

**The Vanity of the Economist:
A Comment on Peart and Levy's *The "Vanity of the
Philosopher"****

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Abstract of

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In the *Vanity of the Philosophers*, David Levy and Sandra Peart reconsider "post-classical" economics from the vantage point of Adam Smith's "analytical" egalitarianism. Analytical egalitarianism is assumed, not proved; and Levy and Peart's criticisms of many 19th- and early 20th-century economists, as well as eugenics in general, depend on equivocating between analytical and substantive egalitarianism. They fail to provide a non-question-begging critique of eugenics.

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Peart and Levy's (2005), *The "Vanity of the Philosopher,"* is a wonderfully rich tapestry, full of historical detail and intellectual insight. But it is also a work of persuasion, aiming to convince the reader of a larger story. That story, unhappily, is not fully fleshed out, the plot not fully convincing, and the moral not compelling. I reach these conclusions as a friendly critic, who is deeply sympathetic to many of their attitudes and substantive beliefs.

Levy and Peart define *analytical egalitarianism* as the doctrine that takes as its working assumption that people are to be regarded as homogeneous in capabilities and respect. To assume that people are arranged into moral, intellectual, or social hierarchies is the opposite of analytical egalitarianism. *Vanity* explores the role of the competing assumptions of analytical egalitarianism and hierarchy in the debates over race (Irish versus English, African versus European) among 19th-century British economists and public intellectuals and in the role of economists in the late 19th- and early 20th-century eugenics movement. Peart and Levy divide economics into "classical" and "post-classical" – roughly into before and after John Stuart Mill. Classical economics was, they argue, grounded in analytical egalitarianism; post-classical, in the assumption of hierarchy.

Adam Smith and John Stuart Mill are the heroes of *Vanity*. Peart and Levy take Smith's (1776, book 1, chapter 2) formulation of egalitarianism as their starting point and as the source of their title:

The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature as from habit, custom, and education. When they came into the world, and for the first six

or eight years of their existence, they were perhaps very much alike, and neither their parents nor playfellows could perceive any remarkable difference. About that age, or soon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at last the vanity of the philosopher is willing to acknowledge scarce any resemblance.

Note, in contrast to Peart and Levy's implication, that Smith is not here advocating analytical egalitarianism. Instead, Smith acknowledges that people are substantively unequal and analyzes the source of that inequality, concluding that it is nurture, not nature. The equality that he identifies is an equality of the original potential of people – a substantive, not analytical, egalitarianism. Equivocation between analytical and substantive egalitarianism does much of the work in *Vanity*.

Peart and Levy's other hero, Mill, played a similar role in Levy's earlier *How the Dismal Science Got Its Name* (2001). Mill is the man of action, having fought the good fight against slavery and, in the case of John Eyre, the Governor of Jamaica on trial for a massacre, on the side of equal justice for former slaves.

The villains are Thomas Carlyle and John Ruskin – again principals in Levy's *Dismal Science* – and Adolph Hitler. The case against Carlyle and Ruskin as racists is explicit. The case against Hitler is implicit in the question, “[d]oes the Holocaust provide a firewall to eugenics?” (*Vanity*, p. 125, fn. 32; cf. p. 110). Peart and Levy write: “Firewalls do not maintain themselves. One purpose of our book is to help maintain a firewall in the space of ideas by discussing the consequences that have followed from the assumption that surface differences among people reveal underlying differences among persons” (*Vanity*, p. 125). Clearly, *Vanity* is not a dispassionate work. Peart and Levy do not hide their passionate opposition to racism and eugenics; nor do they disguise their

polemical tone. There would be no objection to such a style, except where it distorts vision. Unfortunately, I think that, in Peart and Levy's case, it does just that.

The argument of *Vanity* stripped to its bones runs like this: Adam Smith was a proponent of analytical egalitarianism; and, for Smith, sympathy is the fundamental moral category (Smith 1759). Thomas Carlyle is no kind of egalitarian, does not approach "inferior" races sympathetically, and – as we can see perfectly clearly in the 21st century – was on what we now regard as the wrong side of the racial politics of the 19th century, having supported slavery and an inferior legal and social status for Africans, the Irish, and other "inferior" races. People who thought rather like Carlyle on the matter of social hierarchy were responsible for the transformation of classical into post-classical economics *and* they supported eugenics. Hitler infamously supported eugenics with the most dire moral consequences. Since slavery and Hitler are evil, post-classical economics is tainted.

Leaving aside a great deal of interesting details, that *is* the argument – not, I think, an unfair caricature. Put this baldly, it is clearly a weak argument. When my daughter tries to convert me to vegetarianism, I remind her that Hitler was a vegetarian. But naturally, I jest: she understands that my argument is not a morally serious one.

Unhappily, Peart and Levy's argument takes a similar form.

The fundamental problem is that Peart and Levy never engage the central issue by providing a non-question-begging account of exactly what is wrong with eugenics *per se*. They get a lot of mileage out of associating eugenics with Hitler, but most eugenicists were no mass murderers or advocates of mass murder; and, while it is true that Hitler

gave a eugenic justification for his policies, Peart and Levy do not establish that a holocaust is the inevitable endpoint of every eugenic doctrine.

Indeed, Peart and Levy simply “plunk” for Smith’s vision of the human moral condition without examining it in any detail, much less providing a compelling argument for its truth. That they are aware of the softness of these foundations is suggested by their decision to call their preferred position “analytical” egalitarianism. The qualifying adjective serves to remind us that egalitarianism is offered as a methodological strategy rather than a substantive conclusion. The injunction to construct economic analyses as if people were homogeneous is quite different from asserting that they really are homogeneous.

Smith conjectured that the real differences between people were grounded in nurture, not nature, but he did not suggest that they were not real after all. Frankly, it is *prima facie* absurd to assume that there are no real differences. The questions have to be: What is the role of habit, custom, and education in comparison to biology in supporting real differences? And are any substantial biological differences stably associated with race, as defined by socially significant visible or national differences? Post-classical economists are tarred with support for sterilization, race-based immigration, and prejudice in favor of eugenic results, yet their substantive arguments with regard to the underlying question of egalitarianism versus hierarchy are not on the table.

But this is an objectionable mode of argument. First, Peart and Levy really need to address the substance of the arguments rather than the motives of the post-classical economists, whose “vanity” is to advocate a hierarchy in which they stand rather high themselves. The philosopher Sidney Hook put it well in his “Ethics of Controversy”

(1954): “*Before* impugning an opponent’s motives, even when they legitimately may be impugned, answer his arguments.”

Second, Peart and Levy implicitly connect post-classical economics to eugenics and eugenics to bad outcomes (such as the Holocaust). This is not persuasive because, on the one hand, they never really clarify exactly what post-classical economics comprises and, on the other hand, they do not establish a deep connection between its doctrines and eugenics. Is modern microeconomics (as represented for example in a textbook such as Varian 1984) implicated in their argument? I doubt that Peart and Levy think so. Yet, we think of Edgeworth and Marshall, for instance, as the direct predecessors to modern microeconomics. If modern microeconomists are not closet eugenicists, it suggests that post-classical economics *qua* economics may not, as Peart and Levy imply, have been as organically related to whatever eugenic notions that its creators may also have held.

I should declare a personal interest. I am the a child of eugenics. I am the fifth of eight children. My mother always told us that one reason that our family was large was that, as a sociology major in the early 1940s, her teachers had told her that educated people were not having enough children. This story received some confirmation when, at the time my parents’ fiftieth wedding anniversary, my older sister produced a *Look Magazine* with a popular article by the anthropologist Margaret Meade (1944), making exactly that case for *Look’s* – presumably educated – readers.¹

¹ Meade (1944) does not make an explicitly eugenic argument, and the bulk of the essay makes the case for the welfare state, for wide governmental support for child rearing. Nonetheless, she is explicit that the ratio of rich and middle class to lower class birthrates is too low and that it is important to equalize them. Were nurture everything, then she would have no ground to insist on more children in the higher ranks, provided that adequate public resources were made available to poor families. Yet she envisages public resources going to the middle classes as well as the poor, with the aim of shifting the balance toward the higher social classes, which is just a softer version of suppressing population growth among the poor.

My story is relevant as it points out that eugenics is still with us and that its supports may be popular as well as hierarchical. For example, abortion or genetic engineering for preferred traits or against “defect” are already widely practiced – and not under pressure from the government, but from the grass roots. A recent paper (Ananat *et al.* 2006) confirms the findings of Donohue and Levitt (2001) that the legalization of abortion reduced crime rates by prospectively reducing a segment of the population likely to engage in criminal behavior. The authors also provide evidence that legal abortion raises college graduation rates, lowers welfare use, and the number of children in single-parent households.² While eugenics is not mentioned – even *sotto voce* – the analysis is in precisely the same spirit as Dugdale’s calculations of the social costs of the “Juke” family and of the social benefits from sterilizing them (cited by Fisher 1909; see *Vanity*, p. 115).

Eugenics has been fostered by governments and experts; but, in an age of increasingly available information about individual genetics, it is frequently homegrown and popular. Peart and Levy loathe eugenics and put their faith in egalitarianism. But what happens if that faith is misplaced, and democracy and individual members of society abandon them?

The difficulty seems to me to be that Peart and Levy try to make the case against racism and eugenics on the procedural basis of analytical egalitarianism. Yet, what they want to conclude is that a *substantive* egalitarianism is more or less true. They have not really made the case for substantive egalitarianism from their “analytical” premise and

² Eastland (2004) argues that another effect of legal abortion is reduce the number of Democratic voters: there is a high correlation between the voting patterns of parents and children, and Democrats have had higher rates of abortion than Republications after Roe v. Wade. Brooks (2006) points out that liberals have a lower fertility rate than conservatives.

they equivocate: while they ostensibly appeal to analytical egalitarianism, they nonetheless assume that substantive egalitarianism is established, and damn eugenics without further discussion. In a passage quoted earlier, Peart and Levy draw the distinction between “surface differences among people” and the “underlying differences among persons.” The surface differences among people are palpable and, historically, socially freighted. The important issues, however, concern the reality of the underlying differences between people and, if they are real, how they might be connected to the surface differences. The only sensible course for anyone concerned about the recrudescence of eugenics is to engage in a serious investigation of the truth of eugenics and in a serious debate over substantive egalitarianism.

Since my own sympathies are strongly anti-eugenic, recent trends are discouraging. Still, Peart and Levy’s approach does not buck me up: eugenic issues are upon us – firewalls or no firewalls – whether we like it or not, but scientific discussion is almost impossible. For example:

- The *Wall Street Journal* (Regalado 2006) recently reported that Bruce Lahn, an evolutionary biologist/geneticist who published evidence on racial divergence in recent human evolution has turned to completely different lines of research because of the “politically correct” attacks on his work. Apparently, some plausible scientific hypotheses cannot be investigated.
- Economics is not immune. A recent exchange on the History of Economics listserv failed to engage the substance of the evidence on substantive racial differences and strayed into pure assertion, appeals to

authority, *ad hominem* attacks on those who considered that racial differences might possibly be genuine (<http://eh.net/pipermail/hes/>; initial entry by Himoe 6 February 2006; followed up by entries under various subject lines by Dimand, Forget, Peart, and Shah, all in February). Here is certainly a case in which Hook's dictum ought to apply.

- The intellectual mood is well captured in a recent open letter from the Dutch ambassador to the United States, in which he defended his government's behavior with respect to the recent emigration (exile?) of Hirsi Ali, a member of the Dutch parliament, progressive Muslim woman, and critic of Islamic conservatives. The ambassador's letter concluded with a clarion "intolerance will not be tolerated" (Eenennaam 2006). It is one thing not to tolerate death threats, but quite another to shut down inquiry because one does not like what might be found.

It does not help to shout them down. Let us pursue the truth and shame the devil.

It is possible to be in a very similar place to Peart and Levy politically – as I imagine that I am – and yet to be unconvinced by the argument that takes substantive egalitarianism (as well as the substantive falseness of eugenics) as its hidden premise, while declaring that it is grounded in analytical egalitarianism. If substantive egalitarianism is true (and eugenics false), then it needs to be demonstrated by argument and evidence. Nevertheless, many of the political consequences that Peart and Levy look for are more solidly grounded in simple humility. Peart and Levy quote Lionel Robbins (1938, p. 635; *Vanity*, p. 209): "I do not believe, and I never have believed, that in fact men are necessarily equal or should always be judged as such. But I do believe that, in

most cases, political calculations which do not treat them as if they were equal are morally revolting.” Though Robbins is cited favorably, his argument is not Peart and Levy’s. It does not presume that there are no racial differences or that eugenics is substantively wrong. It is rather an argument consistent with the view that on vexed questions there is some truth of the matter, and we should seek the truth, yet we should not presume that we have got it or legislate on the basis that we could not be mistaken.

Smith originally conjectured that differences among people were not inbred, which is an argument for substantive equality among races, if not *ex post*, among individuals. The abolitionist cry, “am I not a man and a brother” (*Vanity*, pp. 188, 189) appeals to such substantive equality, and is the sort of egalitarianism that does the work for Peart and Levy. In his famous *Essay on the Nature and Significance of Economic Science* (1935) as well as in the comment cited by Peart and Levy (Robbins 1938), Robbins argues for the inscrutability of personal utility (cf. *Vanity*, p. 209), driving a familiar wedge between scientific, positive economics and normative policy. For Robbins, unlike Smith, for whom sympathy was a fact of human nature, egalitarianism could be only analytical. The supposition of analytical egalitarianism could provide no argument against eugenics or inherent differences in racial capacities, but neither could the truth of biological difference in itself provide an argument for racism or social hierarchy.

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