

# Ethics, Markets, and Cultural Goods\*

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## 1 Introduction

This chapter considers some possible justifications for cultural institutions being supported by the state, rather than the provision of cultural goods being left to the market. In doing so it also addresses more general issues about the legitimate aims of state action, including especially the proper grounds for political choices between different economic arrangements.

Without defining what count as ‘cultural activities’, I will take these to include the various arts, broadcasting, and academic research. ‘Support by the state’ may range from tax breaks, grants, and other measures that protect these from the full impact of the market, to securing their provision as a public service, as in the case of broadcasting. I shall also take it that state support does not imply state *control*.<sup>i</sup>

Broadly speaking, arguments for the non-market provision of goods and services may appeal either to considerations of distributive justice, or to concerns about the character and quality of the items concerned. Justifications for public healthcare provision, for example, appeal primarily to the former: what is at issue is ensuring that access to this service is based on need and not income or wealth, something that the market cannot achieve. By contrast, justifications for public service broadcasting or for the support of other non-market cultural institutions appeal primarily to the

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latter: it is the supposedly negative implications of exclusively commercial provision for the nature of the cultural goods made available that is at issue.<sup>ii</sup>

Thus the case for cultural institutions being supported by the state depends on judgements being made about the *value* of what is thereby provided, and its superiority to what would be achieved by markets alone. Critics, consequently, may say: such judgements are not only highly problematic, but should anyway be ruled out as grounds for state action. To allow them any such role is at odds with a principle widely endorsed in liberal political theory: that the powers of the state should not be employed to aid or hinder the realization of particular ‘conceptions of the good’ (see, for example, Arneson, 1987; Dworkin, 1985; Rawls, 1971). Instead, the state should restrict itself to securing a just framework within which individuals may freely pursue their own understanding of what the good life consists in.

According to this principle of state *neutrality*, then, judgements about ‘the good’, or what will here be called *ethical* judgements, should play no part in political decisions and debates.<sup>iii</sup> One might call this ‘the exclusion of ethics from politics’, which implies also its exclusion from any contribution from philosophy to political debate (see Raz, 1986, pp. 134–63). I shall be arguing against such exclusion later on in this paper. But I shall also be questioning a further (and crucial) assumption made by those who invoke the principle of neutrality in opposing state support for cultural activities, namely that ‘leaving such activities to the market’ *is* consistent with that principle, whereas using the powers of the state to secure their non-market provision is *not*.

The market, on this view, is the ideal economic institution for a neutralist state to support. In market economies, there is no role for collective ethical judgements about what is to be produced. The only authoritative judgements of value are those made by individuals, and in particular by consumers in deciding what they think is worth purchasing (Hayek, 1976, pp. 107–32; for an analysis of this view, see O’Neill, 1998, pp. 64–72). The market’s distributive consequences may, of course, be regarded as unjust and redistributive measures taken to remedy this. But this is a matter

of improving people's chances of achieving what they themselves value, as distinct from making collective judgements about what is valuable.

On this view, then, the support provided by the state for market institutions is consistent with the principle of neutrality, whereas state support for non-market cultural institutions is not. I shall argue against this view, suggesting instead that both arguments for the non-market provision of cultural goods *and* for the market itself may quite properly appeal to collective judgements about the human good. Allowing a place for ethics in politics need present no threat to liberal principles, but deepens the basis upon which political choices between market and non-market institutions can be made. And I shall also suggest that, if the place of ethics in politics is accepted, this provides an important reason for supporting non-market cultural institutions.

However, these issues about ethics, politics, and neutrality are not addressed until later sections of this chapter. Before reaching that point I will say something about how I first became interested in the proper relationship between cultural institutions and the market, and about how the problems that emerged for the approach that I initially took led me to consider some broader issues about the nature of market institutions and their possible justifications. I hope readers will not find this mode of presentation unduly self-indulgent; it is intended as a convenient way both of explicating the relevant conceptual linkages and of indicating how 'philosophical' engagements with public matters sometimes proceed.

## 2 Changes to British cultural institutions in the 1980s

My interest in cultural institutions and the market began while working in a university that, like others in Britain during the mid-1980s, was coming under increasing pressure to adopt the organizational forms and outlook of commercial enterprise. Unlike the public utilities and nationalized industries, universities were not being privatized, but they were being encouraged or required to operate in a far more 'business-like' manner: students were to be seen as consumers,

prospectuses refashioned as promotional literature, peer judgements replaced by performance indicators, the costs of space usage attributed to departments, and so on. Similar changes were taking place in other cultural institutions. Public subsidies for the arts were not removed, but the Arts Council made business plans and marketing strategies a condition of its financial support. The BBC remained a public service broadcasting institution, but through a series of organizational changes became more difficult to distinguish from its commercial counterparts.<sup>iv</sup>

Like many others, I felt there was something seriously wrong with all this: that it would damage the integrity of cultural institutions and their potential value for society. But I found it difficult to construct a theoretical justification for this intuitive response. In particular, two bodies of literature with which I was reasonably familiar proved not to be helpful. First, there were the continuing debates about social justice stimulated by Rawls's (1971) work in political philosophy. However, what was problematic about these changes did not seem to be a matter of distributive injustice. With relatively minor exceptions (such as the introduction of entry charges for museums and galleries), the costs of access to cultural institutions were not being increased: tuition at universities remained free and the price of a TV license stayed roughly the same.<sup>v</sup> What worried critics of BBC reforms was not that access to TV would be denied to those with less money, but that there would be fewer programmes worth watching. Second, there were the critiques of the market (and commodification) in the Marxist tradition. From this perspective one would object to any *extension* of the market because one objected to the market *as such*. But in the absence of any preferable alternative to the market (as the primary means of coordination in a modern economy), these critiques seemed unpersuasive; all the more so given that the only 'actual' alternative, state socialism, was not only economically inferior but – unlike the market – apparently incompatible with basic elements of liberal democracy. Further, the proponents of market socialism had shown, in my view, that much of what is objectionable about *capitalist* market economies can be removed in a system of workers cooperatives that preserves the market and is hence compatible with civil and

political liberties (Miller, 1990; Nove, 1983; Selucky, 1979). But there would still be a need to decide on the proper relationship between cultural institutions and the market in this socialist market economy.

So to justify the protection of cultural institutions from the market, it seemed that one could draw neither on arguments against injustice nor on arguments against the market *tout court*. Instead, the case would have to be made in terms of the market's proper scope or boundaries: of which kinds of activities are, and are not, appropriately governed on this basis. The book that encouraged me to think about the problem in this way was Michael Walzer's *Spheres of Justice*, published in 1983, in which he urged political philosophers to take proper account of the highly differentiated nature of modern societies, comprising a number of spheres (family, polity, economy, and so on) that differ in their institutional character and the kinds of social goods that are created, distributed, and enjoyed within them.<sup>vi</sup>

It is a central responsibility of (modern) politics, Walzer argued, to maintain the boundaries between these spheres, so as to prevent any one of them coming to dominate others. This applies especially to the *market*, the sphere of money and commodities. Walzer has no objection to the market as such, provided it is kept in its proper place. He accepts this is difficult to achieve because of its inherently expansive tendency. But he suggests that this can be (and to a significant extent actually is) dealt with through a series of what he calls 'blocked exchanges', that is, prohibitions on the sale or purchase of various items.<sup>vii</sup>

However, despite the attractiveness of Walzer's overall framework, this focus on blocked exchanges did not seem helpful in addressing the issues about cultural institutions and the market with which I was concerned. For whereas, for example, the sale or purchase of political office would rightly be seen as corruption, and that of friendship services as undermining the character of this valued relationship, the same could hardly be argued in the case of theatre tickets or lectures on

political philosophy. Further, the defence of non-market cultural institutions, such as public service broadcasting, does not imply or require that their commercial counterparts should be prohibited.<sup>viii</sup>

What these disanalogies suggested was that instead of focusing on issues about the *exchange* of cultural goods, it might be more fruitful to consider the effects of the market on how cultural goods were *produced* (see Keat, 2012). That is, the problem was not whether the proper nature of cultural goods would be undermined by possessing the status of commodities, but whether the pressures imposed on cultural institutions by operating as commercial enterprises in the market might damage or reduce their ability to produce cultural goods of sufficient value. But to show that this was so would require some account of how cultural institutions and activities were best organized and conducted, and of why it was that the market posed a threat to this.

In thinking about how to do this it was Alasdair MacIntyre's *After Virtue*, first published in 1981, that seemed to provide some possible answers. What was especially attractive was its account of what he called a *practice*: a form of social activity in which the primary aim is to do or achieve what is good, valuable, or admirable, judged in terms of the criteria shared by those who engage in it. This account of practices seemed to capture a great deal of the distinctive nature and value of the cultural activities with which I was concerned. In the next two sections, I shall first outline the way in which I tried to use MacIntyre's account, and then consider some problems this encountered.

### 3 MacIntyre, practices, and cultural institutions

A practice, MacIntyre says, is any complex form of cooperative activity in which goods that are *internal* to this are realized in trying to achieve the *standards of excellence* appropriate to, and partly definitive of, the activity concerned (MacIntyre, 1985, p. 187). A wide range of social activities can potentially be practices, including the various arts and sciences, sports and games, the conduct of politics and households, and 'productive' activities such as farming, fishing, and the making of objects that satisfy human needs.

The standards of a practice, says MacIntyre, define what count as good or bad – genuine or spurious, exemplary or worthless, et cetera – instances of the activity. It is by reference to these standards that the success of people’s performance of the activity and the value of their contributions to the practice are judged. Without being willing to accept the authority of these judgements, individuals will be unable to appreciate and enjoy the internal goods of the practice, which can be understood only in terms of its specific character: for example (mine, not MacIntyre’s), the elegance of a scientific theory or the truthfulness of a theatrical performance.

Internal goods differ radically from what he terms *external* goods, such as money, power, and status (MacIntyre, 1985, pp. 188–91). When people are motivated primarily by the pursuit of external goods, what counts as success in terms of a practice’s own standards is valued only instrumentally, as a way achieving something that could equally well be achieved by other means, and not intrinsically, as is the case with internal goods. MacIntyre argues, however, that external goods are necessary for practices, since these cannot survive or flourish without the support of *institutions*, which are ‘involved in acquiring money and other material goods ... are structured in terms of power and status, and ... distribute money, power and status as rewards’ (MacIntyre, 1985, p. 194).

Ideally, the institutional use of external goods should enhance the practice’s ability to pursue and develop its particular goals, to operate in accordance with its standards, and to generate for its participants the shared appreciation and enjoyment of its internal goods. But this positive role for institutions is difficult to ensure, since external goods always have the potential to undermine the integrity of practices. It is partly for this reason that MacIntyre (1985, p. 191) also emphasizes the role of the moral virtues, especially courage, honesty, and justice, which may enable practitioners to resist the pressures generated by external goods.

By insisting on the need for institutions, MacIntyre’s account steers one away from regarding external goods as inherently antithetical to practices, and instead directs attention to identifying

those institutional forms that are conducive to their integrity and those that are not. Amongst the latter, he believes, are the capitalist market and the modern business corporation. But in *After Virtue* he says rather little about just why this is so. So in drawing on his work to justify opposition to the commercially modelled reshaping of cultural institutions, I tried to spell out why this would be damaging for the practices they had previously supported (Keat, 1991; 1994).

The basic idea was that, in a market economy, firms are subject to various pressures that require them to act in ways they might otherwise not wish to, on pain of going out of business. In particular, the pressures of competition from other firms often have this effect (and this would be just as much so for cooperatives in a market socialist economy). The market does not compel firms to aim only at maximizing their profits, but it does require them to remain profitable and it will not protect them from the effects of their competitors' decisions. And what this means is that any firm in which production is, at a certain time, being conducted in a practice-like manner may perfectly well find itself, at a later time, unable to continue to do so.

There are many specific reasons for which this may occur. The one that I focused on was the potentially problematic relationship between consumer preferences and a practice's standards (Keat, 1991; 2000, pp. 19–32). In a market economy, firms have to be able to satisfy consumer preferences (as indicated by their willingness to pay) in a profitable manner. But there is no guarantee that these preferences, or the judgements on which they are based, will be consistent with a practice's standards or will remain so even if at one time they were. Correspondingly, there is no guarantee that firms that otherwise wish to act in accordance with a practice's standards will be able to afford to do so, especially when one or more competitors find ways of catering for those consumers' preferences that are at odds with the practice's standards. The previously practice-based firms will find themselves unable to act for practice-consistent reasons; to do so will be too costly, demanding material sacrifices that even their morally virtuous members cannot be expected to make.<sup>ix</sup>

On further reflection, however, I began to have serious doubts about this argument. Although it was constructed with cultural practices in mind, it seemed to rely on claims that would apply equally well to practices of any kind. It thus implied that markets are antithetical to the conduct of any kind of activity as a practice, including that of economic production. But the more of the relevant economic literature I read, the less plausible this seemed to be (Keat, 2000, pp. 111–32; 2008a). It looked, instead, as if there could be, and indeed were, many cases of practice-like production *within* market economies; or at least, as the work of some comparative political economists that I came across later on seemed to imply, within a certain *kind* of market economy.

In the next section, I shall consider some of this work and its bearings upon the relationship between cultural institutions and the market. But before that I will draw attention to a different set of issues raised by this attempt to construct a MacIntyrean defence of non-market cultural institutions.

Even if it were true that the market is inimical to cultural activity as a practice, this would not by itself justify the provision of state support for cultural institutions. To do so, one would need also to show that they are sufficiently valuable to justify this (quite costly) allocation of societal resources; otherwise, there seems no reason why cultural practices should not simply be pursued in people's leisure time (as indeed they often are, to considerable effect). I shall say more about how this might be shown in section six, but some preliminary points can usefully be made here.

First, what makes these institutions valuable must be to do with the cultural goods they help create, and not with their benefits for those who work in them. No doubt the life of a cultural practitioner is often enjoyable and fulfilling, but to support cultural activities because they are good for practitioners would unfairly privilege them over others who have to earn their living without such advantages. Second, it seems unlikely that the MacIntyrean account itself can provide any basis for judging the value of a practice and of what it generates, as distinct from judging what is done within any such practice. Both the internal goods of practices, and their standards of

excellence, are specific to the practice concerned. These standards tell us what is good or valuable within a practice, but not what makes for a good or valuable practice.<sup>x</sup>

Finally – and returning now to the main theme of section one – to appeal to the value of these institutions as a reason for providing state support for them will most likely be at odds with the neutrality principle, with its exclusion from politics of judgements about the good. At the time when I was working on the ideas outlined in the present section, this was not a problem with which I was much concerned; it became so only some years later. By then, and quite fortuitously, it turned out that the political economy literature I had been working on for quite different reasons might also provide the basis for a response to the neutrality objection. At least, that is what I shall try to argue in the next two sections.

#### 4 Varieties of capitalism

In *Varieties of Capitalism* (2001), Peter Hall and David Soskice identify and explore the institutional differences between what they call ‘liberal’ and ‘coordinated market economies’ (LMEs and CMEs). Taking the UK and USA as exemplifying the former, and Germany the latter, they argue that the different institutional arrangements of LMEs and CMEs impact significantly on the organization and behaviour of firms. I shall argue that, because of these differences, one may reasonably expect CMEs to be conducive to the conduct of economic production as a practice, or at least a good deal less inimical to this than are LMEs.<sup>xi</sup>

The institutional differences identified by Hall and Soskice (2001, pp. 8–21) include those concerned with ownership and finance, with the internal governance of firms, and with inter-firm relationships. The first difference, they argue, makes firms in CMEs less vulnerable than those in LMEs to the pressures of short-term profitability and to the subordination of production decisions to financial imperatives. The second reduces considerably the extent of intra-firm hierarchy and the exercise of ‘managerial prerogative’ in CMEs, by comparison with LMEs. The third enables various

forms of cooperation between firms in CMEs, by contrast with the exclusively competitive relations that obtain in LMEs. This is due to the existence of industry-wide associations, to which all firms in a given industry belong and which play a major role in research and development, in technology transfer, and in systems of education and training.

Hall and Soskice argue that, because of these institutional differences, firms in CMEs are more likely than their LME counterparts to compete in terms of quality rather than price and to make more extensive use of workers who are equipped with high levels of technical skill, are subject to less intrusive monitoring, and have more opportunities for taking initiatives (Hall and Soskice, 2001, p. 39). Such differences would be important for any ethical evaluation of the kinds of work provided by the two kinds of market economy, since they could be expected to affect significantly the opportunities for intrinsic satisfactions. However, MacIntyrean practices are not just a matter of the development and exercise of complex skills and judgement, and the intrinsic satisfactions generated by these, but also of engagement in a shared activity with its own standards of excellence and the possible enjoyment of internal goods dependent on this. It is here, I suggest, that the industry-wide associations of CMEs, and their role, *inter alia*, in education and training, are especially relevant.

As Hall and Soskice (2001, pp. 25–7) emphasize, the skills acquired through such training are applicable across all firms in a particular industry. There is also a strong emphasis on apprenticeship, along with other elements of a craft-oriented conception of training. Taken together with other features of CMEs, such training could be regarded, I suggest, as providing an appropriate form of induction into a shared activity that goes beyond the boundaries of individual firms, has its own standards of excellence that set the terms for competition between them, and potentially enables workers to participate in, contribute to, and experience the benefits of something quite close to the nature of a MacIntyrean practice. In LMEs, by contrast, such possibilities could be expected

to be relatively slight, given the absence of industry-wide associations with comparable powers and functions, together with other institutional differences already noted.<sup>xii</sup>

Without claiming that CMEs are entirely conducive to the conduct of production as a practice, the argument I have just sketched does, I think, cast serious doubt on markets being inherently incompatible with practices. So what are the implications of this for my earlier argument that cultural practices need to be institutionally protected from the market?

It might be thought that if CMEs are conducive to production as a practice, all that is needed to ensure the flourishing of cultural practices is to establish this kind of market economy, the assumption being that it is only LMEs from which they require protection. But this ‘optimism’ about cultural practices and CMEs would not be justified, for at least two reasons. First, it might be that CMEs are incompatible with specifically *cultural* production as a practice, even though they are compatible with production as a practice in other cases. If this were so, it would suggest that what was wrong with the earlier argument is that it did not engage with what is distinctive about cultural practices, relying only on generic considerations. I think there is something to be said for this view, but I shall not try to remove this defect here.

Second, even if specifically cultural practices *are* compatible with CMEs, an otherwise well-functioning CME might nonetheless be entirely devoid of cultural production (and cultural goods), since a fundamental feature of any kind of market economy is that there are no specific products whose provision can be guaranteed to be provided (this is why planning is always needed in wartime economies, for instance). So a case might still have to be made for the state to support cultural institutions, and, as noted at the end of the previous section, this will require not only defensible judgements about their ethical value, but a response to the neutralist objection to state action based on *any* such ethical grounds. However, as I shall now argue, what has just been said about different kinds of market economy points towards a possible way in which this neutralist objection can be effectively ‘disarmed’.

## 5 Ethics and the choice of economic institutions

Suppose that a political community were choosing between the two types of market economy described above, and hence deciding on which set of institutional arrangements the powers of the state will be used to support. If what I argued in the previous section is broadly correct, this political choice will have a significant and ethically relevant impact on the kinds of *work* available for the community's members. Working in firms engaged in practice-like production differs significantly in the kinds of goods (and ills) that may be experienced from working in firms that are not.<sup>xiii</sup> The two sorts of firm – and, likewise, the market economies underpinning them – thus differ in the relative ease or difficulty with which particular work-related ‘conceptions of the good’ can be realized within them. This is because the goods concerned are institutionally dependent: they are embedded in forms of social activity that require particular institutional arrangements, arrangements which themselves depend, in various ways, on state action. Moreover, for any society there will be limits on the range of possible goods available to people, since the choice to establish and support one institutional arrangement necessarily closes off access to goods made possible by alternative institutional arrangements (Keat, 2011a, pp. 69–70). The question thus necessarily arises of *which* institutional arrangement – as well as its associated goods – is to be preferred.

In this situation, I suggest, it would be perfectly reasonable for the ethically relevant differences described above to be taken into account in choosing politically between the two types of market economy, and hence for the respective ethical merits (and defects) of work performed as a practice, and work that is not, to be debated. The decision on how the powers of the state should be used would thus be based (in part) on ethical considerations. But this, it seems, is ruled out by the principle of state neutrality. The principle thus requires citizens to ignore the ethically relevant and predictable consequences of their decisions; it absolves them, in effect, from taking collective responsibility for these consequences and from the need to debate their ethical character.

What the principle requires is not impossible; I am not trying to ‘disprove’ it here. But I do want to suggest there is no obvious reason why this limitation on political reasoning and responsibility should be accepted. In particular, although the neutrality principle has been widely endorsed by liberal political philosophers, it is hard to see what recognizably liberal principles or values would be threatened by permitting a political choice between these two types of market economy (in part) on these kinds of ethical grounds. Both in theory and in practice, both sets of economic institutions seem perfectly (or at least equally) compatible with the standard array of liberal rights, and with the exercise of individual autonomy (Keat, 2011a, pp. 358-64).<sup>xiv</sup>

I will now take this argument one stage further, by considering another (hypothetical) political choice. This time it is between *any* kind of market economy and some kind of *non-market* economy – whether, for example, in the guise of state socialism, guild socialism, or a form of non-market, community-based local economy – so that one possible decision is to use the powers of the state to establish and maintain the institutional framework required by a market economy. Here too, I suggest, there will be ethically relevant differences between the market and non-market alternatives: differences in the set of goods that each of them makes possible, and in the kinds of life they make it relatively easy or difficult to lead.

Most obviously, this will be so with respect to *consumption*. The (apparently unique) dynamism of market economies with respect both to wealth generation and product innovation enables people in market economies to live in ways that are otherwise unlikely to be available. Issues such as the *ethical value* of this ‘material well-being’, and its possibly negative impact on other modes of well-being – such as enjoyment of the good of production or the bonds of solidarity definitive of tightly integrated communities – made available by alternative economic arrangements, should surely be seen as relevant, and legitimate, in making this political choice.

Less obviously, perhaps, market economies also differ radically from non-market alternatives in the ethical character of its central form of transaction, contractual *exchange*. Economists tend to

think of this simply as a means by which individuals can achieve the goals they have, independently of this device. For many liberal political philosophers, by contrast, it is a concrete manifestation of individual liberty (see, for example, Booth, 1993). But exchange can also be seen as a specific social relationship, constituted in part by a complex set of obligations and rights, that may itself be valued as a particular kind of social good (or judged to be a social ill) (see Durkheim, 1984 [1893]; Keat, 2013, pp. 175-81). The value of exchange, I suggest, is itself a matter for ethical debate that belongs quite properly to the political choice between market and non-market economic institutions.

As in the case of a choice between the two kinds of market economy, a political community could decide to exclude these ethical considerations if it so wished. But what has just been said should at least serve to undermine the view that *only* market economies are consistent with the principle of neutrality. Sometimes this view is held because it is thought that the market itself is neutral: that market institutions do not discriminate between conceptions of the good, but only between different individuals' ability to realize their own (Arneson, 1987, p. 537). What is wrong with this view, I believe, emerges clearly from considering what might be involved – as revealed by reflection upon the goods of consumption and exchange – in a political choice between market and non-market economies.

What also emerges, I suggest, is the implausibility of invoking the principle of neutrality to oppose the provision of state support for non-market cultural institutions. As I noted in the opening section, it is widely believed that any justification for protecting cultural activities from the market in this way depends on ethical judgements about their value, and is thus incompatible with state neutrality, whereas this is not so for the justification of market institutions themselves. It is this supposed asymmetry that has now been challenged, since the justification of market institutions *also* hinges on ethical judgements.

The neutralist objection to state support for non-market cultural institutions is thus disarmed. There is no more reason to exclude ethics from political decisions about departures from the market

than from political decisions to accept the market itself. More generally, one should regard all these decisions as part and parcel of the overall responsibility that citizens have to determine collectively their society's economic arrangements, a task that includes also the setting of boundaries between different institutional domains, and in which ethical reasons (along with liberal principles and considerations of justice) have a legitimate role throughout.

## 6 Cultural goods and public service broadcasting

In this penultimate section I return to the question posed at the end of section three, of how one might show that cultural goods are sufficiently valuable for the state to support cultural institutions when it seems likely that the market might 'fail to deliver'. There are, I suggest, at least two ways of approaching this. The first points to the direct contribution of cultural goods to human well-being; the second to their role in what might be termed 'ethical reflection'. I shall focus mainly on the latter, not because it is more important than the former (with which it is also fully compatible), but because it is more closely related to other central themes in this chapter.

Adopting the first approach involves making the same kinds of judgements as those briefly noted in the previous section, in considering what might make one kind of economy ethically preferable to another (about the nature of work, the possibilities for consumption, et cetera). They are probably best made within a framework such as that proposed by Martha Nussbaum (1990; 2000), in which various human 'functionings' are identified, each of which is either essential for a minimally decent existence or central to a flourishing one. Political communities should provide their members with the possibility of achieving these, without requiring them actually to do so. Cultural goods might then be valued because, for example, they enable people to develop and exercise their imaginative capacities, to engage in various forms of aesthetic appreciation and enjoyment, and so forth.

By contrast, the second approach builds on an important feature of at least many cultural goods: that, in addition to what might be termed their ‘first order’ value (of the kinds just illustrated), they also have a ‘second order’ value in helping people to *reflect on* ethical questions, since they directly or indirectly explore the nature and possibilities of human well-being, the kinds of life that are worth living, the reasons for valuing different kinds of goods, and so on. This is most obviously so in the case of intellectual disciplines such as philosophy. But what is involved in such ethical reflection is not exclusively cognitive or theoretical in character; it is also affective and experiential, and hence aided as much, or indeed more, by imaginative engagement with the kinds of concrete depictions and explorations of people’s lives to be found in novels, films, drama, and many other cultural goods (see Beiner, 2014, p. xiii; Murdoch, 1982).

The value of ethical reflection for individuals, and hence of the cultural goods that help them in deciding on what to aim at in their own lives, is widely recognized.<sup>xv</sup> But if, as I have argued, ethical judgements are also required at the collective level, in making political decisions about institutional arrangements, then the value of cultural goods may also reside in their contribution to properly ‘informed’ public debate. I shall now develop this argument by considering its implications for the ways in public service broadcasting (PSB) might be justified, taking the BBC as an example.

The BBC has for many years presented itself as having three main aims: to *inform*, to *educate*, and to *entertain*. These aims are generally seen as being pursued through different categories of programmes, respectively: news, current affairs, and documentaries; arts, history, and sciences; and soap operas, sitcoms, and popular drama series. I shall refer to these as ‘News’, ‘Arts’, and ‘Soap’. Broadly speaking, in debates about the BBC and its continued funding (through the license fee), the first of these has been regarded as the easiest to justify, and the third as the hardest. But I shall question this, along with the assumed differences in the nature of their respective justifications.

The provision of News is typically supported on the grounds that it contributes significantly to the effective operation of democracy: citizens and political leaders need to be well-informed if

decisions are to be made on a proper basis (Lukes, 2005). For News to perform this function, one might argue, it needs to be both 'serious' in its selection of topics (for example, avoiding celebrity trivia) and 'impartial' or 'objective' in its treatment of these. In both respects one might have reasonable doubts about the likely performance of commercially provided News (unless this is carefully regulated by statutory bodies, such as Ofcom).

This 'democratic' justification for PSB is generally regarded as applying only to News. By contrast, Arts provision is usually supported by appealing to (what I have called) the 'first order' value of cultural goods, especially those associated with 'high' as opposed to 'popular' culture. And defenders of PSB often find it difficult to justify the provision of Soap at all, except by arguing that a broadcaster such as the BBC would lose some of its audience for News and Arts if it did not also provide these 'entertaining' programmes that can equally well be provided commercially (Graham and Davies, 1997).

However, if political choices and decisions depend partly on ethical considerations, and if (many) cultural goods also have a second-order value as resources for ethical reflection, the 'democratic' justification for PSB can be extended not only to Arts, but also, I would argue, to Soap, especially if the kind of case powerfully made by John Mepham (1990) is accepted. Mepham argues that (what he calls) 'TV fictions' can at their best perform similar, and similarly valuable, functions to those performed by their high-culture counterparts. In particular, he says of soap operas that:

They can, at their best, produce a constant stream of puzzles relating to the morals and tactics of everyday affairs and offer to the viewer a range of possible solutions which can be mulled over, assessed, assimilated or rejected. They can expand the viewer's sense of what is possible, enhance his or her vocabularies and repertoires of words, gestures and initiatives. They are the great laboratory of modern everyday life. Of course, they can only achieve these things if they are of high quality (Mepham, 1990, p. 67).

It might also be argued that there are analogues, for high-quality Soap, of the requirements for ‘impartiality’ and ‘seriousness’ in high-quality News: one might contrast, for example, the ethical reflection enabled by high-quality Soap with the distortion and obfuscation about human wellbeing in TV advertising (an extremely well-resourced cultural product). More generally, there is a similar need for integrity in both. That of Soap, and hence its ability to contribute to ethical reflection, is compromised when, for example, undue attention to viewing figures leads to the introduction of sensational events that require characters to act in an *out of* character manner, doing things that makes no sense, given who they are and how they have previously behaved. This is a serious failing in any (realist) drama: the sacrifice of character to plot.

However – as BBC Soap has amply demonstrated in recent years (witness the frequent sensationalism of *EastEnders*) – the provision of Soap as an element in PSB by no means ensures that it will be high-quality Soap. Much will depend on the specific organizational model that is adopted by (or imposed upon) PSB providers, and on the extent to which, for example, marketing and financial considerations are permitted to impact directly on the ‘creative’ processes of cultural production.<sup>xvi</sup> What is needed, I suggest, is an organizational design compatible with the conduct of cultural production as a practice.

Here I return to the concerns noted in section two, that cultural institutions such as the BBC might lose their integrity by being remodelled as commercial enterprises, despite not being privatized or fully marketized. What might now be added to this, as my discussion of varieties of capitalism in section four indicated, is that it may also matter *which* model of commercial organization is thus imposed or adopted. In the UK, as one might expect, governments have since the 1980s chosen a model drawn from liberal, rather than coordinated, market economies. This, if my previous argument is correct, has damaged the prospects for cultural production as a practice within the UK, and hence the potential value of cultural goods for political choices and decisions properly informed by ethical considerations.

## 7 Some final thoughts

These claims about cultural goods and the institutional choices and frameworks that facilitate or impede their realization clearly need a good deal of further development to be convincing. In particular, the remarks just made about the negative impact of certain organizational forms on the quality and value of the cultural goods that public service broadcasting can provide are supported here only by somewhat speculative theoretical claims about varieties of capitalism and MacIntyrean practices, and by impressionistic judgments about (changes in) the ethical value of TV programmes.

What is required, therefore, is both more detailed empirical investigation of cultural institutions such as the BBC, exploring the effects of organizational change on the decisions made within them, and more fully articulated reflection on the criteria to be employed in making ethical judgments about cultural goods. Both social science and philosophical ethics thus have crucial roles to play, and although these disciplines are distinct they need to be practised in close relation to one another. The questions addressed by social scientists must be informed by an understanding of what makes institutions matter, in normative terms, and philosophers must recognise the socially embedded character and institutional dependence of the goods and ills with which they are concerned.

But whatever the specific results of these enquiries about cultural institutions turn out to be, there are at least two points of principle that remain, if what I have argued in this chapter is broadly correct. First, the ethical interest in cultural goods is a legitimate public interest and an appropriate basis for political and economic action, contra the principle of state neutrality. Second, cultural goods are an essential part of a good society and a democratic polity. Thus, if we fail to secure the conditions for their continued existence and flourishing, we will have failed in one of our key responsibilities, as citizens.

And it is not just a matter of our responsibilities, but of our rights. All too often market institutions are presented by their advocates as sacrosanct, as if any kind of 'political interference' with them is inherently illegitimate. But these institutions are established and sustained by the state, and both their specific character and their proper scope are legitimate objects of political choice, guided *inter alia* by specifically ethical considerations.

illegitimate. But these institutions are established and sustained by the state, and both their specific character and their proper scope are legitimate objects of political choice, guided *inter aliu* by specifically ethical considerations.

## NOTES

1. State support of the British Broadcasting Corporation (BBC), the key UK public service broadcasting organization, takes the form of a license fee levied on households possessing a TV, the state itself having no direct control over programming or the internal governance of the organization (Keat 2011b, pp. 61–2). Note, on a different point, that in addition to state support and market provision, many cultural goods are also provided through voluntary and unpaid cultural activities in the form of amateur orchestras, choirs, et cetera.
2. Justifications for the public provision of some other goods, such as education, may appeal both to distributive justice and to the character or nature of the good concerned.
3. By ‘ethical judgements’, I mean judgements as to what is ‘good’ or has ‘value’ for human beings, in contrast to ‘moral judgements’, which concern what is ‘just’ or ‘right’. For fuller discussions of the distinction between these types of judgement, see Habermas (1993) and Keat (2008b).
4. For critical analyses of these organizational changes, see McGuigan (1996) and Leys (2001).
5. Of course, free university tuition in the UK came to an end later on, with the passage of *The Teaching and Higher Education Act* in 1998, which introduced a means-tested annual fee of £1000. Since then, the average annual tuition fee for students in England and Wales has increased to £9000.
6. A similarly differentiated understanding of modern society underpins Habermas’s (1987) later social theory and his ‘colonization thesis’, the claim that serious social pathologies arise when market imperatives invade non-market spheres of life (see Keat 2008b).
7. Such ‘blocked exchanges’ include, for example, prohibitions on the purchase of people, of political office, of exemptions from general duties, and of friendship (Walzer 1983, pp. 100–3). Admittedly, Walzer’s main concern was with questions of distributive justice, which I had decided were not relevant, but it seemed his framework could also be used (and was implicitly so used by Walzer) in thinking about how to protect the integrity and distinctive value of social goods.
8. Commercial broadcasters may well, however, be subject to statutory regulation. Within the UK, the body charged with this task is the Office of Communications (Ofcom), established by the *Communications Act 2003* (see Keat 2011b).

9. For an illustration of this point, see MacIntyre’s (1994, pp. 284–6) discussion of the contrast between practice-based and non-practice-based fishing crews.
10. In relation to this issue, see also Miller’s (1994, p. 250) distinction between ‘self-contained’ practices, such as games and sport, ‘whose *raison d’être* consists entirely in the internal goods achieved by participants and the contemplation of those achievements by others’, and ‘purposive practices’, such as architecture or farming, ‘which exist to serve social ends beyond themselves’.
11. I should add here that I employ Hall and Soskice’s analysis of the varieties of capitalism for theoretical purposes that are very different to theirs (see Keat 2008a, p. 88).
12. Where workers in CMEs generally acquire industry-specific skills, workers in LMEs are typically equipped with a combination of ‘generic’ skills applicable in any industry and ‘firm-specific’ skills acquired within a particular firm. On the significance of different skills-training regimes, see Estevez-Abe et al. (2001).
13. We should note here that while CMEs, as in the case of Germany, allow greater scope for production as a practice and are more egalitarian in terms of income distribution than most LMEs, they display much higher levels of gender inequality and of occupational segregation than those found in LMEs such as the UK and USA (Estevez-Abe et al. 2001, pp. 155–60; Keat 2008a, pp. 90–1). These less desirable features of CMEs as they currently exist would also have to figure in any choice between the two types of market economy.
14. With Raz (1986) and others (Sher 1997; Wall 1998; see also Chap. 8), I believe the core tenets of liberalism are in no way undermined by allowing perfectionist considerations as to the good a central place within political decision-making. For a defence of this ‘liberal perfectionism’, see Keat (2008b, 2009).
15. Both neutralist liberals, such as Dworkin (1985), and liberal perfectionists, such as Raz (1986), are largely in agreement on the connection between ethical reflection and the availability of valuable cultural options, on the one hand, and the capacity of individuals to realize autonomy, on the other.
16. On the growth of the ‘managerial prerogative’ within creative industries and the increasing subordination of artistic autonomy to financial and market imperatives, see Hesmondhalgh (2007), Hesmondhalgh and Baker (2011), and Keat (2011b).

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