

WHY NOT SOCIALISM?

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Summary

The question that forms the title of this chapter is not intended rhetorically. The chapter begins by presenting what I believe to be a compelling *preliminary* case for socialism, and I then ask why that case might be thought to be *merely* preliminary, why, that is, it might, in the end, be defeated.

To summarize more specifically: Section 1 describes a context, called “the camping trip”, a context in which most people would, the author thinks, strongly favor a socialist mode of organization over feasible alternatives. Section 2 specifies two principles, one of equality and one of community, that are realized on the camping trip, and whose realization explains why the camping trip mode of organization is attractive. Section 3, which is brief, asks whether those principles also make (society-wide) socialism *desirable*. More attention is devoted (in Section 4) to whether socialism is *feasible*, by discussing difficulties that face the project of promoting socialism’s principles not in the mere small, as on a camping trip, but throughout society as a whole. Section 5 then offers an excursus on market socialism, which is commended as a good second-best in response to the difficulties of implementing the ideals of socialism (proper) Market socialist enthusiasts who believe market socialism to be more than a good second-best are criticized. Section 6 is a short coda

1. The Camping Trip

You and I and a whole bunch of other people go on a camping trip. There is no hierarchy among us; our common aim is that each of us should have a good time, doing, so far as possible, the things that he or she likes best (some of those things we do together; others we do individually). We have facilities with which to carry out our enterprise: we have, for example, pots and pans, oil, coffee, fishing rods, canoes, a soccer ball, decks of cards, and so forth. And, as is usual on camping trips, we avail ourselves of those facilities collectively: even if they are privately owned things, they are under collective control for the duration of the trip, and we have shared understandings about who is going to use them when, and under what circumstances, and why. Somebody fishes, somebody else prepares the food, and another person cooks it. People who hate cooking but enjoy washing up may do all the washing up, and so on. There are plenty of differences, but our mutual understandings, and the spirit of the enterprise, ensure that there are no inequalities to which anyone could mount a principled objection.

It is commonly true on camping trips, and on certain small-scale projects of other kinds, that we cooperate within a concern that, so far as is possible, everybody has a roughly similar opportunity to flourish. In these contexts most people, even most *anti*-egalitarians, accept, indeed, take for granted, a norm of equality. So deeply do most people take it for granted that there is no occasion to question it: to question it would contradict the spirit of the trip.

You could imagine a camping trip where everybody asserts her rights over the pieces of equipment, and the talents, that she brings, and where bargaining proceeds with respect to who is going to pay what to whom to be allowed, for example, to use a knife to peel the potatoes, and how much he is going to charge others for those now peeled potatoes which he bought in an unpeeled condition from another camper, and so on. You could base a camping trip on the principles of market exchange and strictly private ownership of the required facilities. (And one could also, of course, base a camping trip partly on collective and partly on private ownership, but that significant complication will not be addressed here.)

Now, most people would hate that. Most people would be more drawn to the first kind of camping trip than to the second, primarily on grounds of fellowship, but also, be it noted, on grounds of efficiency. (I have in mind the inordinate transaction costs that would attend a market-style camping trip.) And this means that most people are drawn to the socialist ideal, at least in certain restricted settings.

To reinforce this point, here are some conjectures about how most people would react in various imaginable camping scenarios:

- a) Harry loves fishing, and Harry is very good at fishing. Consequently, he brings back more fish than others do. Harry says: “It’s unfair, how we’re running things. I should have better fish when we dine. I should have only perch, not the mix of perch and catfish that we’ve all been having”. But his fellow campers say: “Oh, for

heaven's sake, Harry, don't be such a shmuck. You sweat and strain no more than the rest of us do. So, you're very good at fishing. We don't begrudge you that special endowment, which is, quite properly, a source of satisfaction to you, but why should we *reward* that pre-eminence?"

- b) Following a three-hour time-off-for-personal-exploration period, an excited Sylvia returns to the campsite and announces: "I've found a huge apple tree, full of perfect apples". "Great!", others exclaim, "now we can all have apple sauce, and apple pie, and apple strudel!" "Provided, of course", so Sylvia rejoins, "that you reduce my labor burden, and/or furnish me with more room in the tent, and/or with more bacon at breakfast". Her claim to (a kind of) ownership of the tree revolts the others, but exactly such a claim, expressed or implicit, is, of course, at the heart of the constitution of private property: private property renews itself, every day, because such a claim is enforced, and/or accepted.
- c) Morgan recognizes the camp-site. "Hey, this is where my father camped thirty years ago. This is where he dug a special little pond on the other side of that hill, and stocked it with specially good fish. Dad knew I might come camping here one day, and he did all that so that I could eat better when I'm here. Great! Now I can have better food than you guys have".

The rest frown, or smile, at Morgan's greed.

Of course, not everybody likes camping trips. I do not myself enjoy them much, because I'm not outdoorsy, or, at any rate, I'm not outdoorsy overnight-wise. There's a limit to the outdoorsiness to which an urban Jew can be expected to submit: I'd rather have my communism in the warmth of All Souls College than in the wet of the Laurentians, and I love modern plumbing. But the question I'm asking is not: wouldn't you like to go on a camping trip? but: isn't this, the socialist way, with collective property and planned mutual giving, rather obviously the *right* way to run a camping trip, whether or not you actually *like* camping?

2. The Principles Realized on The Camping Trip

There are two principles that are realized on the camping trip, an egalitarian principle, and a principle of community. The community principle constrains the operation of the egalitarian principle, by forbidding certain inequalities of outcome that the egalitarian principle permits. (The egalitarian principle in question is, as I shall explain, one of radical equality of opportunity, and that principle is consistent with inequalities of outcome).

There are, in fact, a number of *competing* egalitarian principles with which the camping trip, as I have described it, complies: two that come immediately to mind, beyond the one that I shall articulate in detail, are *equality of outcome*, and John Rawls's *difference principle*. And that is because the circumstances of the trip, unlike more complex circumstances, make it unnecessary to choose among competing egalitarian principles. But the only egalitarian principle which is realized on the trip that I shall bring into focus is the one that I regard as the correct egalitarian principle, the egalitarian principle

that justice endorses, and that is a radical principle of equality of opportunity, which I shall call “socialist equality of opportunity”. (One may favor equality of opportunity on grounds other than ones of justice, on, for example, the utilitarian ground that it increases productivity, or on the perfectionist ground that it promotes the fulfillment of human potential. I am, however, concerned, here, only with the justice recommendation of the various forms of equality of opportunity that enter the taxonomy developed below.)

Now, equality of opportunity, whether moderate *or* radical, removes obstacles to opportunity from which some people suffer and others don’t, obstacles that are sometimes due to the enhanced opportunities that privileged people enjoy. We can distinguish three obstacles to opportunity, and three corresponding forms of equality of opportunity: the first form removes one obstacle, the second form removes that one and a second, and the third form removes all three.

First, there is what might be called *bourgeois* equality of opportunity, the equality of opportunity that characterizes (at least in aspiration) the liberal age. Bourgeois equality of opportunity removes socially constructed status restrictions on life chances, of both formal and informal kinds. An example of a formal status restriction is that under which a serf labors in a feudal society; an example of an informal status restriction is that from which a person whose skin is the wrong color may suffer in a society free of racist law but nevertheless possessed of a racist consciousness.

This first form of equality of opportunity widens people’s opportunities by removing constraints on opportunity caused by rights assignments and by bigoted and other prejudicial social perceptions. Notice that it does not widen everybody’s opportunities, since it perforce reduces the opportunities of those who enjoy special privileges. I underline this point because it shows that promoting equality of opportunity is not only an *equalizing*, but also a *redistributing*, policy. Promoting equality of opportunity, in all its forms, is not merely giving to some what others continue to enjoy.

Left-liberal equality of opportunity goes beyond bourgeois equality of opportunity. For it also sets itself against the constraining effect of social circumstances by which bourgeois equality of opportunity is undisturbed, the constraining effect, that is, of those circumstances of birth and upbringing that constrain not by assigning an inferior *status* to their victims, but by casting them into poverty and related types of deprivation. The deprivation targeted by left-liberal equality of opportunity derives immediately from a person’s circumstances and does not depend for its constraining power on social perceptions or on assignments of superior and inferior rights. Policies promoting left-liberal equality of opportunity include head-start education for children from deprived backgrounds. When left-liberal equality of opportunity is fully achieved, people’s fates are determined by their native talent and their choices, and, therefore, not at all by their social backgrounds.

Left-liberal equality of opportunity corrects for *social* disadvantage, but not for native, or *inborn*, disadvantage. What I would call *socialist* equality of opportunity treats the inequality that arises out of *native* differences as no less unjust than that imposed by unchosen social backgrounds. Socialist equality of opportunity seeks to correct for *all*

unchosen disadvantages, disadvantages, that is, for which the agent cannot herself reasonably be held responsible, whether they be disadvantages that reflect social misfortune or disadvantages that reflect natural misfortune. When socialist equality of opportunity prevails, differences of outcome reflect nothing but differences of taste and choice, not differences in natural and social capacities and powers, save to the extent that capacities influence tastes and choices (as opposed to the *scope* of choice, which socialist equality of opportunity does not permit capacities to affect). Note that there is no commitment here to the claim that socialist equality of opportunity can be *fully* achieved.

So, for example, under socialist equality of opportunity income differences are acceptable when they reflect nothing but different income/leisure preferences. People differ in their tastes, not only across consumer items, but also between working only a few hours and consuming rather little on the one hand, and working long hours and consuming rather more on the other. Preferences across income and leisure are not in principle different from preferences across apples and oranges, and there can be no objection to differences in people's benefits and burdens that reflect nothing but different preferences, and do not, therefore, constitute inequalities of benefits and burdens.

Let me spell out the analogy at which I have just gestured. A table is laden with a dozen apples and a dozen oranges. Each of us is entitled to take six pieces of fruit, with apples and oranges appearing in any combination to make up that six. Suppose, now, I complain that Sheila has five apples whereas I have only three. Then it should extinguish my sense of grievance, a sense of grievance that is totally idiotic, here, if you point out that Sheila has only one orange whereas I have three, and that I could have had a bundle just like Sheila's had I forgone a couple of oranges. So, similarly, under a system where each gets the same income per hour, but can choose how many hours she works, it is not an intelligible complaint that some people have more take-home pay than others. The income/leisure trade-off is relevantly like the apples/oranges trade-off: that I have more income than you do no more shows, just as such, that we are unequally placed than my having four apples from the table when you have two represents, just as such, an objectionable inequality. (Of course, some people love working, and some hate it, and that could be thought to (and I think it does) induce an injustice in the contemplated scheme, since those who love work will relish their lives more than those who hate work do, but the same goes for some people enjoying *each* of apples and oranges more than others do. Even so, the apple/orange regime is a giant step towards equality, and so, too, is equal pay for every hour worked, with each choosing the number of hours that she works.)

Now, you might think that the term "socialist", in the phrase "socialist equality of opportunity", is being misused, for the simple reason that it is a familiar socialist policy to insist on equality of income and equal hours of work: haven't kibbutzim, those paradigms of socialism, worked that way?

In reply, I would distinguish between socialist principles and socialist modes of organization, the first, of course, being the putative justifications of the second. Now what I call "socialist equality of opportunity" is, as expounded here, a principle, one, so

I say, that is satisfied on the camping trip, but I have not said what modes of organization would, and would not, satisfy it in general. And, although the suggested strictly equal work/wage regime would indeed contradict it, I acknowledge that socialists have advocated such regimes, and I have no wish, or need, to deny that those regimes can be called *socialist* work/wage regimes. What I do need to insist is that such systems contradict the fundamental principles animating socialists, when those principles are fully thought through. No defensible fundamental principle of equality or, indeed, of community, taken by itself, warrants such a system, which may, nevertheless, be justifiably advocated by socialists as an appropriate “second-best” in light of the constraints of a particular place and time.

What is called *socialist* equality of opportunity is consistent with three forms of inequality, the second and third forms being sub-types of one type. Accordingly, I designate the three forms of inequality as (i), (ii-a), and (ii-b). The first form of inequality is unproblematic, the second form is a bit problematic, and the third is very problematic.

- (i) The first type, or form, of inequality is unproblematic because it does not constitute an inequality, all things considered. Variety of preference across life-style-options means that some people will have more goods of a certain sort than others do, but that is no inequality to which anyone can object when those who have fewer such goods have simply chosen differently, and therefore have more goods of another sort. That was the lesson of the apples/oranges example, and of its application to income/leisure choices.
- (ii) The second type of inequality is an inequality all things considered. For socialist equality of opportunity tolerates inequalities of outcome, inequalities, that is, of benefit in outcome, where those inequalities reflect the genuine choices of parties who are initially equally placed and who may therefore reasonably be held responsible for the consequences of those choices. And this type of inequality takes two forms: inequality due to differences in amounts of chosen *effort*, and inequality due to differences in amounts of chosen *option luck*.
 - (ii-a) To illustrate the first of these forms, imagine that one apple/orange chooser (but not the other) carelessly waits so long that, by the time he picks up the number of them to which he’s entitled, they’ve lost their full savor: the resulting inequality of benefit represents no grievance. And the same goes for someone in a work/pay regime whose ultimate fortune is inferior because she did not bother to examine her job opportunities properly.

These inequalities of outcome are justified by differential exercises of effort and/or care by people, who are, initially, absolutely equally placed, and who are equal even in their *capacities* to expend effort and care. If you believe (against the grain, I wager, of your reactions to people in ordinary life) that there is no such thing, ultimately, as being “truly responsible”, if you believe that greater negligence, for example, can reflect nothing but a smaller capacity for attentiveness, in the given circumstances, than others have, which should not be penalized, then you will not countenance this

second form of inequality. But even if, like me, you are not firmly disposed to disallow it, then the question remains, how *large* is this inequality likely to be? Well that is a very difficult question, and my own view, or hope, is that it wouldn't be very large, *on its own*: it can, however, contribute to very high degrees of inequality when it's in synergy with the third and truly problematic form of inequality that is consistent with socialist equality of opportunity.

- (ii-b) That truly problematic inequality, the substantial inequality that is consistent with socialist equality of opportunity, is the inequality that reflects differences in what Ronald Dworkin calls *option luck*. The paradigm case of option luck is a deliberate gamble. We start out equally placed, each with \$100, and we are relevantly identical in all respects, in character, in talents, and in circumstances. One of the features that we share is a penchant for gambling, so we flip a coin on the understanding that I give you \$50 if it comes up heads, and you give me \$50 if it comes up tails. I end up with \$150 and you end up with \$50, and with no extra anything to offset that monetary shortfall.

This inequality is consistent with socialist equality of opportunity, and it doesn't occur only as a result of gambling narrowly so called. Some market inequalities have that sort of option-luck genesis, or are sufficiently marked by option-luck, within a complex genetic story, that justice, understood as socialist equality of opportunity, cannot condemn them, or, better, cannot condemn them entirely. Such inequalities are broadly compatible with, and, indeed, *justified by*, socialist equality of opportunity.

Although inequalities of type (ii) are not condemned by justice, they are nevertheless repugnant to socialists, when they obtain on a sufficiently large scale, because they then contradict community: community is put under strain when large inequalities come to obtain. The sway of socialist equality of opportunity must therefore be tempered by a principle of community, if society is to display the socialist character that makes the camping trip attractive.

“Community” can mean many things, but the requirement of community that is central here is that people care about, and, where necessary and possible, care for, one another, and, too, care that they care about one another. There are two modes of communal caring that I want to discuss here. The first is the mode that curbs socialist equality of opportunity. The second mode of communal caring is not strictly required for equality, but it is nevertheless of supreme importance in the socialist conception.

We cannot enjoy full community, you and I, if you make, and keep, say, ten times as much money as I do, because my life will then labor under challenges that you will never face, challenges that you could help me to cope with, but do not, because you keep your money. Compare the case where you and I have radically different physical vulnerabilities. You have serious ones, and I could assist you, but I turn my back on you, and community cannot, therefore, obtain between us. Analogously, widely divergent incomes produce widely divergent *social* vulnerabilities, and they, too, destroy community, when those who could attenuate them let them persist.

To be sure, the sick and the healthy can enjoy community with each other. But, so I am suggesting, they can do so only when the healthy are fully prepared, as they may be, to do what they can for the sick, within reasonable limits of self-sacrifice. But if the rich do what they can for the poor, even within what I would regard as reasonable limits of self-sacrifice, then they will give away rather a lot of their money, and community will indeed obtain, but inequality will be reduced. Community is consistent with widely different *earnings*, but not, in relevantly realistic ranges, with, so to speak, widely different *keepings*, and, therefore, widely different powers to care for oneself, to protect and care for offspring, to avoid danger, etc.

I say, then, that certain transactions that cannot be forbidden in the name of justice should nevertheless be forbidden (in the name of community). But is it an *injustice* to forbid the relevant transactions? Do the prohibitions merely define the terms within which justice will operate, or do they (justifiably?) contradict justice? The question needs more thought than I have had the opportunity to give to it. (It would, of course, be a considerable pity if community and justice were incompatible).

So, to return to the camping trip, if we eat pretty meagerly, but you have your special high-grade fish pond, which you got neither by inheritance nor by chicanery nor as a result of the brute luck of your superior exploratory talent, but as a result of an absolutely innocent option luck that no one can impugn from the point of view of justice: you got it through a lottery that we all entered; then, even so, even though there is no injustice here, you are cut off from our common life, and the ideal of community condemns that.

The other expression of communal caring that is instantiated on the camping trip is a communal form of reciprocity, which contrasts with the market form of reciprocity, as I shall presently explain. Where starting points are equal, and there are independent (of equality of opportunity) limits put on inequality of outcome, then communal reciprocity is not required for equality, but it is nevertheless required for human relationships to take a desirable form.

Communal reciprocity is the anti-market principle according to which I serve you not because of what I can get in return by doing so but because you need my service, and you, for the same reason, serve me. Communal reciprocity is not the same thing as market reciprocity, since the market motivates productive contribution not on the basis of commitment to one's fellow human beings and a desire to serve them while being served *by* them, but on the basis of cash reward. The immediate motive to productive activity in a market society is typically some mixture of greed and fear, in proportions that vary with the details of a person's market position and personal character. In greed, other people are seen as possible sources of enrichment, and in fear they are seen as threats. These are horrible ways of seeing other people, however much we have become habituated and inured to them, as a result of centuries of capitalist civilization. (Capitalism did not, of course, invent greed and fear: they are deep in human nature, related as they are to elementary infantile structures. But, unlike its predecessor feudal civilization, which had the (Christian) grace to condemn greed, capitalism celebrates it.)

To repeat, within communal reciprocity, I produce in a spirit of commitment to my fellow human beings: I desire to serve them while being served by them. In such motivation, there is indeed an expectation of reciprocation, but it differs critically from the expectation of reciprocation in market motivation. If I am a marketer, then I am willing to serve, but only in order to *be* served: I would not serve if doing so were not a means to get service. Accordingly, I give as little service as I can in exchange for as much service as I can get: I want to buy cheap and sell dear. I serve others *either* in order to get something that I desire - that is the greed motivation; *or* in order to ensure that something I seek to avoid is avoided - that is the fear motivation. A marketer, considered just as such, does not value co-operation with others for its own sake: she does not value the conjunction, *serve-and-be-served*, as such.

A non-marketer relishes co-operation itself: what I want, as a non-marketer, is that we serve each other. To be sure, I serve you in the expectation that (if you are able to) you will also serve me. I do not want to be a sucker who serves you regardless of whether (unless you are unable to) you are going to serve me, but I nevertheless find value in both parts of the conjunction - I serve you *and* you serve me - and in that conjunction itself: I do not regard the first part - I serve you - as simply a means to my real end, which is that you serve me. The relationship between us under communal reciprocity is not the market-instrumental one in which I give because I get, but the wholly non-instrumental one in which I give because you need, or want, and in which I expect a comparable generosity from you.

Because motivation in market exchange consists of greed and fear, nobody cares *fundamentally, within the economic game*, about how well or badly anyone other than herself fares. You co-operate with other people not because you believe that co-operating with other people is a good thing in itself, not because you want yourself *and* the other person to flourish, but because you seek to gain and you know that you can do so only if you co-operate with others. In every type of society people perforce provision one another: a society is a network of mutual provision, but, in market society, that mutuality is only a byproduct of a wholly unmutual and *non*-reciprocating attitude.

3. Is the ideal desirable?

It is the aspiration of socialists to realize the principles that structure life on the camping trip on a national, or even on an international, scale. Socialists therefore face two distinct questions, which are often not treated as distinctly as they should be. The first is: would that realization be desirable? The second is: is that realization feasible?

Some might say that the camping trip is itself unattractive, that, as a matter of principle, there should be scope for much greater inequality and instrumental treatment of other people, even in small-scale interaction, than the ethos of the camping trip permits. These opponents of the camping trip ethos would not, of course, recommend society-wide equality and community as extensions to the large of what is desirable in the small, and they are unlikely to recommend for the large what they disparage even in the small.

Others would say that, while the camping trip itself is undoubtedly attractive, the cooperation and unselfishness that it displays is appropriate only among friends, or within a small community. But, remembering that we are now discussing desirability, and not feasibility, I find this thought hard to fathom. Why should those of us who do find the camping trip attractive reject the sentiment in a left-wing song that I learned in my childhood, which begins as follows: “If we should consider each other, a neighbor, a friend, or a brother, it could be a wonderful, wonderful world, it could be a wonderful world”?

Some would say that the camping trip is itself unattractive for a rather different reason from the one given above. It's not that there *should* be more inequality and treating of people as means, but just that people have a right to make personal choices, even if the result is inequality and/or instrumental treatment of people. But this criticism seems to me to be misplaced, or, at any rate, to be misstated, as presented here. For there is a right to personal choice on the camping trip, and there are plenty of private choices on it, in leisure, and in labor (where there is more than one reasonable way of distributing it), under the constraint that those choices must blend with the private choices of others. Within market society, too, the choices of others confine each individual's pursuit of her own choices, but that fact is masked in market society, because, unlike what's true on the camping trip, the unavoidable mutual dependence of human beings is not brought into common consciousness, as a datum for formal and informal planning.

Well, there's a lot more to say about all that, but I want to pass onto what troubles me more: questions not of desirability but of feasibility.

4. Is the Ideal Feasible? Are the Obstacles to it Human Selfishness, or Poor Social Technology?

Whether or not the socialist, or, one could say, communist, *modus operandi* of the camping trip is attractive, and whether or not it would (also be) an attractive *modus operandi* for society as a whole, most people who have thought about the matter would judge communism to be *infeasible* for society as a whole.

Now, there are two contrasting reasons why society-wide communism might be thought infeasible, and it is very important, both intellectually and politically, to distinguish them. The first reason has to do with human motivation and the second has to do with social technology. The first putative reason why communism is infeasible is that people are, so it is often said, by nature insufficiently generous and cooperative to meet its requirements, however generous and cooperative they may be within the frame of limited time and special intimacy in which the camping trip unrolls. The second putative reason says, very differently, that even if people are sufficiently generous, we do not know how to harness that generosity, we do not know how, through appropriate rules and stimuli, to make generosity turn the wheels of the economy. Contrast human selfishness, which we know how to harness very well.

Of course, even if neither of these problems, and no comparable ones, obtained, communism might still be unattainable, because political and cultural forces - including the enormous force of the belief that communism is impossible to sustain - that would

resist movement towards it are, or would be, too strong. But the feasibility that I am in course of discussing here is *not* accessibility from where we are, and burdened as we are with all the contingencies that compose our current social condition, but the stability of communism, the question whether it could last, under the assumption that we do have the power to institute it.

In my view, the principal problem that faces the socialist ideal is that we do not know how to design the machinery that would make it run. Our problem is not, primarily, human selfishness, but our lack of a suitable organizational technology: our problem is a problem of *design*. It may be an *insoluble* design problem, and it is a design problem that is undoubtedly exacerbated by our selfish propensities, but a design problem, so I think, is what we've got. (See, further, the Epilogue to this chapter).

Selfishness *and* generosity exist, after all, in (almost?) everyone. Our problem is that, while we know how to make an economic system work on the basis of selfishness, we do not know how to make it work on the basis of generosity. Yet even in the real world, in our own society, a great deal depends on generosity, or, to put it more generally and more negatively, on non-market incentives. Doctors, nurses, teachers and others do not, or do not comprehensively, gauge what they do in their jobs according to the amount of money they're likely to get as a result, in the way that capitalists and workers in non-caring occupations do. (The aforementioned carers won't, of course, work for nothing, but that is like the fact that you need to eat on the camping trip: it does not follow, and it is false, that carers tailor their work to expected monetary return). And the reason for the difference is not that carers are made of morally superior clay, but, in good part, the more cognitive reason that their conception of what is to be produced is given by human need: market signals are not necessary to decide what diseases to cure or what subjects to teach, nor are they good at deciding that. But, once we pass out of the sphere of need, or, more generally, of "merit goods", to the wide sphere of optional commodities, and we pass increasingly to that as economies progress and as life therefore becomes easier and more elegant, it is more difficult to know what to produce, and how to produce it, without the device of market signals: very few socialist economists would now dissent from that proposition. (One reason why the camping trip can readily do without market exchange is that the information that the campers need to plan their activities is modest in extent, and comparatively easy to aggregate).

Now, it is logically possible to use markets to determine what to produce, and how to produce it, without using them to determine the distribution of rewards. And in the light of the infirmities of comprehensive planning on the one hand and of the injustice of market results and the moral shabbiness of market motivation on the other, it is natural to ask whether it might be more than merely logically possible, whether it might, that is, also be practically feasible, to preserve the allocative function of the market, to continue to get the benefits it provides of information generation and processing, while extinguishing its normal motivational presuppositions and distributive consequences.

Precisely that project of differentiation is the aspiration of a ground-breaking book by Joseph Carens, who works in the Political Science Department at the University of Toronto. The book is called *Equality, Moral Incentives, and the Market*, and its significant sub-title is *An Essay in Utopian Politico-Economic Theory*. Carens

describes a society in which what looks like a standard capitalist market organizes economic activity, but the tax system cancels the disequalizing results of that market by redistributing income to complete equality. There are (pre-tax) profit-maximizing capitalists, and workers who own no capital, *but* people acknowledge an obligation to serve others, and the extent to which they discharge it is measured by how close their pre-tax income is to what it would be in the most remunerative activity available to them, while taxation effects a fully egalitarian post-tax distribution of income. Here, then, producers aim, in an immediate sense, at cash results, but they do not keep the money that accrues, and they seek it out of a desire to contribute to society: a market mechanism is used to solve the social technology problem, in the service of equality and community.

As Carens has recognized, there are plenty of problems with his scheme, but it seems to me to be a scheme that is amply worth refining. I do not know whether the needed refinements are possible, nor do I know, speaking more generally, whether the communist ideal is feasible, in the Carensian, or in some other form. We socialists don't *now* know how to replicate camping trip procedures on a nation-wide scale, amid the complexity and variety that comes with nation-wide size. We don't now know how to give collective ownership and equality the real meaning that it has in the camping story but which it didn't have in the Soviet Union and in similarly ordered states. We don't now know how to realize that sort of equality and community across society as a whole. The camping trip's confined temporal, spatial and population scale also mean that, within those confines the right to personal choice can be exercised, without strain, in a way that preserves equality and community. But while that can happen in the small, we do not know how to honor personal choice, consistently with equality and community, on a large social scale. But I do not think that we now know that we will never know how to do these things: I am agnostic on that score.

The technology for using base motives to productive economic effect is reasonably well understood. Indeed, the history of the twentieth century encourages the thought that the easiest way to generate productivity in a modern society is by nourishing the motives of which I spoke earlier, namely, those of greed and fear, in a hierarchy of unequal income. But we should never forget that greed and fear are unattractive motives. Who would propose running a society on such motives, and thereby promoting the psychology to which they belong, if they were not known to be effective, if they did not have the instrumental value which is the only value that they have? In the famous statement in which Adam Smith justified market relations, he pointed out that we place our faith not in the butcher's generosity but in his self-interest when we rely on him to provision us. Smith thereby propounded a wholly extrinsic justification of market motivation, in face of what he acknowledged to be its unattractive intrinsic character. Old-style socialists often ignore Smith's point, in a moralistic condemnation of market motivation which fails to address its extrinsic justification. Certain contemporary over-enthusiastic market socialists tend, contrariwise, to forget that the market is intrinsically repugnant, because they are blinded by their belated discovery of the market's extrinsic value. The genius of the market is that (1) it recruits low-grade motives to (2) desirable ends; but (3) it also produces undesirable effects, including, notably, significant unjust inequality. In a balanced view, all three sides of that proposition must be kept in focus, but many market socialists now self-deceptively overlook (1) and (3).

Let me now offer some further remarks about market socialism.

5. Market Socialism

Nineteenth-century socialists were for the most part opposed to market organization of economic life. The pioneers favored something which they thought would be far superior, to wit, comprehensive central planning, and their later followers were encouraged by what they interpreted as victories of planning, such as Stalin's industrialization drive and the early institution of educational and medical provision in the People's Republic of China. But central planning, at least as practised in the past, is, we now know, a poor recipe for economic success, at any rate once a society has provided itself with the essentials of modern productive system. Accordingly, socialist economists have, in recent years, done important work on how a socialist *market* might work. The extensive historical association of socialism with central planning and the hope that central planning could realize the socialist ideal of a truly sharing society meant that economists of a socialist persuasion did not study non-central planning ways of organizing what would remain in one key respect a socialist economy, in that the assets that are used to produce things are shared. But now there are, for example, various designs for workers' ownership, for different forms of semi-public ownership, for example, at a municipal level, and other attempts to formulate a realization of the principle of collective ownership in the absence of state direction of all economic activity.

There is, then, today, among socialist intellectuals an intelligent movement, in the direction of a non-planning or minimally planning *market* socialist society, but there is also, I must add, an unthinking and fashion-driven rush in that direction. Market socialism is socialist because it overcomes the division between capital and labor: there is, in market socialism, no class of capitalists facing workers who own no capital, since workers themselves own the firms. But market socialism is unlike traditionally conceived socialism in that its worker-owned firms confront one another, and consumers, in market-competitive fashion; and market socialism is also, and relatedly, unlike traditionally conceived socialism in that it reduces, even though it does not entirely eliminate, the traditional socialist emphasis on economic equality. Equality is prejudiced because market competition leads to inequality between winners and losers. And community, too, is prejudiced, under market socialism, because exchange under market socialism is no less market exchange than it is under capitalism: it is not, as it is in the Carensian economy, only superficially market exchange. True reciprocity, express rather than merely implicit reciprocity, does not prevail, at the heart of market socialism's economic transactions.

I believe that it is good for the political prospects of socialism that market socialism is being brought to the fore as an object of advocacy and policy: these socialist intellectuals, even some of the fashion-driven ones, are performing a useful political service. But I also think that market socialism is at best second best, even if it is the best (or more than the best) at which it is reasonable to aim for the more or less immediate future. I also think that many socialist intellectuals who think otherwise are indulging in "adaptive preference", a process in which the agent's preference ordering

is distorted by his conception of the feasible set. Many socialists have concluded that market socialism is wonderful simply because they believe that they cannot design anything better: that is an absurd reason for reaching the stated conclusion, and one that they cannot, perforce, acknowledge.

I do not think that anyone in their right mind could say that market socialism fully satisfies socialist standards of distributive justice, though they can rightly say that it scores better by those standards than market capitalism does. Notwithstanding that relative superiority, market socialism remains deficient from a socialist point of view, because, by socialist standards, there is injustice in a system which confers high rewards on people who happen to be unusually talented and who form highly productive co-operatives, and because market socialism's market exchange contradicts the value of community.

I do not say that we should aim to achieve, in this era of ideologically rejuvenated capitalism, a form of socialism more radically socialist than market socialism. As far as immediate political programs are concerned, market socialism is undoubtedly a good idea. But market socialist enthusiasts make grander claims for it, claims that should be resisted.

6. Coda

The difficulties facing achievement of the socialist ideal are awesome, but the negative epithets that are hurled at the socialist ideal by erstwhile “democratic Socialists”, such as those in Britain who gather under the banner of “New Labor”, epithets like “mechanical equality”, or “sameness of outcome”, represent a failure to think through what the ideal implies and/or a semi-deliberate attempt to replace argument by rhetoric. The epithets are inappropriate because the socialist ideal doesn't enforce sameness of outcome in the relevant sense of a deadly uniformity in which everybody is wearing a Mao jacket.

Any attempt to realize the socialist ideal runs up against entrenched power and individual selfishness. Politically serious people must take those obstacles seriously. But they are not reasons to disparage the ideal itself. Disparaging the ideal because it faces those obstacles leads to confusion, and confusion generates disoriented practice: there are contexts where the ideal *can* be advanced, but is pushed forward less resolutely than it might be, because of a lack of clarity about what the ideal is.

The socialist aspiration is to extend community to the whole of our economic life. As I have acknowledged, we now know that we do not now know how to do that, and many think that we now know that it is impossible to do that. But community conquests in certain domains, such as health care and education, have sustained viable forms of production and distribution in the past, and it is imperative, now, to defend community, since it is a value that is currently under aggressive threat from the market principle, and also because there is often immediate political mileage to be got from reasserting community in the mentioned particular domains, and calling for its extension beyond them, when that is possible.

I agree with Albert Einstein that socialism is humanity’s attempt “to overcome and advance beyond the predatory phase of human development” (“Why Socialism?”, *Monthly Review*, No. 1, 1949). It is not, as it is in the Carensian economy, only superficially market exchange. Every market, even a socialist market, is a system of predation. Our attempt to get beyond predation has thus far failed. But I do not think the right conclusion is to give up.

7. Epilogue

Permit me to recall, here, two episodes that were critical to the development of my own realization that we socialists lack a convincing answer to the problem of how to design a non-market socialism.

The first episode occurred in Germany, in 1976, during a conference at Schloss Reisenberg, which is not far from Günzburg, which is not far from Ulm. I was strolling on the castle’s grounds with the distinguished non-reactionary economist Leonid Hurwicz, and I had occasion to profess my commitment to socialism. Hurwicz responded in roughly these terms: “Look, I have nothing against socialism, as an idea. But I’m a designer; I need to know how it’s supposed to work. Tell me what design you have in mind”. Hurwicz rightly did not find my reply - “democratic planning” - specific enough, and his intelligent skepticism gave me pause.

More decisive was what happened one day in London, in 1981, when I read David Schweickart’s proof of the infeasibility of a democratic planning design sketched by Michael Albert and Robin Hahnel. From that day forth, I reluctantly settled for a socialist market, at least for the time being. (The proof appeared at pp. 217-8 of Schweickart’s fine book, *Capitalism or Worker Control?* (Praeger, New York, 1980). He was commenting on pp. 257-80 of Albert and Hahnel’s *Unorthodox Marxism* (South End Press, Boston, 1979). I should add that Schweickart’s *Against Capitalism* (Cambridge University Press, 1993) is a rewritten and expanded version of his 1980 book).

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Glossary

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|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bourgeois equality of opportunity: | the principle that socially constructed status restrictions on life chances, of both formal and informal kinds, are illegitimate. |
| Communal reciprocity: | the anti-market principle according to which I serve you not because of what I can get in return by doing so but because you need my service, and you, for the same reason, serve me. |
| Community: | in the sense relevant here, a structure of human interaction in which people care about, and, where necessary and possible, care for, one another, and, too, care that they care about one another. |

- Left-liberal equality of opportunity:** the principle that argues that all *social* disadvantages, but not native, or *inborn*, disadvantages, are illegitimate.
- Market rationality:** Decision-making principles based exclusively on the search for personal or corporate gain.
- Market reciprocity:** the anti-communal principle according to which I serve others so that I may be served by them in turn; the less I serve and the more I am served the better.
- Market socialism:** a political economic theory designed to replace capitalism in which worker-owned firms confront one another, and consumers, in market-competitive fashion.
- Social rationality:** decision making-principles that prioritize human need-satisfaction.
- Socialist equality of opportunity:** The principle that seeks to correct for *all* disadvantages for which the agent cannot herself reasonably be held responsible, whether they be disadvantages that reflect social misfortune or disadvantages that reflect natural misfortune.

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Biographical Sketch

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