MARKET BOUNDARIES AND HUMAN GOODS*

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1. Problems of market boundaries
It is now widely accepted that the market is superior to the state as a means of organising economic activity. But there remain a number of significant problems about the proper scope of the market domain, about the range of activities which are appropriately governed by market mechanisms and their associated forms of commercial organisation. Whilst many would agree that the market is an admirable device, provided it is 'kept in its place', there is much less agreement about the precise location of that place, about where and on what grounds the boundaries of the market should be established.

In Britain - though a similar story could be told elsewhere - two broad developments over the past 20 years or so have given rise to considerable debate about these issues. First, a politically-driven programme of reform has led to the introduction of market or quasi-market principles and forms of organisation into a wide range of institutions and social practices which had previously operated on quite different bases. I have in mind here not only the privatisation of publicly owned industries, but also the reconstruction of a wide range of other institutions which, whilst remaining within the public sector, have increasingly been required or encouraged to operate in commercially-modelled ways. Amongst these have been local government, educational and health-care institutions, and also those which may be termed 'cultural' in character, namely broadcasting, the various arts, academic research and so on.

Second, and without such obvious political intervention, there has been a strong tendency for the market to expand its range of application and, as it were, to intensify the pressures it exerts on the conduct of both commercial and non-commercial activities. So, for example, whilst previously amateur sports have become 'professional', already professional clubs have become quoted companies on the Stock Exchange, joined by de-mutualised building societies; charitable organisations now compete with each other and with other retail outlets on the high street; university presses are increasingly indistinguishable from their commercial counterparts, who themselves make increasingly sales-driven judgments about their potential authors' work; and so on.

These two developments have been greeted neither with universal acclaim nor universal hostility; rather, they have generated considerable disagreement and debate. My aim in this paper, however, is not to join this debate by arguing directly about the substantive merits or defects of these particular changes, but to address the more general and philosophical question of what kinds of consideration should be regarded as relevant in such arguments. What are to count as proper grounds for establishing or removing boundaries around the market? On what bases might the expansion of the market be legitimately either challenged or endorsed?

More specifically, I shall attempt to defend the view that one legitimate ground for establishing or maintaining market boundaries is a concern for the effects of the market on the nature and value of the various 'human goods' available to individuals in a society such as ours. This concern is to be distinguished from another, quite different (though at least equally important) one, namely with the justice or injustice of the unequal access to these goods between different individuals or social groups, when such access is limited by their respective abilities to pay. So, for example, the introduction of museum and art gallery admission charges may be challenged on the grounds that this will deprive the poor of access to these goods; by contrast, it may also or instead be claimed that, if such institutions are run along purely commercial lines, their proper aims and purposes will be compromised, with negative consequences for the nature and value of the goods they will then have to offer, however just or unjust the potential beneficiaries' differential access to these may be.

In a similar vein, academics who oppose the marketisation of universities may argue that competitive pressures and the attribution of consumer-status to students will undermine the provision of intellectually challenging degrees; television producers, that the de-regulation of broadcasting will lead to a decline in the quality of programmes; subsidised theatre and dance companies, that the commercially modelled criteria for funding imposed by the Arts Council will inhibit artistic innovation; and so on. In these and many other cases, it seems that what is at issue is the supposedly negative effects of the market on the character of the various goods generated by non-market institutions.

However, whilst objections of this kind to the expansion of the market domain are frequently voiced, they are often met with outright, 'in principle' rejection - especially when accompanied, as they usually are, by proposals that the powers and resources of the state should be employed to limit or regulate the operation of the market, and/or to provide support for non-market institutions. Instead, that is, of engaging critically with the specific claims being made about the value of certain goods, and the likelihood or otherwise of their being adequately provided through the market, it is argued that any such grounds for limiting the domain of the market, and for deploying the powers and resources of the state, are in principle unacceptable - they are 'ruled out of court', without reference to the possible merits or defects of the specific case at issue.

2. Liberal neutrality and the market

This objection to goods-based arguments for market boundaries may take a number of closely related forms. For example, especially in cases concerning cultural goods, it may be objected that any attempt either to regulate the commercial production of culture, or to subsidise its non-commercial provision, is inherently elitist, since it implies that judgments of cultural value can and should be made only by those with the requisite expertise and authority, whose views will be given insufficient weight if these decisions are instead made by less knowledgeable 'sovereign consumers' in the market.¹ Or, somewhat more generally, it may be argued that to impose such limitations on the

¹ I have discussed this objection more fully in 'Scepticism, authority and the market', in R. Keat, N. Whiteley and N. Abercrombie (eds), The Authority of the Consumer (London: Routledge, 1994), 23-42.
market, where people are able to make their own judgments about what will best contribute to their well-being, and then to express these through their willingness to pay, is unjustifiably paternalistic, implying as it would that certain others know better than oneself about what is good for one, and have the right not only to make such judgments but to enforce them.

But there is another version of this objection to which I shall give most attention here. It is based on a central tenet of certain influential contemporary liberal theorists, the principle of (state) 'neutrality'. According to this principle, it is never justifiable for the state (whether democratically controlled or otherwise) to act in ways that are either designed, or reasonably expectable, to favour certain 'conceptions of the good' over others. Instead, it is claimed, the state should remain 'neutral' as between the various conceptions of the good which individuals may espouse and seek to realise, and must refrain from using its powers and resources either to place obstacles in the path of some, or to ease the path of others.²

By contrast, it is claimed, the state may and indeed should act so as to prevent the pursuit of any such conception of the good by some individual(s) being conducted in such a way as to impede the rights of other individuals to do likewise. Further, for neutralist liberals who are also welfare liberals, it is also proper for the state to ensure a just distribution of the material resources required by individuals for the effective pursuit of their respective conceptions of the good. But this must be done in a way that is not dependent on making judgments about the substantive merits or defects of these conceptions. Such judgments are to be made, if at all, only by the individuals concerned, and not by the state, or by those who control its actions. To think otherwise - to reject these neutralist limitations on the state - is to espouse some form of 'perfectionism', according to which it is legitimate for actions by the state to be based upon such judgments, and to be aimed at the realisation of some (favourable judged) conceptions of the good rather than others.

Now it may well seem that the principle of neutrality would indeed rule out of court the kinds of goods-based arguments for market boundaries which were noted earlier. For these appear to depend, not only on perfectionist judgments being made about the value of certain kinds of goods which are said to be damaged or threatened by an unduly expansive market, but on the view that it is legitimate for the powers and resources of the state to be used to prevent or rectify these undesirable effects.

Furthermore, it may also seem that the market itself is fully consistent with the requirements of neutrality. For this, surely, is a social domain in which the only judgments made about the respective merits of different goods are those made by their (actual or potential) purchasers, who do so in ways that reflect their overall conceptions of the good, of the kinds of life they wish to live and regard as worthwhile, enjoyable, fulfilling and so on. The market is a procedure for making decisions about the allocation of economic resources to the production of goods in which the

only criteria by which the value of these goods are judged are those endorsed and applied by consumers themselves - not by the state, nor by any other supposedly authoritative body. In a market economy it is the preferences of consumers, and the judgments about their own well-being on which these are based, that count; there is no role for the state in this process through which individuals freely pursue their own conceptions of the good, without having to justify their decisions to anyone but themselves.

So the principle of neutrality, combined with the claim that the market is a system which operates fully in accordance with this principle, appears to provide strong grounds for objecting 'in principle' to the deployment of goods-based arguments for market boundaries. I shall argue, however, that this is not in fact so. My argument will proceed in three main stages. First, I shall make a series of somewhat schematic claims about the nature of human goods and their dependency upon various kinds of social institutions, of which the market is but one. Next, I shall argue that the market may operate or develop in ways that are inimical to the effective functioning of other, non-market institutions, and that when this occurs one cannot appeal to the principle of neutrality to rule out intervention by the state. Finally, I shall suggest that a preferable way of approaching these issues is to conceive of the market, not as a domain of individual liberty counterposed to the state, but rather as a collectively instituted device for the realisation of shared conceptions of the good.

3. Human goods and their social conditions

(1) Human goods - ie the 'things' which contribute either directly or indirectly to human well-being - are richly diverse and heterogeneous in character. Along with the products generated by the market, they include inter alia such disparate items as friendship, love and conviviality; the exercise of the imagination; the acquisition of knowledge and understanding; the development and application of complex skills and capacities; the aesthetic appreciation of nature, and engagement in activities which are seen as productive of other goods.

Thus although economic 'goods' are properly so called, there is no reason to restrict the class of human goods to these alone. Nor is there any reason to believe that the relative value of different kinds of human goods can be expressed or measured in monetary terms. So when, for example, people are asked 'how much they would be willing to pay' to retain some valued feature of their natural environment, and refuse to answer, or when people refuse to say 'how much they would accept as compensation' for the loss of their spouse, they should not be regarded as stupid or irrational, but as correctly recognising the unpriceable value of certain kinds of human goods and hence their irreplaceability by certain others. In this respect, at least, different kinds of human goods may be said to be incommensurable.3

(2) At least many, if not all, such human goods are 'social' in the following sense: their existence and character is either dependent upon, or is constituted by, specific (and similarly various and distinct) kinds of social practices, which themselves involve characteristic forms of social relationships, ethical norms, appropriate attitudes and

3 On the environmental example, see J. O'Neill, 'King Darius and the environmental economist', in T. Hayward and J. O'Neill (eds) Justice, Property and the Environment (Aldershot: Ashgate, 1997), 114-130; on incommensurability, see J. Raz, op. cit. note 2, ch. 13.
motivations, and so on. Further, many such social practices either require, or are significantly enhanced by, the existence of certain institutional arrangements of a more or less formally organised nature, at least some of which are either directly or indirectly supported by the powers and resources of the state.\(^4\)

So, for example, the human good(s) of intellectual enquiry (including here both those accruing to participants, and those accruing to others as outcomes) depend upon various established forms of social practice, with their accompanying rules of argumentation and evidence, the exercise of certain intellectual virtues and attitudes, the presence of requisite forms of recognition and trust between participants, and so on.\(^5\) These practices of enquiry are typically conducted in specific institutional contexts, such as universities and research centres, which may be wholly or partly funded by, without being correspondingly subordinated to, the state.

(3) There is no reason to expect that any one institutional form will be equally appropriate as a means of organising every or most kinds of social practice, and hence of supporting the generation of their respective kinds of human goods. Rather, one might reasonably expect a considerable diversity in such practice-supportive institutions, reflecting the diversity of the goods which they make possible. Hence, in particular, there is no reason to believe that the market, which is one such institutional form, provides an appropriate basis for the generation of all human goods, despite its undoubted effectiveness in producing some. One should not expect, for example, the human goods made available through familial relationships and practices to be equally well generated through the market; nor should one expect the converse to obtain.

(4) There is no guarantee that the different institutions and practices through which these diverse human goods are made available will always operate in mutually harmonious ways; and even if they do so at one time, they may fail to do so at another. That is, it is always possible that one or more such institutions may operate or develop in ways that are inimical to the continued flourishing of others, and hence damage, limit or undermine their ability to generate their specific kinds of human goods.

This is not to say that such mutually antagonistic relationships between the institutional bases of different goods are inevitable. Indeed, one might reasonably claim that it is a characteristic feature of modern societies that they display a relatively coherent and stable form of institutional differentiation which, correspondingly, makes it possible for the members of those societies to engage in a wide range of different kinds of social practices and relationships and to derive from them the enjoyment of a similarly wide range of goods. They may act as consumers, parents, friends and citizens, and benefit from the various goods associated with each of these roles; there need be no 'contradictions' here, any more than there need be between the correspondingly different institutions which make these activities possible for them.

\(^4\) Here I partly follow M. Walzer, *Spheres of Justice* (Oxford: Martin Robertson, 1983), ch. 1, and J. Raz, op. cit. note 2, ch. 12, but with a more institutional emphasis.

Nonetheless, even without the politically-driven reconstruction of non-market institutions to bring them closer to a market model which was noted earlier, social institutions may operate or develop in ways that are antithetical to the effective functioning of others. This possibility is especially evident in the case of the market, given its inherently dynamic and expansive nature and the considerable power of what are rightly termed market 'forces'. Just as the unbounded market is potentially and often actually destructive of the natural conditions for some human goods - the degradation of the environment depriving humans of certain irreplaceable sources of well-being - so too it can be, and often is, of the social conditions for other such goods. There are many ways in which this may occur, amongst them the following:

Sometimes the constant need to create 'new commodities' may be met by introducing commodified forms of goods which had previously existed in a non-commodified form, altering their distinctive character or forcing them out of existence: for example, the displacement of blood-donating by its commercial counterpart, or of amateur sports or artistic activities by 'professional' ones. Sometimes the competition for audiences between commercial and non-commercial broadcasters will force the latter to adjust their programming priorities so that, for example, they no longer give serious attention to the democratic requirement for informed political debate and analysis. And sometimes more subtle processes of cultural projection may occur, so that, without literally becoming commodified, social practices previously conducted on a quite different basis become redefined in market-related terms: for example, when friendship or marriage come to be seen and practised as contractual exchanges, with a consequent loss of reciprocity and commitment.  

4. Protecting endangered goods

Suppose now that the members of a democratic society are faced with a situation in which, 'left to its own devices', the market could reasonably be expected to operate in such a way that the continued availability of certain non-market human goods is threatened - that they are likely to become 'endangered species'. I suggest that there are no good grounds for ruling out, as a matter of principle, their deciding to utilise the powers of the state to limit the operation of the market, and/or to employ its resources to provide support for these threatened goods. In particular, I shall argue, such decisions are not prohibited by a liberal principle of neutrality.

To clarify what is at issue here, we may also suppose that, in the situation just noted, no member of the society concerned would in fact wish to see these endangered goods go out of existence: they would all prefer them to be protected, and would be willing to 'sacrifice' their potential enjoyment of market goods in order to achieve this. The problem they face is that, as members of a society with a market economy, they find that the aggregative effect of their individually rational actions as economic agents is something which none of them either intended or desired, namely the loss of other goods which, given the choice, they would prefer to remain available to them. Given that

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this is so, it is hard to see what would be objectionable about their acting collectively so as to prevent these undesired consequences.\(^7\)

Of course, in doing so they will be placing limitations on the actions they would otherwise have performed as consumers and producers in a market economy: some of the things they had previously been free to do will no longer be so. But if they fail to restrict themselves in this way, they will find that some of the things which they would prefer to be able to achieve, some of the more highly valued sources of their own well-being, will no longer be available to them. So why should they be obliged to subject themselves to such a damaging, self-denying ordinance? More specifically, is this what the principle of neutrality obliges them to do? I suggest not, for the following reasons. (The situation is more complex in the absence of unanimity; but I can see no justification for the freedom of a minority to pursue the goods they prefer having priority over that of the majority to do likewise).

To think that it does would require one to believe that allowing the market to eliminate such endangered goods would be consistent with that principle, whilst using the powers and resources of the state to prevent this would not be. This would imply that the former course of action would not involve the state's favouring certain conceptions of the good over others (ie those made available through the market over those which were not), whereas the latter course of action would (ie it would involve the state's favouring non-market goods over market ones). But there is no reason to regard these two cases as differing with respect to the implied neutrality of the state.

Now it might be objected that there is a relevant difference here, namely that if we decide to 'leave things to the market' to determine, we are deciding to 'keep the state out' of such determinations, ie not to rely on its powers, whereas if we decide to use those powers, we are clearly not. But this, I believe, is mistaken. For although the market is indeed an alternative to the state as a means of organising the production of 'economic' goods, it is itself a social institution which depends for its existence and mode of operation on the powers of the state - not least in defining and enforcing an appropriate system of legally enforceable property rights. Indeed, it is worth noting here that the market is itself best seen as a 'public good' - one that requires collective action to institute and sustain, and which is not itself the natural outcome of individually rational action.\(^8\)

Now, given that the market is, inter alia, a device through which certain kinds of human goods are produced, there is a significant sense in which the decision to institute and/or sustain the market represents a decision to utilise the powers of the state to make these kinds of goods available. As such, this is not necessarily incompatible with the requirement of neutrality, since it does not of itself imply a decision to favour these kinds of goods (and the more general conceptions of the good whose realisation they make possible) over others. But then neither is, by the same line of reasoning, a decision to use the powers and resources of the state to support the provision of other kinds of goods: there are no grounds for regarding the two as inherently different with respect to neutrality.


\(^8\) For an argument to this effect, see D. Mueller, Public Choice II (Cambridge: Cambridge University Press, 1989), Part I.
If, however, in the situation I have been considering, the decision is made to allow the market to operate in ways that are destructive of these endangered non-market goods, it is hard to see how this could be regarded as satisfying, or as required by, the principle of state neutrality. It would surely be more plausible to see it as representing a decision to favour market over non-market goods, ie as a thoroughly non-neutral one. Indeed, any 'principled' decision always to allow market goods to triumph in this way - as distinct from merely accepting, in effect, that 'might is good' - would seem to be the equivalent of assigning lexical priority to market goods, ie of always preferring them when they conflict with others.

What grounds, if any, there could be for such a decision I shall not consider here, but it seems unlikely that they could fail to involve just those kinds of 'perfectionist' judgments about the relative value of different conceptions of the good which the neutralist liberal is so eager to avoid. Thus, far from liberal neutrality requiring us to leave things to the market, leaving things to the market may require us to abandon neutrality; indeed, we may even come to doubt whether neutrality is a principle that can consistently be applied.

5. Markets, democracy and the common good

I have been arguing that one cannot appeal to a liberal principle of neutrality to rule out decisions to use the powers and resources of the state in order to protect human goods endangered by the foreseeable effects of an unbounded market. For the market itself may operate in ways that are, as it were, non-neutral with respect to potential conflicts between market and non-market goods, and as an institution which itself relies upon the state, it is hard to see why neutrality on the latter's part should require such conflicts always to be resolved in its favour.

In the course of this argument, I have also claimed that the market should be regarded as just one - albeit a highly significant one - of many social institutions through which a variety of different kinds of goods is made available to the members of a society such as ours. In doing so I have implicitly suggested an alternative to the way in which liberal political theorists - whether contemporary neutralists or their historical predecessors - typically conceive of the market: as a realm of freedom in which individuals are at liberty to pursue their own conceptions of the good, and which stands in marked contrast to the state, seen as the prime source of coercion, and hence of limitations upon individual liberty.

This alternative view of the market, which has an equally long and distinguished ancestry in the work of the classical political economists, sees it primarily as a socially instituted device with a remarkable ability to generate - more efficiently and abundantly than any other known system - certain kinds of human goods, and hence to contribute to the well-being of those who purchase and utilise them. It is this which constitutes the market's chief merit; for the liberal, by contrast, any such reference to the goods produced by the market is strictly irrelevant, since what matters is its supposed embodiment of individual liberty. 9

9 I have elaborated this contrast between liberal and classical justifications for the market in 'Delivering the goods: socialism, liberalism and the market', New Waverley Papers, No. 96-9 (Department of Politics, University of Edinburgh, 1996).
Now let us suppose that, in a democratic society, it is for this 'classical' reason, and not the liberal one, that the market is accepted. We might reasonably take this to indicate that there is some agreement amongst its citizens that the kinds of goods made available through the market are indeed of considerable value to them, and the decision to support the institution of the market with the powers of the state would thus be based upon a 'shared conception of the good', of the well-being it is thought possible to achieve through the purchase and use of consumer products. Indeed, we could also see this decision as expressing a shared concern with 'the common good', the good of every member of that society - and this would then quite naturally be accompanied by a recognition of the need to adjust or supplement market-determined distributions of consumer goods when this was necessary to meet some agreed criteria of justice.

But there would be no reason to expect that this would be their only shared conception of the good, or that they believed it was only through the activities made possible by consumption that their well-being could be realised. Rather, these citizens might also agree on the potential value to their lives of many other kinds of human goods, which cannot be generated through the market. So, just as they are willing to act collectively to secure the provision of market-generated goods, they will also wish to act collectively to ensure that these other goods are likewise made available, and will thus be willing also to deploy, where this is appropriate, the resources of the state to achieve this.

On this account, then, the rationales for establishing and maintaining both market and non-market institutions are essentially the same, in that both rely on agreed judgments about the value of various kinds of goods as means for living what are regarded as humanly worthwhile lives. Since this is so, such citizens will see no 'objection in principle' to deciding, for example, to place limits on the operation of the market when it threatens to damage these other goods, at least in those cases where the relative value placed upon these would make this seem to them an unacceptable sacrifice. Given that, for them, the market is an institution whose chief merit is an 'instrumental' one - its ability to deliver certain kinds of goods - they will have no objection in principle to limiting or replacing it whenever it fails; and when conflicts between market and non-market goods arise, they will attempt to resolve these through agreed judgments about their relative significance. Nor will they regard either the market itself, or what are essentially market-replicating procedures such as cost-benefit analysis, as capable of making such judgments, since they recognise the incommensurability, in monetary terms, of the various goods at stake.10

Thus, in broad terms, the kinds of reasons they have for adopting the market are the same as those they appeal to in deciding to place limits upon it: in both cases, judgments about human goods are seen as entirely appropriate. From this perspective, then, arguments for such limitations which rely on claims about human goods are not seen as departing radically from the basic rationale for the market itself. By contrast, this is precisely how they must appear from a liberal perspective, given that its rationale for the market makes no reference to its value in generating human goods.

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10 For an application of this argument to environmental decisions, see M. Sagoff, *The Economy of the Earth* (Cambridge: Cambridge University Press, 1988).
But the alternative, non-liberal account of the market I have been presenting here is not necessarily at odds with the characteristic concerns of liberal political thought. In particular, it must be emphasised that what is collectively agreed and secured by institutional means is only the availability of various kinds of goods, and the possibilities they represent for individuals: there is no requirement that every individual must 'partake' of all these goods, no coercive pressure by the state so to do, no paternalistic judgment made and enforced by others. This is true not only of the goods made available through the market, where it is clear that individuals may select their own particular 'packages', in ways that will partly express their differing overall conceptions of the good, but also of the differing kinds of goods made available through non-market institutions and the social practices they sustain. What is being secured, here, is essentially a common stock or repertoire of goods, from which individuals may freely choose.

Thus the account I have offered is not incompatible with the liberal requirement that individuals should be free to pursue their own conceptions of the good. But it differs from the way this requirement is normally presented, in that it rejects the highly abstract, idealist and asocial manner in which such conceptions of the good are themselves typically conceived: as if they were either the spontaneous creations of individual minds, or floating freely in some conceptual ether, waiting to be chosen and then acted upon. Instead, I have suggested, conceptions of the good are rooted in, and made possible by, specific forms of social practice and (in many cases) their institutional conditions.

This is not to adopt a crude sociologism, according to which all 'individual preferences' are 'socially determined'; rather, it is to insist that specific social conditions must obtain if certain conceptions of the good are to be possible objects of individual choice. So just as the sociality of human goods leaves room for autonomy, the collective decisions made to secure the common stock of these goods leave individuals free to pursue their own conceptions of the good. The state uses its coercive powers to ensure their conditions of possibility, not to force individuals to actualise them.

Now it might be objected that I am trying to have my cake and eat it here, in claiming both that there are shared conceptions of the good in such a society, and that its members remain free to decide upon those which they wish to pursue. For if the latter is true, and the individuals concerned choose differently from one another, what significance can be given to their being said to share certain conceptions of the good, and to agree as citizens on taking collective action to provide what is required to realise these? Would it not be better, and much less misleading, to say instead that all that is really 'agreed' upon is the right of individuals to pursue their own conceptions of the good, and/or the value of their being free to do so? There is no shared conception of the good, here; the citizens of a properly liberal democracy simply 'agree to differ' about human goods, but respect one another’s right freely to choose what to regard as such, for themselves.

But I do not think this objection is convincing. For it relies upon conflating the choices we make as individuals as to which goods we wish to pursue, and our judgments about what are human goods, and hence possible contributions to human well-being. For example, I may not choose to live the life of a musician or a nature-lover, but this does not mean that I do not recognise them as good lives to live. Nor is this 'recognition' merely a matter of my
registering the fact that others happen to see them as such; it involves my accepting that they are good lives, not simply that others wish to live them. My coming to accept this may involve considerable efforts of imagination and reflection, and I reserve the right, as it were, to arrive at a negative judgment. But I do not regard the fact of my own preference for a different life, which I judge to be a good one, as implying either that no others are good, or that what others regard as good is a matter merely of their preferences.

I have put these points in the first-person singular, but I see no reason why they should not also be put in the first-person plural, and thus suggest the possibility of a democratic politics of the common good which recognises diversity without lapsing into subjectivism or a spurious form of tolerance. And given both the need for collective action to secure the institutional conditions for such diverse human goods, and the potential for these institutions to operate in mutually antithetical ways, it is hard to see how supposedly illiberal perfectionist judgments about the respective value of these different goods either can or should be avoided.