

Sandra J. Peart and David M. Levy, *The “Vanity of the Philosopher”: From Equality to Hierarchy in Postclassical Economics*. An Arbor: University of Michigan Press, 2005.

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Peart and Levy’s book takes the reader well off the beaten track of histories of classical and neoclassical economics. In place of laws of production and distribution, the marginal revolution, and other standard topics for historians of economics, Peart and Levy take us on a historical tour of the struggle over one of the most basic premises of social analysis, what sort of creature it is that economists study. In the beginning was Adam Smith, who believed that:

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. 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.ⁱ

Smith’s belief that humans are born with capacities more equal than unequal led him to build his analysis on the premise of human equality in the capacity for making decisions (analytical egalitarianism) and to look for the causes of observed differences across

people and populations in the effects of institutions, incentives, and chance. Classical economists who followed Smith as analytical egalitarians included, among others, Thomas Robert Malthus, David Ricardo, Robert Torrens, Harriet Martineau, Nassau Senior, and most importantly for Peart and Levy's account, John Stuart Mill.

By the time neoclassical economics and other varieties of post-classical economics appeared in the late nineteenth century, analytical egalitarianism was being supplanted by a belief that human beings differ in their capacities in ways that render the assumption of human homogeneity unrealistic and inappropriate. Thus, William Stanley Jevons worried that working-class consumers made poor choices and Irving Fisher compared the Irish unfavorably with the Scots in terms of their capacity for foresight. F.Y. Edgeworth argued that for analytical and policy purposes the principle "every man, and every woman, to count for one" should be used with caution. Shifting from analytical egalitarianism to a working hypothesis of heterogeneity and hierarchy led the post-classical economists to jettison another of Adam Smith's presuppositions, that sympathy should have a role in social analysis. Smithian self-interest and the invisible hand were cleaved away from his notions of sympathy and the impartial spectator.

Peart and Levy's objective is to explain why this transformation of economics took place. Their story is one of external forces from the scientific and literary cultures, particularly the influence of Charles Darwin. In nineteenth century England evolution was in the wind, and this fueled racist reactions to the Irish immigration in the 1840s and 1850s and the Jamaican revolt of former slaves in 1865. These events were context for the alignments of competing coalitions, classical economists and evangelicals on the side of human equality, and literary figures, anthropologists, and ethnologists on the side of

human hierarchies. By the end of the nineteenth century, economics had gone over to the other side, with many economists joining “progressives” in their enthusiasm for eugenic state control of human fertility.

The historical accounts in this book are colorful and riveting, not the least because of abundant attention to the literary and scientific figures who were the classical economists’ critics, and to Victorian England’s popular culture. There are numerous illustrations from *Punch* magazine and other periodicals of the era and outlines of what today seem quirky ideas such as John Ruskin’s chemical political economy and the related Victorian idea that a person’s choices might actually transform their racial identity. Both are instances of malleable human nature. This is relevant for our time because the same questions with which the Victorians struggled are manifest in the popularity of books such as Steven Pinker’s *The Blank Slate*.ⁱⁱ

Peart and Levy’s history has a moral, which is that economists’ turn from the human homogeneity assumption to heterogeneity and hierarchy need not and should not have occurred. Classical economists’ assumption that humans share the same innate capacity for making prudent choices was well grounded, even if subsequent scientific opinions indicated otherwise. They argue that classical economists had good scientific reasons for taking institutions seriously, and that economists went awry when theory was shorn of institutions. Also, implicit in Peart and Levy’s account is the notion that the best science of any era can be an insufficient if not faulty guide for social and political life.

But where does one turn apart from science? For Peart and Levy the answer is to morals. They are repulsed by the history of Victorian science which they report. It is not on scientific but on moral grounds that they disapprove. They quote Lionel Robbins on

the facts and morality of the presumption of differential capacities for happiness across human populations:

I have always felt that, as a first approximation in handling questions relating to the lives and actions of large masses of people, the approach which counts each man as one, and, on that assumption, asks which way lies the greatest happiness, is less likely to lead one astray than any of the absolute systems. I do not believe, and I have never 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.ⁱⁱⁱ

Having brought the history of analytical egalitarianism forward in time from classical economics into post-classical economics in this book, Peart and Levy are now exploring Adam Smith's sources in Stoic philosophy. Their historical project is a reminder that whether we recognize it or not, economics is and always has been grounded on visions of human nature that are not exclusively scientific. Theirs is a worthy effort to recover some of the understanding of human nature that was lost in the nineteenth and twentieth century romance with science.

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ⁱ *Wealth of Nations*, I.2.4

ⁱⁱ Viking Penguin, 2002.

ⁱⁱⁱ *Economic Journal*, 48: December 1938, 635.