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## Meaningful Work and Market Socialism Revisited

*Abstract:* If the economy consisted of labor-managed firms, so the workplace is democratic, and in addition the benefits and burdens of economic cooperation were shared equitably and the economy operated efficiently, might there still be a morally compelling case for further intervention into economic arrangements so as to increase the degree to which people gain meaningful or satisfying work? ‘No!’, answers a 1987 essay by the author. This comment argues against that judgment, on the ground that morally required perfectionism or paternalism or simple fairness to the worse off might demand such intervention. It is plausible to hold the good life includes meaningful work, and that what we fundamentally owe one another is a fair distribution of good quality of life. However, this comment also takes issue with Russell Keats’s argument against Arneson in his essay in this issue of this journal.

### 0. Introduction

Is economic justice inherently opposed to a competitive market economy? Or are the two natural allies? Theorists of justice and critics and defenders of capitalism have been debating these issues for hundreds of years. In my view, we do not yet have a sufficiently clear understanding either of what justice requires or of what the market economy might deliver to reach a definitive resolution of these debates.

I took several broad swipes at these issues in essays published decades ago. One of these essays (Arneson 1987) has elicited an intelligent and thoughtful critique by Russell Keat (this journal). I welcome the opportunity to revisit these issues, which still seem to me to be of great significance, even if my own attempts to engage them now appear to shed more heat than light. I find myself thoroughly in disagreement both with the main claims advanced by my 1987 essay and with Keat’s criticisms of them. In the first three sections of this paper I explain what is wrong with the views of my earlier self, and in the final section I explain why I do not find Keat’s critique compelling. I start with a brief rehearsal of my earlier arguments. Readers may consult Keat’s essay for excellent and accurate statements of my 1987 conclusions and the arguments I offered in their support.

Arneson (1987) argues that if a market socialist economy of a syndicalist sort is established, if the distribution of resources is continuously adjusted to be fair, and if the market operates efficiently, further intervention in the market

to bring it about that people gain more of the benefits of meaningful work would be unjust and unfair.<sup>1</sup> The just economy maximizes a function of people's preference satisfaction that balances two concerns: other things being equal, a greater aggregate degree of satisfaction of the ensemble of people's preferences (each preference weighted by its importance to the individual who has it) is better, and other things being equal, a more equal degree of satisfaction of the preferences of each person is better. Intervening in the market processes to bring about greater satisfaction of the particular preference for meaningful work unfairly privileges certain preferences (and the people to whom they happen to be important) over other preferences (and people), and this is morally wrong.

The key point is that there are a great many goods other than meaningful work that people might reasonably pursue via their economic activity. There is no good perfectionist case that meaningful work trumps these other goods, and no good paternalist case that overruling people's own judgments to pursue some mix of goods other than meaningful work would advance their interests in morally acceptable ways.

## 1. The Non Sequitur

One fundamental defect in my 1987 argument is that it is a non sequitur to jump from premises to the effect that the state ought not to give privileges to some individuals on the bogus ground that their preferences are intrinsically more worthy than other individuals' different preferences to a conclusion that the state ought not to interfere with a well-functioning competitive market distribution in order to help some individuals gain a greater degree of satisfaction of their preferences for meaningful work. The premises just do not entail the conclusion they are invoked to support. Nor do I see any hope that tinkering with the argument by adding further plausible premises will eliminate this defect.

The arguments in Arneson (1987) all revolve around the plurality of aims that people reasonably seek to pursue in seeking employment, and the fact that different people reasonably seek to satisfy different sets of aims drawn from this plurality. In the face of this reasonable diversity it would be wrong for the state arbitrarily to favor some preferences over others and thus to favor the individuals who happen to share these preferences. If some people reasonably want chocolate ice cream and other people equally reasonably have a taste for vanilla, it would be unfair for the state to glorify the eating of chocolate ice cream and forbid the eating of vanilla, and also wrong, though to a lesser extent, for the state to

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<sup>1</sup> Arneson 1987 states that a right to meaningful work would be "a right to employment in which the work for which pay is received is interesting, calling for intelligence and initiative, and in which the worker has considerable freedom to determine how the work is done and a genuinely democratic say over the character of the work process and the policies pursued by the employing enterprise" (517). In that essay I say my stipulation aims to capture what advocates of such a right have had in mind. Except for the last condition regarding having a democratic say, the rough idea is that work is meaningful in virtue of value gained from the work process itself. So, for example, the value of contributing by one's labor to a worthy social goal would not render work meaningful in the intended sense; nor would camaraderie among work mates increase the meaningfulness of the work.

subsidize the eating of chocolate ice cream and to penalize the eating of vanilla ice cream by special taxes on its production, sale, or consumption. It would equally be wrong and for just the same reason to favor those with a taste for meaningful work over those with alternative tastes, such as a taste for meaningful consumption and leisure time activity.

These arguments might be weak or strong. For present purposes that does not matter. The problem I want to pinpoint lies elsewhere. Suppose that a well-functioning market economy achieves efficiency in the Pareto sense: at a given time it is not possible to change the status quo by making someone better off except by making someone else worse off. All that follows is that if government intervenes so as to bring it about that some people are enabled to satisfy to a higher degree their preference for meaningful work, that intervention must occur at cost to some individual or individual. Some must be made worse off. So what? For all that has been said to this point, perhaps a correct principle of just preference satisfaction mandates that intervention. Nothing in the idea of Pareto optimality rules it out that at a Pareto optimal status quo, some are badly off as assessed by their preference satisfaction levels (the extent to which their aims, as weighted by the importance each person attaches to her various aims, are satisfied), and justice requires intervention to improve their condition.

Consider an example. The well-functioning competitive market economy may leave the class of unskilled workers on the whole and on the average badly off in terms of preference satisfaction, and state regulation of the economy designed to increase their opportunities for meaningful work or job satisfaction might be a cost-effective method of bringing targeted aid to this group. If the regulation is carried out under favorable conditions and in an optimal way, the economy then shifts from one Pareto-optimal distribution to a different Pareto-optimal distribution. In this case it is obvious that the Pareto norm has no power to speak against the proposed intervention in the competitive economy. More important perhaps is a further point: Suppose that the only feasible means of intervening in the market in order to bring about a more fair distribution of preference satisfaction will take us from a Pareto-optimal point to a new status quo that is Pareto-suboptimal. Perhaps moving from the status quo to a better distribution that is also Pareto-optimal is technically possible but politically infeasible: in practice, our choice is to stick with the efficient status quo or move to a more fair but inefficient distribution. Again, the same point applies. For all that has been said, nothing rules out the possibility that justice conceived as fair preference satisfaction is better fulfilled by moving from the efficient status quo to the inefficient feasible alternative. Of course the new status quo will be criticizable from the standpoint of fair distribution; it is not right to wallow in an avoidably suboptimal condition. But the criticizable new status quo may well still be superior in terms of preference satisfaction distributive justice to the efficient status quo it displaces.

It may be useful to illustrate the claim I am making with an ultra-simple example. Suppose for simplicity that the fair distribution principle is preference satisfaction utilitarianism: the greater the aggregate utility, the more fair the distribution that induces it. Society has two members, their current utility levels

are 8 and 2. This status quo is efficient, but we can move from this status quo to another, in which the two individuals respectively are at utility levels 7 and 4. Utility here is assumed to be cardinally interpersonally comparable. Unfortunately, the new status quo is inefficient, we could move from here to a Pareto superior state of affairs that gives the two individuals respectively 7 and 5, but we won't do that. Still, the move to the 7 and 4 distribution is recommended by the utilitarian standard of fair preference satisfaction. Even if the Pareto norm is a component of fairness, there is no reason to suppose it rules the roost, when distributive fairness is conceived in terms of achieving fairness in the preference satisfaction levels that all persons reach.

In my 1987 essay this simple point is obscured by the strictly irrelevant further stipulation that the market economy into which we are proposing to intervene is an economy whose enterprises are labor-managed and labor-owned firms. If you like you can add the further complication that justice for unstated reasons requires that the economy be composed of labor-managed labor owned firms. No matter. None of this rules out the possibility that intervention to alter the distribution of a well-functioning market economy might boost the degree to which that economy satisfies a justice standard of fair preference satisfaction and in addition that this intervention might take the form of intervention to increase the opportunity for meaningful work enjoyed by some economic agents.

The argument in Arneson (1987) does acknowledge that in order to bring about a fair distribution of the benefits and burdens of economic activity across the members of society, there must be intervention in the outcomes the competitive market would reach, even if the market is market socialist in character, if the principles of fair distribution have a broadly egalitarian flavor. Left by itself, the market, even a market of labor-owned and labor-managed firms, will generate winners and losers, and hence inequalities that justice does not endorse, so intervention to mitigate these inequalities will still be needed. To say more, we need to provide an explicit characterization of the principles that specify what qualifies as a "fair distribution of the benefits and burdens of economic activity" (Arneson 1987, 518). My 1987 essay is extremely vague on this point, which looks to be pivotal for the argument, yet manages to exude dogmatic confidence that whatever these principles are, they will not take the form of a social guarantee of a right to meaningful work. What might justify this confidence?

In his critical essay Keat is evidently troubled by this point, and suggests a sympathetic interpretation that is responsive to it. He attributes to me an implicit assumption that takes on board the norm of fair distribution that Ronald Dworkin explicitly advances in his 'equality of resources' discussions (Dworkin 2000). For our purposes here the key Dworkinian idea is that distributive fairness is to be identified with an equal division of resources (means available to individuals to pursue their aims). Dworkin thinks a fair distribution of resources holds individuals responsible for the preferences, values, and aims that they are glad to have. Given an otherwise fair distribution of resources, it would be unfair to carry out further redistribution to alleviate the plight of individuals who have expensive ambitions, which cannot be satisfied to a high degree with their provisional resource allotments. Nor would it be fair to alter a division of resources

that is otherwise fair, on the ground that some people happen to have very easily satisfied preferences, so under the Dworkin fair allocation they predictably will end up with very high levels of preference satisfaction.

In this framework of ideas, we might view some workers' desires for meaningful work as an expensive preference, and the demand that society should provide opportunities for meaningful work for all as an illicit demand that society should tinker with the distribution of resources to help people satisfy their expensive preferences. Much the same conclusion follows if we suppose that the desire for meaningful work can take very different forms, the satisfaction of which would require very different amounts of resource expenditure. Meaningful work is easily gained by the plumber who loves every aspect of plumbing, and difficult to secure for the bored architect who only becomes engaged in her work when she is working on really expensive projects that will actually be built. We might hold that a fair division of resources is independent of any individual's preferences, values, aims, and ambitions, for which she alone, not society or all of the rest of us regarded collectively, must bear responsibility.

Something along this line might be imputable to Arneson (1987). After all, at the start of this essay the author assumes that we are considering public policy appropriate for an economy that is a competitive market economy in which production is done by worker cooperative enterprises and an ability tax is imposed on individuals. Presumably the ability tax is coupled with transfers of resources to individuals who are below average in marketable ability, the aim being to secure a fair distribution of resources that is fair to all individuals endowed with different mixtures of abilities through no fault or choice of their own. With that background in place, the author then states the question to be pursued in the rest of the essay: "In this hypothetical market socialist economy would there be a reasonable ethical basis for further state regulation in order to achieve 'self-realization through creative work' for all?" (Arneson 1987, 518) The essay then offers a resounding 'NO!' to this question. This line of thought does sound broadly Dworkinian.

Unfortunately, there is not a coherent position to be found that combines the Dworkinian and welfarist commitments that are jumbled together in this line of thought. After all, Dworkin's equality of resources position is developed via rejection of welfarist construals of the ideal of distributive equality. Included in the broad family of welfarist views are views that identify welfare with preference satisfaction. Eschewing welfarism, the advocate of distributive equality can hold that the fair distribution of resources is insensitive to the preferences and aims of responsible individuals. Embracing welfarism, and certainly embracing welfarism in its preference satisfaction version, the advocate of distributive equality cannot take that line. Suppose there are people who are on the way to living stunted lives low in reasonable preference satisfaction unless society intervenes to bring it about that they are enabled to satisfy, to a greater degree than would have been the case absent the intervention, their desires for meaningful work. These people are badly off, and worse off than others, and they are worse off because they have strong frustrated preferences for meaningful work.

In some range of these cases, a welfarist egalitarian might be able to block the complaint of the frustrated fans of meaningful work from having a claim to extra resources in response to their frustration, on the ground that it is the fault or voluntary choice of the fans that has placed them in this predicament. But in other cases, this excuse compatible with welfarism for declining to intervene will not be available (see Arneson 2000; 2001; 2007). Suppose these people have come to have a need for meaningful work through prudent and responsible conduct of life, so one cannot say of them either that they deserve to suffer low lifetime welfare in virtue of prior misconduct or that they freely made choices that involved gambles, and therefore they should absorb the consequences for themselves of those gambles that turned out badly (just as they would have been entitled to the nice consequences falling on them if those gambles had turned out successfully). There is no plausible ‘they misbehaved’ or ‘they freely took risks’ story to be told about these individuals. In this case, which for all that has been said might be a very common case, welfarist distributive justice demands compensation for the individuals and the most effective and sensible form of compensation might be provision of meaningful work opportunities to them.

What may have been operating in the background of my 1987 essay to explain the confidence it exudes that state action to provide meaningful work is almost certainly bound to be unfair is another factor altogether. Unfortunately, when this factor is made explicit, it might explain but cannot justify the conclusion that is reached by the argument in which it would figure. The argument as I now reconstruct it goes like this:

1. It is morally wrong, unjust and unfair, for social arrangements to favor some persons by helping them satisfy their particular preferences and thereby arbitrarily to disfavor other persons who are not helped to satisfy their particular, no less worthy preferences.
2. If social arrangements benefit some individuals by helping them satisfy their particular preferences for meaningful work, these arrangements thereby arbitrarily disfavor other persons who are not helped to satisfy their particular preferences for other things—for example, for enjoying meaningful leisure and having extra income and for contributing to noble causes in their work activity.
3. Some of those disfavored in this way are seeking to satisfy particular preferences that are no less worthy than the particular preferences for meaningful work of the favored individuals.
4. It is morally bad, unjust and unfair, for social arrangements to favor some persons by helping them satisfy their particular preferences for meaningful work and thereby arbitrarily to disfavor other persons who are not helped to satisfy their particular, no less worthy preferences for things other than meaningful work.

This argument fails to establish its conclusion. The argument is valid, or could be made valid by minor tinkering with its formulation, but it is unsound.

The clearly false premise is 2. One way to see the falsity is to note that ‘social arrangements’ encompass policies and laws and practices that are not and could not be ideally, perfectly in accordance with fundamental moral principles. The social arrangements of these sorts are rough and ready instruments for trying to bring it about that fundamental principles are fulfilled to a greater rather than a lesser extent. Laws and public policies must be administrable at a morally feasible cost, so they cannot be indefinitely complicated to apply and must be designed to get good results when those who apply the laws and those who are regulated by them are imperfect agents—humans not angels. Given these banal truths, the morally best laws and public policies we can devise will predictably not give perfectly just results in all possible or likely cases that they regulate.

Hence you cannot show that a proposed law or policy is unacceptable merely by pointing to an anomaly—a case in which the expectable application of the proposed law or policy would give rise to morally wrong results. You can defeat a proposed law or policy only by describing an alternative policy that would do a better job than the initial proposal at fulfilling to a higher degree the appropriately weighted goals that policy in this area ought to serve. The mere fact that a law or policy that would bring about increased satisfaction of people’s desires for meaningful work would disfavor a single individual or small group of people whose reasonable preferences give very low priority to meaningful work does not begin to make the case that the law or policy is unjust or unfair all things considered. A set of laws regulating vehicular traffic is not shown to be unjust and unfair merely because one can imagine a counterexample, an unusual case in which disobeying the traffic signal that says ‘Stop’ would be advantageous to the driver without imposing any disadvantage or risk of disadvantage on anyone else who might be affected. The best laws imaginable will be subject to such counterexamples; they could not fulfill their function properly if they were not coarse-grained in this way.

Arneson (1987) treats laws and public policies designed to help people, especially workers with low-skill jobs who will be disproportionately represented among the worse-off sector of society, attain a greater degree of satisfaction of their desires for meaningful work as though these policies were arbitrarily discriminating in favor of people who happen to have one type of preference—like a preference for chocolate over vanilla ice cream. However, a better comparison may be to laws that guarantee adequate health care to people. Granted, some people may have reasonable idiosyncratic values, such that the social provision of access to health care does little or nothing to benefit them. Maybe they are determined to live as hermits in isolation from other people, so that they would have little or no opportunity ever to avail themselves of the socially provided health care even if they became sick or suffered a serious accident. Maybe some individuals suffer from a rare genetic condition that determines that they will die young from sudden onset of some catastrophic medical condition for which health care measures would be futile. These statistical flukes do not form the makings of a credible argument against the proposal that distributive justice conceived as guaranteeing fair opportunity of preference satisfaction to people endorses public provision of health care or access to systems of health care.

Arneson (1987) takes the line that its conclusion, that the state should be neutral with respect to promoting meaningful work, could be supported by the arguments already considered if one switched from a welfarist or preference satisfaction account of human good to an objective or perfectionist account of human good. The perfectionist holds that there are benefits such that gaining those benefits intrinsically improves the quality of an individual's life (increases her lifetime good) regardless of her attitude toward those benefits or her subjective opinion regarding their value. A pluralist perfectionist holds that there are many such benefits, and that an individual can attain a life that is good for her by gaining any of a large number of different combinations of some of these benefits. Arneson (1987) claims that the pluralist perfectionist and the welfarist should agree that the just market socialist state should neither promote nor hinder meaningful work. My argument now would be that the 1987 arguments are unsound when stated in welfarist terms and do not become any better when pluralist perfectionist premises are inserted instead.

## **2. Instability**

I have devoted a lot of space to the non sequitur issue, which goes to the heart of the argument. I pass more quickly over some further difficulties.

Arneson (1987) presupposes without supporting argument that morality calls for a socialist economic constitution, and more specifically a market socialist framework, with firms required to be labor owned and labor managed. This might seem an oddly controversial matter to be settled by assumption without argument. Perhaps the idea is to make a maximal concession to the intended audience of the essay—socialists and others sympathetic to the socialist critique of capitalism. To these readers the argument is made that, even if socialism is just, running and regulating a just market economy should not be carried out with the aim of boosting the degree to which one type of good—meaningful work—is generally achieved.

However, this particular concession to the socialist reader creates an instability in the overall position the essay tries to defend. If the antiperfectionist and antipaternalist arguments work as the essay claims, and rule out state action to bring about more meaningful work, the same arguments should by the same token rule out state action to establish and preserve market socialist arrangements. The cooperative labor-managed firm is one type of enterprise among others that people might choose. Some workers might reasonably prefer the goods that participation in a worker cooperative enables, some workers might equally reasonably prefer the goods that participation in a hierarchical capitalist firm enables.

This argument assumes that the just state is neutral between citizens' reasonable opposed preferences regarding what conceptions of the good or ways of life to pursue. I suppose this means the state neither aims to promote one controversial conception of the good over another nor adopts policies justifiable (if at all) only by appeal to the claimed superiority of one controversial conception of the good over another. The choice of market socialist or market capitalist

arrangements embodies a choice for some controversial conceptions of the good over others. Hence the state should not choose either type of arrangements, but should set in place a framework in which, so far as is feasible, individuals attracted to either set of values could try to achieve them. Nor should the state enact policies that favor either market socialist or market capitalist values (in ways that violate neutrality). This would be the ‘neutrality’ argument against state establishment or state promotion of market socialism. It parallels the neutrality argument against state establishment or state promotion of meaningful work. If the latter argument succeeds, it is not clear why the former argument does not also succeed. At least, Arneson (1987) offers no grounds for distinguishing these cases.

This argument might be run in reverse. If the neutrality argument against state establishment or state promotion of market socialism is unsuccessful, then maybe the neutrality argument regarding meaningful work is unsuccessful. Either way, the Arneson 1987 position looks unstable.

One possible line of argument for market socialism would involve appeal to conceptions of the right (justice, fairness, what we owe to each other) as opposed to conceptions of the good. Maybe market socialism is uniquely fair. Maybe. But instability still threatens. Until we see the specific arguments, for all that has been said, perhaps the arguments drawn from conceptions of the right that establish the moral imperative of instituting market socialism would equally establish the moral imperative of instituting some form of right to meaningful work.

### **3. Paternalism**

One strand of argument in Arneson (1987) is to the effect that the only seemingly plausible arguments in favor of state action to promote meaningful work would be paternalist in character, and that under examination this paternalism would show itself as unjustifiable. The paternalist state restricts some individual’s liberty against their will for their own good. However, given the wide variety of goods that individuals might reasonably try to obtain from paid employment or self-employment, restricting their liberty so that they are enabled to obtain more meaningful work and less of other benefits that work might supply could never qualify as justifiable paternalism.

This argument does not cut deeply enough to damage the plausible range of paternalist arguments for promoting meaningful work. For simplicity, consider just the case in which promoting meaningful work for Andrea would require her to get less income, and she prefers more income and the extra satisfactions she can gain in off-work activities through this higher income.

First, Andrea might be overestimating the long-term income loss that she would suffer as a result of the policy that presses her toward more meaningful work. She is making an empirical mistake, policy planners see, and so paternalist intervention would be helping her gain more of what she actually wants to gain for herself.

Second, Andrea may so far have lacked much opportunity for meaningful work, so her lack of interest in gaining it is not a fully informed preference. Were she to have the relevant experience of the various sorts of goods she might gain in her life, and were she to reflect carefully about the worth of these competing goods, her preferences would shift, and embrace a stronger desire for meaningful work. In this case, state policy that restricts her liberty to enable her to achieve more meaningful work might qualify as justified paternalism.

Third, Andrea might be seeking higher income in order to purchase status goods that will display that she has more income than others. Others are seeking the same. In this case, state policy that lessens everyone's income available for these status competitions and increases everyone's meaningful work can make everyone better off. The status goods are still there, and might go to the same people, but they are as if they were purchased more cheaply. Call this paternalism if you like, it might still be justifiable.

Fourth, even granting the premise that there are many goods obtainable from market economic activity that are just as good or better than meaningful work and in actual circumstances conflict with it, Andrea may not be on the way to seeking and gaining any of these reasonable alternative goods. She may be on the way to pursuing manifestly trivial goods with her anticipated higher income (cotton candy) or 'goods' that are positively harmful (cocaine). In these cases, with less income Andrea has greater opportunity for welfare. With less income and more meaningful work, her pluralist perfectionist well-being prospects are unambiguously improved. In such a case, so-called 'hard paternalism' may well be justifiable (see interpretation and defense of this claim in Arneson 2005).

So the antipaternalist arguments in Arneson (1987) do not close the door on justifiable state paternalism to promote meaningful work for people who otherwise will have too little of it. Quite the contrary.

Finally, it should be noted that even if we ruled out paternalist coercion as a tool for enhancing people's prospects for meaningful work, that would still leave it entirely open that the state should not be neutral with respect to enhancement of people's meaningful work opportunities but should instead promote meaningful work by noncoercive means including tax subsidies, state-sponsored advertising campaigns, and education (mandatory for children, optional for adults) to foster creative labor fulfillment.

#### **4. Response to Keat's Criticisms**

Keat is not troubled by the arguments (Arneson 1987) that I have targeted for criticism. His concerns lie elsewhere.

Keat holds that the term 'market economies' embraces different types of economies constituted in part by different institutional arrangements. He focuses on a stylized contrast between two varieties of capitalist market economy, called 'Liberal' and 'Coordinated' Market Economies (LMEs and CMEs). The model of the CME is said to be patterned on German economic arrangements and the LME model is said to be descriptive of economic arrangements in the USA and

the UK. In the LME there is reliance ‘primarily on markets and hierarchies (in firms) as the means of economic coordination’, whereas in the CME there is also reliance on ‘other modes’, including the (horizontal) *association*, enabling various forms of cooperation between different firms within the same industry. These industry-wide associations facilitate the provision of industry-wide public goods and positive externalities, as when one firm trains a worker in industry-specific skills which are then potentially a benefit to any firm in the industry that later hires that worker. Training and apprenticeship programs might also be coordinated on an industry-wide basis. The CME is also associated with a more consensual style of decision making within each firm, with trade unions participating with other stakeholders on boards of management. The CME is also associated with patterns of shareholder ownership that give firm managers a greater incentive to take a long-term perspective and be less intent on taking steps that secure short-term profits, compared with their counterparts in LMEs. In the CME, firms are more likely to be oriented toward production of products that require skilled labor, hence more likely to give their workers freedom from close supervision as they do their jobs, and more receptive to suggestions from the shop floor as to how the production processes in which they are engaged might be improved.

Keat conjectures that on the whole and on the average, the CME provides a greater degree of meaningful work to its work force than the LME. Let’s assume for argument’s sake that this conjecture is correct.

Keats holds that the plausibility of Arneson’s position “would be seriously undermined if market economies were better understood, as I believe they are, in institutional rather than neo-classical terms”. The contrast between the CME and the LME is supposed to illustrate why economic understanding requires the institutional approach.

However, Arneson (1987) makes no substantial commitments to empirical claims about how actual capitalist market economies actually function. Hence it has no commitment whatsoever to what Keat calls ‘neo-classical economics’, an empirical theory that purports to provide such explanations. My claim was that if the market economy is market socialist and regulated to sustain fair distribution and operates efficiently, then further intervention in the name of an alleged right to meaningful work would be unwarranted. I made no claim to the effect that a market economy, whether conceived in neo-classical terms or otherwise, does in fact operate efficiently.

In fact the contrast between neo-classical and institutional economic theories is not central to Keat’s criticism of Arneson (1987). What is doing the work is rather the stylized contrast between the CME and LME varieties of capitalist market economy. The fact that these differences exist shows the futility of demands for state neutrality.

According to Keat, there is no neutrality to be had. A society can collectively opt for CME type economic arrangements, which will facilitate the satisfaction of certain kinds of preferences and hinder the satisfaction of others kinds. Or a society can collectively opt for LME type economic arrangements, which will enable the satisfaction of a different mix of preferences. Or the society might opt

for some other economic alternative. What cannot occur is that the society, or the state as the agency of society, remains 'neutral' and leaves matters to individual choice. The framework of institutions, practices, and culture in which individual choice occurs will inevitably have a causal impact on the character and quality of the ensemble of preference satisfaction and frustration that comes about over time in the particular setting. 'Leave preference satisfaction to individual market choices' is a nonstarter, because a collective choice of one type of market or another must occur, and is consequential for what ensues.

This criticism of Arneson (1987) misfires. It simply is not true that either a preference satisfaction standard or a pluralist perfectionist standard of distributive justice is somehow barred from assessing the collective decisions that a society makes that shape its basic economic arrangements. Same goes if the society does not explicitly make decisions about these matters but instead passively acquiesces in practices carried over from the past. If arrangements A facilitate the satisfaction of one mixture of individual preferences and alternative arrangements B facilitate another, the question can be posed, which mix is better according to our justice standards?

To be sure, the choice of one economic framework over another might involve comparing one enormously complex and multi-faceted package of burdens and benefits shared among one set of people versus another equally complex package spread across a somewhat different set of people. The outcomes for people given one choice or the other may be extremely difficult to predict and assess. Regarding some such comparisons, it may not be possible to arrive at a responsible definitive all-things-considered verdict for one framework and against another. But some comparisons and some verdicts will be clear-cut.

One way of looking at this issue is to notice that the neutrality arguments against state promotion of controversial conceptions of the good are generalizations of the liberal doctrine of state neutrality in matters of religion. There should be no state establishment of religion, and for much the same reason there should be no state establishment of one or another controversial conception of the good. A collective decision to set up a framework of institutions that gives special across-the-board privileges to one religion or one type of religion is just as criticizable from this standpoint as smaller-scale state policies of legal prohibition of religious practice or subsidy to some favored religions.

To rebut these arguments from the moral imperative of state neutrality to the moral undesirability of state promotion of meaningful work, you either have to attack the neutrality doctrine directly or argue that neutrality sensibly construed does not rule out state promotion of meaningful work. In this comment I have mainly tried to do the latter. I'm also all for doing the former (see Arneson 2003). Given more space, I would argue that a defensible perfectionist liberalism would not demand that the state adopt a stance of neutrality with respect to controversial conceptions of the good.

Keat as I read him tries to follow a third line of argument. He in effect urges that state neutrality is impossible, and what we cannot do, we cannot be morally required to do. To my mind this line of argument cannot succeed. Perhaps state policies will always have nonneutral effects regarding the flourishing in society

of the various conceptions of the good and ways of life that people might want to embrace. (If the state enforces freedom of religious association and freedom of religious speech, religions that could survive under a legal regime that forbids religious proselytizing may die out.) But the neutrality doctrine does not require neutrality of effect, whatever that might be. Neutrality says that the state should neither aim to promote one controversial conception of the good over another nor adopt policies that could only be justified by appeal to the claim that one controversial conception of the good is superior to another. What this amounts to depends on how one construes the idea of a ‘controversial’ conception, but I see no reason to believe the doctrine is impossible to fulfill. At any rate, Keat offers no reason to support this claim. Moreover, once one works out a clear standard of neutrality that can be fulfilled to a greater or lesser extent, nothing prevents us from comparing alternative state policies and alternative selections of sets of institutions as conforming to a greater or lesser extent with the neutrality ideal.

The norm of state neutrality on the good is feasible, but to my mind it is morally unpalatable. Keats suggests that he agrees with the latter judgment, and moreover that he thinks that good perfectionist arguments for promotion of meaningful work can be constructed. If so, I concur. Despite our disagreements, in this larger perspective, we are comrades.

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