

Justifying the Market *and* its Limitation*

1 Classical *versus* liberal rationales for the market

If one wishes to argue that there are certain activities which should be excluded, or at least protected, from the market, whilst by no means wishing to dispense with this altogether, one must clearly avoid using arguments which would actually imply its total rejection. For example, if one argues that cultural institutions should be protected from the market because of the damaging effects upon them of 'consumer sovereignty', one must show why it is that such damage is not done in (all) other cases, or at least that in these it matters much less.¹

Arguments for market *boundaries* must be such that something remains to be bounded.

Further, in arguing for limitations being placed on the market one must not invoke principles or arguments which are inconsistent with those relied upon in justifying the market itself. Nor, likewise, may the means by which such limitations are to be effected be inconsistent with these. For example, if it is proposed that the state should provide financial support for non-commercial cultural institutions, or impose various forms of regulation on their commercial counterparts, these measures must be shown to be consistent with the principles by reference to which the market is seen as justified.

Perhaps the simplest way of ensuring that these various requirements for consistency are met would be for the arguments which are used to justify limitations on the market to rely on the same principles as those used to justify the market itself. But this, I shall now suggest, can only - or at least more easily - be achieved if the justification provided for the market is what I shall call *classical* rather than *liberal* in character.²

The classical justification for the market can be expressed roughly as follows: the market is the most effective device, amongst those we know of, for generating the kinds of human goods that contribute to people's material well-being (roughly speaking, 'consumer' goods).³ At least implicitly, this classical rationale appeals both to a *normative principle*, according to

which what should be aimed at is enhancing, to the greatest extent possible, the (material) well-being of everyone, and to an *empirical claim*, that the market is the most effective way of satisfying this principle, as an institutional framework within which the production of such beneficent goods can take place.⁴

An important implication of the classical position is this. Suppose one can show that, in certain cases or conditions, the empirical component of its rationale for the market is incorrect, and hence that the market does not always succeed in contributing maximally to everyone's well-being? There would then be a strong case for trying to identify or devise some more effective means of doing so. That is, the normative component of this justification for the market would 'urge' one to find some alternative means for securing or enhancing 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 wherever the market can be shown to fail in terms of its own objectives. Such departures do not require some special justification that is at odds with the market's *raison d'être*; rather, they have the very same justification as the use of the market itself has, in those cases where it *is* employed.

But the same cannot be said if one considers the *liberal* defence of the market. For the liberal, the key virtue of the market is its embodiment of individual freedom or liberty, defined (in 'negative' terms) as the absence of coercion.⁵ The market, it is claimed, is an economic institution which relies wholly upon voluntary, contractual exchanges between free and equal legal parties - on transactions marked by the absence of force and fraud and hence by the presence of liberty. So whereas the classical defence attributes only an *instrumental* value to the market, regarding it as a (generally) effective device for generating human goods, the liberal defence attributes, as it were, *intrinsic* value to the market, since its defining procedures are seen as essentially consistent with the requirements of liberalism's 'core value' of individual freedom.

Further, those who accept this liberal justification for the market are bound to regard any attempt to remedy its apparent defects by means that involve state intervention as *prima facie* objectionable, since action by the state is coercive and can be justified only to prevent individuals from undermining the liberty of others. Indeed, it is unclear just what such defects in the market could consist in, from this liberal perspective, provided that it is genuinely 'free'. In any case, it seems clear that they cannot consist in failure to secure people's material well-being, since the liberal defence of the market makes no reference to the beneficial *outcomes* of the market, but only to the freedom inherent in its procedures.

By comparison with its liberal counterpart, therefore, the classical defence of the market is more amenable to the construction of arguments for the non-market provision of certain goods, or for limits being placed on the scope and operation of the market. In sections 2 and 3 I shall try to demonstrate this in the specific case of cultural institutions. I shall argue that at least certain significant kinds of cultural goods are unlikely to be adequately provided if their production is left to the market alone, and that this 'under-provision' itself has negative implications for the ability of the market to succeed in its 'classical aim' of contributing maximally to people's well-being through the production of consumer goods. This argument would thus provide a justification for the state to provide support for non-market cultural institutions, and/or to regulate in various ways their commercial counterparts. Whether it is vulnerable to liberal objections, and what its implications are for the character of democratic political debate, will be considered in sections 4 and 5.

2 Consumer judgments and cultural meta-goods⁶

A crucial assumption of the classical rationale for the market is that individual consumers are *the best judges* of what will contribute to their own well-being, in the sense that they are *better* judges of this than anyone *else*. If this were not so, there would be no reason to expect the control exercised by consumers over producers to have the desired result of generating products which enhance the former's well-being.⁷ If there were others who were better judges than consumers of what would contribute to the latter's well-being it would make little sense

to use the market as a decision-making procedure; it would be preferable to devise a system in which those others' judgments performed the function of consumer judgments - backed by their willingness-to-pay - in the market.⁸

The 'best judge thesis' is certainly questionable, but I shall not question it here. Instead I shall explore the implications of the following point: even if individual consumers are better judges of what will contribute to their own well-being than anyone else is, their ability to make such judgments may itself be better or worse. It may be affected by the presence or absence of relevant knowledge; it may be improved through education and experience; it may be facilitated or impeded by situational factors, and so on. If this is so, the extent to which any actual market economy succeeds in its classical aim will depend, amongst other things, on the extent to which consumers 'succeed' in developing and exercising their capacity to make judgments about the goods made available to them by producers. The more able they are to make sound judgments about the contribution to their well-being of the various goods which they might purchase, the more effective the market will be in enhancing this.

But suppose it could be shown that the market cannot itself be relied upon to generate these conditions for its own success - or indeed, that one may reasonably expect that it will fail to do so? There would then be a strong case for attempting to secure or improve these conditions through *non-market* means, precisely so as to enable the market to succeed in its own (classical) terms. This is what I shall now try to establish in the case of non-market *cultural* institutions, which will thus be seen as providing - amongst other benefits - resources for the improvement of consumer judgments. The argument I shall present consists, in effect, in the conceptual 'radicalisation' of a general form of argument for non-market provision which is familiar within neo-classical economics.

Neo-classical economists readily acknowledge the possibility of 'market failure', the failure of actual market economies to achieve efficiency (in the sense of Pareto-optimality).⁹ The possibility of such failures arises from the fact that, although the efficiency of a market system

under certain specifiable conditions is formally demonstrable, there is no guarantee that these conditions will in practice obtain. These conditions serve to define an 'ideal' market; amongst them are the absence both of external costs and benefits and of public goods and ills, and the presence of perfect competition, including perfect information. Any failure of such conditions to obtain implies that the market will fail to be efficient. Since in the 'real' world such failures may often occur, it may then be necessary for non-market procedures to be employed - including intervention by the state - if efficiency is to be achieved.¹⁰

Of particular relevance for the argument I shall go on to develop are market failures resulting from 'imperfect' *information*.¹¹ The kind of information at issue here is typically seen as *empirical*: it includes such things as producers' knowledge of the costs of producing different goods, or of the same goods in different ways, and consumers' knowledge of the different products available, their relevant characteristics and respective prices, and so on. Market systems will perform sub-optimally to the extent that such information is absent or defective. There is nothing in principle to prevent information of this kind itself being produced and sold as a marketable commodity. But equally, there is no guarantee that whatever information *is* thus produced will be adequate or suitable for the purpose of achieving overall efficiency.¹² Indeed, there may well be a tendency for *misinformation* to be provided by producers about their own products, and consequent difficulties for consumers in assessing the trustworthiness of any such 'information' they encounter. There is thus a strong *prima facie* case for the support of non-market information sources, and/or for the regulation of commercial ones.

The more radical version of this argument which I shall now present basically consists in extending the conception of information deployed in neo-classical accounts so as to include not only knowledge of a straightforwardly empirical kind, but also the ability to make more complex discriminative judgments involving normative criteria of value. The ability to make such judgments, I shall argue, is enhanced both by consumers' engagement in various social practices located outwith the market, and by the availability of cultural institutions which

generate goods of an especially significant kind. I shall then argue that, as with the neo-classicists' empirical information, there are strong grounds for doubting the likelihood of these being produced by the (unregulated) market alone.

I begin by noting that the value of consumer goods is typically realised not through their purchase or acquisition as such, but through their deployment by their purchasers to achieve certain purposes which they value. Consumer goods are not 'final' goods, but 'intermediate' ones: their value to the purchaser, their potential contribution to the consumer's well-being, depends both on the extent to which they enable these purposes to be achieved, and on the value of those purposes' achievement. It follows that the better consumers are at making judgments about both these matters, the greater are the prospects of their enhancing their overall well-being through consumption.¹³

To see what may often be required for such judgments to be made - and made well - I shall consider a particular category of consumer goods which may usefully be termed 'equipment-goods'. Under this heading I include both purchases used in activities through which other things are then produced, and those used in the performance of activities which are valued 'for their own sake'. I shall discuss each in turn.¹⁴

In the former case, the value of consumer goods is realised through their employment in making other things to which positive value is more directly attributed: for example, the foodstuffs purchased to cook meals, the paint bought to decorate a room, or the fabrics purchased to make clothes. In such cases the judgments made about equipment-goods depend on corresponding judgments about the things they are used to make or produce. What count as good ingredients depend on what is judged to be a tasty meal; good paint, on a well-decorated room; good fabrics, on attractive clothing, and so on.

To make these judgments well one must be able to understand and apply the criteria of judgment that are appropriate to the kind of product concerned. This ability is acquired

partly through experience, and partly also through access to the knowledge and skill of others. So those who cook or decorate will often consult others who are more knowledgeable or experienced than themselves, and also food-columns, home-decorating magazines and so on. In these ways they learn not only about how to make these things and 'what to buy', but also about the criteria by which the outcome of their efforts may be judged. So the soundness of the judgments they make about the products they may purchase depends not only on their access to empirical information about the relevant characteristics of the items concerned, but also on their ability to understand and apply the criteria by reference to which the merits of the 'final' products are to be judged. For it is these (in a broad sense, 'normative') criteria which determine what count as the *relevant* characteristics of the items concerned.

Similar points apply to equipment-goods deployed in various activities engaged in for their own sake, rather than as a means of generating some further, distinct product or outcome. For example, one might purchase boots to go climbing, an electronic keyboard to play music, binoculars to observe wild-life, a boat to go sailing, or a brush to paint water-colours. Whether those who engage in such activities choose to do so alone or with others, the activities themselves are essentially *social*, in that each is constituted as the specific kind of activity it is through the existence of an established set of norms and criteria by reference to which the performance of the activity is conducted and evaluated.¹⁵ Thus learning to perform these activities is not only a matter of acquiring various technical skills and abilities, but also of coming to understand and apply both the criteria which serve to define what counts as a competent performance, and the social rules governing appropriate conduct. It is only through the acquisition of such capacities that the potential benefits of engaging in these activities can be realised.

Correspondingly, the ability of consumers to judge the equipment-goods they purchase and deploy is dependent on their knowledge and understanding of the activity concerned, or at least on their willingness to seek the advice of those whose expertise they recognise. Thus the relevance of empirical information about the respective characteristics of different possible

purchases is determined by the criteria by reference to which the activity itself is conducted and judged, and the judgments made by consumers depend on complex discriminative capacities based on their experience and understanding of the socially established criteria governing the activity concerned. The greater the extent and depth of their understanding and experience, the better-grounded are the judgments made by consumers, and the more the products they purchase will contribute to their well-being.

However, the judgments made by consumers cannot rely solely on the criteria embedded in these kinds of social practices. For consumers need also to judge the value to them of engaging in these, and this requires some basis other than the criteria internal to the practices themselves. For example, those who engage in the practice of sailing will typically be able to appreciate - and hence also to enjoy - all those things which count as competent, good or even excellent instances of the activity, and likewise the attributes of 'a good sailor', whether displayed by themselves or by others. The same will be true of painting, mountain-climbing, music and so on. But what enables one to make judgments of this kind does not also enable one to answer such questions as: what is the good *of* sailing - or of painting, climbing, playing music etc? It seems unlikely that these social practices possess the conceptual resources needed to answer such questions about their own value. Yet these are questions people need to answer if they are to judge whether engagement in these activities is valuable for them, worthy of the time (and money) they might spend on them, and so on.

Nor is it a matter simply of judging the value of each of these considered separately. For although each consumption decision an individual makes may be made primarily on the basis of specific judgments about the item concerned and what its purchase makes possible, the aggregative effect of these decisions significantly influences the shape or character of the life being led by that individual. So ideally at least, each such decision should be made in the context of some overall conception of the kind of life the individual concerned 'wishes' to pursue, and hence, amongst other things, the relative priorities to be attributed to different areas of their life, to the different purposes they may value.

What is needed, then, is the ability to make judgments both about the value of particular activities, and about how these contribute to the overall value of one's life, from some perspective external to the various specific social practices through which (at least much of) one's life is led.¹⁶ It is here that the potential significance of *cultural* goods can be seen. For it is a characteristic feature of at least many cultural goods that, directly or indirectly, they address and explore the nature and possibilities of human well-being itself, of what kind of life is worth living and for what reasons.

I have in mind here not so much the abstract, theoretical practices of academic philosophy and the like, but the more engaging representations of the various ways in which human life may be conducted, the concrete depictions of social relationships and individual characters, which are to be found in novels, films, plays, TV drama, soap operas and many other cultural 'products'. What is crucial about these cultural goods is that they enable one vicariously to extend one's own range of experience, freeing one from the limitations imposed by the contingencies of one's own existence, and thereby provide one with some understanding of the possibilities, dangers and attractions of lives one has not (yet) led, and some means of reflection on that which one already has. A certain critical 'distance' is thereby made available, but in a way that relies mainly on things being 'shown' rather than 'said'.

Thus cultural goods of this kind should not be conceived, as they often are, simply as 'one set of goods amongst others'. Rather, they should be seen as *meta*-goods, as goods whose nature consists at least partly in addressing questions about the nature of (other) human goods and their potential contribution to human well-being. Relatedly, such cultural goods should not be conceived exclusively or primarily in aesthetic terms. Admittedly, their aesthetic qualities play some part in their appreciation and enjoyment by those who 'consume' them - by their 'audiences'. But at least in many cases their significance resides also, and to a considerable extent, in providing a means by which those audiences can reflect on *other* goods, and hence make better judgments about their possible value for them.¹⁷

3 The underproduction of cultural meta-goods

I have argued so far that the ability of the market to contribute to human well-being depends on that of consumers to make sound judgments about the extent to which the goods they may purchase will do this in their own case, and that this latter ability is itself dependent, amongst other things, on their access to cultural 'meta-goods'. These goods can thus be seen as performing a similar function to that of 'information' in the neo-classical account of ideal markets. They differ from such 'information' in that what they provide is not empirical knowledge but sources of critical reflection on the nature and possibilities of human well-being. But if my claims about the basis of consumer judgments are correct, then the 'absence' of cultural meta-goods will give rise to a form of market failure analogous to that recognised by neo-classical economics in the case of 'absent' information on the part of consumers. Further, just as there is no guarantee that the market will generate the requisite information to avoid such failures, neither is there in the case of cultural goods.

Admittedly, this provides only a *prima facie* case for the support of non-market cultural production, since the fact that there is nothing about the market which *ensures* an adequate supply of cultural goods of the requisite character does not entail that it will in fact normally fail to do so. But there are, I believe, good reasons for expecting such 'underproduction' actually to occur.

As I have suggested, a significant feature of cultural goods is that they are concerned with the nature of (other) human goods, and hence provide a means by which people can reflect on the potential contribution to their well-being of the consumer goods they might purchase. To borrow Charles Taylor's terms, cultural meta-goods help one to make 'strong evaluations' of one's current desires and preferences. And borrowing Bryan Norton's, they may thus be said to possess 'transformative', as distinct from 'demand' value: their value consists, at least in part, in providing the means by which an existing set of preferences or desires may be

transformed, through critical reflection, into more considered ones - rather than in directly satisfying those preferences, which is the characteristic of goods possessing 'demand' value.¹⁸

But just because of this, the producers of cultural goods with transformative value can be expected to fare worse than those producing goods with demand-value in the competitive processes of an unregulated market system. TV 'ratings wars' provide plentiful examples, with programmes carefully constructed to provide audiences with 'just what they (happen to) want', forcing out others which, by virtue of their transformative value, present something to their audiences which may challenge those preferences. Correspondingly, the producers of cultural goods with transformative value need to secure some degree of 'free space' in which they can act without immediate threat from their demand-value competitors, and without being wholly constrained by - and fixated upon - their potential audiences' existing preferences. Without such partial insulation, goods with transformative value will be under-produced, to the long-term disadvantage of consumers in terms of the well-being they can achieve through the market.

Now it might be objected that if people want goods with transformative value enough, they will pay for them, and it will be profitable to produce them, and that if they do not, there is no justification for supporting their provision through non-market or market-regulated means, since this would be unacceptably paternalistic, elitist, undemocratic or the like. But this objection relies on a simplistic view of people's motivations and values, and of the different contexts in which these may be expressed and acted upon. This can be seen through the following, partly hypothetical example.

Suppose that, as the result of a ratings war between (unregulated) TV channels, substantial news and current affairs programmes are forced out of peak viewing time. Despite this being the outcome of a competitive market process based on people's actual preferences, expressed through their willingness to pay (or watch), these same people might perfectly well support some form of regulation which required such programmes to be shown. This would be

because, in their role as citizens, they recognised that programmes of this kind play an essential part in maintaining the health of the democratic system to which they are politically committed. They might therefore be quite prepared to use the regulatory powers of the state to achieve this objective, and hence to prevent what they judge to be the damaging effects of an unregulated market which responds only to their expressed preferences as consumers. In doing so there would be no inconsistency on their part, nor anything undemocratic or elitist about the decision they make.¹⁹

But not only are there reasons to expect the underproduction of cultural goods of the requisite kind in an unregulated market economy; there are also reasons to expect what might be seen as the overproduction of cultural goods which are not of this kind. This is because an increasing proportion of 'cultural production' nowadays consists, not in producing cultural commodities such as films, books and radio programmes directly for sale, but in constructing the cultural means through which the sale of *other* commodities can be achieved, through advertising and related forms of 'promotion'. What one finds here are cultural products concerned with the representation of various kinds of human well-being - happy families, challenging deeds, exciting encounters, proud achievements - which are designed to persuade people to purchase some other commodity supposedly connected with these.²⁰

But the fact that the aim of such promotional cultural production is to sell something other than itself should make one sceptical about its likely value, whether as a means for exploring the possibilities of human well-being or as a credible account of the relationship between the commodity being promoted and the good that is promised. One has no more reason to trust the integrity or truthfulness of these representations of the human good than the claims of the tobacco industry about the effects of smoking on people's health.²¹ And there is good reason to expect such cultural products to exaggerate and misrepresent the extent and nature of the contribution to human well-being that can be achieved through the purchase - and subsequent use - of consumer goods.

It is true, for example, that having a drink with one's friends is a pleasant and satisfying experience, and that without the drink it may be a little less so. But it is not true that the availability of any particular such drink is crucial to the success of the occasion; nor that merely by purchasing a drink one will find oneself in the company of others with whom a relationship of friendship exists. Likewise, although going for a walk in the country is aided by having a suitable pair of boots, the capacity for enjoying this activity is neither consequent upon their purchase nor especially easy to develop if one's life is unduly influenced by the desire to acquire such things. Yet everything one is 'told' and 'shown' through the promotional culture of consumption is designed to weaken one's grasp of such facts.

So, given that there are strong grounds for expecting the market both to overproduce non-credible cultural goods and to underproduce credible ones, there are likewise strong grounds for supporting non-market cultural institutions and for regulating their commercial counterparts. And this argument, as I emphasised at the outset, is constructed within the framework provided by the classical justification for the market itself: it is precisely in order for the market to achieve its overall objective of contributing maximally to human well-being that these departures from the market are required.²²

Admittedly, this argument may well seem unattractive to many who wish to defend the existence of non-market cultural institutions. To do this because they will improve the market's performance may seem like arguing for the value of trust by showing that it reduces the costs of economic production, rather than by demonstrating its role in social relationships which are both intrinsically valuable and arguably threatened by the expansion of the market. I have a good deal of sympathy with the ethical standpoint underlying this response. But, I shall now suggest, what I have argued actually implies a much less 'market-supportive' role for non-market cultural institutions than this response assumes, and is indeed quite consistent with that ethical standpoint.

Cultural goods, I claimed, are an important means by which one can arrive at well-grounded judgments about the potential value of consumer goods to one's own well-being. But this is not just a matter of 'helping one to make the best purchases'. It is also a matter of enabling one to reflect on the extent to which *any* such purchases can contribute to one's *overall* well-being, and hence on what part the acquisition of consumer goods should play in one's life. Such reflection may well lead one to conclude that much of what is most valuable is largely independent of the benefits that consumption can confer, and may indeed be threatened by too great an attention to this: that the things that are most important are simply not attainable in this way.²³ Thus cultural goods enhance both the benefits available through the market *and* one's ability to keep these in a proper perspective.

There is a further implication of my earlier account of consumer judgments which points in a similarly non-market direction. I noted there that the value of consumer goods is often realised through their deployment in various social activities and practices. These activities typically take place *outwith* the market domain, with their conduct likewise relying on certain kinds of relationships, attitudes and motivations which are quite different from those required or encouraged by economic activities conducted within the market.²⁴ They include, for example, relationships of friendship, love and reciprocity; the willingness to recognise and admire the skills and judgments of others; the shared appreciation and enjoyment of a practice's 'internal goods', and so on. But relationships with friends will not flourish if conducted on the model of economic exchange; the enjoyment of making a home will be damaged by treating it as an investment; one's ability to appreciate the achievements of others will be soured by an exclusive concern with one's own advancement, and so on.

So the potential value of goods provided through the market itself depends on the existence of non-market spheres of social life. This does not mean that *their* value consists in enabling that of consumer goods to be realised; rather, it is by virtue of the value possessed by those activities conducted outwith the market that what can be provided by the market possesses *its* value. But this is something to which the self-promotional culture of the market constantly

tries to blind us, encouraging us instead to see the value of such activities as residing in the opportunities they provide for the deployment of consumer goods. And what is false about this can best be understood, not from 'experience alone', but from experience informed by and reflected upon through those cultural meta-goods which, I have argued, one cannot expect the market by itself to provide. So it is precisely that feature of cultural goods which enables them to enhance the effectiveness of the market, namely their thematisation of the nature and conditions of human well-being, which *also* enables one to recognise the *limitations* of the market as a source of such well-being, and the need to sustain relationships and activities characterised by the absence both of market institutions and market meanings.²⁵

4 Liberal neutrality, state and market

I noted in the opening section of this essay that the classical justification of the market is such that, under certain circumstances, it may also justify its limitation. In the following two sections I argued that this is so in the case of cultural institutions: more specifically, that there is a strong case for support by the state for non-market cultural institutions and for its regulation of their commercial counterparts. Indeed, it was claimed that this would improve the market's ability to achieve its classical objectives.

However, I also noted at the outset that the alternative, liberal justification for the market was not only less amenable to being used as a basis for limitation arguments, but was also likely to generate objections to the kinds of state intervention which might turn out to be justified from a classical standpoint. In their standard form, such objections refer quite straightforwardly to the value of individual liberty and to the coercive, liberty-threatening nature of action by the state. However, I shall not engage directly with liberal objections in this form. Instead I shall consider what might be seen as a particular variant of 'liberal' objections to state intervention, one that is especially relevant in the context of arguments about cultural institutions and the market. It is based on *the principle of (state) neutrality*, a principle endorsed by many, though by no means all, recent liberal theorists.²⁶

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 expected to favour certain conceptions of the human good over others, especially where this would require judgments to be made about their substantive merits or defects. The state 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 with regard to the various conceptions of the human good which individuals may espouse and seek to realise, and hence refrain from using its powers and resources to place obstacles in the path of some, or to ease that of others.²⁷

This does not mean that no limits should be placed on the ways in which such diverse conceptions of the good may be pursued: in particular, the state has an obligation to ensure that, in realising their chosen conception of the good, individuals act in a manner consistent with the rights of others to do likewise. Indeed, amongst (neutralist) *welfare* liberals²⁸ this legitimate concern with 'the right' as distinct from 'the good' is argued also to require the state to ensure a just distribution amongst individuals of the material resources required for the effective pursuit of their conceptions of the good. But this, it is claimed, must not and need not depend on its making judgments about the substantive merits of these. Such judgments are to be made only by the individuals concerned, and not by the state or by those who control it. By contrast, the non-neutralist (or 'perfectionist') rejects this limitation on the state, permitting its actions to be based on such judgments, and hence to foster the realisation of some conceptions of the good rather than others.

Would the principle of neutrality rule out the kinds of intervention by the state - including the support of non-market cultural institutions and the regulation of their commercial counterparts - which, I have argued, are justified from a 'classical' standpoint? It might initially seem to do so, since the market itself appears to be an institution which satisfies the requirement of neutrality, in such a way that any departures from it will necessarily fail to do

so. Indeed, both neutralist liberals and their critics typically assume that the market is itself, as it were, a 'neutral' institution.²⁹ That this is so might be argued in the following way.

In a market economy, the only judgments made about the respective merits of different (economic) goods are those made by consumers, who do so on the basis of their own conception of the kind of life they wish to live, regard as worthwhile, enjoyable 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.³⁰ It is only the preferences of consumers, and the judgments about their own well-being on which these are based, that count. The domain of the market is thus one in which individuals freely pursue their own conceptions of the good, without having to justify their decisions to anyone but themselves.

But this argument for the neutrality of the market is seriously incomplete: at most it establishes its 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, 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. Perhaps it would go as follows.

The existence of the market, it might be claimed, in no way rules 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, 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 happened to end up mainly pursuing the

former - market goods - all this would show is that these had 'won' in a grand 'competition of ideas'.

But this argument is unconvincing, since it assumes an unrealistically asocial and idealist view of conceptions of the good themselves - as if these 'ideas' were either the spontaneous creation of the individuals concerned, or floating freely in a conceptual ether, waiting to be selected by them. But conceptions of the good are themselves typically rooted in, and made possible by, specific social practices and the institutional forms they depend upon: it is only because socially constituted activities and their associated goods exist that individuals are able either to conceive of them as possible goods to pursue or actually do so.³¹ One cannot, for example, follow 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 neutral 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 suggest, is highly implausible. There is no reason to assume that the market will never operate in ways that are damaging to the social - or indeed natural - conditions required for the pursuit of other, non-market goods. Nor, when it generates such negative effects, can these be justified simply by claiming that they are, after all, the result of individuals freely pursuing their preferred conceptions of the good. For in many cases these aggregative effects of individually 'rational' actions would not be desired by most of those who engage in them.³²

Now it might be objected that this attempt to demonstrate the non-neutrality of the market is quite irrelevant to the principle of neutrality 'properly conceived', since this is intended to apply to the *state*, not to the character of *non-state* institutions such as the market. But this objection is misconceived. First, it ignores the fact that the market is itself an institution which

is supported by the powers and resources of the state, not least through the introduction and enforcement of laws concerning property rights. Indeed, as has often been noted, the market is a paradigmatic example of a 'public good', an institution which requires collective action by the state if it is to be secured, and which would be 'under-produced' if left to the aggregative effects of individually rational actions.³³

Second, to the extent that the market can be shown to operate in ways that clearly favour the prospects of market, as against non-market, conceptions of the good being realised, any failure or refusal by (those who control) the state to rectify this can be seen as incompatible with the principle of neutrality, since it effectively represents a 'decision' by the state to favour the former over the latter. To allow market-based conceptions of the good always to over-ride non-market ones is tantamount to ascribing the former lexical priority over the latter, and it is hard to see how this would be consistent with neutrality on the part of the state.

One cannot claim that the state's support for the market, and hence for the goods made available through this institution, is consistent with neutrality, whilst at the same time claiming that it would be inconsistent with such neutrality if the state acted to protect non-market goods whose existence was threatened by an unconstrained market. Thus the 'fact' that the market is not itself neutral is indeed relevant in determining what the principle of (state) neutrality implies, since the state - or those responsible for it - may be held responsible for the predictable consequences of its support for the market. Indeed, the principle of neutrality may itself require the state to intervene: it is not (necessarily) neutral for the state to practice *laissez-faire* with respect to the market. One cannot therefore appeal to this principle to rule out the kinds of intervention by the state which, as I argued earlier, might well be justified from a classical standpoint.

Neither, if this is so, would it make much sense to appeal to the principle of neutrality as a way of justifying the market. Indeed, it would surely be quite odd to claim that the rationale

for the market lies in its neutrality with respect to different conceptions of the good, since it is itself the institutional basis for what is, in historical and cultural terms, a highly distinctive conception - or set of such conceptions - of the human good. The kinds of life seen as worthy of pursuit in market societies are in significant respects peculiar to these, and made possible precisely through the existence and operation of this social institution. So if the market is to be justified at all, it seems implausible to exclude from such justification some significant reference to its goods-generative capacities. 'Perfectionist' judgments of the kind ruled out by neutralist liberals, yet quite acceptable from a classical standpoint, seem difficult to avoid.

5 The market and a politics of common goods

In this final section I shall consider the implications of what has so far been argued for the basic character of political debate and decision about the market in a democratic polity. I shall suggest that, contrary to what is often believed, this might best be conceived and practised as 'a politics of common goods', if not of 'the common good'.

One can start by noting that, if the classical justification for the market is broadly correct, it would make sense for the citizens of a democratic society who were concerned to enhance the well-being of all members of their society to agree upon its adoption. The market would thus be seen as an institutional device whose *raison d'être* was its ability to contribute to the common good. The goods that it generates are, of course, goods *for* individuals. But thinking as citizens, what matters to them is that the market is a means by which the good of all can be enhanced, and it is for this reason that they would agree to deploy the powers and resources of the state to support this institutional device.

In making this decision, they would not only have to consider what I called earlier the 'empirical' component of the classical justification. They would also need to identify and agree upon the specific nature of the kind(s) of well-being to which the market might be expected to contribute. Broadly characterised, this would most obviously consist in the goods made possible by *consumption*. The choice of the market would thus represent an agreement

about the *value* of consumption for the members of this society: this would be a *shared* value. If this were not so - if they regarded consumption as of little, no or even negative value in 'the good life' - there would correspondingly be little or no reason for them to make this decision.³⁴

But although they might agree on the value of consumption, there is no reason to assume that this would be their only shared value: they might also believe, or come to do so through reflective dialogue, that there are many other significant sources of human well-being as well as this. So they will also be concerned to ensure that the institutional device they have adopted for its ability to generate consumer goods does not operate in ways that damage or undermine these other sources of their well-being. If this cannot be achieved - if these different values cannot in practice be co-realised - they will have to decide how far they are prepared to 'sacrifice' one value for the sake of another, and hence on the relative significance of these shared but (partly) competing values.

It is just such a situation which may arise in the case of the natural environment, where an unconstrained market (and hence, in effect, an 'unconstrained value' of consumption) undermines the possibilities for human well-being which derive from this.³⁵ Similar points apply where the market's negative impact is upon *social*, rather than *natural* conditions for the possibility of various kinds of well-being other than consumption. So just as citizens may agree to 'institute' the market because they believe it will contribute to the common good, specified in terms of the shared value placed on consumption, they may equally agree to limit its operation so as to protect the natural and social conditions for the realisation of other, similarly shared values.

They may also be concerned with how far the market is compatible with, or conducive to, the potential contributions to well-being deriving from people's engagement in the *processes* of economic production, as distinct from their enjoyment as consumers of its *outputs*.³⁶ To the extent that they agree on the value of such work-related benefits, they will wish to 'design'

and regulate the market so as to increase the extent to which these are available. If it turns out that this can only be done by reducing the market's ability to generate consumer goods, this is a 'sacrifice' they may think it worth making. And certainly there is no reason for them simply to accept the relative significance implicitly attributed to these different sources of well-being by an unconstrained market. Rather, the way in which the market is permitted to operate must itself be determined by their collective judgments of relative value, since - *ex hypothesi* - it is precisely as a means of realising such shared values that they have decided to support this institution, for the effects of which they thus regard themselves as collectively responsible.

What I am suggesting, then, is that democratic debate about the market can be conceived and conducted quite appropriately in terms of 'a politics of common goods': just as its adoption may be supported in these terms, so too may its limitation and regulation. This way of thinking is perhaps nowadays a rather unfamiliar one. We are more familiar with the idea that in adopting the market we are effectively abandoning such a politics: that in market-based societies political argument about common goods are displaced by individuals' freely chosen pursuit of their own through the market, and that it is only 'at the margins', when questions of welfare provision by the state are at issue, that any reference to a common good can arise. Indeed, the familiar use of the term 'welfare' to refer only to what is provided directly by the state *and not by* the market is indicative of just this view. By contrast, I have suggested that one should see the market as a *non-state* device which is nonetheless supported *by* the state to provide 'welfare' for all, so that when it fails to do so there is every reason to secure this by other means.

But perhaps this picture of how the market might be connected to a democratic politics of the common good is not so much unfamiliar as implausible. I shall consider briefly a number of reasons why this might be thought to be so. The first is that what I have suggested depends on inherently problematic assumptions about human motivation. On the one hand, people are expected to think and act as democratic citizens concerned with the well-being of all, and

hence to be willing where necessary to subordinate their own interests to those of others. On the other hand, they are expected to think and act as economic agents concerned exclusively with the advancement of their own interests. So what it is that they decide to adopt, as citizens, is an economic institution whose effective operation relies on their displaying characteristics quite at odds with those which have supposedly led them to make this political decision.³⁷

But it is far from clear why one should regard these motivational 'requirements' as especially problematic. No doubt they would appear so if one viewed human behaviour as always governed by some single kind of drive or desire. But this seems an implausibly narrow and monolithic conception of people's motivational capacities, the complexity and flexibility of which is displayed by their ability to act on the basis of quite different, even 'opposing' motives in what are likewise quite different social and institutional contexts.³⁸ Indeed, it is partly through their experience of, and engagement in the different kinds of activities and relationships characteristic of these distinct 'spheres', that the complexity and flexibility of their motivational repertoires are developed and modulated.

If there is anything problematic here, it is not that humans are inherently incapable of the motivational complexity required by my account of how the market might be viewed politically as a device for the common good, but that one of the effects of living in an unduly market-oriented society is that people may fail to develop or activate the relevant elements of their motivational potential, and hence think and conduct themselves when citizens as if they were economic agents. One might nonetheless hope that in a society in which the market was indeed viewed in this way, rather than simply as an arena for the exercise of individual liberty, and in which arguments for its limitation and regulation were seen as stemming from a similar concern with common goods rather than as limitations of that liberty, this tendency for market motivations to colonise the political sphere might be less powerful.³⁹

A quite different objection is that my account of how decisions might be made both to adopt and to limit the market in terms of 'common goods' depends crucially on the relevant values being fully *shared* or *agreed*, but that no such sharing or agreement is remotely conceivable in modern societies, given the diversity of conceptions of the human good endemic to them. And given that such agreement is impossible, to encourage or allow political decisions to be made about 'common goods' can lead only to some people's conceptions of the good being over-ridden by others and to a consequent loss of liberty for those who lose out in the democratic process.

There are certainly difficulties here, but it is important not to exaggerate or misrepresent them. In particular, one must distinguish between people *differing* in the particular conceptions of the good which they *choose to pursue*, and their *disagreeing* as to whether these are indeed conceptions of the *good*. One person may decide to devote much of their life to the enjoyment of music, another to that of football. But they may nonetheless agree that both are lives 'worthy of being lived', and not because they adopt the subjectivist view that 'what is good is whatever someone happens to see as such', but because they recognise that there are many objectively good lives that can be lived, of which these are two. They may even derive some satisfaction from knowing of the good lives being lived by others, which they cannot live themselves.⁴⁰

Thus agreement does not imply the absence or denial of diversity: the idea of 'common goods' is compatible with recognising both their objective plurality and the possibility of choice on the part of individuals as to which they may themselves pursue. This is not to deny that plurality can give rise to problems, since there is no guarantee that all such conceptions of the good can in fact be co-realised, at least to the extent that those pursuing them would wish. But this difficulty is essentially the same as the one noted earlier, in my discussion of how citizens aiming to secure the social conditions for various kinds of goods whose value they agree upon may nonetheless have to make difficult decisions when these conditions (and their effects) conflict with one another.

In such situations one cannot simply 'leave it to individuals to decide, by allowing them freely to pursue the conceptions of the good they choose', since the (typically unintended) aggregative effects of such individual decisions may well be destructive of those social (and natural) conditions required if the pursuit of some conceptions of the good is to be possible at all. Nor can one 'leave it the market to decide' since, given the non-neutrality of the market, this is implicitly to make just the kind of decision in favour of some conceptions of the good which this 'non-decision' was intended to bypass. Rather, collective decisions have to be made, and it is hard to see how one can avoid their being based on substantive - 'perfectionist' - judgments about the respective value of different goods.

I shall conclude with some remarks about what my arguments in this essay imply for the scope and function of political theory. The significance of neutralist liberalism is not confined to its view of the proper role of the state and of the kinds of reasons which should guide those who determine its actions. It also implies a view of the proper scope of political theory and of the kinds of issues to be addressed by those who engage in this. Just as democratic citizens, accepting the principle of neutrality, are to exclude from their deliberations any claims and counter-claims about the nature of human well-being, so too should political theorists. Or at least, there is no *need* for them to address such issues since they are not the proper concern of the state, which is itself the central concern of liberalism. Theorists may, as citizens should, limit their deliberations to questions about *right(s)* and eschew those about *goods*.

In particular, neutralist liberals do not need to engage with the debates and disagreements about human goods and their social conditions which have characterised the relations between other, *non-neutralist* traditions of political thought, including socialism and conservatism. For the neutralist liberal, the 'great divide' is between neutrality and perfectionism: the substantive differences between the conceptions of the good associated with various perfectionist standpoints are of no importance, since the principle of neutrality rules out their potential relevance both for citizens and for theorists. The disagreements

between conservatives and socialists - where these reflect their different conceptions of human well-being - do not matter; all that matters is to avoid the mistake of thinking that they do.

Thus for the neutralist liberal, all forms of perfectionism are effectively the same. For the perfectionist, by contrast, it is the substantive differences between conservative, socialist - and non-neutralist liberal - conceptions of the good which matter, and likewise these must matter to citizens engaged in a politics of goods. Further, given the social character of human goods, and the need to understand their institutional requirements, perfectionist political theory must itself be grounded more generally in social theory and philosophy.⁴¹ As such, it is an important cultural resource - along with others of a less theoretical nature - for the conduct of political debate and decision. Just as individuals require access to cultural meta-goods if they are to make well-founded judgments about the part to be played by various goods in their own lives, so too does a democratic polity if it is to make well-founded decisions about the social institutions which make these goods available to its citizens.

As I argued earlier, there is reason to doubt the market's ability to generate such meta-goods. Thus support for non-market institutions in which the nature and possibilities of human well-being are explored may be seen as a crucial requirement for a flourishing democracy. To rely on the market alone to provide this basis for making decisions about the market's proper scope would be wishful thinking.

A complete bibliography for *Cultural Goods and the Limits of the Market* is included in the file **CGLM: Contents, Introduction, Bibliography**, in the Market Boundaries section of www.russellkeat.net.

*

Notes

* Published as Chapter 8 of *Cultural Goods and the Limits of the Market* (London: Palgrave Macmillan 2000). Earlier versions of some of its arguments are presented in Keat 1996, 1999 and 2000.

¹ Whether my argument in Chapter 1 above can meet this requirement is, at the least, debatable; but in Keat 1997c I try to show that certain arguments for the protection of the environment fail to do so.

² Here I draw on material presented in more detail in Keat 1996, section 2.

³ I call this justification 'classical' because I think it is in fact the key rationale for the market provided by the classical political economists, such as Adam Smith. But nothing in what I argue here depends on this historical/interpretative claim. In any case, given that I am attempting to distinguish 'classical' from 'liberal' rationales for the market, it should be noted that 'my' use of the term 'classical' is to be distinguished from its familiar use in the phrase 'classical *liberal*'.

⁴ I assume here that what matters, from the classical standpoint, is not merely the *total* or *aggregate* of goods the market can generate, but its contribution thereby to the material well-being of *everyone*. Arguably at least, exclusive concern with totals belongs instead to the *utilitarian* justification of the market, with its corresponding lack of concern for individuals. If this is so, the utilitarian rationale for the market only makes sense if one is concerned with the

material wealth or well-being of *supra*-individual entities, such as nation-states: hence 'the gross *national* product' and so on.

⁵ Here I have in mind what is often referred to as 'economic' liberalism - as distinct from 'political' liberalism, the defence of various (civil and) political rights. Nothing I say against the former should be taken to imply any lack of enthusiasm for the latter.

⁶ In this and the following sections I draw on material presented in Keat 1999.

⁷ I put aside here the question of how far the market *does* ensure such control; to the extent that it does not, the classical justification is weakened.

⁸ It should be emphasised that this would be so only from the classical standpoint. By contrast, those who value the market because of its consistency with individual autonomy would not regard such an alternative as preferable; likewise, their defence of 'consumer sovereignty' (see Essays 2 and 3 above) does not, unlike the classical defence, rely on the 'best judge' thesis.

⁹ For a useful account of efficiency, the conditions for ideal markets and the consequent possibilities for market failure, see Buchanan 1985; for a simpler textbook account, including the 'information' issues I shall discuss here, see Sloman 1991, ch. 10. See also the discussion of market failures with respect to the environment in Chapter 3 above.

¹⁰ This is a conclusion challenged by (many) 'public choice' theorists, who argue that there is no reason to expect the state to do better than the (non-ideal) market will, and hence that it is better to bring actual markets closer to their 'ideal' form. For a particularly vigorous statement of this position, see Mitchell and Simmons 1994; for a critical response to its assumption of universal egoism and asocial conception of human interests, see O'Neill 1998, ch. 12.

¹¹ Others who have argued on the basis of 'market failures' for the non-market provision of cultural goods have tended instead to do so by claiming that these are 'public' goods which the market will therefore 'underproduce'. See Dworkin 1985a on the problems facing such arguments, and Bridges and McLaughlin 1994 for discussion of this issue in relation to educational provision.

¹² That markets cannot be relied on to generate information of a suitable kind is partly just an instance of a more general point, that their outcomes are always indeterminate with respect to *any* specified objective. This is why it is normally unwise to 'leave things to the market' if there is any specific aim one wants to achieve. So, for example, war-time economies typically require a high degree of state intervention and planning to ensure the requisite supplies of armaments. But the 'information' case is not simply an instance of this general point, since here what the market fails to ensure is something necessary for its own effective functioning. In this respect it is closer to cases such as trust.

¹³ In emphasising the importance of judgment I am implicitly criticising the neo-classicists' displacement of this concept by that of preference. Preferences are based on judgments, and the former can be evaluated by evaluating the latter: see Keat 1999, section 2, and O'Neill 1993, ch. 5, on the significance of this with respect to neo-classically inspired approaches to environmental cost-benefit analysis; also Chapter 3 above.

¹⁴ See the discussion of equipment-goods in Chapter 7 above, and also of Scitovsky's (1986b) account of 'creative products' and the educational prerequisites for their enjoyment, which I draw on implicitly at various points. What Scitovsky calls 'comfort goods' are largely such that consumer judgments about them require only *empirical* information, of the kind which neo-classicists are more likely to recognise: on this point see Keat 1999.

¹⁵ Here I draw on MacIntyre's account of social *practices*, in MacIntyre 1981, ch. 14 (see Chapter 2 above), though the examples are mine, as is the use of this account to make claims about the value of consumer goods. What I say is also influenced by Joseph Raz's account of 'social forms' (Raz 1986, ch. 12), including his remarks about the significance of fiction and drama for our understanding of the goods made possible through these.

¹⁶ For MacIntyre, the answer to this problem is provided partly by an Aristotelian conception of the human *telos*, of the overall purpose of human life. Although I have some sympathy with this, I do not rely on it in what follows.

¹⁷ See also Chapter 3, section 4 above.

¹⁸ On the distinction between transformative and demand value see Norton 1987, ch.s 2 and 10. He argues that the environment has transformative value, but I think it would be more plausible to claim this for cultural goods, which may then enable us to reflect on the value of the environment. On strong evaluations see Taylor 1990.

¹⁹ On the different standpoints of citizen and consumer, see Sagoff 1988 and my discussion of this in Chapter 3 above. What would, by contrast, be elitist or undemocratic is for a distinct and privileged group to make this decision, against the reflective judgments of an 'audience' to which it does not belong: cf. Jürgen Habermas's discussion of 'cultural impoverishment' and the 'splitting-off' of elitist groups from the everyday practices of the lifeworld (Habermas 1987, ch. VIII; for a helpful commentary, see White 1988, ch. 5). A rather different aspect of what is at issue here might be illustrated by another partly hypothetical example, this time of competition between TV channels producing rival soap operas, the effect of which is to encourage story-lines and episodes constructed purely to increase viewing figures, thereby undermining the integrity and potential value of the genre through lack of regard for truthfulness and consistency of character. As viewers, we often find ourselves switching channels to the more seductive option. But we may nonetheless regret the effects of this in removing from the screen the kind of soap opera that we in fact value more highly, and thus might wish to regulate TV competition so as to reduce the chances of this happening. Reflectively, we prefer something other than we opted for, and may wish to protect ourselves against our own weakness of will.

²⁰ For the concept of 'promotional culture' see Wernick 1991, though my use of this phrase here is a little opportunistic and loses or distorts much of what he means by it. Some theorists of consumer culture would argue that I have misunderstood what is going on in advertising, preferring to see this in terms of the increasing significance of 'sign-value' over 'use-value': instead of consumers being persuaded of the use-value of various commodities through the attribution of certain 'meanings' to these, it is these meanings themselves that are being bought and sold. I find this rather unconvincing. See Slater 1997 for an illuminating account

of different theories of consumer culture, and Winward 1994 for a defence of the continuing significance of use-value.

²¹ The point here is not that one should doubt the market's ability to generate goods with genuine use-value, simply because they are being produced for some *other* purpose, namely to generate profits. *This* doubt would make one worry whether those who purchased the services of advertising companies could expect to get good advertising copy from them. But there is little need to worry about this. The problem of trust arises for those who buy the advertised goods, not for those who buy the advertising.

²² Although I have presented this argument in 'classical' terms, its conclusion is also consistent with autonomy-based justifications for the market, provided that these recognise that autonomy is not a pre-formed individual capacity but dependent on cultural practices both for its development and its exercise. The distinction between classical/well-being and autonomy justifications would be rejected by 'perfectionist' liberals (Raz 1986, Gray 1992) who include autonomy as an element of well-being: for discussion of this, see O'Neill 1998, ch. 5.

²³ See Lane 1991 and the discussion of this in Chapter 7 above.

²⁴ I take it that this is part of what is meant by - or might provide support for - Habermas's view of the life-world as the basis for consumer use-values. What he calls 'the colonisation of the life-world' consists partly in the subordination of lifeworld activities to the institutions (and perhaps also the social meanings) of the market. See Habermas 1987, Part VIII, and White 1988, ch. 5.

²⁵ For discussion of the inappropriate extension of market meanings and commodification, see Anderson 1992 and Radin 1996; also Chapter 4 above.

²⁶ For example, by Rawls (1971) and Dworkin (1985b). Rejection of the neutrality principle - and relatedly, of the 'priority of the right over the good' - has been a major element in communitarian criticisms of (neutralist) liberalism: for discussion of these debates, see Mulhall and Swift 1997. It should be noted that not all liberal theorists are 'neutralist': for examples of contemporary non-neutralist or 'perfectionist' liberalism see Raz 1986 and

Galston 1991 and Gray 1992; on perfectionism in the history of liberalism see Rosenblum 1987.

²⁷ I am ignoring here the different ways in which 'the' principle of neutrality may be formulated, including the distinction between 'neutrality of effect' and 'neutrality of intention'; the way in which I implicitly define it comes somewhere between these two, so that it includes 'reasonably expectable (though not necessarily intended) effects'. On these and other variations see Raz 1986, ch. 4, Ackerman 1990 and O'Neill 1998, ch. 2.

²⁸ Such as Rawls (1971) and Dworkin (1981), by contrast with non- (or anti-) welfare liberals such as Nozick (1974) and Hayek (1976).

²⁹ See, for example, Dworkin 1985b. However, Dworkin also argues (1985a) that liberal neutrality does not rule out state subsidies for the arts. For a critical response to this claim see Black 1992.

³⁰ See the discussion of consumer 'authority' in Chapter 3 above.

³¹ Here my argument is strongly influenced by Raz's account of 'social forms' (Raz 1986, ch. 12) and Walzer's insistence on the *social* character of human goods (Walzer 1983, ch. 1): on the latter, see also Chapter 4, section 6 above.

³² On the collectively irrational effects of individually rational actions see Barry 1991.

Damage to the environment is an obvious example here: see the representation of the market as a 'hidden elbow' rather than a 'hidden hand' in this respect in Jacobs 1991, Part I. For a classic discussion of the damaging social effects of the market, see Hirsch 1977.

³³ On the market as a public good, see Mueller 1989, ch. 2; on the role of the state in supporting the institutional requirements of the market, see Sayer 1995, ch. 4.

³⁴ Admittedly, it is misleading to talk of 'deciding to institute the market because of some prior agreement about the value of consumption', since without the market we may be unaware of what this consists in. So this should be seen as a shorthand reference to more complex processes of critical reflection on what already exists, and has emerged for other reasons. Hayek (1976) is at least partly right that the market is not an institution which has been *designed*, but wrong to infer that we have no collective responsibility for its predictable

effects: for an argument to this effect with respect to the *distributive* consequences of the market, see Plant 1988.

³⁵ See Chapter 3 above for a discussion of the conflict between environmental and consumption values - though I would not wish to limit the environment's value to its contribution to human well-being alone (see Keat 1997c). My claim that these kinds of conflicts have to be addressed in the political sphere is analogous to Walzer's view of its role in maintaining proper boundaries between other spheres: see Walzer 1983, ch. 1. A rather different kind of example of the problem of conflicting goods or values is provided by the debates about blood-donating: if it is true, as some claim, that permitting the sale and purchase of blood 'forces out' its voluntary donation, then a political decision is required as to whether this should itself be 'permitted' to happen, since there is a conflict between different social goods here which simple appeals to 'individual liberty' should not be allowed to obscure. For discussion of these issues, see O'Neill 1992; for criticism of the 'simple liberal response' more generally with respect to market boundaries, see Anderson 1992. But see also Arneson 1992, both for a more optimistic view of the prospects for coexistence between commercial and non-commercial practices in the (partly similar) case of surrogacy, and a more sympathetic presentation of the liberal argument.

³⁶ See Chapter 7 above for discussion of Lane's (1991) view that the market tends inherently to sacrifice producer for consumer well-being, and hence greater for lesser goods.

³⁷ This is one basis for public choice theorists' objections to state intervention to remedy market failures: their view is that 'economic' motives are not confined to people's behaviour in the market, but are equally operative in their political conduct. See Note 12 above.

³⁸ For a similar argument see Miller 1989, developed further in Miller 1990, Part IV. See also the discussion of motivational requirements and institutional design in Chapter 5 above.

³⁹ Further, as I suggest in Chapter 6, section 3 above, it is doubtful whether the market inevitably relies upon or encourages the kinds of straightforwardly 'self-interested' motives which both its critics and many of its defenders assume. There is a good deal of potential variability here, and one might expect, in a politics of common goods, some attempt to take

advantage of this in the specific 'design' of the market and its conditions of operation. So the market can not only be 'understood' in less individualistic ways (as Hegel argued: see Plant 1983, ch. IX), it can also be designed differently.

⁴⁰ See Rawls's discussion of this last point in 'The Idea of a Social Union' (Rawls 1971, sec. 79).

For a defence of the 'objective plurality' of human goods, see O'Neill 1998, ch. 2.

⁴¹ In this respect, then, as in others, Hegel's *Philosophy of Right* (Hegel 1967) should be seen as exemplary.