
REVIEWS

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Adam Smith's Marketplace of Life, by James R. Otteson. Cambridge University Press, 2002, 352 pages.

Virtually every book on Adam Smith seeks to resolve the seeming inconsistency between his two wonderful and only books, the *Theory of Moral Sentiments* (1759; henceforth *TMS*) and the *Wealth of Nations* (1776; henceforth *WN*). This one is no exception, although it stands out in a number of respects. Its primary virtue is the clarity and pacing with which it works through the issues. Otteson is rarely rushed in his effort to unpack Smith's assertions, and is also able, very effectively, to create some dramatic tension before presenting his resolution of Smith's Jeckyll and Hyde. He also draws some insightful comparisons between Smith and his immediate predecessors (Mandeville, Hutcheson, and Hume most notably) that help to endorse his own interpretation of the texts. While exegetical accounts are not everyone's cup of tea, this one is highly recommended.

Reconciling Smith's two books into a coherent whole, known since the nineteenth century as "Das Adam Smith Problem", is not a spurious one, claims Otteson. But, with the right reading, the problem can be put to rest. The points he underscores to show the depth of the problem, and to show that no one before him has adequately addressed it, are as follows. The impartial spectator is not present in the *WN*; moreover, the latter book promotes the universal desire we all have to better our condition, which appears to stem entirely from self-interest. Most problematic is the fact that in the *TMS* we are depicted as striving for a balance of four separate virtues (justice, beneficence, prudence, and self-command) whereas only one virtue, namely prudence, prevails in the *WN*. There are some grounds to quibble with these claims. Propriety also appears to be a cardinal virtue, and Smith's *Lectures on Jurisprudence*, while not a published source, certainly make a yeoman effort to join economic analysis with the larger questions of justice and the impartial spectator.

But for the most part these claims present a balanced reading of the problem.

Otteson's solution to this longstanding problem is two-fold. First he invokes what he calls a principle of familiarity. Humans always have a capacity for benevolence, but like gravitational attraction, it diminishes the more distant the body with which one is engaged. So within the family benevolence runs full force, while in the marketplace, where relations are mostly anonymous, it does not prevail. But what Otteson also emphasizes is that self-interest can motivate some of the self-regarding virtues, notably "oeconomy, industry, discretion, attention, and application of thought" (Smith 1976a: 304). It is not entirely vicious in its import, and hence can potentially become part of the overall, relatively harmonious vision Smith is purported to hold about human behavior. This is a convincing position if not strikingly original. The "separate spheres approach" – that the marketplace and the formation of a virtuous character are mostly separate spheres (with some points of intersection) – has been around for a long time. But the linkage of self-interest to certain economic virtues is relatively novel.

Otteson goes out more on a limb when he advances the view that market models are central to Smith, not only in his two books but in his 1761 essay on the origin of language. I am dubious about this for two reasons. Smith did not use models in the contemporary sense. He valued analogical reasoning, as did Hume, but there is nothing approximating a model, as might be claimed of Quesnay's *tableau* but of little else at the time. Otteson may mean nothing more than some loose form of analogical reasoning, but merely to use the term market model in association with Smith strikes me as misleading if that is all he intends. But more than that, it does not hold up under scrutiny, or rather, the disanalogies far outweigh the analogies at least when it comes to moral theory. Otteson emphasizes the emergence of unintended order in all three systems, by which he means consensus over moral principles, prices, and words. But the analogies between prices and moral principles strike me as far-fetched. For one, the position of reflective equilibrium (to be anachronistic) achieved by a mature rapport with one's impartial spectator may be context-specific but does not fluctuate in the way that prices do. Indeed, presumably the stance one has on a given moral principle is fairly firm if not categorical (Smith makes for a good proto-Kantian). For another, there is no analogue to supply and demand, which we know Smith understood from his analysis of a public mourning and its implications for the market in black clothing. True, Smith drew a clear distinction between a market price and a natural price, and the latter while never manifest might be analogous to an imperative in the marketplace of morals. Otteson does not go this far, nor perhaps does it make sense to do so since the moral imperatives are precisely that about which consensus is forged. That there are fruitful analogies between money and language

was discerned by Hume and others at the time, but they were careful not to conflate money with markets.

Another factor to bear in mind which detracts from Otteson's emphasis on Smith as a model builder is Smith's clear appreciation of the history of moral theory, which he lays out in considerable detail in Part VII of the *TMS*. If Smith believed that he was parting from tradition that radically, he might have said as much. Yet nowhere does he claim that he is breaking with Shaftesbury or Hutcheson or Hume, let alone the Stoics, by incorporating a market model. I would go further and claim that markets do not even figure prominently in Smith's political economy, at least in comparison to his immediate successors, Jean-Baptiste Say or David Ricardo. Smith is much more interested in the long durée, the ebb and flow of wealth across the globe, than the mechanism of the market. His *WN* is replete with contrasts of the British and French nations to other empires, Greek, Roman, Ottoman, Spanish, and Chinese, and contains some prescient remarks about the rise of an American empire. This historical landscape is entirely absent in Ricardo's text, which gives a much more detailed account of factor markets and follows out the processes of adjustment that result in a given distribution of wealth. I fear that Otteson is in part succumbing to the oversimplified layperson's view of Smith as the first exponent of free markets.

Otteson also paints an Adam Smith who is far too jolly, ignoring almost entirely the numerous pessimistic remarks that pepper both works. Well known are Smith's worries about a tendency toward an excessive division of labor, when workers become stupefied and dehumanized by the monotony of repeated tasks. But Smith voices many other worries about the commercial world for failing to bring out the best in humanity. Commerce tends, for example, to reduce our martial spirit and promote the use of mercenaries; yet according to Smith (just) warfare best inculcates magnanimity and self-command. Passages in his *TMS* are quite cynical about the human condition, reducing us to pawns on a chessboard or victims of vanity, avarice, and ambition. Humanity, he tells us in both tomes, is essentially in pursuit of trinkets and baubles, with virtue and wisdom in short supply. Deception prevails and in some sense drives the entire world to unfold in its folly (Smith 1976a: 183). Our unending efforts to gain the admiration of others implies that there is nothing deeper to our lives. Society is just a hall of mirrors, and physical beauty entirely relative to cultural norms. Indeed, every known culture engages in some deformation of the human body, some of which Smith deems barbaric.

The best goods are simply not for sale. Merchants may receive many comforts, but tend to be very guarded in their friendships, and not prone to laughter or gaiety. That most elusive of needs, a good night's sleep, appears to be inversely correlated with wealth and power. The beggar

sleeps more soundly by the side of the road than any European king. Those who are born to high station rarely inculcate the virtues of "patience, industry, fortitude, and application of thought" (Smith 1976a: 56). As a result, governments are mostly staffed by persons of the middle to lower orders, who tend to be jealous and resentful toward their superiors.

At his most cynical, Smith relates the story of "the poor man's son, whom heaven in its anger has visited with ambition". Admiration of the rich drives him to climb social ladders, such that even in the first month of his advance, he suffers more "fatigue of body and more uneasiness of mind than he could have suffered through the whole of his life from the want of them [riches]." Indeed, at the end of his life it becomes transparent that it was not worth it. The loss of friendship, toil on his body and, above all, his mind, now "galled and ruffled by the memory of a thousand injuries and disappointments which he imagines he has met with from the injustice of his enemies, or from the perfidy and ingratitude of his friends" cost far more than the enhancement of lodging or clothing (Smith 1976a: 181). On other occasions Smith notes that in old age the veils of deception are parted and most of us grasp the full meaninglessness of our drives and pursuits, as if to add insult to injury. Virtually none of this cynicism comes through in Otteson's account.

Smith was also not utopian in vision. While appreciating the recent advances in material well-being, Smith was also highly critical of European behavior of his time, for its excessive foppery and widespread cowardice. He extols the bravery of the North American aboriginals, who even when tortured reveal no secrets and who sing the song of death with complete composure. Smith also suggests that the African slaves of the Caribbean are far superior to those who enslave them. Indeed, never was there a greater injustice than that such dignified persons were shackled to a group of such greedy and brutal individuals. Smith wrote this while rubbing shoulders with Glaswegian merchants trading with American plantations. And one must not underestimate the force of his closing line in the *WN*, predicting the decline of the British empire and the need to accommodate "the real mediocrity of her [Britain's] circumstances" (Smith 1976b: 320).

Otteson reminds us that Smith believed that opulence was already widespread, even universal, that the rich "consume little more than the poor" (Smith 1976a: 184). Basic human needs are not great, Smith believed; even the ordinary commoner has more than enough creature comforts. Nineteen out of twenty Europeans are in "tolerable circumstances" (Smith 1976a: 140). Smith, needless to say, only had the Europeans in mind. He depicts the diet of the poorest Chinese (their consumption of garbage, and putrid dogs and cats) with horror. Despite the stability of the Chinese polity, the poor there are much worse off than "the most beggarly nations in Europe" (Smith 1976b: 89). More famous is his claim that the average English commoner has better food, housing, and clothing than most

African kings. Still, these are difficult claims to understand for someone who had visited British estate homes, Fountainbleau, and possibly Versailles (when meeting François Quesnay). Perhaps Smith only meant that in every region of Europe there was some opulence to be found. Toward the close of the *WN*, he remarks that “wherever there is great property, there is great inequality. For one very rich man, there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many” (Smith 1976b: 709–10). Moreover, the invisible hand of the *TMS* implies that this state of inequality is permanent. Even “had the earth been divided into equal portions among all its inhabitants” things would inevitably resort back to a similar distribution as the one extant (Smith 1976a: 185). What Smith meant precisely by widespread opulence remains unclear.

Otteson also argues for a Christian Adam Smith, who kept foremost in mind God’s role in designing the world and our human natures. He does this with full acknowledgment that several other scholars have viewed Smith’s references to a deity as either rhetorical flourish or an attempt to sweep problems under the rug for which there were no satisfactory answers. Again, as much as I admire Otteson’s analytical clarity, I believe he ignores an important alternative analysis and is too quickly drawn to the view that Smith was a full-blooded Christian. Surely it is possible that Smith went through repeated periods of equivocation and religious scepticism? His close friendship with Hume and the fact that they rarely recorded their conversations, would suggest some meeting of minds. Not that Hume was necessarily an atheist, but he certainly did not ally himself with Presbyterianism. That Hume enlisted Smith as his literary executor for his *Dialogues Concerning Natural Religion*, at least until his last year of his life, is also highly suggestive. Smith’s decision to allow the perception and reception of the posthumous Hume to outweigh his initial promise to serve as literary executor implies that Smith was deeply strategic in the construction of his own public image. His ability to tiptoe around the political and religious demands of his time much surpassed that of Hume, who floundered on many occasions.

Otteson also never mentions Smith’s friendships with Benjamin Franklin, William Cullen, Joseph Black, and James Hutton, all leading natural philosophers of the time. The first three were at the vanguard of experimental physics, extracting from the hitherto mysterious ether (which had previously been assigned divine attributes) the imponderable fluids of heat and electricity. This could only have secular implications. Similarly, Hutton’s geological eternalism was hardly compatible with the natural theology of the day, as passed on from John Ray and William Derham. Another factor worth keeping in mind is Smith’s instrumentalist reading of science in his essay on the history of astronomy. He recognizes that Copernicus needed more astronomical devices (epicycles and deferents)

than his predecessors to save the phenomena, and he recognizes that the Newtonian system, while an advance over the Cartesian, was probably not the last word on the matter. Possibly, Smith was equally instrumentalist about Christian doctrine, and this in turn made him receptive to Stoic philosophy and led him toward a more utilitarian moral theory that could accommodate historical contingencies.

According to Otteson, Smith believed that the most virtuous persons were Christians. Yet the group of persons who display the most self-command (Smith's highest virtue) are aboriginals in the face of death. And if there was any European Smith most admired for a similar disposition, it was *le bon* David who faced death with such remarkable equanimity and with a persistent refusal to receive Christian rites. Furthermore, while one can challenge the claim that Smith intended to construct a full-fledged moral theory, as opposed to providing a guidebook to ethical behavior, his keen interest in understanding the history of science, of language, and of art, suggests that he was a theorist in every bone of his body. Surely, then, he sought to keep his moral theory independent of Christian doctrine, knowing that it was historically limited. Surely his efforts to weave accounts of other cultural groups and practices suggests too that he sought a universal account of human nature.

As Emma Rothschild has helped us to discern, Smith had an eye for the ironic both in history and in literature. Human nature might thus be much harder to fathom than at first glance. Nor, as Otteson emphasizes, was it as fixed as some of Smith's claims might lead one to believe. There are certain propensities, to better one's condition, or to truck, barter and exchange, but there is also a lot of scope in Smith, and Hume for that matter, for the evolution of human nature. Otteson claims that since Darwin was not available for another hundred years, it would never have occurred to Smith that our traits were subject to selection or evolution (Otteson 2002: 250–51). But evolutionary thinking was already in place in mid-eighteenth century natural history, nor is it out of the question that it emerged simultaneously in the moral sciences. Smith was the first to bring Buffon's natural history to Scotland, in his letter of 1755–56 to the *Edinburgh Review*. And if Buffon failed to persuade Smith that the earth's age was much greater than the Bible would allow, surely Hutton, his close friend and literary executor (along with Black), had greater success.

In conclusion, and despite my many criticisms, I have a very high regard for this book. It digs deeply into the thought of a figure I believe we can only dimly comprehend, the quantity and quality of Smith scholarship notwithstanding. The recent biography by Ian Simpson Ross has helped considerably, but the paucity of letters and Smith's decision to burn most of his unpublished manuscripts at the end of his life means he will remain forever enigmatic. There are only about 200 known letters by Smith, which for many others would be the productivity *per annum*, not *per vita*.

Moreover, he and Marx share a similar fate of being saddled with simplistic political baggage. Adam Smith is often a synonym for someone committed to free markets and individual rights, neither of which capture correctly the subtlety of his thought. Smith was also a very guarded man, with only a few close friends, much like the prudent merchants he criticized. In sum, we know very little about his inner life and mind, and seem stuck, a bit like the movie plot for "Groundhog's Day", on the problem of authorial integrity. Otteson, along with some other recent scholars (Brown, Ross, Griswold, Rothschild, and Montes), are helping us turn a corner, and are thus cause for celebration.

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Bayes's Theorem (Proceedings of the British Academy, vol. 113), edited by Richard Swinburne, Oxford University Press, 2002, 160 pages.

This short collection of essays celebrates the 200th anniversary of Bayes's Theorem, famous or notorious depending on one's perspective, as the basis for a non-classical approach to statistical inference. Given the steady rise of Bayesianism in econometric and related statistical work, a volume – even one by philosophers – devoted to the theorem responsible should be of considerable interest to many scientists, economists and econometricians included. Comprising four papers based on presentations given to a British Academy symposium, an additional article by David Miller, a biographical note by G. A. Barnard first published by *Biometrika* in 1958 and a version of Reverend Thomas Bayes's original essay presented posthumously by

Richard Price to the Royal Society in 1763, the collection highlights the existence of a small (and important) body of work that continues to examine conceptual issues in the foundations of statistics. In this review, I shall make brief comments on contributions but say most about the papers by Sober and Howson.

In a substantial introduction (chapter 1), Richard Swinburn locates Bayes's Theorem in a world that permits many concepts of probability. He begins with some preliminary remarks on the meaning of probability and a distinction between logical or evidential probability on the one hand, and statistical probability on the other, due to Carnap. He offers a summary of some probability axioms stated as relating to classes first, and then to propositions, and though he says little about the difficulties that are said to follow from the latter approach, he provides a simple account of the Dutch Book argument claiming that it is strongest when applied to bets that take place simultaneously (a point that parallels a similar issue in the literature on rationality and intransitive preference – see, for example, Anand (1993)). The introduction then develops as a thesis about limits to the justification of prior probabilities: only *a priori* criteria, including the concept of simplicity, can justify a world view in which certain (probability affecting) factors operate everywhere, so it is maintained. It may be confusing to have an editor who claims to take a line different to that of his contributors (and all of them at that) on the importance of *a priori* criteria but the disparity is not one that seems to interfere with the analysis that follows. The essays themselves begin with a chapter by Elliot Sober whose title 'Bayesianism – its Scope and Limits' indicates, precisely in my view, how we should think of questions concerning Bayesian inference. Sober's description of the issues is clear though it might have benefited from a discussion of the way in which Bayesian inference is actually used by advocates of this approach to inference. (The later chapter by Philip Dawid, a statistician, fills this gap.) Nonetheless, the difficulties faced by a version of Bayesianism based on priors grounded in insufficient reason, and the shift to a subjective approach which fails the objective needs of scientific method, are well made. These observations leave open the possibility that Bayesianism with subjective priors might be valid in decision theory even if it were not useful for scientific inference – a position that seems consistent with Sober's position but one which awaits justification.

Sober's discussion proceeds to an examination of likelihoodism – an emphasis on prob (observation/hypothesis) as opposed to probabilistic approaches which emphasise prob (hypothesis/observation) – which he uses as a foil, ultimately against, Bayesianism. The analysis begins by noting that likelihoods are "often more objective than prior probabilities," notes an absurd consequence of the likelihood approach and goes on to argue that what likelihoodism really provides is an account of support for a

hypothesis, rather than a measure of its overall plausibility. The discussion is interesting but is linked to statistical inference in biological applications in such a way that many economists would, unfortunately, not find it easy to draw lessons from for their own work. However, the same cannot be said for remarks designed, successfully in my view, to interest readers in Akaike's (1973) framework for (econometric) model selection which aims at finding models that are predictively accurate but not necessarily true. Anyone who might use empirical evidence could profitably read this section which casts Akaike's approach as an alternative framework to Bayesianism. The fact that it penalises less simple models may well be a significant advantage over Bayesianism, but the claim that this can be justified on principled grounds remains to be proven. At least from this discussion (which its author allows is not comprehensive), it seems that Akaike's approach to predictive accuracy parallels the move from R-squared to adjusted R-squared statistics. However, just because Akaike's statistic makes a deduction for parameters used and calls the result an unbiased estimate of predictive accuracy does not, of itself, tell us that simplicity is, on conceptual grounds, epistemically relevant, a point echoed in remarks by the following contributor.

In chapter 3, Colin Howson provides a substantial and wide-ranging essay in which he argues, essentially, for what he calls the 'Second Bayesian Theory' (SBT) by which he appears to mean the probabilistic component of theories by Ramsey and de Finetti. (Economists normally refer to this as the theory of subjective probability and some may not be aware of but want to consult Howson and Urbach's (1993) comprehensive and witty introduction to the literature of which the chapter is part.) This paper is divided into a longer part that surveys, over several subsections, some of the background followed by a shorter, more technical and focused discussion of issues surrounding a claim about the logical foundations of the probability calculus. The survey section deals with topics that include Fisher and significance tests, Lindley's paradox, likelihood, priors and simplicity with the aim of raising concerns that Bayesianism can resolve which the classical approach and its variants may not. The second, shorter part of Howson's essay is devoted to a discussion, centered around his previously published theorem, of the consistency of SBT. (This is difficult as it brings together ideas from optimisation and logic and then does a lot of work using non-technical language.) Understanding the relations between logic and probability and the logical basis of a probabilistic calculus are crucial issues touched on here though I believe that further comments would have helped the reader assess the project. Howson shows that SBT is an "authentic logic" but given that SBT (from de Finetti on) is an axiomatic theory anyway, I wonder how Howson's arguments for consistency relate to and compare with the claim that SBT is normatively desirable on account of its axioms. One might also ask if being an authentic logic would turn

out to distinguish between alternatives to SBT – we now know that a wide range of non-expected, intransitive utility theories can be formalised and normatively justified so it would be useful to know how much significance we should attribute to being an authentic logic. Put differently, if the “probability axioms are the complete logic of probable inference” as Howson states, what, if anything, does this tell us about the merits of alternative concepts of credence or uncertainty? This is not a criticism of Howson but it is a reminder that the revolution in the foundations of decision theory over the past 30 years means that nothing about the theory of choice (probability included) can be taken for granted. Of the remaining three contributions, it is fair to say that that by Dawid is the most applied and decision theoretic. His discussions of legal decisions provides a good (if too rare) mix of application and foundational issues that could be useful for those who teach foundations of decision theory. There is a tendency for some Bayesians to propose the approach as a panacea for a range of inference problems that require different concepts of credence (rather than meanings of probability) and there is some evidence of that tendency here too. Nonetheless, the framework for comparing approaches Dawid develops has been nicely honed and repays reading whatever one’s own standpoint.

In contrast, John Earman’s chapter has a more historical flavour (unlike his 1992 *Bayes or Bust*) taking, as it does, themes that tend to interest Bayesians and examining them in the context of Hume’s analysis of evidence for miracles. There are some potential points of contact with modern concerns though these are not Earman’s primary focus and the demolition job he performs is likely to be of most interest to Hume scholars. The last chapter in this collection, David Miller’s discussion of the propensity view seems interesting in its own right though I did feel there was a question as to whether the paper is really sufficiently relevant to the rest of the debate to merit inclusion. That quibble apart, this book provides researchers on the edge of the field with a sense of some key current concerns as well as a useful reference point for those wanting to explore the foundations of statistics (or decision theory) in more depth.

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Marshall's Evolutionary Economics, by Tiziano Raffaelli. Routledge, 2002, 192 pages.

This densely written book substantially extends on Raffaelli's earlier work on Marshall's philosophical and psychological writings, most of them presented to the so-called Grote Club in the 1860s (see Raffaelli 1990, republished 1994). Leaving out much of the contextualization Raffaelli provided in his earlier work, he now aims to show that the evolutionary ideas contained in Marshall's early writings should be seen as consistently underlying Marshall's later investigations in economics, his *Industry and Trade* in particular, but to a certain extent the *Principles* as well. On Raffaelli's reading, *Industry and Trade* is far from a merely empirical investigation into industrial organisation, devoid of theoretical content, but an investigation that is consistently driven by an evolutionary theory based on the terms "innovation," "routine," and "continuity." These terms form the most important, and neglected offspring of Marshall's early study in the philosophy of mind, so Raffaelli argues.

Raffaelli's book is divided into three parts, the first dealing with Marshall's philosophy of mind, the second fleshing out its evolutionary message in a rereading of Marshall's major published economic works. The third part of the book examines why Marshall's evolutionary message got lost in the mists of twentieth-century economic thought. In part, Marshall's direct pupils were unable to bring out the more general message of *Industry and Trade*. Chapman's early (1904) study of industrial districts, and later studies of Lavington, A. Robinson, or Florence, failed to strike the economic audience as of more general value, and neither did A. Young's 1928 study in industrial integration and differentiation. Young's affiliation to the LSE of Robbins meant that his contributions were "delivered at the wrong time and place to trigger a new wave of interest in Marshall's evolutionary thought" (121). Keynes effectively limited Marshall's contribution to economics to his manifest skill in designing formal models, that is the comparative static method of the *Principles*, ignoring the evolutionary content of *Industry and Trade*. If Keynes saw any evolutionary theory in Marshall, it would have fitted ill with his own perception of economic change, as it fitted ill with the more general perception of economic development after the First World War. Moreover, Marshall was not unique in his emphasis on innovation and routine, as witnessed by Schumpeter's work in particular. But while Marshall

saw a continuous exchange between both processes, both Keynes and Schumpeter emphasized that innovation was a *discontinuous* process, thus discrediting Marshall's emphasis on the principle of continuity. When interest in industrial organisation emancipated from the bias of the economics profession toward pure theory in the 1960s, it was Coase's concept of transaction costs, and his focus on market transactions that carried the day, rather than Marshall's focus on the firm, and his theory of continuous adaptation of the firm to changing market conditions via a linked process of innovation and routine. This theory, Raffaelli argues, was contained in a nutshell in Marshall's "Ye Machine," the most important of his early philosophical papers, and for this reason it deserves better treatment than it has had on the historical record.

Much thus hinges on "Ye Machine," and on the interpretation Raffaelli gives to it, and this review will therefore concentrate on the interpretation provided by Raffaelli in the first part of his book. Let me start by emphasizing that I found Raffaelli's interpretation of Marshall's early writings in psychology fascinating stuff, but (to state this upfront) not so much for its alleged evolutionary message as for the light it sheds on the thoroughly mechanical character of late Victorian psychology. The implications for economic theory and method become especially clear when Marshall's texts are confronted with those of Stanley Jevons and Francis Ysidro Edgeworth (see, for example, Schabas 1996, and Maas forthcoming). Raffaelli is of course perfectly justified to have his own research agenda, but for reasons that will become evident, I wonder whether Raffaelli is not stretching his interpretative efforts too far in the direction of an evolutionary theory, if a coherent evolutionary theory is to be found at all in these early writings of Marshall.

For a modern readership, it should perhaps be emphasized how widely discussed theories of life and organisation were in Victorian Britain, in part influenced by the popular discourses of psychophysiology and phrenology. It was an important question, with substantial political implications, whether a living organism could be seen as self-organising, and therefore not in need of any superior guidance, or not (see, for example, Jacyna 1983). In the first case, free will or consciousness became problematic terms that might perhaps better be dispensed with, or that were at best epiphenomena. Debates over these issues harked back to Scottish Enlightenment controversies over necessitarianism and materialism, on which philosophical stances were equally divided, with all political consequences related to them. Marshall's engagement with these debates is clear from his early presentations to the Grote Club. But his nominal adherence to the notion of self-consciousness cannot conceal his materialist bend, and it is small wonder that his presentations were received critically by his audience in Cambridge, where necessitarianism and materialism traditionally had a bad hearing. Marshall, as many of the Victorians,

claimed to be heavily influenced by Kant, but his actual remarks show little understanding of Kant's critical philosophy. We read, for example, that "with Kant 'a priori' means 'of which the origin is unknown,'" an off the mark rendition of Kant's meaning that enabled Marshall to embrace Spencer's evolutionary interpretation of the *a priori* as meaning "of which the origin probably dates from a long time back" (31, Raffaelli quoting Marshall). Equally, the notion of self-consciousness, so important in Kant's philosophy, is not to be found in the description of the machine. The original text of "Ye Machine," that in Raffaelli's minute exposition is somewhat supposed to be on the reader's desk, presents the reader with a curious blend of Millian and Spencerian associationist psychology dressed up in mechanics.

Marshall parallels these associationist principles in the formation of sensations and ideas, like the principles of contiguity and succession, with processes in a machine that is powered by steam and that consists of an (infinite) array of gears and "tightening bands." There is no clear explanation of what these tightening bands are, so the reader is left with his own associations of bands in a factory powering every single loom, or bands as some sort of mechanical equivalent to the nervous system – Raffaelli's "decipherment" (ix) of Marshall's text does not give much of a clue here, and perhaps there is none. Apparently the machine is able to move and act. Marshall's original text adds textual emphasis to a machine process that has its equivalent in the human mind. Thus we have "idea*" for the machine equivalent of a mental idea. If the machine is confronted with repetitive processes, the bands tighten, so that the association between two gears moving simultaneously becomes, so to say, grooved into the memory of the machine. If the machine is confronted with a new situation it cannot rely on previously established routines, but has to invent new modes of operation. Marshall imagines a higher level of operation in which capabilities of foresight of the machine play a central role. After this rough picture of the working of this machine, Marshall proceeds to quickly explain the learning capabilities of his machine, that, as it happens, can apparently be easily accounted for. Thus, in a rough two and a half pages of the original manuscript, the machine has learned* all the intricacies of language, is able to compute (with or without asterisk), and has mastered the elementary moral notion of sympathy*, and acts* like a genuine moral* agent* when it sees* that a monkey robs another machine of its coal.

We can take two radically opposite stances to speculations like those of Marshall. The one is of course Raffaelli's sympathetic interpretative effort. The other is Mirowski's, who considers Marshall's "Ye Machine" as a perfect specimen of one of the "loosest and gleefully undisciplined speculation[s] in arguing out the question 'Are we Automata'" that permeated late Victorian "quarterlies and periodicals" (Mirowski 2002: 42). And

indeed, no “contemporary engineer” would have recognized in Marshall’s machine anything “close to a machine.” However the same can be said of James Clerk Maxwell’s vortex model of electromagnetism that attempted to capture a non-mechanical phenomenon by means of a mechanical representation, and someone like Duhem only had to kick in this obvious point to the effect of ridiculing the obsession of Victorian scientists with mechanical analogies and models. No engineer could have built from Maxwell’s model a machine that works. That does not make Marshall’s machine model as good as Maxwell’s, but it does mean that it sometimes pays to take problematic, or even ludicrous, ideas seriously. Raffaelli is to be credited for not contenting himself with easy criticism, but attempting to thoroughly think through the consequences of Marshall’s speculations on a machine mind. It is another issue whether Raffaelli imputes more coherence to the evolutionary ideas contained in Marshall’s machine mind than Marshall’s thought experiment is able to bear.

On Raffaelli’s reading the most important idea captured in Marshall’s machine is its alleged power of *anticipating* future pleasures and pains, and its ability to adjust its conduct accordingly. This makes the machine a self-regulating device. This power of anticipation links two separate situations. If anticipated events are similar to present or preceding ones, the machine acts upon them by means of its acquired routines. In case the anticipated event is a novelty, the machine has no routines to fall back on, and has to invent ideas on a “higher level” so as to be able to cope with this new event. Raffaelli makes it plausible that Marshall’s inspiration for this alleged mechanism of anticipation of his machine came from Babbage, whose *analytical engine* famously contains just such a mechanism, to enable it to “anticipate” an increase in the number of digits in a computation and trigger the right gear when necessary. But Babbage’s mechanism of anticipation had a clear mechanical meaning that substantially increased the efficiency of his calculating machine, and it was through lack of better means of expression that Babbage felt forced to use the language of the mind for his mechanical contrivance. Even though this led him to speculate on machine–mind similarities, the analytical engine itself remained as fixed as it was. This is different in Marshall’s case: its capacity to anticipate actually *changes* the machine itself, and it is only then that the machine starts to evolve. Despite Raffaelli’s efforts in decipherment and his clear, diagrammatic summary of Marshall’s text, it remains unclear how this is effectuated. Hence it remains an “open question,” as Raffaelli himself observes at the end of this first part of the book, to what extent it is “possible to reproduce evolution by mechanical means” (36).

This negative conclusion made me feel very uncomfortable with the two following parts of the book. Raffaelli’s scholarship in Marshall is beyond dispute, but I have serious doubt whether “Ye Machine” was still that much present in Marshall’s own mind, let alone in the minds of his

students, when he turned to economics. While evolutionary themes are certainly to be found in *Industry and Trade*, Raffaelli extends the impact of “Ye Machine” to the *Principles*, suggesting that “it seems implausible that Marshall, approaching economics with a well-structured view of the human mind, could wholly turn his back on it and embrace the standard view of equilibrium analysis” (44). Apart from the fact that I don’t know what would count as the “standard view” of equilibrium analysis in economics in the early twentieth century, there is a lack of evidence to suggest an ongoing continuity between Marshall’s early and never published student presentations in psychology to a debating society in the 1860s on the one hand, and a mature work like the *Principles* first published 1890 on the other. It is equally probable that Marshall’s fancy for psychology and philosophy waned when he turned his attention to economics. Indeed, Raffaelli contends that in all of Marshall’s published writings the evolutionary model entailed in “Ye Machine” “always remained behind the scenes” (140). Could it not be that his “lack of expertise” in “practical biological and physiological knowledge” made him turn his back on psychology, as suggested by Peter Groenewegen, who concludes that Marshall’s “subsequent realisation of its implications, may have effectively closed the door on further serious work in psychology as a subject to which he could personally contribute. This fits his 1920 recollection” (1995: 127).

Even if Marshall’s mechanical speculations provide an evolutionary model, it is difficult to see how this translates to the entity (or non-entity) of the firm. Perhaps the mind and the firm are both self-adjusting and self-regulating entities, but drawing an analogy between the self-adjusting processes of the mind, or really the machine mind, does not help in understanding precisely what entities are triggered within the firm. Neither does it tell us how, and why, we should think of these adjustments in terms of a continuous interplay between innovation and routine, rather than in terms of discontinuity. If we accept Marshall’s emphasis on consciousness as an important factor in the adjustment process – one which, as already said, is not accounted for in Marshall’s speculative machine – it becomes even more difficult to think of an equivalent at the level of firm. Marshall’s own shift to biological rather than mechanical metaphors makes it clear that the model of “Ye Machine” was really insufficient to account for evolutionary change. It is therefore in my view far from a “sterile” debate whether “hereditary transmission” is thought of in Darwinian or Spencerian terms (103). There is no Darwinian variation and selection in Marshall’s machine, and if Darwin’s evolutionary theory is to be preferred, Marshall’s “Ye Machine” is really only of historical interest, and does not contain the “evolutionary Mecca” Raffaelli finds in it (141). I am quite sympathetic to the fact that Raffaelli highlights Marshall’s early and thoroughly mechanical psychological speculations,

but I do not think Marshall's ideas on evolution add much to contemporary evolutionary theory. As Raffaelli himself more or less explicitly concedes in the concluding section of his book, contemporary economists may well share some of Marshall's scattered evolutionary ideas, but they derive them from very different and more coherent sources.

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The Philosophy of Keynes's Economics: Probability, Uncertainty and Convention, edited by Jochen Runde and Sohei Mizuhara. Routledge, 2003, xiv + 274 pages.

John Maynard Keynes is known as one of the leading economists of the twentieth century. He left, amongst his abundant publications, *The General Theory of Employment, Interest and Money* (hereafter referred to as *The General Theory*), which stands, along with Adam Smith's *Wealth of Nations* and Karl Marx's *Capital*, as one of the most influential books in the history of economic and social thought. A common characteristic of these three authors is that economics was only one part, and not the most important, of their world vision. They were social thinkers, interested in political transformation, reform and even, at least for one of the three, revolution. They were men of action and philosophers at the same time.

Keynes was of course not a professional philosopher, nor was he a professional economist. He described himself as a publicist, and sometimes as a prophet. He started with mathematics and philosophy when he was a student at Cambridge, where he became a member of the Apostles Society,

a secret society established in 1820. Papers mainly on philosophical subjects were read and discussed every Saturday night. One of his Apostle brothers, and teachers, was the philosopher G. E. Moore, whose *Principia Ethica*, published in 1903, had a very great influence on him. Another well-known Apostle and friend of Keynes was Bertrand Russell.

During the first decade of the last century, Keynes wrote, for the Apostles and other audiences, about twenty papers mainly dealing with philosophical subjects such as ethics, epistemology, and even aesthetics. In 1905, stimulated by Moore's and Russell's writings, he began to work on a dissertation bearing on the logical foundations of probability theory. For this he obtained, on a second attempt, the status of Fellow of King's College in 1909. He revised and expanded this work which he published as *A Treatise on Probability* in 1921 (hereafter referred to as the *Treatise*). Thus, in his own words, he spent most of his free time during fifteen years working on a philosophical subject.

This aspect of Keynes's work has long been neglected by his interpreters and commentators, with very few exceptions. When the publication of *The Collected Writings of John Maynard Keynes* began in 1971, the first eight volumes were devoted to Keynes's books, in chronological order, except for the *Treatise*, published as volume 8, as if it were not really part of his opus. Contrary to the others, this volume was preceded by a long editorial foreword written by the philosopher R. B. Braithwaite.

Things changed in the 1980s, with a regular stream of books by, among others, Carabelli (1988), Fitzgibbons (1988), O'Donnell (1989), Davis (1994), and Bateman (1996), as well as the biographies by Skidelsky (1983, 1992, 2000) and Moggridge (1992). Lawson and Pesaran (1985) is the first of a series of collections of essays of which the book under review is the last. In the huge literature on Keynes, there is now an important section on his philosophy. And, of course, there are heated debates such as those on Keynes's economics or his politics. One such controversy concerns the nature and degree of the influence of Keynes's philosophy on his economics. For some, there is no link between the two. There is a young and unwordly Keynes interested in ethics and epistemology and a mature Keynes plunging into the practical world of economics and politics. In the view of others, in Keynes's *Weltanschauung*, following Aristotle whom he greatly admired, philosophy came first and was, until the end, the foundation of his political vision and his economic theory. Thus, expectations and decision-making under conditions of uncertainty, studied in his first Apostle papers and his *Treatise*, are considered to be at the center of *The General Theory*.

Among those who consider Keynes's philosophy important to an understanding of his economics, there are also lively controversies on his philosophical vision. For some, Keynes is a realist, whereas others regard him as an idealist. Some view him as an empiricist, some as a

rationalist. But the main disagreements have to do with the evolution of his philosophical ideas. Those who stress the continuity thesis consider that Keynes arrived very early, in the first version of his fellowship dissertation, at his main concepts and ideas, and that he held his course until the end. For others there are important changes with Keynes moving from an objective to a subjective conception of probability, from an atomistic to a holistic vision of society, from a belief in the rationality of human beings to a belief in their irrationality. For many of these interpreters, the criticism of his conception of probability by the mathematician Frank Ramsey, in the 1920s, played an important role in Keynes's transformation. The influence of Wittgenstein is sometimes stressed. Both Ramsey and Wittgenstein were Apostles and friends of Keynes. Some, and I share this view, believe that the truth lies somewhere between the extremes of total immobilism and radical transformation (see Dostaler, forthcoming).

The interest of the collection at hand is that the main contenders in this interpretative battlefield are present. They were asked by the editor to prepare a short and accessible account of their view on the relation between Keynes's philosophy and his economics. Half of the papers were initially commissioned by Sohei Mizuhara for publication in Japanese, to introduce the literature on Keynes's philosophy to that part of the world. Other scholars were then asked to contribute. The 18 papers are arranged around six themes: probability, uncertainty and choice, continuity issues, social ontology, convention, methodology, looking ahead. This classification is somewhat arbitrary since there is inevitably much overlap and repetition among these themes. For example, continuity issues are related to all the others. The same can be said of methodology, with which all authors are more or less concerned. In what follows, we will classify most authors according to their acceptance or rejection of the continuity thesis, or their advocacy of a middle ground between the two opposite views. We shall then turn to the few papers which do not directly address this issue.

1. SUPPORTERS OF CONTINUITY

Rod O'Donnell's influential 1989 book emanated from a 1982 Ph.D. dissertation, one of the first to extensively use Keynes's unpublished Apostle papers. He defends the thesis of a very close relationship between Keynes's economics, politics, and philosophy. He also hypothesizes that there is no fundamental change in Keynes's conceptual framework between his student days at Cambridge and the end of his life, although Ramsey's criticism led to a shift in his ideas, from a strong to a weak rationality and from a probabilistic perspective to radical uncertainty. While he summarizes some of his theses in his paper, this text is mainly an attack on Bateman's 1996 book, and his defense of a "thick" history of

ideas, taking into account context, against a “thin” history, privileging the internal development of ideas.

Anna Carabelli, whose book also stems from a Cambridge Ph.D. thesis, differs from O'Donnell in her interpretation of Keynes's conception of probability. According to her, Keynes, while admitting part of Ramsey's criticism of his theory, maintained his rejection of individual subjective probabilities. Thus his conception of economic expectations in *The General Theory* remains close to the ideas developed in the *Treatise*. For Carabelli, Keynes rejected from the outset the positivist, empiricist, and historical methods of analysis and maintained this position until the end of his life. Affirming the primacy of theory, he suggested that the economist does not work with facts but with beliefs, not with observation and experience but with models. Economics is a moral science and a branch of logic.

For Fitzgibbons, Keynes's economic theory and what he calls his “third way” politics are grounded in the epistemology of the *Treatise*. But, while this book was concerned with rational evaluation of non-quantitative probability for practical action, *The General Theory* explained the instability of capitalism by the irrational decisions of investors. Fitzgibbons considers Keynes to be an idealist in the Platonic tradition, and he concludes his paper by an imaginary dialogue between Keynes and Plato.

Tony Lawson's 1985 paper in the *Economic Journal*, “Uncertainty and economic analysis,” is another important point of departure of this literature. His contribution to the book under review is concerned with the ontological orientation of Keynes, which he describes, in sharp contrast to Fitzgibbons, as realistic, and as opposed to the implicit ontological orientation of mainstream economics. For Lawson, Keynes's method of analysis is closely linked to the nature of his subject, the social reality, characterized by openness, indeterminacy, and organic unity. This is the basis of his criticism of Tinbergen's econometrics, where the method is not adapted to the object of analysis.

Jochen Runde explores the links between the basic concepts of Keynes's theory of probability and his subsequent analyses of investment behavior and liquidity preference. He uses, in this respect, the important distinction between the degree of probability and the weight of an argument. He rejects the idea that Keynes abandoned his objective conception of probability in the light of Ramsey's criticism.

2. PARTISANS OF DISCONTINUITY

Brad Bateman is the fiercest advocate of the discontinuity thesis, starting with his 1987 *Economics and Philosophy* article, “Keynes's changing conception of probability.” His provocative paper summarizes his 1996 book. Bateman denies not only any continuity in Keynes's philosophical

vision, but also that there is a link between his philosophy and his economics. According to him, in the twenties and at the beginning of the thirties, Keynes held a mechanical view of business cycles in which there was no place for uncertainty, expectation, and confidence. It is his personal experience as an investor and as a policy adviser that led him to believe that expectations and uncertainty should occupy the central position in the analysis of capitalist economies.

John Davis holds a different viewpoint from that of Bateman, but both consider that Ramsey's criticism of Keynes's *Treatise on Probability* triggered an important change in his conception of probability and his philosophical views. For Davis, the Keynes of the Apostles period believed in an ideal world populated by Platonic entities and intuitively apprehended. The mature Keynes focused his attention on the historical and social world, interdependent behaviour, and convention. Keynes's economics is grounded in philosophy, but not in the philosophy of his youth. Uncertainty and indeterminacy in Keynes's later view is the result of the interdependence of individual judgments; it is thus a social result. Davis argues, as in his 1994 book, that Wittgenstein and his new theory of language played an important role in this transformation.

The author of *Philosophical Theories of Probability* (2000), Donald Gillies, distinguishes between logical, subjective, and intersubjective interpretations of probability, which are concerned with rational, individual, and consensus belief respectively. According to Gillies, Keynes moved from a logical interpretation of probability, not to a subjective one, but to an intersubjective theory, different from Ramsey's. In economics, the state of long-term expectation is linked to the intersubjective expectations of entrepreneurs.

3. ADVOCATES OF COMPROMISE

Bill Gerrard, editor of a collection of essays on Keynes's philosophy, proposes a straightforward summary of some of the ideas on which most authors agree, the first being that Keynes built a theory of economic behavior under uncertainty. He shows how this theory applies to the study of investment and the stock market. Gerrard considers that Keynes passed from a rationalistic vision to a practical and psychological approach, and accepted part of Ramsey's criticism. But this he calls a dynamic continuity, an enrichment of an original framework that did not change. The analysis of long-term expectation in *The General Theory* is still based on the logical theory of probability of the *Treatise*.

Offering a very clear and pedagogical presentation of the basic concepts of Keynes's probability theory, Charles McCann tries to reconcile the subjective and objective interpretations. Given that probability relations are logical, and not empirical, McCann argues that they contain both

objective and subjective elements. The logical relation is objective, but the knowledge of this relation, as well as of its premises, is subjective.

Sheila C. Dow views the *Treatise* as providing a theory of rationality and a view of logic as part of human nature, incorporating human capacities. Like Davis, she considers that on the road to *The General Theory*, Keynes has enriched this vision by taking into account the social aspect of knowledge, thus introducing the idea of arbitrary and precarious social convention. Like Lawson, she stresses the realist orientation of Keynes, in contrast to orthodox economists. We don't know much about the nature and the movement of the real world, but Keynes shows that it remains possible to build a rational ground for action.

Carlo Fioretti examines the work of a little-known German neuro-physiologist and logician, Johannes von Kries, who in 1886 proposed a non-numerical and non-comparable view of probability that influenced Keynes. But Keynes imported Kries's ideas in an alien Platonic world of objects apprehended by pure intuition. For Kries, probability relations are the result of mental processes; and Fioretti points out that recent developments in the cognitive sciences confirm Kries's picture. Fioretti considers that on some basic points, particularly the fact that human beings do not think and act according to the prescriptions of formal logic, Keynes maintained the same position throughout his life, but that there are also significant discontinuities in his evolution.

Ted Winslow has highlighted in numerous papers the relations between Keynes's economic analysis and Freudian psychoanalysis, for example in the analysis of the love of money, the driving force of capitalism. In his contribution, he shows how Keynes abandoned the idea of directly perceivable logical probability and the associated atomic hypothesis, and came to attribute an important degree of irrationality to human behaviour. But he retained many of the ideas of his *Treatise*, among them the non-numerical aspect of probability relations and the concept of the weight of an argument.

4. OTHER VIEWS

Gay Tulip Meeks's paper, which opens the collection, is an interesting piece from a historical point of view, as it was first written in 1976 and widely circulated for 15 years in Cambridge before being published in 1991 in Meeks's *Thoughtful Economic Man*. It was thus one of the first papers linking Keynes's philosophy to his economics, stressing the role of uncertainty, questioning the rationality of human action, in particular of investment decisions, and the possibility of using a mathematical calculus of probability. Of course, there is no absolute beginning in these matters. Even earlier, George Shackle and Joan Robinson, among others, had treated some of these questions.

Jörg Bibow, Paul Lewis, and Jochen Runde study the role of conventions viewed as practices and techniques to cope with uncertainty. The backdrop to this study is provided by David Lewis's book, *Convention: A Philosophical Study* (1969) and the French school "Économie des conventions," whose authors stress self-referential thinking, imitation, and mimetic behaviour, such as we find in the famous beauty-contest example in chapter 12 of *The General Theory*.

Sohei Mizuhara proposes an interpretation of convention that is close to a view developed by Runde in a debate with Davis. Investors fall back on conventions because of the uncertainty about the future consequences of the purchase of a capital asset. According to Davis, conventions are the result of the interactions of agents. But, for Runde and Mizuhara, this necessary condition is not sufficient. It must be complemented by a hypothesis of what Runde calls "specular behaviour," according to which each individual tries to see a situation from the perspective of those she interacts with, and subsequently has an interest in following the convention in question if they do.

Paul Davidson proposes to modify the terminology in which Keynes's ideas on probability are presented, to render them more familiar to modern readers. He thus opposes ergodic, determinate, and immutable systems, where we can make determinate numerical predictions, to non-ergodic systems, such as those that Keynes studies. For Keynes, uncertainty is linked to the fact that the future is transmutable, that is, that it can be permanently changed by the actual actions of agents. This leads to the necessity of an activist economic policy.

Stephen P. Dunn is more critical of Keynes than the other contributors. Assuming that social reality is "transmutable," to use a word proposed by Davidson, Keynes underestimates the creative potential of capitalism as stressed, for example, by Schumpeter. He explains, in the *Treatise*, how one can act under conditions of uncertainty, but nowhere does he consider the origin of action. For Dunn, animal spirits and conventions are not sufficient answers to this question. On the other hand, Keynes does show how uncertainty in some agents' minds stems from the actions of other agents.

5. CONCLUDING REMARKS

Most of these papers are clearly written and interesting. Since the authors are forced to express their ideas in a short space, the main points are usually expressed forcefully. We thus get an illuminating overview of the debate on Keynes and philosophy. But I am not sure that the collection, intended to be an introduction for readers who are not well acquainted with the literature on Keynes and philosophy, will succeed in that mission. It is most valuable for those who are already well read in this area of research.

The uninitiated reader might get lost, navigating between papers which often take for granted much that would need to be explained to them. For this reason, nothing can replace a careful monograph. In this book, we inevitably have lots of repetitions. The same quotations from Keynes are repeated over and over again. For most collections of this kind, the value of the whole is less than the sum of its parts. But it remains, all in all, a very useful addition to an already considerable literature, and it can replace in part the reading of the totality of this literature. It deserves to be added to reading lists of all courses on Keynes.

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Pursuing Equal Opportunities: The Theory and Practice of Egalitarian Justice, by Lesley A. Jacobs. Cambridge University Press, 2004, xiv + 280 pages.

Lesley Jacobs develops a three-dimensional model of equal opportunities for the regulation of competitions that distribute social goods. He argues that we should see this model as the core of egalitarian justice. His book divides into a theoretical part (chapters 2 and 3) in which he develops this model, and three parts in which the model is applied to the analysis of various questions in social policy having to do with race-, class- and gender-based inequalities in Canada and the US (chapters 4 to 9).

1. THEORY

The three dimensions of equal opportunity correspond to three aspects of fairness in competitions for social goods. *Procedural fairness* reflects a concern with the basic rules of procedure that govern a competition. *Background fairness* reflects a concern that there be a level playing field for

all competitors. *Stakes fairness* focuses on the rewards to winners and losers in the competition.

To see how these dimensions pick out familiar aspects of contemporary debates on equal opportunity, consider Bernard Williams's (1962) well-known hypothetical society with a privileged warrior class. A condition of membership in this class is the demonstration of great physical strength. At first, recruitment is restricted to those born into the wealthiest families, but this restriction is dropped in response to the demands of equal opportunity. However, after the change, members of the warrior class are still invariably drawn from the wealthiest families, since the children of other sections of society are so malnourished that they fail to develop the requisite strength.

One can infer from this case a standard objection to a form of equal opportunity. Conceived of as only procedural fairness – part of which is the removal of formal restrictions on entry into competition for a particular good, thus barring “irrelevant factors,” like class membership, race, gender, etc. from directly influencing the distribution of the good – equal opportunity can leave unwelcome inequalities intact. For individuals' possession of the “relevant characteristics” – in Williams's example, strength – on the basis of which the good is legitimately differentially distributed may be unfairly influenced by these and other irrelevant factors.

This leads to a call for the expansion of the concept of equal opportunity to include the demands of background fairness: individuals should have access to the relevant grounds for differential distribution of social goods under fair conditions. For many, like John Rawls, this meant that family background and social circumstances should make no difference to individual development.

An objection to this understanding of procedural and background fairness is easily found, however. In Williams's hypothetical society, it would entail that children who due to their genetic makeup or simple luck could never develop the requisite physical capacities could never be warriors. If no other positions of comparable value were open to them, this version of equal opportunity would seem to be no less unfair to them than it was to the malnourished children of the poor. There have been, roughly, two principal responses to this problem. The first, by Rawls, is to regulate inequalities of at least some important social goods so that they are maximally beneficial to those whose natural capacities and bad luck give them access to only the least desirable social positions. The second, proposed by Richard Arneson (1989) and G. A. Cohen (1989), is to posit that no factors beyond individuals' control should lead to inequalities. According to this view, everyone should be provided with an equivalent range of options; inequalities that are due to people's choices from such equivalent option sets can be legitimate.

In Jacobs's terms, Rawls's response could be characterized as adding a principle of stakes fairness. The Arneson/Cohen response could be characterized as a move to a more demanding version of background fairness. The range of outcomes achievable through choice will then be a question of stakes fairness.

As this sketch is meant to intimate, Jacobs's three dimensions strike me as highlighting important aspects of positions in the contemporary debate. They also seem a good guide to the types of questions that have to be asked before a form of equal opportunity can be applied to issues of social distribution. However, Jacobs oversells the model when he claims to be introducing an important innovation through the concept of stakes fairness. As he recognizes, the idea is present in Rawls's theory in the form of the difference principle. Furthermore, much of the recent discussion of the Arneson/Cohen type of equal opportunity has focused on the outcomes that should follow from different choices, or, in Jacobs's terms, on stakes fairness for this form of equal opportunity (see, for example, Fleurbaey, 1995, 2001).

Jacobs' uses his model to assess some recent contributions to the literature. Unfortunately, his analysis reveals some misunderstandings. An example is his discussion of Roemer's (1998) theory of equal opportunity. Roemer proposes, roughly, that we sort individuals with the same irrelevant characteristics into "types." For each type, Roemer proposes that we construct a one-dimensional proxy for individuals' relevant characteristics, which he calls their "effort." Roemer is concerned that individuals' effort will be differentially influenced by their type. To nullify this differential influence, Roemer proposes that we focus on what he calls individuals' 'relative effort', which is their place in their type's distribution of effort. Equal opportunity, in Roemer's terms, then requires that individuals with the same relative effort achieve the same outcome, no matter what their type. Roemer's proposal has several shortcomings, but Jacobs (2003: 44) wrongly dismisses it on the grounds that it "doesn't allow for competitions across types." Roemer's proposal doesn't rule out such competitions; it only requires that, in such competitions, one's type should not be a disadvantage.

Offering a framework for thinking is one thing; proposing particular principles of fairness is another. Rawls, Arneson, and Cohen develop general principles of fair distribution for abstractly defined goods (like "positions," "resources," or "welfare"). By contrast, Jacobs follows Michael Walzer in stressing the diversity of social goods, and in arguing that different principles of justice apply to different goods. He also joins Walzer in holding that we don't need an overarching principle regulating how individuals fare on an overall measure of their access to these goods (22–23, 28, 43).

This avenue has not been much explored in the recent literature on equal opportunity, and I anticipated it could yield novel insights. However, I must confess to being disappointed. It is perhaps to be expected that it leads Jacobs to write little in general terms about the various forms of fairness. We learn that stakes fairness is inconsistent with a “winner take all” system (15), and that it limits the effects of the results of one competition on another (43). We also learn that background fairness is a matter of status equality. By this, Jacobs does not mean that competitors’ material condition or social status should be equal prior to the competition, or anything specific about their natural abilities and the conditions under which these were developed; rather, he sees it as a matter of their moral status (31). Jacobs indicates that status equality requires that at the start of the competition, competitors should be recognized as possessing the highest possible equal worth (31–2), and that in the design of the competition, everyone’s interests should be taken into account, with special attention being paid to the interests of vulnerable minorities (74–8, 95ff.).

Jacobs’s coyness about the general content of the three forms of fairness might not be objectionable if he was more forthcoming with arguments for specific principles of fairness in particular applications. Unfortunately, he isn’t. For example, in an analysis of the labor market, we are told that without redistributionary policies, differences in wages and job-related benefits between occupations are unfair. It is a matter of stakes fairness, Jacobs writes, that this be redressed by government provision of workfare (162ff.). But this unfairness of unregulated labor markets is simply taken for granted, and the “fair” level of financing for social programs is left unspecified.

Jacobs also inherits two well-known difficulties from Walzer. The first is that the separate principles of fairness for each social good might not generate a pattern of distribution that is egalitarian overall. Jacobs writes that “[t]here is nothing in [my] model that requires aggregating an individual’s opportunities across competitions in civil society or indeed across his or her life span” (28). But if there is no overall perspective from which we can judge an individual’s situation, then we have no way of recognizing individuals who lose out in many competitions. Of course, if the principles of stakes fairness applied to every social good were outcome-egalitarian, then this would not be an issue. But given Jacobs’s lack of precision about these principles, we have no way of knowing.

The second difficulty is that we need some principle to decide how many resources to devote to particular social goods. Education may be governed by specific principles of fairness, but we also need to know how much to devote to education versus other social goods. Jacobs’s model offers no guidance here.

Chapter 3 discusses the idea of natural inequalities, by which Jacobs understands the idea that inequalities in social goods are linked to

differences in people's "natural endowment" by immutable laws of economics and sociology. Jacobs argues that there are no such natural inequalities; there are only natural differences between people, which malleable social institutions translate into unequal access to goods. His argument draws on familiar examples of the following kind: in one social environment, the ability to throw a ball accurately through a hoop will be a great asset; in another it will not.

Jacobs's aim is to undercut the objection we encountered above: that versions of equal opportunity that allow natural differences to translate into unequal access to social goods are unfair. He appears to think that the source of this objection is the thought that such versions of equal opportunity build on and magnify natural inequalities. Since he believes there are no natural inequalities, he concludes there is nothing to worry about here.

Jacobs's argument is puzzling. For though Rawls does sometimes speak of "inequalities in natural endowments" where he should arguably simply speak of differences, what worries the likes of Rawls, Arneson, and Cohen is not the question whether there are natural inequalities, but just whether natural differences give people unequal access to certain goods. Jacobs's argument does nothing to assuage this worry.

2. PRACTICE

The bulk of the book is taken up by a discussion of social issues. Part II focuses on race. Chapter 4 offers an interpretation of civil rights in the US as aiming to ensure background fairness, and argues that this prohibits heavy reliance on standardized tests for determining access to higher education. Chapter 5 presents affirmative action for blacks as a requirement of stakes fairness.

Part III focuses on class. Chapter 6 turns to the Canadian experience to defend workfare as a way of securing stakes fairness in the labor market. Chapter 7, on health care, is used to illustrate the limits of a normative principle of equal opportunity. Since Jacobs believes competition is not an appropriate model for the allocation of health care, and equal opportunity is concerned only with the regulation of competitions, different principles apply to its regulation.

Part IV focuses on gender. Again drawing on the Canadian experience, Jacobs argues in chapter 8 for affirmative action as a way of ensuring background fairness between men and women, while pay equity – the requirement that wages in female-dominated occupations be in line with comparable male-dominated professions – emerges as an issue of stakes fairness. He argues in chapter 9 that divorce settlements should promote equality in post-divorce opportunities between the parties.

Jacobs's discussions display an enviable knowledge of both the philosophical and legal issues involved. His accounts of the Canadian experience will be particularly informative for those readers who, like me, know little about it. Though it is easy to find points of disagreement on practical matters, I found many arguments novel and interesting. An example is chapter 4, where Jacobs argues that a heavy reliance on standardized test scores for access to competitive higher education in the US violates status equality, because their adoption against the background of a black–white test score gap was in part possible because African Americans were not regarded as having equal standing. If proper attention had been paid to their interests, Jacobs writes, a method of testing and a policy that so disadvantaged them would never have been adopted. Jacobs also proposes a reading of the civil rights legislation as not aiming at racial equality but rather as ensuring status equality. This means that, at least in some cases, there is a reason to see the reliance on test scores as violating African Americans' civil rights.

Nonetheless, I was bothered by the way in specific cases Jacobs's views on what fairness requires are simply stated, instead of argued for. I was also confused by the way Jacobs assigns aspects of practical policy to his three dimensions of fairness. For example, Jacobs classifies "labour and workplace safety standards, workers' compensation plans, minimum wages, [and] statutory overtime requirements" as issues of procedural fairness in the labor market (162). I would have thought they were matters of stakes fairness, relating as they do to the risks and rewards of work. I was also puzzled why pay equity counted as a matter of stakes fairness, when in Jacobs's own words, "pay equity . . . is designed to neutralize the effects of women's 'second shift' . . . the principal problem with relying solely on the market to determine wages in female-segregated occupations is that those wages invariably reflect the unequal starting positions experienced by women in the workplace" (217). If the key problem is one of unequal starting positions, isn't the issue at least partly one of background fairness?

3. CONCLUSION

In conclusion, Jacobs's three-dimensional model highlights importantly distinct aspects of fairness in distribution. His discussions of social policy are well informed and stimulating. They will be especially informative for readers unfamiliar with the Canadian context. However, the application of the model is sometimes confusing, and the concrete principles of fairness he applies to specific social goods are insufficiently motivated.

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Ambiguity and Logic, by Frederic Schick. Cambridge University Press, 2003, ix + 154 pages.

Are our choices determined by our beliefs and desires, as the received view has it, or do they depend in addition on what perspective we take, on how we perceive the situation? In two previous books, *Understanding Action* (1991) and *Making Choices* (1997), Frederick Schick proposed a decision theory that is responsive to how we see the situation that is presented to us. *Ambiguity and Logic* extends this idea and explores its consequences for several diverse philosophical problems, including the prisoners' dilemma and issues concerning weakness of the will and the meaning of life. Schick also takes the opportunity to respond to criticisms of his other books. The present work is a collection of seven papers, all but one of which are concerned with some aspect of seeing. The exception is the excellent fifth paper which deals convincingly with the paradox of the surprise examination. Two of the essays have been published elsewhere and a third is in press.

The concept of seeing is best introduced by means of example, and there are plenty of illustrations to choose from in Schick's book, many of which derive from literary classics. A particularly convincing case is to be found in an essay by George Orwell on the Spanish Civil War (2–3). Orwell is lying in wait in a field one day, hoping for a chance to shoot at some soldiers in the trenches ahead. Some planes fly over, taking the "fascists" by surprise. Suddenly, a man jumps out of the trench, half-dressed, holding his trousers as he runs along the top of the parapet. Orwell reports that he did not shoot for the reason that a man holding up his trousers is not a "fascist" but a "fellow creature" similar to himself.

The example is taken by Schick to illustrate the selective nature of seeings. By seeing something as being of a particular sort we, in effect, select among the propositions that we believe report the situation (61). Both "the man is a fascist" and "the man is a fellow creature" are propositions that Orwell believed properly to describe the situation. His subsequent observation of the man made him see it in the light of the second and not

the first proposition. A further intuition is introduced in the sixth essay ("The Logic of Ambiguity"). There seeing is explained in terms of "making salient": seeing something as p is making p salient of the situation that p reports (102–3).

The word "ambiguity" in the book's title alludes to Schick's proposal that every action may be seen in any number of ways and is in that sense ambiguous. The act of shooting the enemy soldier, for instance, may be seen as an act of killing a fascist or as one of killing a fellow creature (6). In seeing the act in one way or the other one "disambiguates" the act. Schick also says that one and the same action may have different "meanings" for different persons, depending on how they disambiguate the action. To disambiguate is to assign the action a specific meaning (6).

Orwell's story reports a change from his seeing the enemy soldier as a fascist to his seeing him as a fellow creature. That change, moreover, supposedly had an effect on his decision making. When he saw the man as a fascist Orwell was inclined to shoot him. Once he saw him as a fellow creature rather than as a fascist he did not feel like shooting him anymore. How could the way we see things affect our choices, supposing that it does? Schick's answer is that we do not assign utility values to an outcome in "its brute natural state" (9), but rather to the outcome as we see it. We sometimes set different values on the same outcomes under different descriptions (*ibid.*). Orwell made one utility assignment based on his description of the situation in terms of fascists and another assignment based on the description in terms of fellow creatures.

Yet in making rationality dependent on perspective – on how we see things – are we not making it too relativistic and subjective? What happens if inquirers disagree about the way a situation is to be seen? What would count as an argument for one way of seeing rather than another? Is there a right way of seeing things? Schick addresses these pressing issues at various places in his book. Let us see what some of his answers are.

Schick allows seeing things in terms of conjoined propositions. Thus one may see a situation as a p -and- q (5–6). This suggests that one sees the situation in the right way if one makes as complete a picture of it as possible, taking everything one believes about it into account. If p , q , and r are all your beliefs about the situation, then you should see it as a case of p -and- q -and- r . If this *total belief constraint* is correct, there is no more narrow understanding of a situation that depends on how we see it. This in turn would mean that there is no need for a special concept of seeing that is different from believing.

Schick makes a first attempt to reply to this fundamental objection in the first essay (18–19). There he claims that the total belief constraint is implausible because of its supposed incompatibility with respectable philosophical positions like welfarism. It is true, in a sense, that welfarism

is the view that “what counts in an outcome is how well people fare in it, that we should look to people’s well-being and to nothing else” (19). But contrary to what Schick believes it does not follow that “[p]eople who hold to this idea reject the total-belief constraint, for that would commit them to taking account of much they consider not relevant, much that is other than welfare” (ibid.). To be sure, an advocate of the total belief constraint would have to take into account much that is not welfare. On that much we can agree. But this does not mean that she would have to assign those other things a non-zero utility value. A welfarist may well acknowledge at the outset aspects other than welfare in a situation while urging that those other aspects lack utility or disutility. She may but need not do so. *Pace* Schick, welfarism understood as a theory of what is valuable in an outcome is neutral *vis-à-vis* the total belief constraint which concerns the question of what informational state a utility assignment should be based upon.

Schick returns to the total belief constraint in the fourth essay (“In Support of Persuasion”) (69–73), arguing that it cannot do justice to examples involving conflicting ways of seeing a situation. Suppose that Orwell has just two beliefs about the situation: “The man is a fascist” and “The man is a fellow creature.” The man’s being a fascist would count in favor of shooting him; his being a fellow creature would count against doing so. The total belief constraint dictates that Orwell should see the situation in terms of both these beliefs. Clearly, the balance of reasons may (but need not) favor not shooting once the humanitarian aspect is taken into account. If so, the total belief constraint is compatible with Orwell’s story.

Schick objects. On the basis of all his beliefs about the situation, Orwell would, he insists, lack a reason not to shoot the man; he would also, for that matter, lack a reason to shoot him. The reason is that in either case Orwell’s seeing would, as Schick puts it, not connect what he believed with anything he wanted (cf. 70). The upshot would be that the total belief constraint conflicts with Orwell’s example. I believe, however, that this part of Schick’s defense rests on an implausible account of reason for action. For why, we may ask, must the information upon which Orwell bases his decision connect what he believes with something he wants – in the absolute sense of “wants” – for him to have a reason for action? Surely, it is enough that he wants to choose one option more than he wants to choose the other.

The total belief constraint would give us an excellent criterion by which we could judge whether a person is, by her own standards, seeing things in the right way. She is doing so if she is seeing it in the light of everything she believes about it. Schick, as we saw, rejects the total belief constraint. So, what does he put in its place? His proposal, eloquently defended at the end of the fourth essay, is to “locate the rightness of seeings in their

cohesion with certain desires, with the agent's wanting to be the kind of person who sees things like that" (76). A person, he goes on to explain, is seeing things in a way that is right for her if her beliefs, desires, and seeings together pass a reflective equilibrium test (77). But where the total belief constraint is attractive in its simplicity, bringing in coherent fabrics raises a number of notorious questions, only a few of which are answered in Schick's book.

It is plausible to suggest that people often in fact screen off information that they possess, thus seeing things in the light of some limited part of their total belief corpus. The present theory is worth considering, then, as a descriptive theory of actual human behavior or even as a theory of bounded rationality. But Schick wants to say more than that: he intends his theory to be, first and foremost, a theory of unbounded rationality. This is where problems arise. We praise a jury that is able to take into consideration the whole evidence as presented before the court and not just some tiny part of it. Yet if Schick is correct a jury has no intrinsic reason to focus in one way rather than the other. The bottom line is that the objection based on the total belief constraint just won't go away.

It is true that Schick presents a number of interesting applications, applications that I cannot go into here. I did not personally find them convincing enough, though, to feel inclined to reconsider the underlying theory. In the final analysis Schick is stuck between defending his three-part decision theory on insufficient grounds and allowing it to collapse into the usual two-factor framework where all we need in order to understand rationality are our beliefs and desires.

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Justice, Luck, and Knowledge, by Susan L. Hurley. Harvard University Press, 2003. viii + 341 pages.

1. WHAT THE BASIS OF EGALITARIANISM ISN'T

We often assume that egalitarian justice "nullifies the accidents of natural endowment and the contingencies of social circumstance" (Rawls

1971: 15), and instead tailors people's relative standing strictly to their responsible choices. Contemporary luck-egalitarians sometimes read as if that forms the very basis of egalitarianism: "a large part of the fundamental egalitarian aim is to extinguish the effect of brute luck on distribution. Brute luck is an enemy of just equality, and, since effects of genuine choice contrast with brute luck, genuine choice excuses otherwise unacceptable inequalities" (Cohen 1989: 951).

In *Justice, Luck, and Knowledge*, Susan Hurley refutes that assumption. Responsibility, choice, and the "neutralization" of luck, she demonstrates, simply cannot form the basis of egalitarianism. Hurley's argument is startlingly simple. Equality can arise through sheer luck, and inequality, through responsible choice. For example, equal genetic dispositions are a matter of luck; income inequality, often a matter of different choices, such as one person's autonomous choice to work and another's, to surf. Since luck and choice can both lead to any end-state distribution, choice and the absence of luck cannot be the justification or the specification of egalitarian end-state distributions like equality.

On a broader note, Hurley thinks that egalitarians should educate themselves about and commit to a conception of responsibility. Different conceptions of responsibility have dramatic impact on the implications and acceptability of luck-egalitarianism. Unfortunately, in Hurley's view, responsibility remains a "black box" in egalitarian theory. To open that box, she uncovers connections between recent egalitarian positions and recent conceptions of responsibility. According to Hurley, once opened, the black box proves to be "something of a Pandora's box" for some egalitarian positions, which turn out to assume implausible conceptions of responsibility.

2. A SURVEY

The first part of Hurley's book is about responsibility. It develops recent criticism of the conception of responsibility as ability-to-do-otherwise. Hurley argues that "[i]f the agent *wouldn't* have done otherwise whether or not she could have, then it is irrelevant whether or not she could have" (6). She leans toward a different, "actual sequence" and "reason responsiveness-based", conception of responsibility. On that conception, an agent's responsibility depends on her actual history (understood to exclude what she *could* have done) and specifically on the reasoning that preceded her action. Hurley criticizes certain further conceptions of responsibility. A conception of responsibility on which an agent is responsible only for actions that she *would* have committed under relevant other circumstances is indeterminate; one on which she is responsible for a thing only provided that she had choice or control over its causes – the "regression requirement" – renders responsibility impossible.

The second part of the book is about justice. It criticises what Hurley dubs the “luck-neutralizing approach” to egalitarian justice on the simple ground stated above: brute luck can sometimes lead to equality; responsibility, to inequality. Hurley distinguishes different roles that responsibility might be thought to play in a theory of distributive justice. Responsibility can be thought to “justify” or, alternatively, to “specify” a theory of distributive justice. In particular, responsibility could justify/specify the distributive “pattern” recommended by a theory – how that theory proposes to distribute things. Or, alternatively, it could justify/specify the “currency” of that theory – the things that the theory recommends distributing. Hurley doubts that responsibility can successfully play any of these roles.

Instead, Hurley suggests two alternative roles that responsibility plays in theories of justice. First, people’s views about responsibility influence the circumstances in which refraining from *incentive-seeking* is psychologically possible: based on your conception of responsibility, you might believe that you are fully responsible for your accomplishments, including your high income – no matter how you acquired the relevant talents. This could make the redistribution of your income without incentives offend and demoralize you, making you less productive (see Sommers (2004) for a criticism). Second, being, or being believed to be, responsible for your actions normally boosts your well-being and can affect whether the social distribution of well-being is just. Hurley accepts these “incentive” and “well-being” roles of responsibility, which do not make responsibility into a “basis” of egalitarian justice.

Hurley also criticises the determinate egalitarian theories of Roemer and Cohen, in which responsibility is key. Roemer’s theory is guilty not only of presenting responsible choice as the basis of egalitarianism; it also displays paternalism and rests on a conception of responsibility that would make responsibility, and Roemer’s theory, indeterminate. Cohen’s theory overlooks the “incentive” role of responsibility.

Finally, Hurley suggests an alternative basis for egalitarian justice: a “cognitivist” concern for truth and knowledge. Below I discuss that suggestion, but first let me examine the implications of Hurley’s central thesis.

3. IMPLICATIONS FOR EGALITARIANISM

Hurley’s central thesis, that responsibility and luck-neutralization are not the basis of egalitarianism, is original and correct. Some authors deny that egalitarians ever took responsibility and choice to be the basis of egalitarianism (Scheffler 2004: 24–31; Arneson 2001: 77; Cohen forthcoming). However, the ground for denial is typically questionable, namely, the tension (which Hurley herself points out) between luck-neutralization and commitment to equality. To my mind, Hurley’s thesis engages with many

statements that leading egalitarians have put in writing. That thesis, we should recall, is obvious only *once* Hurley makes her compelling argument for that thesis.

Nevertheless, the importance of Hurley's thesis might be overstated, in three different ways. First, note that something close to the view that responsibility is the basis of egalitarianism may remain true. Responsibility probably plays an important role as *part* of the basis for egalitarianism, both in the justificatory and in the specificatory sense. Hurley concedes that "an exception to the claim that responsibility cannot play any patterning role at all is the case in which responsibility is used merely to permit departures from an independently specified default pattern" (159, n. 7; see also 153ff., 175). In a complex egalitarian structure like *equality unless the disadvantaged are responsible for their worse lots*, responsibility clearly plays an important specificatory role. To understand fully what that structure requires, you must understand what responsibility requires (Cohen forthcoming). Now, according to Hurley, "this exception provides no counter-example to my general claim that responsibility cannot provide a basis for egalitarianism. Responsibility does not specify that only differences that are a matter of luck should be of concern, hence that equality is the default" (ibid.). This is correct. But the exception permits responsibility to *partake* crucially in the specification of the relevant egalitarian scheme.

The exception also permits truths about responsibility to partake in the justification of that egalitarian scheme. Many libertarians tacitly or openly accept equality as a default but naively assume that the worse-off are generally responsible for their worse lots and that this relaxes the need for equality. In debates with such libertarians, you can justify egalitarianism by insisting that the worse-off are rarely truly responsible for their worse lots, often the results of smaller legacies etc. Therefore Hurley is too quick to move from her conclusion that responsibility cannot alone fill the justificatory-basis and the specificatory-basis roles in egalitarian theories of justice to her further conclusion that responsibility can play only the unrelated, and to my mind tertiary, incentives and well-being roles in these theories.

A second way in which Hurley's thesis that responsibility is not the basis for egalitarianism might be overblown was noted by Richard Arneson (Arneson 2001). Nothing in Hurley's thesis undermines egalitarianism in general or luck-egalitarianism in particular. Hurley shows only that some ways to specify or justify luck-egalitarianism are incorrect, not that luck-egalitarianism is incorrect.

In particular, Hurley's argument against the luck-neutralizing aim does not threaten the *equality default* luck-egalitarian view, mentioned above. That view recommends *equality unless the disadvantaged are responsible for their worse lots*. As shown by Hurley, a non-default "luck-egalitarian" view, which aims to neutralize all luck, including equality-generating

luck, is not egalitarian at all. In that respect, an important contribution of Hurley's thesis to egalitarian theory might be unintended. Hurley clarifies that, to be egalitarian, luck-"egalitarianism" must have a default structure.

A third way in which the implications of Hurley's thesis are more modest than they might appear is that that thesis does not successfully demonstrate the urgency for (luck-) egalitarianism of opening the "black box" of responsibility. Above I stated and defended Hurley's thesis without having to commit to a conception of responsibility. Nor are most of Hurley's other thoughts on justice committed to a specific conception of responsibility. Frankfurt, Fischer, Klein and the different theories and arguments discussed in the first part of her book, which surrounds responsibility, scarcely figure in the second part, about justice.

The main exception to this generalization is chapter 8, which purports to expose tacit and incorrect suppositions on responsibility underlying Gerald A. Cohen's criticism of Rawls's use of maximin (Cohen 1992). But Cohen's criticism and anti-prioritarianism are not what makes Cohen into a (luck-)egalitarian. Many luck-egalitarians are prioritarians and some accept maximin. Even if Hurley is right about Cohen's view, she doesn't demonstrate the urgency for luck-egalitarianism, only for specific luck-egalitarians, of opening the black box.

Another exception is Hurley's claim that John Roemer's theory tacitly weds justice to a hypothetical, and therefore allegedly indeterminate and non-workable, conception of responsibility (185ff.). That claim might have implications for luck-egalitarianism as such. However, can't a luck-egalitarian who weds justice to such a conception of responsibility respond that justice need not be entirely determinate and workable? That justice incorporates a certain problematic conception might actually explain why justice is so problematic.

Since it is probably less urgent for egalitarians to open the "black box" of responsibility than Hurley assumes, the two parts of Hurley's book may best be read as two independent contributions. Hurley meticulously explores many logical possibilities, including rather obscure ones. The book is dense with thought-provoking ideas and the author's prose, always creative, is occasionally difficult. As a result, the book is less than ideal for teaching purposes. But focus on a single part or even on a single chapter facilitates reading and, given the profusion of ideas, is gratifying. Skipping back and forth to the helpful introduction and to a special appendix outlining the argument facilitates reading as well.

4. THE REAL BASIS OF EGALITARIANISM?

Hurley's book ends with the interesting suggestion that what the author calls a politically "cognitivist" commitment to truth and knowledge

can provide an alternative and successful basis for egalitarianism. Such commitment entails “bias-neutralizing” and “aversion to uncertainty,” which support an egalitarian politics. Let me explain that suggestion and assess its plausibility.

The underlying aim of the original position, Hurley suggests, is the neutralization of the bias potentially arising from awareness of personal interests. However, behind that veil the parties are “uncertain” of their absolute and of their relative positions, in the following, strong sense: the parties lack evidence supporting even probability estimates concerning their positions. To illustrate, suppose you hear that a certain urn contains only 50 black and 50 red balls. Then you do not know the colour of any ball drawn from that urn, but you know the likelihood that that ball will be black – 50%. If, alternatively, you hear that the urn contains only black and red balls, then you do not know even the likelihood that a ball drawn from that urn will be black. You are “uncertain” of that colour. According to Hurley, limited aversion to uncertainty, understood as willingness to incur a limited cost to avoid uncertainty so understood, helps to explain the distribution of primary goods chosen in the original position. Two main motives, she holds, explain the parties’ choice behind the veil of ignorance. The first is that limited aversion to uncertainty, which, Hurley argues, initially prompts the parties to opt for an equal distribution of primary goods: equality diminishes uncertainty. While equality does not clarify anyone’s absolute position, it clarifies everyone’s relative positions: neither above nor below everyone else’s positions. The second motive is the parties’ “Pareto preference” for Pareto improvements in the social distribution of goods. That motive prompts a shift from the initial equality default to maximin, which welcomes Pareto improvement on equality. The result is an argument for maximin with equality as an initial benchmark. That perfectly egalitarian outcome is based on “cognitivist” bias-neutralizing and aversion to uncertainty, not on responsibility.

Before presenting deeper doubts about Hurley’s argument, let me mention a few unclear points. Why do the parties divert from equality only toward Pareto improvements? Surely the average person also has a “maximum preference,” a “sufficiency preference,” and other desires directly concerned with social distribution, which could potentially counterbalance the need for equality and for Pareto improvements and support a more complex social choice. Why are desires directly concerned with social distribution legitimate input for a theory of just social distribution in the first place? Why do the parties consider Pareto improvements on equality only in the form of maximin? Benefiting the well-off without harming others also Pareto-improves on equality. Can the Pareto preference, powerful as it may be, push the parties all the way to maximin, rather than to a compromise between maximin and equality – which presumably the parties continue to value highly as a check on uncertainty?

These difficulties call for future clarification and fine-tuning. Four problems pose greater threats. First, do the parties behind Hurley's veil of ignorance maintain their desires for better rather than worse *personal* positions, or does the veil somehow suppress these more "egoistic" desires? Among the motives explaining the parties' choices, Hurley mentions only aversion to uncertainty and the Pareto preference, not desires concerning personal positions. If Hurleyan parties maintain the latter desires, then familiar risk-aversion may push them to choose maximin, leaving no need for Hurleyan uncertainty-aversion. If, on the other hand, Hurleyan parties lose these desires concerning personal positions (such "affective" loss would not be purely "cognitive"!), then *that* could occasion an equality default that shifts into maximin. The parties would initially choose equality because no personal interests draw them away from equality, the rational default. Then their Pareto preference would shift their choice to maximin.

Second, is aversion to uncertainty really widespread or rational? Suppose I offered you (a) \$1000, or alternatively (b) either-\$2000-or-\$3000. Electing (b) would leave you "uncertain" in Hurley's sense as to whether you will ultimately receive \$3000: you will lack even evidence for a probability estimate. Would that constitute serious reason to elect (a) instead? Of course not. Either one of \$2000 and \$3000 is greater than \$1000. Not only would it be less reasonable to choose (a) all things considered; there would be no serious reason whatsoever to choose (a).

Hurley's only evidence of our supposed rational aversion to uncertainty is an informal experiment described by Howard Raiffa (262, 275; Raiffa 1961: 691–3). Raiffa's students were willing to gamble more money on guessing the colour of a ball drawn out of an urn which, they heard, contained 50 red and 50 black balls than they were on guessing the colour of a ball drawn from an urn with an unspecified proportion of red to black balls. For Hurley (but not clearly for Raiffa!), this shows that "intentional agents prefer information to lack of information, so are at least weakly averse to uncertainty" (263). Hence, she explains, the parties' choice of equality as a check on uncertainty. Another interpretation is more plausible. By investing less money in the second, uncertainty-involving, gamble, Raiffa's students did not diminish uncertainty. To do so, they would have to totally cancel or avoid that second gamble just as, according to Hurley, the parties avoid uncertainty about their relative positions by choosing equality. What Raiffa's students diminished was only the risk that they incur under uncertainty. If anything, the experiment indicates their heightened risk-aversion in conditions of uncertainty, underscoring appeal to risk-aversion behind the veil. Even if one does assume that Raiffa's experiment indicates aversion to uncertainty, it does not indicate that such aversion is rational, merely widespread. The parties in the original position are supposed to be rational.

A third doubt concerns Hurley's "cognitivist" appeal to truth and knowledge. Why do these values translate only to bias-neutralizing, aversion to uncertainty, the veil of ignorance, and equality? Why don't they translate into unjust and anti-egalitarian engagement with truth and knowledge? The parties could have conceivably chosen a basic structure that gives educated people special privileges or one that punishes lying by draconic means. That structure would in odd ways register the values of knowledge and truth, but it would clearly run counter to (egalitarian) justice. If truth and knowledge can easily support either egalitarian justice or anti-egalitarian injustice, how can they constitute the justificatory basis of egalitarian justice?

More than everything, the theoretical framework of Hurley's argument seems misguided. The veil of ignorance is a useful theoretical tool because bias toward oneself can potentially subvert understanding of social justice. However, that bizarre experience – planning one's future in ignorance of the determinate results for oneself – can potentially generate its own bias. Lest we mistake justice for emotional response to that uncertainty – confusion, thrill, aversion, panic – the parties must be hypothesized to remain unaffected by that experience. They must lack, among other things, effectual aversion to that uncertainty. Otherwise, the original position can produce error, as illustrated by the following, invalid argument for extremist political institutions: "Behind the veil of ignorance, the parties will likely feel panic. Who wouldn't, designing lasting institutions unaware of the impact on her? The parties will make panicky choices, which tend to be extreme, and thus choose extremist political institutions." Hurley's similarly shaped argument, about uncertainty-aversion, seems equally invalid.¹

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