Review of *The Street Porter and the Philosopher: Conversations on Analytical Egalitarianism*, edited by Sandra J. Peart and David M. Levy. Ann Arbor: University of Michigan Press, 437 pages.

Review by Karl Widerquist

This is an early version of a book review that was published in *Eastern Economic Journal* volume 36, 2010, (pages 277–283)

The most important thing to know about this book is that analytical egalitarianism has very little to do with egalitarianism as most of us understand it. The editors use the term analytical egalitarianism for a "theoretical system that abstracts from any inherent differences among persons" (p. 1). The authors use the term "practical egalitarianism" for a more familiar definition of egalitarianism they define as the belief in economic equality.[i] Obviously one can be extremely inegalitarian in the practical sense, and still employ theoretical models that use analytical egalitarian assumptions.

Analytical egalitarianism has been practiced by people with very different beliefs about practical egalitarianism. John Rawls uses analytical egalitarian theory to argue that a just government should promote practical egalitarianism up to the point at which the incentive effects become so severe that additional redistribution is no longer advantageous to the least well-off individual. Austrian and Chicago School economists such as F. A. Hayek, Ludwig Von Mesis, Frank Knight, and James Buchanan, use analytical egalitarian theory to argue (with qualifications) that governments should not make practical egalitarianism a goal. According to the chapter by Eric Crampton and Andrew Farrant, "Buchanan is perhaps the most important advocate in modern economics of what we might term analytical egalitarianism [which] requires that all … be modeled symmetrically, any differences in their observed behavior lying not in any supposedly intrinsic preferences or abilities … but rather in their historically contingent budget constraints."

Most contemporary economists use analytical egalitarian assumptions and efficiency criteria to model and evaluate policies, even if many of them have little interest in practical egalitarianism. Analytical egalitarianism was equally popular with classical economists such as Adam Smith and John Stuart Mill. But there was a time when many economists dropped analytical egalitarianism and endorsed the idea of inherent superiorities and inferiorities between people and between *peoples*. Many even supported the eugenics movement.

The chapters on the involvement of economists in the eugenics movement are among the most interesting in the book. Eugenics, which gained great popularity in the late 19th and early 20th Centuries, was an outgrowth of evolutionary theory, but one that rejected the central amoral Darwinian premise. There are not good and bad genes, merely genes that survive and genes that do not. Survival of the fittest is a tautology; being fit *is* the ability to survive. Eugenicists put a moral judgment on genes; decided that the privileged had the fittest genes; and observed that the comfort of the modern world allowed the unfit to out-breed the fit. Evolution needed help to prevent degeneration. Eugenicists advocated policies to increase the breeding by favored groups (defined in terms of class and race) and to discourage breeding and immigration by less favored groups.

The authors show that analytical egalitarian assumptions of classical economists were challenged because they failed to incorporate the racists and elitist beliefs that prevailed at the time. According to Peart and Levy, the original characterization of economics as the "dismal science" had nothing to do with

Malthusian population theory, as is commonly believed, but because economists supported the emancipation of West Indian slaves (pp. 328-339).

When the marginalist revolution began, many economists jumped on board with the eugenics movement. Many of the leading economists of the day, such as Alfred Marshall, A. C. Pigou, J. R. Commons, Frank Fetter, Edward Ross, Henry Farnam, Francis A. Walker (first president of the AEA), and many others endorsed some or all of the eugenics program (with varying levels of skepticism), and thereby they helped eugenics gain scientific creditability (pp. 338-382). The authors do not mention any economists of the era as vigorous opponents of eugenics, although they do credit a few with opposing particular eugenic policies. They credit later economists such as Frank Knight, George Stigler, and Ludwig von Mises with reviving analytical egalitarianism after the eugenics movement was in decline. Presumably the growth of Keynesian macroeconomics from the 1930s on was also part of this revival.

As interesting as this discussion is, it leaves out two important questions. Although the authors show that many of founders of marginalism were racists and/or eugenicists, they do not discuss to what extent analytically inegalitarian assumptions were germane to their theories. They do not discuss the extent to which modern economics has inherited analytically inegalitarian methodology from the early marginalism. Economists of the era used eugenic arguments in ways no modern economist would. They argued for the minimum wage to protect fitter workers from having their wages dragged down by less fit works and for immigration restrictions to protect the breeding stock. Some used the assumption that time preferences varied by race. If this is all there is, perhaps the elitism of the early marginalists is a historical curiosity. Without more information, the reader cannot know whether it has lingering effects on the discipline.

Like most edited volumes, this book misses some elements of the topic that the reader might expect to see and includes chapters that stray from the topic. There is no chapter on the revival of analytical egalitarianism in the 1930s and 40s. The authors only lightly touch on the question of whether it was revived more because of a belief in human equality or because of the need of mathematical simplicity. They do not discuss whether the revival faced resistance.

Some chapters apply analytical egalitarianism without examining the methodology. Other chapters, such as Deirdre McClosky's repackaging of familiar arguments for the free market and Tyler Cowen's examination of whether a novel is a model, seem to have very little to do with analytical egalitarianism. Although the book does not provide an exhaustive examination of analytical egalitarianism as a methodology, each chapter is interesting for what it is. A conference transcript of a discussion between Warren J. Samuels and James Buchanan is particularly interesting, as is the book's concluding segment publishing the correspondence between John Rawls and James Buchanan.

---

[i] The formal definition of egalitarianism is much broader; that is, the belief in the equality of people or rights.