible; and this makes  $v^*$  such that,  $| - v^* | = v(.) > 0$ .

**Remark 2:** This paradoxical result ensures the existence of almost non-factual and non-empirical moral value although in its negative dual of hypocrisy value  $v^*$ . As  $\Delta(-v^*) \cap \mathbb{R}^n_+ = \emptyset$ .

Hypocrisy is the sincerest compliment because it conveys about a hypocrite that given a non-calculative and personally disinterested situation in payoff terms he would always, in such and such ways, adhere to a given moral. This upholds that moral if the absence of payoff calculation is the very requirement for it. In this sense despite the payoff being implied through its required

absence it is separable from the moral. Still, and simultaneously, there is the established and infamous immorality of hypocrisy which precisely lies in the inseparability of the moral from its calculated payoff. That is, when the moral is being deployed exactly for the payoff.

## DISCUSSION & ANALYSIS:

Definition 1 unifies the true self-interest with a truly subjective and therefore unpriced value as a true gift such that the receiver and the giver both can feel free from the obliging intentionality involving the gift in the form of the price  $p^*$ . The Gift Lemma proves the existence of the truly subjective and therefore unpriced value is strictly exercised preference in a weak preference preorder. Consumer surplus in concrete economic terms is such an everyday gift value in which the receiver in no way feels obliged to the giver. The Remark 1 just shows the discontinuity in the convex priced set for the non-price,  $p^*$ , for the gift value,  $g(x)$ . Even though as per Condition 1 the social value  $s(x)$  cannot stay unpriced, the A-1 in giving a universal moral value,  $\Delta$ , implies  $s(x)$  but the priced equality of  $s(x)$  to  $p(x)$  is to be muted because the  $p(x)$  also happens to be the utilitarian welfare allocation procedure too. This latter implication makes the priced outcome,  $p(x)$ , for being a utilitarian 'empirical fact' to be the standard *amoral* outcome for A-2. A-2 becomes concrete in the A-3 formally through Definition 2, such that, the moral value remains unpriced. The A-4 solves A-3 in the value of the moral,  $v(\Delta)$ , as being equal to the non-price  $p^*$  in terms of the gift value  $g(x)$ . The hypocrisy value,  $v^*$ , is derived from  $p^*$  in A-5 to make possible the actual existence of the moral value although in its dual of hypocrisy; as evident in Priolo et al (2019).

The ethical and the utilitarian always eventually imply each other. Yet the moral in its philosophical qualifications must defy the priced ethic. This paper defines the moral in such terms through the possibility of a true gift from among the Kantian, Carnapian, Kierkegaardian, Derridaean and even (yes!) the market and Rawlsian terms. This gives the concept of the possibility of the moral choice in political economy. At first, it is a clever methodological

trickery but once seen beyond that it has an important practical consequence, with new possibilities, as the following. The moral value of hypocrisy either as a social or a political goal. If the moral can be proclaimed with an escape from the utilitarian and thus the market terms it has a social and philosophical legitimacy of its own that cannot be alternativized and shown to be just another market-reproducible recombination. That is, the moral with its own thorough possibility.

### **CONCLUSION:**

The randomized market allocation procedures in the style of (Karni & Safra 2002) have been turned into the moral and the teleological suspension of the ethical among other qualifications, for a moral conception of the utilitarian and welfare outcomes under the exchange logic of the economy in this paper. The most important innovation here is to prove and moralize the existence of a true gift, through a true self-interest defined by an individually subjective unpriced gain, from within the priced market allocations. Most importantly, in economic sense, the philosophical qualifications, of what is the moral, can be reconciled with the everyday workings of utilitarian welfare exchanges. Although this synthesis is partly in a defined negation of the priced exchanges yet the gift nature of the moral value proposed in this paper has the useful implication of rendering the moral to be actual; first and pleasantly, in the form of the aesthetic of a true gift, and secondly, in the form of the perverse but conceivable moral utility of hypocrisy.

### **Conflict of Interest Statement:**

The author declares that there is no conflict of interest regarding this article submission related to its authorship, affiliations and funding.

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