DELIVERING THE GOODS: SOCIALISM, LIBERALISM AND THE MARKET

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1 Introduction

A striking development in Britain (and elsewhere) over the past 20 years or so has been the expansion of the market domain: 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 radical reform and 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 might broadly be termed 'cultural' in character: namely broadcasting, the various arts, academic research and so on. It's with these ('cultural' institutions) that I shall mainly be concerned in this lecture, though some of what I have to say may have wider application.

Now it might immediately be objected that these reforms of 'public sector cultural institutions' have involved not so much the expansion of the market but of the state, and have correspondingly been accompanied by all the hallmarks of the centralised planning which is supposedly anathema to their political mentors. And certainly there is, to take one small example, a significant difference between trying to persuade the ESRC to give one funding on the grounds that one's research will have wealth-creating user-benefits, and simply operating as a commercial enterprise in a market economy.

However, a central objective of these state-imposed reforms has been to require these institutions both to adopt commercially modelled forms of organisation, and to respond to the demands of consumers through at least quasi-market mechanisms. Crucially, they have led to a marked degree of de-differentiation between previously distinct organisational forms and institutional norms. And it is the possible grounds for objecting to this process of market-modelled de-differentiation that has been the main topic of my research over the past 8 years or so.

Much of that work has been strongly influenced by two books published in the early 1980s (perfect timing from my point of view, given what was going on in universities at the time), namely Alasdair MacIntyre's After Virtue and Michael Walzer's Spheres of Justice. It seemed (and still seems) to me that MacIntyre's conception of what he called 'practices', combined with Walzer's pluralistic view of human goods and their respective 'spheres', might be turned to good effect in thinking about these problems. But I shall be saying

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1 First published in New Waverley Papers, 96.9, Department of Politics, University of Edinburgh, 1996. This is the text of my inaugural lecture as Professor of Political Theory at the University of Edinburgh, given on 4th November 1996. A few passages that were cut during the lecture are included, together with some footnotes and bibliographical references added later - otherwise the text is 'as delivered'.
rather little about MacIntyre and nothing at all about Walzer. Instead, I shall try to present a broader picture of possible arguments against the extension of the market domain, and to relate these to certain traditions or schools of political thought.

So how, in general terms, might one go about opposing the kinds of market extension I referred to at the outset? One possible ground is quite simple and straightforward. This is the view that, since the market is a wholly undesirable institution in any possible area of application, its spread or expansion must always be resisted: if something is bad, the more of it the worse. From this perspective, then, there are no specific reasons for objecting to the market's introduction in any particular case or context: what can be said against it 'here' or 'there' is just what can be said against it anywhere else.

This simple form of opposition is what used to be called 'socialism', and must now be called 'heritage' socialism. But it suffers from a crucial problem. The traditional socialist case against the market depended on the claim that there is some alternative form of economic organisation which preserves what is best about the market, eliminates its specific evils, and does not generate additional and more serious evils of its own. But no such alternative has yet been constructed, either in practice or in theory.

This does not imply that there is no alternative to the specific form of the market termed 'capitalism'; it's quite possible, at least in theory, to replace capitalism's distinctive modes of ownership and control of the means of production by those proposed in so-called 'market socialist' theories. Now I think that market socialism is indeed preferable to capitalism, not only because it eliminates the exploitative and alienating wage-relationship, but also because it seems that market systems are compatible with (though they do not guarantee) the civil and political rights characteristic of liberal democracies, in a way that command-systems arguably are not.

However, the adoption of market socialism in place of the capitalist market economy leaves unresolved the question with which I am concerned - which is why I have stated it as a question about the expansion of the market and not of capitalism. And if it cannot be answered by relying simply on hostility to the market, it must instead be answered by arguing that there are certain kinds of social practices which are appropriately governed by market institutions, and others that are not. (And it's no doubt a sign of middle age when one finds that 'inappropriate' has become the strongest term in one's critical vocabulary...).

In other words, one must conceptualise this issue as one about market boundaries: one must show what it is about the specific practices and institutions which one wishes to 'protect' from the market that makes them unsuitable cases for market treatment. And in trying to do this, one should not assume that the same kinds of reasons will apply to all cases of market-exclusion: there may well be quite different ones in different kinds of cases.

Now in broad terms, the idea that the market has its place, but should not be permitted to exceed its...

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2 I have discussed Walzer's position in 'The Moral Boundaries of the Market' and 'Michael Walzer on Recognition', and MacIntyre's in 'Consumer Sovereignty and the Integrity of Practices'.
proper sphere, is a quite obvious and familiar one. It is connected both to the insights of everyday wisdom - 'there are things that money can't buy' (and are at least as important as those that it can) - and to rather more elaborate theorisations of modernity, such as Hegel's famous division of society into the family, civil society (including a market economy) and the state, with each sphere operating on the basis of different kinds of social relationships, institutional structures and so on, which are themselves inappropriate and destructive if applied outwith their proper domain of application.

Indeed, it's worth noting here that almost all those theorists who extol the virtues of the market do so on the assumption that what they are supporting are organizational principles/mechanisms for a specific sphere or domain, and not for 'society as a whole'. Admittedly, the assumption is normally only a tacit one; and indeed it could I think be shown that many of the arguments deployed in favour of the market have so general a character that it's difficult to see why they would not imply that every sphere of society should be organised on this basis: if the price-mechanism is such a brilliant device for transmitting information about individuals' preferences, why shouldn't we allow political office and votes to be bought and sold in a thorough-going 'political' market, and likewise for marriage and friendship markets as well? But such 'truly radical' extensions of the market are rarely proposed, even by libertarians and public choice theorists,

Instead, of course, the assumption is that what the market is 'best for' is the organisation of the economy, it being taken for granted that this is a distinct sphere from those of politics and personal life. But even if we find some convincing theoretical rationale for this level of differentiation - between family, economy and polity - or even just 'accept' it, this is unlikely to provide much guidance for the kinds of contested cases of market expansion which I noted earlier on.

This is so for at least two reasons. First, the concept of 'the economy' is not itself sufficiently determinate to settle the question of whether, for example, the conduct of academic research should be counted as an 'economic' activity, and hence - assuming that 'the economy is best organised through the market' - be subject to market institutions. Whilst it may not be true that 'the economy is as long as a piece of string', its actual scope at any particular time is nonetheless significantly affected by historical and political contingencies, and its proper scope is always highly contestible.

Secondly, what is problematic about the marketisation of cultural institutions is not easily assimilable to what would be objectionable about the corresponding marketisation of personal relationships or of political processes. For instance, whilst the sale and purchase of 'friendship services' is indeed something that would undermine the nature and value of friendship, the same cannot straightforwardly be argued in the case of theatre tickets or books about political theory. Likewise, although the auctioning of political offices to the highest bidder clearly runs counter to the underlying principles of liberal democracy, it is not the principle of democracy that is (at least directly) at issue in arguments about whether cultural institutions should respond exclusively to the preferences of consumers and their willingness-to-pay.

So although it is useful to remind oneself of these broad differentiations of social spheres in modern societies, and to explore their possible rationale, this will not, by itself, provide sufficient grounds for
resisting (or indeed supporting) the kinds of contested market extensions with which I'm concerned. The same applies to another consideration that is frequently (and quite properly) applied to issues about the proper scope of the market, namely that of distributive justice. It is of course quite true that the allocation of goods through the market takes no account of people's needs (or indeed, quite often, of their deserts), and hence that there is a strong argument from social justice for the free provision of those goods that are essential to a decent life etc; this can be denied only by those theorists who (in some cases almost cynically) define justice in such a way that any outcome of a market exchange is ipso facto just.

But it is not the potential distributive injustice consequent upon marketisation that is primarily at issue in the cases with which I'm concerned. For although there are some cultural institutions - such as museums and galleries - which have been encouraged or forced to depart from the principle of 'free access', it seems clear that the objections to this are quite different from those to other perceived consequences of marketisation. What often seems to bother those working in such institutions is not 'merely' that what they have to offer will no longer be available to all, but only to those who can pay. It concerns, rather, the nature and value of what they will have to offer to anyone. In other words, their worry seems to be that they will no longer be able to 'deliver the goods'.

Now I think that this is 'the right kind of concern to have', here: that is, that the relevant arguments about market boundaries turn out to depend on claims about the nature of different kinds of human goods, and the market's suitability or otherwise for their provision or creation. But in order to think about market boundaries in these terms, I suggest, one must also think about the market itself (and its basic rationale) in a particular way. So I want now to draw a contrast between two different kinds of justification for the market, which I shall call 'classical' and 'liberal', and to argue that the former is more conducive to the relevant kinds of argument for limiting the market domain than is the latter.

2 Classical v liberal rationales for the market
What I am calling here the 'classical' justification for the market consists in something like the following claim: that the market is the most effective device (at least amongst those we know of) for generating the kinds of human goods that contribute to people's 'material' well-being (ie, roughly speaking, 'consumer' goods). I call this 'classical' partly because I think it is in fact the key rationale for the market provided by the classical political economists, but also because I want in any case to find a convenient term to distinguish it from another such rationale, which I shall call 'liberal'. For the liberal, the key virtue of the market is something entirely different, namely its supposedly unique embodiment of individual freedom or liberty, defined roughly (in 'negative' terms) as the absence of coercion or constraint.

3 Nor do I think that it is helpful, in this context, to appeal (at least directly) to arguments about the role of various non-market institutions in 'civil society' - though in the case of, for example, public service broadcasting there are some civil society-type arguments that run partly parallel to those which I shall advance in section 3 below.

4 Here I have in mind what's often referred to as 'economic' liberalism - as distinct from, inter alia, 'political' liberalism, the defence of various (civil and) political rights. Nothing that I say against the former should be taken to imply any lack of enthusiasm for the latter.
I shall say more about this contrast shortly; but first I want to specify further the classical position, and then point to some of its implications. The need for further specification arises from a certain indeterminacy in the formulation I have just provided: are we being asked to endorse the market simply because of its effectiveness with respect to the total or aggregate of human goods it can generate, or does it matter also whether it thereby contributes (at least potentially) to the material well-being of everyone, of all individuals?

I shall take it that it's the latter that is intended in the classical justification, which is thus concerned with the market's effects on the well-being of every individual, rather than with totals alone. The exclusive concern with totals - eg with the 'gross national product etc - belongs instead to the utilitarian justification of the market which, because of its determinedly aggregative character, expresses a deep lack of concern with the fate of individuals. Indeed, it is arguable that the utilitarian rationale for the market only really makes sense if one is concerned with the material wealth or well-being of supra-individual entities, such as nation-states - but I won't consider the issues this raises here.

What I am calling the classical defence of the market appeals, then, both to a normative principle which insists on concern for the (material) well-being of all, and to an empirical claim that the market is the most effective way of satisfying this principle, in organising economic systems. It also, of course, proposes a theoretical explanation of how this effectiveness is achieved. Consistently with a healthy 'realism' in the philosophy of social science, this explanation focusses on such factors as the 'mechanism' of competition, on the control over producer decisions exercised by consumer preferences expressed through their 'willingness to pay', and also, in more recent versions, on the 'solution' to the problem of socially dispersed knowledge or information provided by the price-mechanism.\(^5\)

There are two implications of this classical position which I want to point to here. The first is this. Suppose, for the moment, that the empirical component of its justification for the market is correct. It follows that the market is the economic system/institution that would be chosen, as it were, by altruists - or at least by people who are concerned with the well-being of others and not only themselves. Of course, the fact that this is so is not intended as an explanation of why, historically, the market emerged as the dominant mode of economic organization; nor, indeed, of why it is now 'accepted' within liberal-democratic societies. But it does suggest that if, as socialists have typically maintained, we should conceive of democracy as an attempt by citizens concerned with the well-being of all to arrive at decisions 'for the common good', understood as 'the good of all', then deciding to institute a market economy would seem justifiable were (the empirical component of) its classical defence to be correct.

Now, even when stated in this hypothetical manner, this 'suggestion' is unlikely to be received with much enthusiasm by socialists for whom the claim that production for profit just cannot be production for need is

\(^5\) So in this respect, at least, I regard Hayek's important epistemic arguments for the market as adding to, rather than departing from, its more traditional classical defence.
axiomatic. But the 'cannot' can not itself be justified: it depends upon a failure to recognize that it is perfectly possible, in principle, to devise a system in which the aims or goals of its various constituent elements differ markedly from the overall aim or goal of the system itself. And this is all that the general concept of an 'invisible hand' amounts to, in theoretical terms. In its specific application here, the market is claimed to be a system through which the 'private' interests or purposes of its elements are transformed, via the operation of the system's various mechanisms, into the 'public' interests which define its overall goal. And that goal, I have just suggested, might itself be one that is agreed upon by people who, thinking and acting as democratic citizens, are motivated in that context by their concern for the well-being of all, despite not being so in their activities as economic agents.

Whether or not the motivational complexity required by this is empirically plausible is another matter, which I'll put aside here. Instead I will point to a second implication of the classical defence of the market, one that may seem less unattractive to socialist ears. Suppose that one can show that, in certain conditions and to varying extents, the empirical 'component' of the classical defence is false - ie that the market fails to contribute maximally to everyone's well-being. Then, from the standpoint of that defence's normative principle, there can be no objection to devising some more effective means of doing so - indeed, the normative principle obliges us to do just this. It requires us, that is, to find some alternative means for securing people's well-being wherever the market does not.

Thus the classical defence of the market brings with it an 'automatic' willingness to depart from market solutions whenever the market can be shown empirically to fail in terms of its own normative rationale. Such departures do not require some special justification that is at odds with the market's raison d'être, some 'compromise of principle(s)'; rather, these departures have the very same justification as the use of the market itself has, in those cases where it is employed. Hence, for example, what we nowadays call 'the welfare state' is by no means inconsistent with the normative rationale for the market provided by its classical defence.

But the same cannot be said if we consider, now, the liberal defence of the market. For whereas the classical defence attributes only an instrumental value to the market, regarding it as a more or less effective device for generating human goods, the liberal defence may be regarded as attributing intrinsic value to market processes: they are seen as (uniquely) embodying, or satisfying the requirements of, liberalism's 'core value' of individual freedom or liberty. For the liberal, the key feature of the market is its reliance upon - indeed its being 'no more than' - a series of voluntary, contractual exchanges between free and equal legal parties, transactions which are marked by the absence of force and fraud and hence by the presence of liberty. And since, furthermore, action by the state is regarded as the paradigmatic case of coercion, attempts to remedy apparent defects of the market by means that involve state intervention are seen as prima facie objectionable.

Indeed, it's unclear just what such defects could consist in, for the liberal; or at least, it's clear that they cannot consist in failure to secure people's material well-being, since strictly speaking the liberal defence of the market makes no reference to the beneficial outcomes of market processes, but only to the freedom of
the processes themselves. So even if it is accepted that the state has some obligation to ensure a minimum level of welfare provision, this will be seen as relying on some justification other than, and indeed at odds with, the market's primary rationale, and hence as involving some sacrifice or compromise of principle.

Now it might be objected that the distinction I have been making here between classical and liberal defences of the market holds only for a particular version or 'tradition' of liberal political thought, and not for others: in particular, not for the kind of 'welfare' liberalism currently represented by such theorists as John Rawls, Ronald Dworkin, and John Gray - at least in his current manifestation. For such welfare liberals clearly do sanction state intervention aimed at securing a just distribution of the sources of material well-being; and to deny this the label of 'liberalism' is thus tantamount to regarding libertarianism as the only consistent form of liberalism.

Now in fact I think there is something to be said for that last claim; or at least, when one looks at the ways in which welfare liberals argue their case, it often turns out that their arguments depend on such theoretical manoeuvres as denying that liberty has any intrinsic value, ie independently of what it enables people to do, or defining liberalism by reference to an ideal of equality, and so on. However, I don't wish - or need - to pursue these issues here since, as I indicated earlier on, the kinds of arguments for the limitation of the market with which I am primarily concerned are not those which involve considerations of distributive justice, but those which are concerned with the social conditions for different kinds of human good, different forms and sources of human well-being. These are issues which 'even the welfare liberal' excludes from consideration, but which, I would argue, arise quite naturally from a classical standpoint.

So I suggest that socialist theorists coming to terms with the market may find the kinds of arguments and concerns expressed by its classical defenders more to their 'liking' than those of their liberal counterparts. For both classical and socialist theorists, the crucial issues are about the market's actual contribution to human well-being, and there is correspondingly a potential 'open-ness' to arguments for regulating or limiting the market, and for replacing it by other means, where it fails to achieve this aim. In particular, there may well turn out to be important areas in which the market not only fails to provide certain kinds of human well-being, but is also destructive of the conditions - whether natural or social - on which these themselves depend. I shall be suggesting that this may be so in the case of cultural institutions and practices in the next section of this lecture. But first I want to illustrate the 'general possibility' just noted in a more direct and intuitively plausible way, by drawing attention to some well-known problems about the market's effects on the natural environment.

Within the technically sophisticated but perhaps morally attenuated descendant of classical political economy called 'neo-classical economics', one still finds explicit recognition of the possibility of 'market failures' - ie the failure of actual markets to display the efficiency of 'ideal' ones, due to such factors as the existence of externalities or of public goods (and ills). The environment provides a rich source of examples here. Consistently with their classical heritage (and unlike liberal public choice theorists) neo-classical economists are perfectly willing to consider the use of non-market procedures to remedy such failures - most frequently, various forms of cost-benefit analysis. But the attempts to conduct such analyses
encounter what are arguably irresolvable difficulties in finding a way of representing the 'value' people attach to features of the environment in terms of the price they are willing to pay for their preservation, or the compensation they would accept for their loss. In other words, the kind of 'market failure' that is involved here cannot be rectified in this way, because it's a more radical failure than the technical definition of this concept within neo-classical economics allows for.6

It seems, that is, that the environment is not only a human good, a potential source of human well-being, but also one that cannot be assimilated to the kinds of goods which the market is generally so effective in delivering. There should be nothing particularly surprising about this, since there is no obvious reason to believe that all human goods are of the same kind, or that they are straightforwardly commensurable with one another. But at the same time, of course, failure adequately to regulate the market - to establish 'boundaries' around its sphere of operation - may well lead to the destruction or degradation of those sources of human well-being which the market cannot itself provide.

I want now to suggest that a partly similar case might be made for establishing boundaries around the market in relation to cultural institutions and practices. This will depend first on showing that that the market is not necessarily the most suitable framework in which the activities associated with these can be conducted. Again, there should be nothing particularly surprising if this proved to be so: it seems quite plausible to expect that the variety in the nature of human goods may be such that the social conditions for their existence or production are correspondingly various. Nor should one be surprised if the social practices through which some kinds of human goods are generated have potentially negative effects on those which produce others.

3 Practices, institutions and the market

It's this possibility that I now want to consider. I shall start with a particular example, the social practice of scientific enquiry. Suppose, that is, that one regards scientific knowledge as (one significant kind of) human good. Then one might reasonably pose the question: what kinds of institutional structures, social relationships, individual motivations, ethical commitments etc are likely to be conducive to the successful conduct of such enquiry, and hence to the maximal production of this good and its contribution to human well-being? And having arrived at some answer to this, one can then go on to consider whether the location of scientific enquiry within the market domain is likely to be compatible with these requirements - or whether, as I think may plausibly be claimed, the market is at least potentially threatening to its ability to achieve this goal.

For example, it might be argued that the successful conduct of science depends inter alia on the public character of its information-disseminating processes, and that therefore the kinds of intellectual property rights associated with a market economy are not only morally objectionable in themselves, but also

6 What I have said here is strongly influenced by Sagoff's arguments in The Economy of the Earth, which I have discussed in 'Citizens, Consumers and the Environment' and 'Values and Preferences in Neo-Classical Environmental Economics'.

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antithetical to its effective operation; or that, as Jerry Ravetz argued in his wonderful book *Scientific Knowledge and its Social Problems*, the kinds of quality-control mechanisms required if members of a scientific community are to be able to rely upon each other's published work, are undermined by what he called 'the industrialisation' of science; or again, that the subordination of judgments about the value of particular areas of scientific work to commercial pressures tends to distort the practice's own criteria for the significance of theoretical problems; and so on.

Such claims about scientific enquiry might best be supported, I suggest, by viewing it as an example of what MacIntyre has called, in a particular theoretical sense of the term, a (social) practice. Other examples he provides include those that I have been calling 'cultural' practices, along with sports and games and many others. It would take too long to give an exposition of his account of practices here, so I shall instead make a number of remarks which are broadly in the spirit of that account, though which also add to it in certain respects.

Perhaps the most important feature of practices is their reliance upon various criteria which serve to define what counts as a genuine or spurious, competent or incompetent, exemplary or worthless etc instance of the activity concerned. (MacIntyre calls these 'standards of excellence', for good Aristotelian reasons - but after years of Teaching Quality and Research Assessments and of University Mission Statements I find it impossible to use that terminology with a straight face any longer...). It is by reference to these criteria, which are both internal to and at least partly distinctive of the particular practice concerned, that the actions performed by participants in the practice - their 'contributions' to it - are judged: was that a properly-conducted analysis of the data; was that a good way of telling the story; was that a convincing depiction of the character; did that sequence of moves make sense? and so on.

Further, since the conduct of practices requires not only that what is done is done well, or at least adequately, but also that it is worth doing, there are also criteria which may be appealed to in judging the significance or value of various possible instances of the practice: it was a brilliant production, but was it really worth rescuing this play from years of neglect; it was a great interview, but why include that kind of item on the News at Ten? and so on.

Practices differ, of course, in the extent to which such criteria are shared or agreed by their participants, and also in the degree of determinacy of the judgments they imply - ranging from the relatively monolithic and determinate in certain areas of science, to the highly 'pluralithic' and indeterminate in many of the arts. But they are never so wholly agreed that contestation is impossible, nor so fully determinate that disagreement about their proper interpretation is eliminated. At the other extreme, however, it can never be the case that 'anything goes' - a prescription that spells the death of all practices, and hence also of the goods they deliver.

The goods generated by practices - and the activities involved in producing them - are often a significant source of well-being for their participants/practitioners. And in any case it's important to resist the idea that, by contrast with the self-interest of those involved in the market sphere, the participants in practices
are primarily motivated by some kind of 'ethical commitment' to the well-being of others, of the potential beneficiaries of the goods produced within the practice concerned. Indeed, to the extent that there is 'commitment' here - a willingness by participants to act in ways that are at least partly odds with their immediate inclinations and interests - this is often not so much to the supposed beneficiaries of the practice, but rather to the normative demands of the practice itself.

What I have in mind here can be brought out by noting how, in the conduct of practices, a range of ethical concepts and principles more usually applied to relationships between people are applied instead - or as well - to the relationships between practitioners and the 'objects', the cultural artefacts etc, they deal with. For example, academic commentators are required to do justice to the arguments of their texts, to treat them with proper respect, to try to understand them 'in their own terms', and so on. Indeed one can find in the conduct of practices elements both of the 'ethic of justice' and of the 'ethic of care' - and hence also various forms of love and attachment - but directed not only towards people but towards 'things'.

So far I have talked of practices without reference to what MacIntyre calls the 'external' goods of money, power, status and the like. But practices typically require institutions, and are hence crucially concerned with the proper 'design' of these: they have to acquire resources, distribute rewards, organise the use of power and establish appropriate forms of authority. And because of this, they are vulnerable to the potentially damaging effects of all these on the integrity of the practice itself, (if and) when the use of these external goods runs counter to what is required by the practice's own goals and internal criteria. In particular, I would argue, the need to acquire resources solely or primarily through the market may give rise to significant problems for such institutions. I shall mention only one reason for this, though there are several others. It concerns the status of the 'users' of a practice's goods as 'consumers', and the effects upon practices of competition between rival producers for their 'custom'.

The difficulty here is simply this. There is no guarantee that the specific set of consumer preferences which it is most profitable for any particular 'cultural producer' to satisfy will themselves be compatible with the cultural practice's internal criteria of judgment. Further, any cultural producer who, in effect, partly redefines the character of the practice by catering for a set of preferences previously at odds with it, may then place serious competitive pressures on other producers within (what had previously been) the same practice. These other producers will then find themselves experiencing 'strains of commitment' to the practice's goals and internal criteria: only by increasingly altruistic behaviour can they sustain their activities. And no cultural (or other) institutions can survive if they require 'strong altruism', at least on the part of the majority of their members most of the time.

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7 I don't think that these 'ethical attitudes towards artefacts' are reducible to, or derivative from, corresponding attitudes towards their human creators or authors.

8 Of course, it's not only the market that may pose such threats - so too may the state; but it's the idea that it's the market that liberates social practices from control by the state, rather than both being potentially inimical to good-producing practices, that I'm mainly concerned to challenge here.
Of course, I am not suggesting that cultural practitioners should 'ignore their audiences': instead, I would prefer to give an account of this relationship which viewed both 'performers' and audiences as, in effect, co-practitioners. I shall not try to develop this idea here; but I do want to suggest that the flourishing of cultural practices requires a certain 'space' or 'distance' between their conduct and the immediately given preferences of consumers, a space or distance that is more consistent with relations of mutual trust and respect than the competitive pressures of the market often permit.

4 Liberalism again: against neutrality
I have been arguing that cultural practices belong to a broader category of social activities for which the market might well be an inappropriate framework. I have also suggested that such practices are often a significant source of human goods and well-being, both to their participants and to others. The question I now want to consider is whether, even if this is so, it is justifiable for the state to act in ways that are designed to support such cultural practices and the non-market institutions more conducive to their successful conduct. ⁹ I shall do so by trying to show what is wrong with an apparently powerful negative answer to this question.

This negative answer seems to be implied by a central tenet of many (though by no means all) contemporary liberal political theorists, such as Rawls and Dworkin: the so-called 'principle of (state) neutrality'. According to this, it is not justifiable for the state to act in ways that are designed to favour or promote any particular conception or conceptions of the human good, especially where such actions would require it to make judgments about their substantive merits or defects by comparison with others. The state, that is, must not 'discriminate' between differing views as to what the human good consists in, nor between the social activities through which these may be realised. It must instead remain 'neutral' about conceptions of the human good, accepting the diversity or plurality of these amongst different individuals and social groups etc.

This does not mean that no limitations should be placed upon the ways in which such diverse conceptions of the good may be pursued: in particular, the state has an obligation to ensure that they are pursued in a manner consistent with the freedom of others to do likewise. In other words, what are often called 'principles of right', as distinct from principles of the good, are a proper concern of the state; and indeed amongst welfare liberals these principles of right are taken to require the just distribution amongst individuals of the material means for the pursuit of their conceptions of the good. But this, it is claimed, must not and need not involve non-neutral, discriminating judgments about these conceptions of the good.

⁹ I have tried to present more elaborate versions of the argument sketched briefly here in 'Consumer Sovereignty and the Integrity of Practices' and 'Scepticism, Authority and the Market'. I would want to claim that this argument is not just another conservative or elitist defence of 'high' against 'mass' culture - it is, rather, an argument for institutionally autonomous cultural practices, whether high or 'popular'.

¹⁰ As the reader/listener will no doubt notice, I say nothing about the specific forms that such 'support' might or should take. But I assume that they may include both legally enforced regulation/limitation of commercial activities (eg broadcasting regulation), and financial - but of course 'arm’s length' - support by the state for non-commercial institutions.
themselves. Those who, by contrast, regard such judgments and the policies based upon them as legitimate are termed 'perfectionists'.

The principle of neutrality would seem, then, to rule out state action designed to support social practices and institutions involving specific kinds of human goods. Correspondingly, anyone who, like me, regards such action as legitimate must reject neutrality. This might either be done by arguing directly for the merits of perfectionism, or by trying to show that, in any case, the principle of neutrality cannot in practice be applied: that in at least some cases, one simply cannot avoid 'making choices' which involve non-neutral, discriminatory judgments about conceptions of the good. It's this latter strategy that I shall follow here. I shall do so by considering first a claim often (though not necessarily) made by neutralist liberals, namely that the market itself is an institution which satisfies the principle of neutrality.

In a market economy, according to this view, everyone is free to pursue their own conceptions of the good. No judgments are made about the respective merits of these; no justifications couched in these terms are required for market transactions to proceed. Consumers, for example, do not have to show that their preferences for particular items are based on well-founded judgments about their likely contribution to a defensible conception of human well-being - they just have to show, through their willingness to pay, that 'this is what they want'. Nor do producers have to justify their decisions about what to produce by meeting any authoritative criteria for the human good: all that matters is whether there is sufficient demand at a profitable price etc.

Now let's accept that this view of the market as a 'neutral' institution is roughly correct, as far as it goes. It may nonetheless be noted that it establishes neutrality only with respect to the range of human goods which can be pursued and acquired through the market itself. What it does not show is that a society which employs this institution thereby also satisfies the requirement for neutrality between market and non-market goods, ie those that can be produced and enjoyed only or typically outwith the market. To show that the market is consistent with this more extensive form of neutrality, one would need to provide some additional argument. It would probably go along the following lines.

The existence of the market, it might be claimed, does not rule out the possibility of pursuing non-market conceptions of the good: individuals remain perfectly free to do so, either by themselves or in voluntary association with others who share these conceptions of the good. Thus the principle of choice which applies within the market, ie that consumers may freely choose between the different 'goods' available to them there, can be seen as holding also in the wider choices that individuals can make between market and non-market-oriented conceptions of the good. And if, in practice, people happen to end up mainly pursuing the former - market goods - all this shows is that these have 'won out' in a grand 'competition of ideas'. But this argument is unconvincing, for at least two reasons. First, it ignores the fact that this 'competition of ideas' is likely to be extremely one-sided, given the very considerable resources available to, and indeed deployed by, the 'proponents' of market-oriented conceptions of the good by comparison with their
'competitors'. For the array of 'promotional techniques' nowadays employed to persuade consumers to purchase particular goods and services may also be regarded as constituting an extremely well-funded campaign on behalf of market-oriented conceptions of the good in general. We are constantly being 'told' that the kind of life that is heavily dependent on commodities is 'the best there is', and that what might otherwise be seen as non-market-oriented conceptions of the good can in fact be realised through the purchase and use of consumer goods. Much of this is is simply lying - an attempt through communicative means to get people to believe what is 'known' by the communicator to be false, by any reasonable criteria of judgment. Or at the very least, one might say that the current 'dialogue' between market and non-market conceptions of the good fails fully to conform to the requirements of a Habermasian ideal-speech situation...

The second reason for rejecting the 'competition of ideas' picture is that it assumes an unrealistically asocial and (in the good old-fashioned Marxist sense) 'idealist' view of conceptions of the good themselves. It is as if these 'ideas' were seen either as the spontaneous creations of the individuals concerned, or as floating freely in a conceptual ether, waiting to be selected by them. But as Joseph Raz has rightly emphasised, conceptions of the good are themselves rooted in, and made possible by, specific 'social forms' - modes of socially organised, rule-governed practice which operate, as it were, as the 'material bearers' of these 'conceptions'. Thus one cannot, for example, conceive of following the life of a nature-lover without the existence of such social practices as bird-watching; nor can one conceive of, let alone pursue, an intellectual life without established communities and traditions of intellectual enquiry.

So if the claim that the market is consistent with the principle of neutrality is to be sustained, it must be shown that its (unconstrained) existence is compatible not just with non-market 'ideas' of the good, but with the social practices and institutions through which these non-market goods are created and enjoyed. But this, I would suggest, is highly implausible. Like bad money driving out good, the goods of the unbounded market can often drive out other human goods which depend on non-market practices. And when this happens, political choices have to be made about whether these effects are to be accepted or resisted. These choices will require judgments to be made about what is worth preserving or encouraging and what is not: neutrality will have to give way to perfectionism, in deciding which human goods should give way to others.

One example of this was noted earlier - the effects of the unconstrained market on the natural environment, where it seems plausible to argue that the kinds of human goods thereby endangered are not themselves assimilable to marketable commodities. For a more obviously 'social' illustration, one might consider the well-known debates about commercial v non-commercial provision of blood supplies. Here we find defenders of non-commercial blood-donation claiming that this is not only more efficient, but also provides people with the opportunity to engage in a morally preferable form of action involving the expression of human solidarity. To this some critics have responded, inter alia, by arguing that this does not justify prohibiting the sale and purchase of blood. Instead, both systems should be allowed to co-exist, with individual freedom thereby enhanced: if people still wish to donate, they would be free to do so, but they would now also be free to sell their blood instead.
But in fact (as far as I know...) the introduction of commercial provision tends to reduce significantly the amount of voluntary donation. One possible reason for this is that, since the opportunity cost of giving one’s blood is increased once its sale becomes possible, to continue to give one’s blood rather than selling it requires a significantly greater degree of altruism - and also makes one likely to be regarded as a 'mug'. In other words, a social practice which relied upon what might be called 'low-level altruism' - as do so many non-market practices - and which might well be seen as having many desirable features, is likely to be undermined by permitting it to 'compete' with its commercial counterpart. A decision has to be made as to which practice is to be supported; and this cannot be done without reference to judgments about the human good.

The blood provision example points to one particular way in which market pressures on non-market practices may operate, and thus require political choices to be made which cannot themselves avoid 'perfectionist' judgments. There are many others which I shall not consider here, but which would I think support my claim that the neutrality principle cannot in practice be sustained, and thus cannot be used to deny in general the legitimacy of state support for non-market social practices.

Of course, the principle of neutrality itself bears a marked resemblance to what I earlier on in this lecture depicted as the liberal justification of the market, in contrast to its classical one. I want now to draw together these two discussions so as to indicate the basic terms within which arguments about state support for non-market cultural institutions and practices should be conducted.

From a classical - and I would argue also a socialist - standpoint, the market is to be judged as a more or less effective device for generating at least some of the sources of human well-being. Its adoption in a democratic society requires political decisions to be made which involve, inter alia, judgments about the human good. Indeed, since the operation of the market itself depends on the institutional support provided for it by the state, we should regard its adoption as itself based on perfectionist considerations: this is simply one kind of case where there is state support for a specific conception - or range of conceptions - of the human good. And if this seems a little strange, it may be helpful to note that the market, as a social institution, itself qualifies in neo-classical terms as a 'public good' - as something that requires collective action at the level of the state to secure, and which would be 'under-produced' if left to the aggregative effects of individually rational action.

There is, then, no inconsistency between this way of thinking about the market, and other decisions being made to limit its scope, or to provide state support for other social institutions in which other kinds of human goods are 'produced' - especially where there are grounds for believing that these would be threatened or undermined by an unconstrained market. The reasons for doing so will, just like those for

11 Here I draw partly on O'Neill's discussion of the debate between Peter Singer and Kenneth Arrow in 'Egoism, Altruism and the Market'.

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instituting the market, depend on perfectionist judgements about the human good - in all its objective diversity and plurality. So to make such arguments in the case of cultural practices, one will have to engage in substantive debate about their value to human well-being - these neither can be, nor should be, avoided.

You will be relieved to hear that I shall not start doing this now. But I would draw attention to one potentially significant feature of such practices, which might in any case shorten the relevant debate. This is that at least many cultural practices are themselves directly concerned with questions about the nature of human goods. That is, they are not just 'producers of one kind of human good amongst others', but of 'goods' which consist in an exploration of the nature and sources of human well-being - a point which applies to East-Enders as much as to Aristotle. So if one accepts that political decisions about the boundaries between market and non-market institutions depend inter alia on judgments about human goods, there would be a strong argument for the state to support precisely those social practices in which such issues are most fully and reflectively explored.

5. Conclusion: political theory and/as social philosophy

What I've been saying about the problem of market boundaries implies, I think, a certain conception of political theory as an intellectual enterprise - a more general view of its character, scope and purpose. Or rather, it does so if what I've been doing can properly be regarded as a genuine instance of political theorising... and I shall assume that it does. So I want to conclude by making explicit some features of the conception of political theory thus implied.

It's conventional to note that the term 'theory' in 'political theory' can have two different senses - can refer to two distinct kinds of intellectual enterprise. One is essentially explanatory, and consists, in effect, of the more theoretical elements of so-called 'political science'; the other is essentially normative or prescriptive, and consists in the critical evaluation of 'political' institutions, relationships etc. This latter sense is often marked by the replacement of the term 'theory' by 'philosophy', on the grounds that philosophy is the supremely and distinctively normative discipline, whether this is a matter of evaluating forms of knowledge, or of argument, or of practice etc. (The ESRC tends to prefer 'theory', the British Academy 'philosophy' - so the 'Search and Replace' word-processing instruction is especially helpful when submitting otherwise identical funding proposals to both bodies...).

The kind of work I do clearly belongs to political theory in its philosophical rather than scientific sense. There is, of course, no rivalry or incompatibility between the two - indeed each is in certain respects dependent upon, or at least best practiced when informed by, the other. But there is certainly some 'rivalry' between different conceptions of political philosophy itself, including its proper scope and its consequent relationships with other disciplines: it's this that I want now to say something about.

One way of doing so is to note how liberalism and socialism, as traditions or schools of political thought,
have differed not only on matters of substance - on what might be called 'first order' issues of normative judgment, such as their evaluations of the market, or of principles of distributive justice etc - but also on the scope of political theory itself: on 'second order' questions about 'what is to be included within the enquiry' etc. In particular, as I have indicated at various points, questions about the nature of the human good, about the social conditions for its creation and enjoyment, and hence also about the role of the state in 'ordering' these things, have been central to the socialist tradition. By contrast, in much - though by no means all - of the liberal tradition, these kinds of questions have tended to be 'excluded on principle'. This is partly because the 'substantive' claims of liberalism, if accepted, rule out the relevance of much that socialists have been concerned with. Consequently liberal conceptions of the scope of political theory - of the range and nature of the questions seen as potentially relevant and needing to be addressed - have been a good deal narrower than those of their socialist counterparts.

Well, I'm all for socialism in this respect (and also for some of the 'best' of the liberal tradition, including J S Mill). And it follows that in this respect - the second-order issue of scope etc - I'm all for conservative political thought too, though not, of course, the economic liberalism masquerading as 'conservatism' in current British politics. For 'traditional' conservatism has always had much in common with socialism. Both emerged historically as critical responses to the theory and practice of individualism, and both were concerned with substantive issues about the human good and its social conditions. They have therefore also shared a correspondingly broad conception of the scope of political theory, according to which, for example, Hegel's *Philosophy of Right* would be seen as an exemplary (conservative?) text.

Indeed it's worth noting here that, whilst conservative theorists have tended to endorse the use of the market as the primary form of economic organisation, they have been concerned not only with issues of welfare provision etc, but also with the broader social and cultural impact of the market, and hence with issues about market boundaries. But by contrast with the approach I have taken, their focus has typically been on the potentially destructive consequences of an unconstrained market on the conditions for social integration, reflecting often their pessimism about human nature and the problems this poses for the possibility of social order.

The contrast I have been drawing between liberal, and both socialist and conservative views about the scope of political theory, can be further illustrated through some well-known issues about the nature of politics, about what it is that defines something as 'political' etc (for the purposes both of political science and of political philosophy). The view that 'politics is (primarily) about the state' is closely related to the central focus of liberal political theorists on questions about the nature and justification of political obligation and authority, the proper limits of state action, and so on. And a standard rejoinder to this 'statist' conception of politics has been to claim that the defining characteristic of politics is not the state, but power: the state is significant as one arena in which power is exercised, but there are also many others, which must therefore equally be the concern of the student of politics. This has been a frequent motif both in the work of feminist political theorists, with their challenge to the exclusive concern of liberal theorists with the exercise of power in the public, as distinct from the private, realm; and also in the work of Foucault, for whom power is an omnipresent feature of social institutions and practices at every level.
With such more extensive conceptions of power, and hence of the scope of political theory I'm in broad agreement; and likewise with similar claims about the scope of justice, as found for example in recent feminist concerns with justice 'within the family'. But I would want also to insist on the centrality of issues about the human good, about the various and qualitatively distinct sources of human well-being, about how these are made possible through equally various social institutions and practices, and so on. The socialist critique of the market focussed centrally on questions not only of power and of justice, but also of the human good: I want to endorse the relevance of all these concerns, whilst partly disagreeing with what socialists took to be their specific implications.

To illustrate these points in relation to the main topic of this lecture, the effects of the market on cultural institutions, one might consider the principle of freedom of speech or expression. What concerns political - as distinct from economic - liberals is that this should be legally secured as an individual right for everyone. What worries the welfare liberal is whether everyone will have enough money to buy a radio or a TV set, and enough education to understand what they hear or see. What concerns the Marxist is the concentration of power over the media in the hands of monopoly capitalists. But what concerns 'me' is not only all these problems, but also whether, even when they have all been successfully addressed, there will be anything worth listening to or watching...

Now it might be objected to what I've said so far that, by including issues about the human good within the remit of political theory, I am guilty of reducing normative political questions to ethical ones, or at least of eliding the distinction between ethics and politics; and likewise also that, by extending the range of 'political' phenomena to include potentially all kinds of social institutions and practices, I am reducing political theory to social theory, or at least eliding the distinction between the political and the social. In each case I would reply that the charge of reduction is unfounded; but that the alternative (and 'weaker') charge of elision is something I accept but see as a virtue. In other words, I do indeed regard political theory as a particular 'focus' within the broader field of social philosophy, as an enquiry that cannot properly conducted without essential reference to questions both of social theory and of ethics (and hence philosophy).

The necessary connections between these things may be illustrated in the following way: ethics must inter alia be concerned with questions about the human good; the various forms of the human good are dependent upon social practices and institutions; and the place and character of these institutions are matters about which, inter alia, political choices can and must be made - including, as I've tried to argue in the main part of this lecture, choices about the nature and boundaries of the economic system. Thus for political theory itself to contribute to the political debates through which such choices are made - and which must take place at every institutional level, not just that of 'the state' - it must have an appropriately broad conception of its own character, one which requires a serious engagement with issues both of explanatory social theory and of philosophical ethics. On this view, then, the 'canon' for (socialist) political theorists would include inter alia the work of William Morris and Eric Fromm, alongside that of Smith and Ferguson.
Finally, it follows from what I’ve been saying that I should be - and therefore I am (!) - delighted to find myself in a University where there are so many colleagues both within and outwith this Faculty whose work can be seen as contributing to political theory conceived in this way. One of the things that attracted me to apply for this chair was that its establishment was clearly regarded as part of a wider development of research and teaching in political and social theory. And one of the advantages of having delayed so long before giving this inaugural lecture is that I have had time to discover how much, in trying to contribute to that development, I can rely on the support and cooperation of others.

It is, as they say, invidious and embarrassing to name names - but since with a newly created chair I am released from the obligation to pay tribute to my predecessors, I would instead like to end by expressing my gratitude to some contemporaries, both individually and collectively: to my 'theoretical' and other colleagues in the Politics Department; to John Holmwood and the Graduate School in Social Sciences; to Zenon Bankowski and the Centre for Law and Society, and to everyone involved in the Social and Political Theory seminar programme. I hope that we can continue to work together in this 'larger project' I have been trying to sketch out - even if you don't accept the terms in which I have presented it here.

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