

Two-And-A-Half Cheers For Socialism

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The terms “socialism” and “socialist” are recently back in common usage in the United States and elsewhere. Some use the term fondly, while others use it to express annoyance, even alarm. Both annoyance and alarm can be heard in Kevin Vallier’s emphatic declaration: “This regime”—socialism—“cannot be publicly justified for *many* reasons,” he writes (Vallier 2020, p. 202; emphasis in original).

I will try to answer two on his long list of objections. The first objection is that, given “the fact of justice pluralism,” socialism is ineligible on Rawlsian, social-contractarian grounds. The second is that no democratic socialist regime has actually existed, which confirms that liberal democracy and socialism are antithetical. (In responding to these two, I will also do my best to answer, deflect, or palliate as many of the others as I can.) Both objections sound in ideal theory, but implicit in them is a third, which pertains to the non-ideal theory problem of transition to a just regime. Here, those who are receptive to socialism should heed much of what Vallier has to say. A decent welfare state is conceptually detachable from public ownership of the means of production. In current conditions, socialist rhetoric might indeed interfere with efforts to install and then maintain a decent welfare state—even if, seen in a wider perspective, a welfare state is bound to erode in the absence of structural guarantees of substantive political equality which will, among other things, bring the means of production into public ownership.

BACKGROUND

To put Vallier’s indictment of socialism into context, it is unavoidable to say something about Rawls. Even before the 1991 collapse of the Soviet Union (and “the end of history”), political philosophy had begun to slip back into the somnolence from which Rawls had roused it in 1971.

This slippage manifested itself in various ways, both practical and theoretical. The most serious practical manifestation was how the political culture of the United States turned away from, rather than toward, the celebrated two principles of justice Rawls had advanced in *A Theory of Justice*.

The first, and lexically prior, principle is a principle of equal basic liberties, including a guarantee of the “fair value” of the specifically political liberties—a guarantee of roughly equal political influence for those equally motivated and able, regardless of wealth or social status. The second principle guarantees fair equality of opportunity for all, and

the “difference principle,” a guarantee that the basic structure of society is such that residual inequalities of wealth and income can be seen to benefit all social classes.

The Supreme Court of the United States authoritatively declared, in a 1974 case, *Buckley v. Valeo*, that the first amendment treats private political spending as political speech. The consequence is that Congress is forbidden to try to level the playing field to promote the fair value of equal political liberty. (Leveling up is allowed only if it does not discourage spending by the wealthy, the Court held in the case of *Arizona Free Enterprise Club’s Freedom Club PAC v. Bennett* (2011)). As for purchasing access to officials, the Court recently stated:

our cases make clear that “the Government may not seek to limit the appearance of mere influence or access.” ... [for these] “embody a central feature of democracy—that constituents support candidates who share their beliefs and interests, and candidates who are elected can be expected to be responsive to those concerns.” (*Federal Election Commission v. Ted Cruz for Senate*).

The clientistic conception of democracy the Court has invented is at odds with that advanced by Rawls, Robert Dahl, Alvin Goldman, and others.

Rawls’s subordinate, but better-known, difference principle was discarded in the 1990s by the Clinton administration. By ending “welfare as we know it” and replacing it with such devices as the earned income tax credit (EITC), Democratic policymakers effectively declared that it was less important to improve the prospects of the least-advantaged in society than to help those just below the nominal poverty line to edge above it—and let the devil take the hindmost.

In the world of political theory, the literature subsequent to *A Theory of Justice* was enormous, and a certain “Rawls fatigue” was confessed to by influential figures such as Jeremy Waldron. Scholarly discussion of Rawls’s theory had come to be dominated by two relatively esoteric disputes. One of these debates was inspired by Rawls’s subsequent book, *Political Liberalism* (1993), which was understood to represent an important qualification of the claims made for justice-as-fairness, as Rawls came to refer to the substance of the 1971 theory. Waldron faulted Rawls for under-appreciating the extent and seriousness of fundamental disagreements about justice, and Gerald Gaus and his students expanded the libertarian tendencies inherent in “public reason liberalism.”

The other of the two scholarly debates questioned Rawls’s concentration on what he had called “ideal theory,” as distinguished from the more practical and contingent questions of remedial and transitional justice that he gathered under the heading of “non-ideal theory.” Although a good portion of this discussion was indeed engaged in doing non-ideal theory, there was also a separable theme disparaging the very idea of ideal theory.

Rawls’s 2001 book, *Justice as Fairness: A Restatement*, addressed each of these concerns. Unfortunately, it did not create the same *éclat* as his earlier work. The title, *Justice as Fairness: A Restatement*, tends to obscure that fact that, in the book, Rawls was breaking some new ground. As Martin O’Neill and Thad Williamson (2012) explain, Rawls exploded the widely made assumption that his theory was a defense of what he termed “welfare-state capitalism.” Although Rawls did not once use the word “capitalism” in the 500+ pages of *A Theory of Justice*, he did defend the use of labor markets as a way of incentivizing production. Moreover, he defended freedom of occupational choice as one among the equal basic liberties, which serve as an absolute check upon the majority’s pursuit of social ends or any aggregative good.

In the *Restatement*, Rawls distinguished for the first time between five ideal “regime-types”:

- central command socialism
- laissez-faire capitalism
- welfare-state capitalism
- property-owning democracy
- liberal democratic socialism

Rawls inquired whether the principles of justice-as-fairness could be realized by any of these regime-types. The question was inescapable because unless the principles are institutionally realizable, they are unacceptable as principles of political justice.

Rawls curtly dismissed central command socialism and laissez-faire capitalism: the former does not respect the equal basic liberties and the latter disrespects fair equality of opportunity and fair political equality. He proceeded to inquire meticulously into the relative merits of welfare-state capitalism and property-owning democracy. (He had little to say about liberal democratic socialism, other than that it was on a par with property-owning democracy as a potential realizer of justice-as-fairness). Rawls concluded that welfare-state capitalism cannot satisfy the principles of justice-as-fairness, but property-owning democracy can, in favorable conditions. In Vallier's view, this is a mistake in terms of Rawls's own framework. So also, in Vallier's view, Rawls was mistaken to count property-owning democracy and liberal democratic socialism as eligible competitors to welfare-state capitalist regimes.

VALLIER'S JUSTICE-PLURALISM OBJECTION

My focus is Vallier's assault on socialism. Vallier disparages and sometimes ignores Rawls's distinction between central command socialism and liberal democratic socialism. For example, Vallier claims that socialism denies individuals access to capital, and that socialism thus lacks a competitive mechanism for pricing capital. Each of these charges are easily sustained against central command socialism—in fact, Rawls made them himself. But—without further argumentation—they cannot stick if leveled against liberal democratic socialism.

Liberal democratic socialism does not deny citizens the right to acquire and own capital assets. What any type of socialism denies—as justice-as-fairness itself denies—is that citizens as individuals or private associations have any basic right to own society's *means of production*. Rawls did not clarify what is meant by the expression, “the means of production,” but only the most extreme utopian socialists of the nineteenth century meant to forbid private ownership of any and every tool, utensil, and resource that might be put to productive use. Rawls wrote approvingly of John Roemer's discussion of market socialism, according to which only the “commanding heights” of financial capital need be publicly owned. Roemer's proposal, moreover, outlines a competitive pricing mechanism for financial capital, based upon the Japanese model (Rawls 2007, p. 323 & n.8).¹

Vallier might scoff at this. In his view, the management of publicly owned assets is enmeshed in “the logic of evaluative pluralism” and thus, inevitably, involves struggles that undo democracy and lead to totalitarianism (Vallier 2020, p. 204). There is no question whatever that democratic control of any asset whatever encounters what Rawls called “the fact of reasonable pluralism.” What Vallier implicitly denies is the very possibility of a political conception of justice—I will return to this. For the moment, it will do to note that the objection, if good, would similarly be fatal to any democratic regime in possession of public assets. Privatize it all, or be sucked into totalitarianism—is that the dilemma? If so, Vallier's “it leads to totalitarianism” condemns all government. Even a Nozickian nightwatchman state will need equipment and resources.

Admittedly, a liberal democratic socialist regime will not aim to maximize total wealth. That also will be true of any type of regime capable of realizing justice-as-fairness. Justice-as-fairness assigns a lexical priority to the equal basic liberties. Once a society has achieved a good-enough level of wealth, the pursuit of ever-greater wealth is absolutely subordinated to the equal basic liberties. Vallier accuses socialism of a violating a “principle of sustainable improvements” (Vallier 2020, p. 222), which, presumably, choosers would select behind a thin veil of ignorance. What is unclear is where this sustainable-improvements principle fits. Is it subordinate to the equal basic liberties, or not? Is it subordinate to fair equality of opportunity, or not? If, at the constitutional stage, private ownership of society's means of production is judged to be irreconcilable with the stable assurance of the equal basic liberties—including the fair-value of political liberty—and with fair equality of opportunity, then private ownership of those assets is disallowed. Whatever “improve-

ments” private ownership might promise is—for anyone adhering to a political conception of justice—unsustainable. “Sustainable” must—like social stability itself—be understood as sustainable for the right reasons.

Vallier also charges that justice-as-fairness—or its socialist tendency—is “defeated” by Brian Kogelmann’s “justice pluralism” (Vallier 2020, p. 202 n.91). The idea here is to eke out Rawls’s concession that reasonable conceptions of justice are not limited to the single example of justice-as-fairness, and that other reasonable liberal conceptions are possible. Kogelmann transforms Rawls’s “fact of reasonable pluralism” into a “fact of justice pluralism.” What has to be borne in mind is that there is a limit to what qualifies as a “reasonable” conception of justice, from a Rawlsian perspective.

To count as reasonable, a conception of justice must accept a principle of reciprocity and its implications. The principle requires that any structural inequalities sustained by public force be seen as benefitting all representative persons across society, and that they not undermine real political equality, the equal basic liberties, or fair equality of opportunity.

Rawls’s only extended discussion of a reasonable conception of political justice other than justice-as-fairness is his comparison pitting what he called the principle of restricted utility against justice-as-fairness (Rawls 2001, pp. 119-20). The principle of restricted utility is just like justice-as-fairness, except that the difference principle—the second half of the second principle of justice-as-fairness—is replaced by a principle of average utility. This means that residual material inequalities do not have to benefit the least advantaged: they need only raise the average of wealth and income. Rawls confessed that his argument against this alternative was less conclusive. The reason for this was that the principle of restricted utility is restricted by the lexically prior first-principle equal basic liberties and the principle of fair equality of opportunity. Rawls never suggested that a conception of political justice might dispense with these prior principles. (They are, I believe, demanded by the principle of reciprocity.) A conception of justice is not reasonable unless it accepts these.

Might a Rawlsian chooser reasonably reject socialism? Rawls is clear that socialism is not required as a first-principle liberty. The only property rights guaranteed by his first principle are the right of bodily integrity, a right to personal possessions, and a right to own a residence. There is no right to acquire private ownership of the means of production, but also no first-principle right to participate in the management of one’s workplace. Vallier could be understood as maintaining that a representative party in the original position would insist upon a right to acquire ownership of society’s means of production. A right not merely to start her own business with its buildings and equipment—but a right to own something that every other member of society depends upon to live productively and which cannot, by its nature, be owned by each and all who wish to.

How could one justify this insistence to others, behind a veil of ignorance? A principle that would insist on a basic right for someone to attain such dominance is one that it would be reasonable to reject. It would be reasonable to reject for much the same reason as it would be reasonable to reject a principle allowing one, in exchange for or in the expectation of material advantages, to surrender one’s right to vote. At this juncture, Vallier might object that justice pluralism means that it is reasonable to propose a principle that would abandon political equality. If so, what more is there to say? What we have reached is the “no-agreement point.” We were not merely inventorying what Rawls admitted as alternative reasonable conceptions of justice.

VALLIER’S DISMISSAL OF ACTUALLY EXISTENT DEMOCRATIC SOCIALISMS

Vallier is friendly to welfare-state capitalism but claims that socialism entails a “welfare state of extreme administration,” as contrasted to a “welfare state of law” (Vallier 2020, p. 203). While a welfare state of law can be publicly justified, a welfare state of extreme administration cannot. Is the difference merely verbal? A welfare state of extreme administration, he explains, involves constant governmental tinkering with the free market, while in a welfare state of law “clear, public, general principles” work the laboring oar (Ibid.).

Vallier evidently is taking pains not to condemn the welfare state itself on Hayekian grounds, so he adds that a socialist state “does far more than engage in regulation and the equalization of incomes; it pursues distributive justice by owning a society’s major concentrations of capital and operating them according to a central plan” (Ibid.). If we take the Polanyian point that every market is embedded in some plan or other, Vallier’s complaint seems to be about the extensiveness of planning, rather than to planning, even to state planning, *per se*.

The objection comes down to this: management of publicly owned assets is enmeshed in “the logic of evaluative pluralism” and thus inevitably involves struggles that undo democracy and lead to totalitarianism (Vallier 2020, p. 204). Again, it is hard to see why “the logic of evaluative pluralism” is not also involved in the maintenance of a welfare-state capitalist regime. Skirting “the weeds of Hayek exegesis,” Vallier invokes a Hayekian world “where clear, public, general principles, rather than extensive administrative bodies, regulate social insurance and other state functions” (Vallier 2020, p. 203). The word “*extensive*” groans under the load it is called upon to bear here.

Vallier’s clincher is a claim that no liberal democratic socialist regime has ever existed.

“We have never seen a liberal-socialist regime, only liberal welfare states and *illiberal*-socialist regimes” (Vallier 2020, p. 204; emphasis in original). Vallier cannot deny that Great Britain circa 1945–51, for example, was a liberal welfare state, so he insists that the British never had a socialist government at all, despite public ownership of banking, airlines, trucking, railroads, power, utilities, communications, coal, iron and steel.

Vallier waves all this aside. “Attlee’s Labour government in Britain socialized only 20 percent of society’s productive resources” (Ibid.). What is the magic number, then? Fifty percent?² Would Norway’s state ownership of thirty-five percent of exchange-traded assets count as enough? Evidently not wanting to rest his case on a percentage, Vallier quickly adds that Britain over subsequent decades “backed away from” socialism (Ibid.), without explaining how Britain escaped the “logic of evaluative pluralism” and its ratchet-road to serfdom. Nor does he confront evidence that a high level of public ownership can be the very expression of a high level of public trust—as in Norway, where the publicly owned economy has increased since the 1980s (Lie 2016).³

TRANSITION AND NON-IDEAL THEORY

Vallier’s criticisms are better taken as an inventory of obstacles that would have to be overcome to achieve socialism—problems of transition, of non-ideal theory, rather than as decisive objections to adopting liberal democratic socialism at the “constitutional convention” stage of Rawls’s four-stage sequence, a stage which belongs to ideal theory. Vallier may well be correct that trust-restoring reforms of the present American system are not helped by calls to march under the banner of socialism.

At its core, socialism is a theory about the just way of dividing the product of social cooperation among producers. In a wage economy, owners of capital get an income from their capital and wage earners get an income from the sale of their time. Those who neither own capital nor sell their time for a wage are not engaged in social cooperation in the sense of participation in the wage economy. This group includes children, the disabled, and other people who are not engaged in wage work or living on their capital. It includes people who do unpaid labor as homemakers and caregivers.

This third group—of those whose incomes are not derived from capital they own or work they are paid to do—is huge, and everyone spends a good chunk of life belonging to it. Those in this group are dependent for an income on others who have capital or get paid to work. This is not a reliable source of funds to meet basic needs, so the gaps have been filled to varying degrees by welfare states.

As a conceptual matter, a welfare state need not be a socialist state and a socialist state need not be a welfare state. A good case can be made that a democratic socialist state is likelier to sustain an adequate welfare state, but leave that aside. Vallier (and others) can be understood to be pressing the point that the political task of constructing and maintaining a welfare state—in current conditions—is not helped but hindered

by insistence on public ownership of the means of production, i.e., socialism. That explains why enemies of the welfare state are delighted to stigmatize it as “creeping socialism,” and why Marjorie Taylor Greene is quicker to use the terms “socialist” and “socialism” than is Alexandria Ocasio-Cortez. (Rishi Sunak recently denounced the tax *cuts* proposed by his fellow Tories as “socialism” (Forrest 2022)—normally it is tax *hikes* that are stigmatized so, but I digress.)

“Socialism” is an emotionally laden term and, as such, there are tactical reasons to limit its use. Sadly, in the United States, the word “welfare” has independently (and non-accidentally) acquired a pejorative connotation almost of the same order as “socialism”—despite the U.S. Constitution’s determination to form a union “to promote the general Welfare.” I suspect that Vallier deplures as much as I do the rhetorical skullduggery that transformed “welfare” from a virtue word into a vice word (I borrow Peter Westen’s terminology). I hope Vallier is willing to entertain the possibility that his performing a similar operation on the term “socialism” does nothing to promote social welfare or social trust.

NOTES

- 1 Rawls cites Roemer’s *A Future for Socialism* (1994, p. 41) as *Liberal Socialism*. Roemer sketches Japan’s *keiretsu* management model.
- 2 Kenworthy (2022, p. 1) stipulates that a socialist economy is one “in which two-thirds or more of employment and output (GDP) is in firms that are owned by the government, citizens, or workers.” He confesses that the fraction is arbitrary, but “as sensible as any other” that similarly “connotes a subsidiary role for the private non-worker-owned sector”. I disagree, and I argue for a qualitative rather than quantitative conception of socialism in my 2020.
- 3 Norway may be exceptional even among the Nordic countries, but even the Bergh book Vallier relies on attributes much of Sweden’s success to radical land reforms (which, of course “assault private property” (Vallier 2020, p. 205)). See Bergh 2016.

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