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# Equality as Fact and Norm\*

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Economists often introduce the simplifying assumption that all persons are equal or identical in order to make their abstract models of human interaction more tractable. In a world-of-equals, analysis of the behavioral responses of a single person yields results that are automatically generalizable to the whole community. Models embodying these assumptions may retain explanatory value even when their descriptively unreal nature is fully recognized. The predictive potential is enhanced when the equality or identity assumptions can be restricted to selected characteristics or attributes. Any generalized prediction in social science implies as its basis a theoretical model that embodies elements of an equality assumption. If individuals differ, one from the other, in *all* attributes, social science becomes impossible. In an ideal sense, the role of the social scientist is limited to explanation and prediction, and it does not extend to the formulation of norms for social organization. Nonetheless, the underlying purpose of scientific explanation must be acknowledged to be improvement. Those who participate in social and institutional reform (including social scientists in other roles than scientific) act on the basis of some vision of social process. This vision is shaped by the scientists' explanatory models.

In this paper I shall argue that the continuing debate between the individualist and the collectivist may be grounded on divergent visions of social process and not necessarily or fundamentally on differing ultimate values. Further, I shall demonstrate how the basic difference may reduce to one involving the implicit assumptions made about personal equality and inequality. The individualist and the collectivist select different attributes of equality to be dominant characteristics in their model visions of social interaction. To the extent that this hypothesis holds, the issue be-

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tween the two political philosophies may be primarily empirical. Saying this is not to imply that the issue is amenable to straightforward resolution. If, however, agreement could be reached on the sources of disagreement, prospects for constructive dialogue might be enhanced.

The discussion is intended to be general, but it has direct relevance to the current social scene. The social discontent in evidence in East and West can be interpreted as providing empirical refutation, even if indirectly, of one variant of the equality assumption. Individuals seem to be rejecting the implied equality of collectivism. Whether or not this rejection is or may be coupled with an increased acceptance of the implied equality of individualism remains an open question.

#### I. THE ATTRIBUTES OF EQUALITY

Economists state their assumptions somewhat more carefully than their fellow social scientists, and it will be helpful to commence with the economists' specifications for a world-of-equals. Normally, they discuss two separate attributes of identity or equality among individuals. One of these relates to the demand or consumption side of personal behavior and the other relates to the supply or producing side. For the demand or consumption side these are summarized in the interchangeable terms *preferences, tastes, utility functions*; for the supply or producing side in the terms *factor or resource endowments, capacities, production-transformation possibilities*. In a full world-of-equals model, persons are postulated to be identical in both attributes—in preferences and in factor endowments or capacities. For some purposes, economists find it useful to retain the equality assumption on the utility-function or preferences side while dropping the corollary assumption on the capacities side. For example, an equal-preferences model has proven helpful in “explaining” some of the widely observed fiscal institutions in modern societies. For other purposes, the economist finds it helpful to drop the assumption of equal preferences while retaining that about equal capacities. This is essentially the model employed for explaining those interoccupational wage or salary differentials that are “equalizing.”

My reference here to economists' frequent use of models that embody assumptions about individual equality should not be interpreted as suggesting that such restrictions are necessary in the central models of economic theory. For the most part, this theory is developed in a context of inequality among persons, with respect to both utility functions and resource endowments. As economic theory assists in informing an overall or comprehensive vision of the socioeconomic interaction process, however, the relative patterns of inequality that are assumed to be present in the two attributes may well exercise significant influence. While acknowledging interpersonal inequalities in both preferences and capacities, the normative implications of specific institutional-organization structures may depend critically on the relative degree of inequality imputed to each attribute.

Roughly similar results may be predicted with theoretical models that implicitly embody widely differing assumptions, and existing empirical techniques remain far from that level of sophistication that would be required for definitive testing.

## II.

## EQUALITY IN PREFERENCES AND IN CAPACITIES

Initially I shall discuss the all-market and the all-collective organizational alternatives under a pure world-of-equals assumption. All persons are assumed to be identical, both in preferences and in capacities. Identity in preferences means that all persons classify "goods" and "bads" in the same way, and, furthermore, that they make the same subjective trade-offs among the separate arguments in these two sets. In formal economic theory, the arguments in the utility functions of individuals are normally limited to "economic" goods and bads. For our purposes, equality in preferences or tastes should be extended to encompass "noneconomic" arguments. Identity in preferences implies not only that all persons place the same relative evaluation on apples, oranges, and smog, but, also, that they place the same relative evaluation on reduced military posture in the Far East and increased military posture in the Middle East.

A rigorous definition of identity in capacities or endowments is less familiar and considerably more complex. In a static context, identity among persons in endowments means that each one confronts the same production-transformation prospects. Each person commences with the same set of "goods" and "bads," and he faces the same prospects of "trading" these one with another. This static definition is overly restrictive, however, because of the intertemporal interdependence of individual choices about the utilization of capacities. By choosing to use his initial endowment in one way rather than another at one point in time, a person can permanently increase or decrease his endowment or capacity. Any reasonable definition of identity in endowments or in capacities must, therefore, specify that persons face the same production-transformation possibilities at some designated point in time, normally before the start of the income-earning period, which would presumably be at some moment of career or occupational choice. Only with some such definition as this can the capacity-equality assumption have much relevance independently from the preferences assumption. Defined in this way, individuals may actually differ in resource capabilities, human and nonhuman, at any one point in time even though the model postulates strict identity. The actual differences at any point in time must be attainable by the exercise of individual choice dating from the initial point at which capacities were in fact identical. We should note that this definitional complexity does not arise in the pure world-of-equals model. When we postulate identity in utility functions, this implies that all persons will choose to use their capacities identically and hence will remain identical through time. However, when

we drop this assumption of identity in preferences in later discussion, the definitional extension of the equal-capacity assumption becomes essential.

In the pure world-of-equals, embodying both identity among all persons in preferences and identity among all persons in capacities, similar results are generated under widely differing institutional-organizational arrangements. Hence, the "constitutional" choice among separate social structures is not an important consideration. To demonstrate this, we may compare and contrast collectivist and noncollectivist or individualistic organization of an economy under the extreme equality assumption.

Let us assume that the production of all goods and services is organized through a market process in which all persons remain free to make whatever producing-trading-consuming decisions that they desire. If we assume only that contracts are enforced and that fraud is effectively policed, this economy will be characterized by substantial identity in final consumption patterns among all individuals.<sup>1</sup>

Let us compare this result with that which might be predicted to emerge under a dramatically different organizational structure. We assume now that the economy is fully collectivized. All decisions are made through a collective or political choice process. If we assume only that arbitrary exploitation or personal discrimination is effectively prevented, this structure, regardless of the particular decision rule that is adopted, will generate results that are quite similar to those that characterize the all-market economy. This similarity in results between these wholly different organizational alternatives may appear surprising. It stems basically from the equality assumption under the restrictions imposed on each decision process.

In the all-collective economy, the effective prevention of arbitrary discrimination requires that each person be treated in the same manner as his equals, which in this case means that all persons are treated identically regardless of the collective decisions that are made. This applies for the cost as well as for the benefit side, and means that no person can, through his membership in a dominant political coalition, secure gains at the expense of his equals outside the coalition. Every decision rule produces results that are the same as those that would emerge under a rule that requires unanimous consent. An example may be helpful here. Suppose that one man is appointed as dictator; he is authorized to make all decisions

1. In an extreme variant of this model which embodies constant returns to scale of production over all ranges of output for all goods, this economy would be without trade. In such a setting, each person becomes a complete microcosm of the whole society. In the less-restricted setting where constant returns are not assumed, individuals will be led to specialize in production, and differentials in wages and in salaries will emerge that will offset the relative advantages of the several occupations. To the extent that such differentials in income emerge, individuals can differ, one from another, in command over final product and full identity in consumption patterns will be violated. Such differentials are required, however, to keep persons on the same utility levels. If we assume away the differences in the subjective advantages of differing occupations, this complexity will not arise.

in the community. He will, of course, choose among alternatives on the basis of his own preferences, but since his preferences are identical with those of everyone else, he will make the same choices that everyone else will desire that he make. He could secure differential personal gains from his dictatorship position only if he should somehow discriminate between his own position and those of his fellow equals. Under genuine nondiscriminatory collectivism, this is not possible. All decision rules generate, therefore, the same results.<sup>2</sup>

The no-discrimination requirement for the all-collective economy serves the same purpose as the no-fraud requirement for the all-market economy. If fraud becomes possible in market dealings among persons, even among those who are initially assumed to be equal, some must assume the role of the defrauders and some must become victims of fraud. The differential ability to defraud along with the differential ability to secure personal gains through political or collective discrimination violate the basic equality assumption. This assumption is critical for the comparative purposes that this analysis embodies.

With the nondiscriminatory qualification, the all-collective economy will generate an equality among all persons in final consumption patterns just as will the all-market economy. Collective agreement on this pattern will be reached readily, and, significantly, all persons will acquiesce in the chosen results since they will mirror their own preferences regardless of the decision rule. The important conclusion for our purposes is that the all-collective and the all-market economy produce roughly the same results.<sup>3</sup> These sharply divergent institutional-organizational alternatives generate significant differences in results only to the extent that men differ one from another.

### III. DIFFERENTIAL PREFERENCES AND EQUAL CAPACITIES

The question becomes: How do men differ, and how will differences over particular attributes modify these comparative results? The dichotomy of attributes is helpful. We shall first compare the organizational alternatives in a model that embodies the assumption that all persons remain identical in capacities, as earlier defined, but where they are allowed to differ in preferences. Individual utility functions are no longer the same. In one sense, and as the analysis will reveal, this is the economist's

2. For a further discussion of this proposition, see my *Demand and Supply of Public Goods* (Chicago: Rand McNally & Co., 1968), pp. 164-66.

3. Both models will generate equality in final consumption patterns among all persons, but the actual mix of goods and services produced may be slightly different due to the technology of consumption. If there are genuine advantages to be secured from jointness in consumption (genuine "public goods" in the modern sense), goods embodying such jointness might not be produced in the all-market economy, at least to the same extent that they would be produced in the all-collective economy. Even this difference would disappear if transactions costs should be absent. In any case, this complexity need not concern us here.

standard model. In many economic applications, “the individual” is described by his preference scale or his utility function.

Let us consider, as before, an all-market structure qualified only by the enforcement of contracts and the policing of fraud. Since individuals now have different tastes, their final consumption patterns will not be uniform. Trade will be observed to take place until each person commands that set of consumption goods and services which most nearly satisfies his own unique trade-offs. The assumption that persons remain equal in capacity insures that the differences among final consumption bundles stem almost exclusively from the postulated differences in preferences.<sup>4</sup> For reasons noted earlier, individuals at a given point in time may face different production-transformation possibilities even in this equal-capacities model. To the extent that they do so, real incomes, and hence command over final product, may differ. But such differences as these arise themselves from the individuals’ own decisions made earlier about increasing or running down initially held endowments.

The differences in final consumption bundles that would be observed in the all-market economy in this model cannot be interpreted as having been imposed by forces external to the individuals. These differences reflect the inherent individualities of the persons that are involved and nothing more. In such a context, it seems evident that “greater equality” carries little meaning, and that it could hardly be advanced seriously as a norm for social change.

Let us now change the postulated organizational structure while remaining within the differential-preferences–equal-capacities model. Assume that an all-collective constitution is in being. All decisions concerning the allocation and the utilization of resources are made in a collective or political process. As before, we also postulate that there is an effective restriction against arbitrary discrimination among persons or groups. In this setting, individuals would tend to be provided with uniform patterns of final consumption, despite their differences in tastes. The central characteristic of nondiscriminatory collectivism is universality or uniformity in treatment.<sup>5</sup> The particular characteristics of the consumption bundle that will be provided uniformly to all persons will depend on the rule through which collective decisions are made. When the collective decision rule is that of simple majority voting, the person or persons whose pref-

4. The “almost” is inserted to allow for the differentials discussed in n. 1.

5. Somewhat surprisingly, the implications of this uniformity-universality characteristic of nondiscriminatory collectivism were not fully discussed in the traditional economic analysis of socialist organization. Several recent papers have been aimed at filling this gap (see Gordon Tullock, “Social Cost and Government Action,” *American Economic Review* 59 [May 1969]: 189–97; Yoram Barzel, “Two Propositions on the Optimum Level of Producing Collective Goods,” *Public Choice* 6 [Spring 1969]: 31–38; C. M. Lindsay, “Medical Care and the Economics of Sharing,” *Economica* 36 [November 1969]: 351–69; along with my own “Notes for an Economic Theory of Socialism,” *Public Choice* 8 [Spring 1970]: 29–44).

erences are median for the whole community will tend to be controlling. Under other decision rules, the preferences of the median member of the effective electorate will dominate the outcomes. Under single-person dictatorship this reduces, of course, to his own preferences. The outcome depends on the rules for making group choice and, in any case, individualized expressions of preference or taste could not be predicted to emerge under any rule. In the final solution, large numbers of persons must remain dissatisfied by the common standards of consumption that are imposed. The uniformity in consumption bundles is achieved only through the repression of individual differences in tastes.

As this organizational scheme would actually work, individuals would have strong incentives to retrade goods and services among themselves after some initial collective or governmental distribution. To the extent that such re trading takes place, individualized tastes could be expressed. If this sort of trading were allowed, however, we should be outside the range of our all-collective model. For comparative purposes, it seems best to restrict analysis to a pure collective model, in which all such re trading as this would be prohibited.

As the description of this differential-preferences-equal-capacities model should make clear, it provides the strongest case for adopting the market process as the organizational norm. The imposed equalities in final consumption patterns that collectivism produces take on no normative features. For those who place strong positive value on individual freedom of expression, on individual and personal liberty in their conception of the "good society," the market offers major advantages over its collectivist counterpart. It allows individuals to express their separate preferences while these are necessarily stifled, to greater or lesser degree, under wholesale collectivization of activity. Conversely, for those who may value individual freedom somewhat less intensely and who place relatively more weight on distributional equality, the collectivist alternative offers relatively little advantage here. The distributional inequalities in final consumption that characterize the market results in this framework do not arise from differences in initial endowments. "Distributive justice" simply cannot be invoked in ethical support of a collectively imposed set of uniformities in consumption. Insofar as the equalities in capacities, the assumption of this model, are equalities in fact, equality in consumption cannot be introduced as a norm.

Only one minor qualification need be added. To make these conclusions generally acceptable, we should include in individual capacities the ability to "be lucky." If there are significant uncertainties present, individuals with equal initial endowments may find their final consumption possibilities determined, in part, by sheer luck. An argument may be advanced in support of equalization to correct partially for such fortuitous differentials. Realistically, of course, comparable or even greater uncertainty would be present under the collectivist alternative.

## IV.

## EQUAL PREFERENCES AND DIFFERENTIAL CAPACITIES

We may proceed predictably in our analysis by reversing the assumptions about equality. We now assume that all persons in the community are identical in tastes or preferences but that they differ in capacities or endowments, human and nonhuman. We shall examine the results to be predicted under the contrasting institutional structures.

In an effectively working market process, individuals would be observed to consume different final consumption bundles despite the initially postulated identity in utility functions. The position that a particular person attains on his utility surface will depend on his resource or factor endowments (including luck), and this model postulates that these endowments differ as among separate persons. The market continues to allow for a full expression of individualized preferences, but these are restricted by the initial differentials in capacities.

These results may be compared with those predicted to emerge under the all-collective structure. As previously emphasized, there will be a tendency here for individuals to be provided with uniform consumption bundles. Interestingly, if all persons find themselves in this model with identical sets of "goods," there would be no overt dissatisfaction at this stage. Even if all prohibitions on retrading were eliminated here, none would be observed to take place. The reason is, of course, the postulated equality in tastes among all persons in the group. In the final equilibrium produced by the all-collective structure, which would be characterized by consumption uniformity, individuals are not directly coerced into an acceptance of a final-goods package that is contrary to their own preferences.

This suggests that the results of the all-collective structure or process under this model's set of assumptions would be more stable in some political-sociological sense than those emerging in the earlier model. This is correct, but an important consideration that has been so far neglected must now be explicitly discussed. The decision-making process in the all-collective structure under equal preferences and differential capacities must be examined closely. In one sense what is required here is a more careful specification of the differential-capacities assumption in this setting. In the earlier definition, we limited capacity to production-transformation prospects that faced the individual, production-transformation prospects for producing-exchanging "economic" goods and services. We said nothing about the capacities of persons in the political process. In one respect, we have assumed throughout our analysis that all persons possess equal capacities to influence collectively determined outcomes. This "political equality" assumption is the basis for the postulated uniformity in consumption under collective organization. If differences among persons in capacities to produce economic values are accompanied by differences in capacities to produce values through the political process, the market and the collective-decision structure would tend to generate roughly the same

results in all cases. In the model under consideration in this section, we want to retain the assumption about equality in “political capacity” but to allow for differential capacities to produce economic values. If we then impose uniformity in consumption as a result of collective decision making, we must require that individuals, with different economic capacities, make differing contributions to costs. Obviously, if capacities to produce goods and services differ among persons, and if these capacities are to be fully utilized, the equalization of final consumption bundles among all persons must involve differential shares in the costs of producing those goods that are produced.

Understanding may be facilitated here if we compare this all-collective result with that result discussed earlier under the differential-preferences–equal-capacities model in Section III. In the latter, individuals would presumably be subjected to nondiscriminatory “tax payments,” and because capacities are identical, these are roughly the same for each person. Individuals are unhappy or dissatisfied with the all-collective structure because of the imposed uniformities in consumption bundles in the face of differing tastes. By contrast, under the model treated in this section, individuals acquiesce in the consumption bundles that are uniformly imposed under all-collective decision making because their utility functions are the same. Those whose capacities are superior may remain unhappy in the fact that their own imposed contribution to total production exceeds those made by others. But since capacities or endowments cannot be directly exchanged, there is no available means for redress.<sup>6</sup> The same thing can be put in the language of theoretical welfare economics or of game theory. The all-collective results in the equal-preferences–differential-capacities model treated in this section need not be, but conceptually could be, Pareto optimal. Hence, in such case any proposals for change would become analogous to plays in a zero-sum game. By contrast, the all-collective results in the differential-preferences–equal-capacities model treated in Section III must be nonoptimal. Proposals to modify these results can conceptually secure unanimous consent of all parties; the game is positive sum.

It should be clear from the discussion that the collectivist has an immensely stronger argument in this equal-preferences–differential-capacities model than he does in its converse examined in Section III. The costs of enforcing collectively chosen outcomes are lower, which is the same as saying that these outcomes are more stable. Relative to the situation predictable in the converse setting, the collectivist also stands on firmer economic ground here. He cannot, of course, carry the day even in this case on pure efficiency criteria, but the possible inefficiencies of collectivism are relatively less significant.

6. This statement would have to be qualified to the extent that persons have locational alternatives available to them. If persons can migrate to other communities, if they can “vote with their feet,” indirect trade can take place.

The individualist's arguments are likewise relatively less potent here. Insofar as individual preferences are, in fact, identical, his argument for allowing differential expressions of these is undermined. His support of market process that stems normatively from the supposition that "men are different" rests solely on the initial differences in capacities or endowments. The end objectives, the "goods" that men seek, are identical for all men. Their differences in final attainment under unfettered market interaction stem almost exclusively from differences in the means with which they are provided. It is here that "distributive justice" takes on significant ethical properties. The individualist who defends market organization will rarely argue for inequalities in final consumption bundles that arise solely from capacity differences. His defense of the market must rest largely, if not exclusively, on efficiency grounds; he must advance quite different arguments from those that seem effective in the equal-capacities model.

V. THE WORLD OF UNEQUALS

It is, of course, recognized that individuals differ, one from the other, in both of the essential attributes discussed. Men are unequal in preferences; they do not possess identical utility functions. Men also differ in capacities; even at some defined point in time, inequality in endowments (human and nonhuman) is characteristic of the real world. It is also evident that no social reformer proposes either an all-market or an all-collective institutional arrangement. The continuing debate between the collectivist and the individualist concerns the appropriate dividing line between market and collective order, always within a structure that includes both a private and a public or governmental sector.

Analytically, however, the extreme models about personal equality and about institutional structure are suggestive. They may indicate some of the implicit empirical biases of those who stand on opposing sides of the arguments about social reform. The individualist who seeks to shift the organizational spectrum toward the market pole, who seeks to decollectivize activities currently in the public sector, may interpret and explain the inequalities that he observes on the basis of differences among persons in preferences, including preferences about capacity utilization (e.g., choices for work versus leisure, spending versus saving, etc.), at least to a relatively greater extent than his collectivist counterpart.<sup>7</sup> To the extent that he acknowledges capacity-generated inequalities in distribution, the individualist is likely to propose reforms that are aimed at equalizing initial endowments or at least mitigating extreme inequalities. He seeks reform

7. An alternative hypothesis would allow the individualist to attribute observed inequalities among persons to the same sources as does his collectivist counterpart but to be more pessimistic about the possibilities of removing such inequalities through collective action. The whole set of problems raised by the prospects of effectively controlling bureaucratic hierarchies cannot be neglected, but these are not central to the main theme of this paper.

and social changes that have as their objective the achievement of some plausibly satisfactory approximation to the model examined in Section III. In contraposition, the collectivist, who seeks to shift the organizational spectrum in the opposing direction, who seeks to remove still more activities from the market process and to collectivize them, may interpret and explain the inequalities that he observes (the same reality confronted by the individualist) on the basis of individual differences in inherent capacities, at least to some relatively greater extent than does the individualist. If he could conceive of equalized capacities, the collectivist would probably predict the emergence of what he might consider to be only trivial differences in final consumption patterns, differences that he might attribute to whim and fashion rather than to genuine tastes or values. In this vision of the world, each individual really does want the same things; the inequalities that are observed must, therefore, reflect capacity differentials. As he comes to propose reforms, the collectivist may pay relatively little attention to capacity equalization, *per se*. He may consider attempts to make individuals equal in initial endowments, attempts to "equalize opportunities," to be both indirect and inefficient means to secure distributive justice. In his vision, even the most massive of such attempts may produce limited results. He agrees with Plato and disagrees with Adam Smith about the differences between the common street porter and the philosopher. Within the limits of plausible social-collective effort, the collectivist prefers direct equalization of consumption in terms of specific goods and services.

The individualist and the collectivist are likely to settle for differing social compromises in the world of pervasive inequality. Institutions that overtly and explicitly perpetrate inequalities in endowments and capacities are subject to the individualist's most severe attacks. He will tend to place confiscatory inheritance taxation high on his scale for social reform. He will lend his support to massive public outlays on general education, and he will support selective programs to eliminate poverty. He will tend to oppose an "establishment," and he will oppose the political ambitions of the Kennedy's and the Rockefeller's. The collectivist will, by comparison, acquiesce in a continuing and pervasive inequality in capacities if he can secure a sufficient measure of consumption equalization. His reform efforts are concentrated on collectivizing activities as a means of securing uniformity. He will tend to advocate a nationally collectivized health service, extensive programs for public housing, public recreation facilities, public libraries, publicly financed cultural programs, publicly operated as well as public-financed education, public television broadcasting.

This summary is not intended to suggest that individuals can be found who fit perfectly into either the individualist or the collectivist mold. Within himself, an individual may be a mixture of the two positions that I have compared. What I am trying to demonstrate is that the manner in which human or personal inequality is interpreted, which is essentially an

empirical estimation, may be an important influence on a person's views on social policy. Social scientists have perhaps been too prone to reduce disagreements on policy to value arguments. Ideally considered, the "good society" of the individualist may not be much different from that of the collectivist. Practicably, however, because of the differences in interpretation of inequality, these may remain poles apart.

#### VI. EVIDENCE AND ITS IMPLICATIONS

The unrest and dissent that is characteristic of young persons everywhere can be interpreted as a rejection of the collectivist attempts to impose conformity. It would be hard to explain this behavioral revolution by any appeal to endowment or capacity differentials. The shift in attitudes reflects the expression of personal differences in tastes, notably as among groups. The students simply have different preference functions from those of their elders. They choose to live differently.

All of this may be considered as a refutation of the equal-preferences hypothesis. It cannot be interpreted as corroboration of the equal-capacities hypothesis. If "socialism is dead" as a potentially viable social structure, there is still no sign that individualism can emerge in its stead. The reaction against conformism, against centralization, against bureaucracy—these may possibly result in some limitations on the range of collective control over man's actions. This may provide some opportunity for reforms aimed at reducing inequalities in capacities, and the greater emphasis now being placed on selectivity in governmental programs may reflect some of this. Even with such policy reforms, however, there is no basis for predicting that any equal-capacities hypothesis will be proved. Facts cannot be made into fable, and we must recognize that, in spite of policy, individuals may differ significantly in inherent personal capacities to create values. Empirically, Plato's hypothesis of inequality may not be refuted, no matter how much we might prefer Adam Smith's. The inequalities that we see may stem from both attributes, and satisfactorily corrective measures may be beyond the scope of social policy.

Where does this leave the social philosopher? A subsidiary theme of this paper is that modern social philosophy, in either its individualist or its collectivist variant, depends critically on one or the other of the equality hypotheses. The ideal world of the individualist contains persons who are basically the same in capacity, and modern democratic and economic institutions in the West were established on the hypothesis that empirical reality can be adjusted to provide a satisfactorily close approximation to that ideal. The ideal world of the socialist contains individuals who are equal in basic tastes, and socialist institutions were established on the hypothesis that empirical reality can be adjusted to reflect this equality despite differing capacities.

What happens when people refuse to accept the distributional inequalities that a practicably working capitalist structure requires while

at the same time they refuse to accept the restrictions on personal freedom that a practicably working collectivism requires? The assorted compromises represented by the mixed social systems of the mid-twentieth century may collapse and from differing directions.

I write as an individualist who yet has little faith in the ultimate corroboration of the equal-capacity hypothesis. From this vantage point, the route toward social stability may involve an increased willingness to tolerate major divergences between our ideals and reality, a recognition that we must proceed "as if" our implied hypothesis is fact, even when we acknowledge that it has little empirical foundation. With Thomas Jefferson, we must sense that in order to treat men "as equals" it may be necessary to tolerate considerable inequality. My counterpart is the collectivist who yet acknowledges that individuals do want different things for themselves. From his vantage point, the route toward greater social stability may involve the more intensive conditioning of individuals to make them accept the conformity that collectivism must impose. In order to secure the distributive equality that he seeks, he must acknowledge that it may be necessary to introduce the inequality in treatment that coercion embodies.

Both the individualist and the collectivist, as I have used these terms here, place positive values on personal freedom and on equality. These basic values may be given different weights and the empirical reading of the world may differ, but neither the individualist nor the collectivist desires to impose his own standards on the rest of society. In this idealized sense, both are democrats; neither is elitist. Within more broadly defined individualist and collectivist categories, however, elitists abound. Many persons propose a smaller public sector primarily because they do not like what is being provided; they should be quite willing to support an enlarged governmental role in society provided only that they could dictate its pattern. Similarly, and perhaps more commonly, many collectivists are *dirigistes* first and democratic socialists second. They support an extension of state activity because they see in this a means of imposing their own social values on others. The elitist values neither personal freedom nor distributional equality. If either of these values is to be preserved, even at some tolerably acceptable levels of attainment, the nonelitists in both the individualist and the socialist camps may find it necessary to come to some provisional agreement.