

Call for Papers:**The Challenge of Market Socialism – Challenges to Market Socialism**

Date: February 20 and 21, 2020

Venue: Goethe University Frankfurt

Organizers: Hannes Kuch (Frankfurt) and Gottfried Schweiger (Salzburg)

Contact: workshop.market.socialism@gmail.com

Deadline for submissions: July 31, 2019

Confirmed Speakers:

Tamara Jugov (Berlin)

Hannes Kuch (Frankfurt)

Helen McCabe (Nottingham)

Christian Neuhäuser (Dortmund)

Nicholas Vrousalis (Leiden)

Lea Ypi (LSE)

Format:

The workshop will include eight to nine talks. Each speaker will be given a slot of 75 minutes (about 25 minutes for presentation and 50 minutes for discussion). Draft versions of the papers are shared among all participants two weeks before the workshop, thus speakers can focus on the key points of their papers in the oral presentation. The first day will focus on the concept, history and value of market socialism and its implementation. The second day will focus on criticisms of market socialism and also discuss possible alternatives like property-owning democracy or democratic planning. A selection of the papers will be published in a Special Issue of the "Review of Social Economy".

Call for Papers:

There are slots for presentations based on a call for papers. Please submit an extended abstract of 750 words ready for blind review. Deadline for submissions is July 31, 2019, and decisions will be communicated within four weeks. Please send your proposal together with a short bio sketch to workshop.market.socialism@gmail.com. Draft versions of the papers are shared among all participants two weeks before the workshop and the paper should be unpublished. Travel expenses will be covered up to 450€.

Description:

In liberal political philosophy, the status of the capitalist market remained uncontroversial for a long time, or it was even idealized in a one-sided way, usually under the assumption that markets as such are efficiency-enhancing institutions. In recent years, however, the capitalist market proved to be increasingly crisis-prone, an amplifier of inequality and an institution with an internal dynamic of its own, penetrating non-market areas of life in a problematic way. In the wake of the recent world economic crisis, right-wing populism and autocratic forms of capitalism have been on the rise. In view of these political and social developments, it is worth reconsidering the idea of socialism that was already thought to be dead. Although this idea is still far away from its old strength, it has gained popularity among the general public in recent years. Especially in the USA, the birthplace of neoliberalism, this became surprisingly clear in the pre-election campaign of the Democrats in 2016. It is therefore time to discuss the political and philosophical core of this idea and to examine the strengths and weaknesses of socialism in comparison with other anti-capitalistic alternatives.

In contemporary political philosophy, it is above all the idea of market socialism that enjoys a revival after it was discussed relatively extensively and controversially in philosophy in the late 1980s and early 1990s (for example: Miller 1989; Scott Arnold 1994; Ollman and Schweickart 1998; Roemer 1996; Boettke 2000). The promise of market socialism is to overcome capitalism without sacrificing the benefits of markets, including the protection of economic freedoms and the promotion of allocative efficiency. Whereas welfare capitalism is content with taming the market through external state regulation and the *ex post* redistribution of economic goods, while leaving private ownership of the means of production untouched, market socialism aims to change the market in terms of its constitutive rules: Its goal is to transform the market from within, through its most fundamental rules and institutions.

Market socialism recently gained new attention, for example in analytical Marxism (Cohen 2009) and critical theory (Honneth 2015). The older generation of those who discussed market socialism twenty and thirty years ago are also coming back with new contributions (such as Miller 2014; Roemer 2017, 2015; Schweickart 2014). It is particularly remarkable, however, that the idea of market socialism is taken up in current political liberalism. This opens up entirely new possibilities for dialogue and perhaps even alliances between political currents that until recently seemed largely alien to one another. For example, John Stuart Mill's arguments for market socialism are being rediscovered (Neuhäuser 2018), and John Rawls' support for market socialism in his last book *Justice as Fairness* (2001) stirred substantial controversy. Rawls argued that liberal (market) socialism is one of only two economic systems compatible with his version of a liberal theory of justice, while welfare capitalism is not (see also Holt 2017). The other alternative that Rawls brought into play was a property-owning democracy characterized by a broad, largely egalitarian distribution of social wealth (O'Neill and Williamson 2012). However, Rawls did not answer the question which of the two alternatives should be preferred. Many Rawlsians opt for a property-owning democracy and defend it against other alternatives to capitalism and (market) socialism (Thomas 2017; critical: Holt 2017).

The aim of this workshop is to bring market socialism into the focus of political philosophy and to ask whether a just society requires a form of market socialism as its economic system. We want to bring together scholars who support market socialism with scholars who criticize it. The workshop will focus on two quite different attempts to criticize market socialism: On the one hand, many social-liberal authors claim that the less far-reaching alternative to capitalism, a property-owning democracy, is sufficient to ensure justice. The ambition to build a stable system of market socialism could, it is argued here, even be harmful in this respect (Thomas 2017). On the other side of the spectrum, it is argued that market socialism does not go far enough because it still leaves (too much) room for the market and its harmful effects (such as Hahnel 2016). The uncooperative tendencies of competition and the incentive to externalise costs are brought up as points of criticism. These theorists argue for a socialist economic system that replaces the market as a coordination mechanism with a far-reaching democratic control over economic life (Vrousalis 2010; Laibman 2002; Devine 1988). From this perspective, market socialism is not socialism at all, but merely a disguised form of capitalism (early on: Brus and Ticktin 1984). The central question for all these discussions is how exactly the relationship between economy and justice is understood. Moreover, it is of decisive importance whether and in what respect the market has destabilizing effects on the realization of justice.

The discussions of the workshop will take place within a framework that can be understood as 'liberal' in a broad sense: We assume that all positions give central importance to the realisation of individual freedom. The relation between freedom and socialism therefore plays a particularly important role in the discussion of economic design (Arneson 2011). Both markets and socialism have an ambivalent relation to freedom and are equally criticized as sites of freedom as well as unfreedom. The relation between (individual) freedom and socialism can be understood in very different ways: Socialism can be understood in institutional terms, namely as a form of collective ownership of production goods, which may be taken as a prerequisite for the realization of individual

freedom in the narrower liberal sense. Socialism can also be qualified in more demanding normative terms: For example, as a radical form of collective autonomy that should permeate our basic economic institutions. Or it could be seen as a strong form of equality, for example as relational equality in the economic sphere, which goes beyond the purely formal equality of rights. Socialism could also be equated with non-exploitation in economic cooperation, setting free the social potential of unfettered human cooperation. Finally, socialism could be based on the value of community or solidarity, which some philosophers see as a necessary condition for individual freedom. Whatever value is placed at the centre of the definition of socialism—be it collective autonomy, equality, non-exploitation or community—the challenge is to determine the precise relation to the value of individual freedom. In particular, the question is to what extent the concept of socialism is compatible with economic freedoms such as free consumer choice or entrepreneurial freedom. The role that markets can play in achieving or hampering individual freedom within a socialist economy and society is at the heart of the debate on market socialism.

In addition to the normative question of how to determine the value of socialism, the institutional dimension also raises a number of questions: For example, the question of whether and in what form the state should play a role in steering investments is controversial. This seems to be an important component of a market-socialist economy when the goal is to promote ecofriendly production methods and when threats of investment strikes have to be warded off. There are also a number of proposals concerning the ownership of companies that are controversially discussed. Options include self-managed firms leasing capital goods from stated-owned banks (Schweickart 2002), cooperative ownership by the employees (Ellerman 2016), public participation in firm ownership (Corneo 2015), or direct public ownership of companies by the state (Hanna 2018). However, some proponents of market socialism argue that such measures contribute to bureaucratization and restrict personal freedoms. Instead, an egalitarian initial distribution of capital resources could suffice, provided that specific mechanisms effectively prevent the re-emergence of strong inequalities or even class divisions (in a Marxian sense) (Roemer 1996). Other proposals, in contrast, advocate an *ex post* equalization of economic income through taxation (Carens 1981).

Finally, the workshop will focus on the history of the idea of market socialism (but with a strong focus on systematic issues). Political liberalism, analytical Marxism, and critical theory are the most recent centers of debate, but there are numerous important precursors: Certainly, Marx in all his different guises is indispensable, the mature Marx with his critique of capital as well as the young Marx with his idea of communal freedom (Hudis 2013). Before Marx, the utopian socialists already sketched proto-market socialist institutions. Even Hegel now comes into sight as a kind of socialist thinker (Honneth 2015). Other important traditions of the early 20th century include British socialism (R.H. Tawney 1920 and G.D.H. Cole 1920) and, in the USA in about the same period, the liberal socialism of John Dewey (1935). Economically, the socialist calculation debate of the 1930s is still relevant to current issues (Boettke 2000), not to mention the peak of market socialist debates in the 1980s and 1990s (Bardhan/Roemer 1993).

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