

Kenneth Arrow on Rawls's "asset egalitarian" assumption about justice

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Abstract. Kenneth Arrow presents Rawls as making a controversial assumption, which he terms "asset egalitarianism": that all the assets of society, including personal skills, are available for distribution. I distinguish two versions of the assumption and draw attention to difficulties in determining what Arrow's concern over the assumption is.

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The influence of John Rawls extends in a number of directions, even into economics, often thought of as a discipline closed to outside influences, at least from non-mathematical academic texts. Early on in the reception of *A Theory of Justice*, Kenneth Arrow wrote a review paper which identifies some questionable assumptions. Below is a quotation introducing the first of these suspects:

It may be worth stressing the assumption of what may be termed asset egalitarianism: that all the assets of society, including personal skills, are available as a common pool for whatever distribution justice calls for, is so much taken for granted that it is hardly argued for. All the alternatives to his principles of justice that Rawls considers imply asset egalitarianism (though some of them are very inegalitarian in result, since more goods are to be assigned to those capable of using them).

(1973: 248)

Arrow goes on to associate the assumption with the original position. I find the

attribution of this assumption to Rawls puzzling, however. Perhaps Rawls makes it, but why flag it as something controversial?

There are at least two versions of the assumption, depending on how we interpret “are available.” I cannot see any other version worth considering here. Borrowing Arrow’s wording somewhat, these are the two versions:

(Possibility version) It is possible for all the assets of society, including personal skills, to be distributed in accordance with whatever justice calls for.

(Rights version) It is possible for all the assets of society, including personal skills, to be distributed in accordance with whatever justice calls for and also no rights would be violated by a just distribution.

Regarding the first version, it says that there cannot be a mismatch between the distribution justice requires and what is possible, by requirements going beyond what is possible. Now there is someone who will regard both versions as unquestionably true, because “If it is impossible, then that is a good argument against its being a requirement of justice” and because “If a right would be violated, then that is an injustice and that distribution cannot be just.” (See Steiner 1977: 767-768) But Arrow regards the assumption as controversial. Why? Is he getting involved in philosophical subtleties of how justice can actually call for the impossible (Cohen 2003) or how justice can actually require violations of rights (I have a right to this piece of driftwood, say, but justice requires it to be taken from me and given to someone else)?

I am not sure how to interpret Arrow’s concern, but imagine a character called McX instead (Quine 1948). McX thinks that both versions depend on the following:

(Totally distributable assumption) It is possible for all the assets of society, including personal skills, to be distributed in any conceivable way.

If you believe the assumption, then prior to working out what justice requires you might say, “I don’t know what distribution justice calls for but whatever it calls for we can do, because all distributions are possible.” Or even, if faced with social justice protests, “You tell us what you want and we can give that to you.” For example, we can get someone with certain textbook writing talents to exercise them in this emerging subfield. McX’s problem is with this assumption and he thinks Rawls is committed to it. Rawls is apparently committed to it beforehand, when setting off on his project of trying to achieve a just society and in his method of working out the details of what would be just. But is that true? (It feels like explaining ABCs below, metaphorically speaking, but Arrow himself engages in some of this and perhaps that is how this “genre” of paper works.)

The original position method involves self-interested individuals choosing from a menu of options. Each option specifies a set of principles of justice. Now these individuals lack knowledge of the details of their own case, because that would lead them to be biased. For example, an individual who knows that they have a talent for singing would prefer principles which favour people with this talent, such as ones which require anthem singing in all institutions. The lack of personal knowledge leads them to choose the fairest option. But note that their choice does depend on some knowledge. These individuals have general knowledge, of laws of social science (1999: 119) and presumably relevant laws of natural science as well, and they are not to choose an option which is inconsistent with this knowledge. So here are three premises involved in Rawls’s argument, or a simplified Rawls – there are many more even in such a counterpart:

(Justice premise) The option individuals in the original position choose reveals

what justice calls for.

(General knowledge premise) The individuals know general laws of social and natural science.

(Application premise) If an option on the menu cannot be implemented given their general knowledge, then they will not choose that option.

Now assume that some personal skills are assets for society but cannot be distributed in a certain way. That will be part of the individual's knowledge and they will not choose a principle which requires such a distribution. Since their choice reveals what justice calls for, justice cannot therefore call for impossible distributions. (She is not allowed to dial those numbers!) In which case, Rawls is not dependent on the totally distributable assumption identified above. If it is a fact that some assets are not available for distribution because distribution of them is impossible, the method will be sensitive to that, whereas McX thinks it will not be.¹

That is McX, but what about Arrow? Feeling lost, I shall make some general and probably silly remarks. Arrow tells us:

My critical stance is derived from a particular tradition of thought: that of welfare economics. (1973: 246)

Parts of his paper do seem like that but parts of it give me the impression that Arrow is communicating the following message: "Listen, Rawls, there is going to be someone who writes like I am here. They are going to make a number of points in a tightly-knit way: identifying questionable assumptions, inconsistencies, unfortunate implications, and more. And they are probably going to insert Catholicism into your

¹ Things are actually more complicated, because what if a distribution is impossible but we cannot know it by standards suitable for introducing that knowledge when using the method? In that case, there will not be this sensitivity. But this is different to McX's focus on the totally distributable.

whole method. This is just some practice for you, before you meet the opponent.”

Regarding the reference to Catholicism, below is a quotation:

Operationally, a Catholic would have to recognize that in the original position he wouldn't know he would be a Catholic and would therefore have to tolerate Protestants or Jews or whatever, since he might well have been one. But suppose he replies that in fact Catholicism is the true religion, that it is part of the knowledge which all sensible people are supposed to have in the original position, and that he insists on it for the salvation of mankind. How could this be refuted? (1973: 255)

Here Arrow shows awareness of the general knowledge premise identified above, which leads me to doubt that his concern with the asset egalitarian assumption is the same as McX's. Anyway, it seems to me Arrow has a point worth addressing in the material just quoted, or else a minor variation on it is: followers of some religions may not accept the knowledge which Rawls has individuals in the original position rely on because it is inconsistent with claims about human nature within their faith. There is an encyclopedic description of Arrow's contributions to the Rawlsian literature but this point is omitted, though understandably (Hirose 2015). Arrow is not just a master of the technicalities of economics; he is, or was, an apprentice of interest in a nearby area.

References

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