REPLY
Sergio Nisticò

Overall feedback

I want to thank the two referees for the time they have devoted to reading my paper. I am also glad that they have appreciated it. Given that one of the two has just expressed his appreciation, I am left with only one referee to reply to.

Let me start - hopefully to the benefit of the readers who didn't read my paper yet - with a brief summary of what I intended to accomplish. I wanted to explore whether a fruitful approach to choice theory can be pursued by building upon Gossen's 'submerged and forgotten' assumption that the enjoyment of pleasant time is the ultimate goal of individual economic choices. In order to do so, I had to depart from Becker's treatment of (consumption) time as a pure cost and to get rid of his unconvincing notion of 'commodities' as the output of consumption processes. The next step was an analytical definition of 'activities' in such a way that their efficiency could be measured by the ratio of pleasant to unpleasant time, with no need to resort to the traditional notion of *utility*. I realized that this could be done by reversing Becker's approach to treat time as forgone earnings, i.e. by measuring the monetary cost of the goods and services consumed in terms of unpleasant time (i.e. foregone pleasant time). The role of the activity 'work' showed up as fundamental in this respect. Finally, given that breaking the boundaries between economics and psychology implies, above all, a path dependent conception of preferences, I needed a method to let the 'before' and 'after' of individual choices have a non-trivial influence on the how individuals allocate their time (and their budget) in any single period. The sequence of temporary periods that Hicks developed for his theory of production (wholly different from the one proposed in my paper) and the traditional notion of roundaboutness served my purpose. Some of Scitovsky's path-breaking insights about consumer's motivations were a challenging case study to which my framework could be applied.

According to the second referee, "we now have a much more differentiated view of consumer motives than Scitovsky". I agree; and I hope that, insofar as my theoretical framework proved to be consistent with Scitovsky's distinction between defensive and stimulating activities (skilled as well as non-skilled), it might prove to be also consistent with other, more recent, developments of motivation theory.

The second point raised by the pleasantly challenging subjective comment of the second referee is that my proposal, though interesting it might be, is "a variation of the marginal calculus of the standard model". My first, equally subjective, reply to this comment is that I disagree; and I hope that the above reconstruction of my paper supports my reply. Nevertheless, I have to acknowledge that condition (11) on page 19 of my paper is, strictly speaking, an example of 'marginal calculus'. This condition is presented in section 4.1 together with the following *caveat*: "the optimal intra-week allocation of the time flow, *net of all those activities we cannot reschedule without a sufficiently long inter-week plan*, can easily be identified without any need to resort to a utility function" (p.19). Moreover, after presenting the (quasi) optimality condition, I add: "On the other hand, an assumption alternative to maximizing is 'targeting', on the basis of which we may assume that some individuals behave in order to enjoy a sensible amount of pleasant time compatible with their constraints and their satisfaction (enjoyment) capacity" (ibidem).

In the end, my analytical framework does not need any reference to optimality conditions based on 'marginal calculus', though I admit that it is no more than a variation of the cost-benefit approach; but I do not see how this can be avoided when dealing with choice theory.

Replies to the minor remarks

1.   I am sorry not to have been clear enough about *shopping* being one of the many instrumental activities. It requires inputs (e.g. fuel and the services of a car) and, generally, some unpleasant time to be carried out; but, similarly to other instrumental activities, such as work, it has a clear potential to become pleasant in itself, especially with the aid of some modern self-interested 'butcher, brewer, or baker'. I will definitely mention shopping in the revised version.

2.   I warmly thank the second referee for noting that Glaeser's (2004) "Psychology and the Market" is missing in the list of references.

3.   It is true that most of the argument in section 5 crucially rests on the assumption that reiteration through time of the same weekly plan generates a decline of the overall rate of return. As all crucial assumptions, also this one needs to be scrutinized. In fact, the referee is perfectly right in objecting that we should not take for granted that the operation of Gossen's second law for a single activity can automatically be extended to 'a weekly sequence of (diverse) activities'. The reason lies in Gossen's own idea (Gossen, 1983 [1854], p. 13) that a small enough frequency of reiteration of the same activity can in principle restore its enjoyment potential. Therefore reiterating a set of well-distributed activities week after week can, in principle, escape the operation of Gossen's second law. I will clarify this point in the revised version. However, I still think that it is sensible to assume that in the absence of some, possibly moderate, degree of novelty in our weekly set of activities (a new book or a different TV show), the ratio between pleasant and unpleasant time will show a tendency to decline. Let me add that a moderate decline in the overall rate of return is not incompatible with the enjoyment of a peaceful life in a stationary environment.

4.   The smooth appearance of the graphs in Figure 2 has been chosen for purely aesthetic reasons. Its clash with the discrete-time measurement on the horizontal axis is acknowledged in footnote 23 where I alert the reader that "the actual path of the lines within the time-period, … is arbitrary".