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Author(s): Kevin Vallier

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Liberal Socialism Is Not Stable for the Right Reasons

Kevin Vallier
Bowling Green State University

ABSTRACT. This essay provides an internal critique of John Rawls's case for liberal socialism. A liberal socialist regime combines liberal rights with public ownership of the means of production. The state deliberately manages capital to promote both economic and moral ends. I argue that liberal socialism cannot satisfy Rawls's own criterion for a well-ordered and legitimate regime: stability for the right reasons. Liberal socialism cannot be stable much as reasonable comprehensive doctrines cannot. Reasonable comprehensive doctrines impose detailed patterns of conduct on citizens in ways they can reasonably reject. Liberal socialism imposes similarly invasive and complex directives through what I shall call *reasonable economic plans*: multifaceted directives for the ownership and operation of capital that satisfy Rawls's justice as fairness. Consequently, imposing any reasonable economic plan will destabilize the regime. For this reason, liberal socialism cannot serve as an ideal regime type for Rawlsian egalitarians.

My aim is to provide an internal critique of John Rawls's case for liberal socialism.¹ A liberal socialist regime combines liberal rights with economic planning, where planning is understood as central government ownership and direction of the economy. In contrast to the command economy, liberal socialism does not control or abolish consumer inputs into economic production, nor do they direct all economic decisions from a central planning board. But the state publicly owns and deliberately manages major capital goods to promote both economic and moral ends.^{2,3}

Liberal socialism cannot satisfy Rawls's own criterion for a well-ordered and legitimate regime: stability for the right reasons.⁴ For Rawls, stability for the right reasons refers to stability driven by citizens' ordinarily effective sense of justice. The effectiveness of their sense of justice requires that they reconcile a conception of justice with their own comprehensive doctrine. They can then abide by both at once.⁵ Institutions must win support by addressing the reasoning of each citizen within her own moral framework. Each citizen must affirm and abide by institutions on their own moral grounds.⁶

I will argue that liberal socialism cannot be stable for the right reasons for much the same reason reasonable comprehensive doctrines cannot be stable. Reasonable comprehensive doctrines require imposing detailed patterns of social conduct on citizens in ways they can reasonably reject. Liberal socialism requires imposing a similarly invasive and complex set of directives that I call *reasonable economic plans*. These plans are multifaceted directives for the ownership and operation of capital that satisfy the economic and moral requirements of Rawls's justice as fairness. Citizens of a well-ordered society can reasonably reject having a reasonable comprehensive doctrine govern the details of their lives. They can reject reasonable economic plans on similar grounds. Consequently, any reasonable economic plan will destabilize. And since liberal socialism requires imposing a reasonable economic plan, then it will lack stability for the right reasons. Any attempt to exempt reasonable economic plans from this instability, I claim, will also exempt reasonable comprehensive doctrines from instability. But since Rawlsians must maintain that reasonable comprehensive doctrines will destabi-

1. I thank Bill Edmundson, Alan Thomas, Martin O'Neill, Pablo Gilabert, and Paul Weithman for helpful comments.

2. Here I follow William Edmundson's understanding of Rawls's liberal socialism as a more classical form of socialism as involving state ownership. Though some may think of Rawls's socialism differently, Edmundson has by far the most detailed interpretation in the literature, which I outline and analyze below.

3. It does more, therefore, than Keynesian macroeconomic policy, which directs the economy only in maintaining a certain level of economic activity, leaving the particulars of production decisions to firms. Socialism is also distinct from syndicalism, which stresses worker ownership of capital without state direction of the capital stock.

4. Rawls 2005., p. xxxix.

5. Ibid., pp. 140–4.

6. Ibid., p. 147.

lize, they lack grounds to maintain that reasonable economic plans can achieve stability for the right reasons. If I am correct, then liberal socialism cannot serve as an ideal regime type for Rawlsian egalitarians.⁷

The rest of this essay unfolds in the following way. I first review Rawls's conception of stability for the right reasons and why he thought reasonable comprehensive doctrines cannot be stable in a society characterized by reasonable pluralism (1). Then I will explain why liberal socialism requires what I call a reasonable economic plan (2). Next, I argue that reasonable economic plans fail to be stable in much the same way that reasonable comprehensive doctrines are not stable: they can only stabilize if reasonable pluralism is narrow, or if they're imposed by force (3). I draw on insights from F.A. Hayek's *The Road to Serfdom* to strengthen my argument. I read it as an argument that liberal socialism cannot be stable for the right reasons; Hayek's worry, briefly, is that legislatures cannot stably agree on an economic plan, weakening democratic legitimacy (4).⁸ I then argue that allowing for reasonable pluralism about justice makes stability under liberal socialism even more remote (5). The best way for liberal socialists to reply is by watering down liberal socialism, but this line of argument is not promising (6). I then conclude (7).

1. POLITICAL LIBERALISM, PLURALISM, AND STABILITY

The central elements of Rawls's political liberalism are familiar. Rawls begins by acknowledging the breadth and depth of disagreement over matters of faith and how one lives a good life.⁹ This pluralism is reasonable¹⁰; people come to it through the free exercise of reason, which due to the burdens of judgment leads naturally to disagreement rather than agreement on matters of ultimate importance.¹¹ This will be true even in a just society, one well-ordered by a conception of justice all can endorse. For such a society to be stable *for the right reasons*, it must be governed by principles that all can reasonably be expected to accept; otherwise some people will have sufficient reason of their own to not comply with the institutions and directives that embody that conception of justice.¹² In this case, stability can only be achieved through state repression and control, which

7. Indeed, the only economic regime may be property-owning democracy, but I do expect there to be more than one eligible economic regime given Rawls's conception of economic justice, which I suspect is welfare-state capitalism; for part of my argument to this effect, see Vallier 2015. For Rawls's most detailed and recent discussion of economic regime types, see Rawls 2001, pp. 135–161.

8. Hayek 2007. Hereafter *RTS*.

9. Rawls 2005, p. xxxix.

10. *Ibid.*, p. xl.

11. *Ibid.*, p. 54.

12. *Ibid.*

fails to respect persons as free and equal and can be achieved by ruthless and evil regimes.

Due to the fact of reasonable pluralism, people will deeply disagree about the nature of the good life and reasonably so.¹³ Further, this pluralism is ineliminable. It will be with us as long as we have free and open institutions. For this reason, a society cannot achieve stability for the right reasons if it is based on a reasonably contestable conception of the good life. We cannot have stability for the right reasons if our institutions are ordered by a commitment to the truth of the Christian religion, or a commitment to maximizing utility for all. Even if a single reasonable “comprehensive doctrine” is chosen by a democratic process, it must still be imposed by coercive political power. That means the minority who rejects the comprehensive doctrine will see no reason to go along with all the directives of the state and will seek to disobey those directives when it can. That will undermine stability unless the state is prepared to use constant violence to suppress the minority group.¹⁴

One reason that reasonable comprehensive doctrines cannot order societies replete with reasonable pluralism is that reasonable comprehensive doctrines are too specific. Comprehensive doctrines contain lots of particular directives, such as the Catholic requirement that one attend mass weekly. Some comprehensive doctrines can be extremely specific, such as forms of act-utilitarianism that require one to evaluate each action by whether it maximizes utility (though one need not always engage in that calculation one’s self). The point is that reasonable comprehensive doctrines are *comprehensive*. They direct and structure one’s life as a whole, often in a detailed way. A conception of justice, for Rawls, isn’t comprehensive in this sense; it doesn’t direct micro-level behavior because a conception of justice only organizes the basic structure of society, and not the details of each person’s life.¹⁵ This means being governed by a conception of justice is less objectionable than being governed by a conception of the good. A conception of justice is less meddlesome.

One might reply that a reasonable comprehensive doctrine is not unstable because it is meddlesome, but because it meddles in matters that are not properly of public concern. A requirement to attend mass is a private matter, and to regulate it would interfere in an personal, intimate choice. Pursuing economic justice is different, the critic could claim, because it governs matters that are properly of public concern. I do not think this distinction can bear the weight the critic hopes. Many reasonable comprehensive doctrines aspire to govern public behavior and provide the basis for shared community. Further conceptions of justice address many matters that we think of as private, such as feminist conceptions of justice

13. Ibid.

14. Ibid., p. xxxix. Or it will undermine stability for the right reasons if the minority complies only begrudgingly.

15. Ibid.

that make the home a site of injustice because of the gender oppression that can occur there.

These reasons explain why a society governed by a reasonable comprehensive doctrine cannot be stable for the right reasons. Now let's turn to liberal socialism.

2. LIBERAL SOCIALISM

We know the sense in which Rawls is a liberal, but in what sense was he a socialist?

Rawls says that “under socialism the means of production and natural resources are publicly owned . . .”¹⁶ The “essence of socialism is public ownership of the means of production.”¹⁷ Rawls does not tell us what the “means of production”¹⁸ are, however, so we must appeal to secondary literature, with Bill Edmundson’s work offering the most detailed interpretation. According to Edmundson, Rawls imagines that the state owns and operates the “commanding heights” of the economy. These include sectors like transportation, credit, insurance, natural resources, health services, and other infrastructure. As Edmundson puts it, the means of production are “those capital assets which, if not owned by everyone collectively, are known to lend themselves to relations of dominance and dependency between those who own and those who do not own, and between those who collect rents and those who must pay them.”¹⁹ Thus, liberal socialism implies a large “size of the public sector . . . as measured by the fraction of total output produced by state-owned firms and managed either by state officials or by workers’ councils.”²⁰

So, Rawls allows private capital ownership, probably primarily for small firms.²¹ Recall that Rawls allowed the ownership of personal property, which presumably include the basic right that a worker has to own his or her own tools.²² He is not interested in nationalizing the mom-and-pop grocery store or the local pub. Those firms can use markets to determine what to produce, when, and at what price.

Critically, Rawls did not identify socialism with workplace democracy. Edmundson plausibly argues that Rawls limits justice to the basic structure of society and not to the structure of particular associations, so that he cannot see widespread workplace democracy as essential to justice, and so arguably not essential

16. Rawls 1999, p. 272.

17. Edmundson 2017, p. 33.

18. Edmundson 2019 focuses on how Rawls understands the idea of the means of production.

19. Edmundson 2017, p. 33.

20. *Ibid.*, p. 235.

21. Paul Weithman argues that, on Edmundson’s interpretation, liberal socialism would allow large concentrations of private capital in matters inessential to the main functioning of the economy, such as large social media companies. But, one might reply, there is still ground for nationalizing them because the power that comes with the concentration of capital would allow and encourage relations of dominance and dependency. See Weithman 2019.

22. Edmundson 2017, p. 40.

to liberal socialism.²³ While Rawls says that “firms are managed by workers’ councils say, or by agents appointed by them,” liberal socialism will, at best, imply workplace democracy for publicly owned firms, and perhaps not even then.²⁴ It is true that Rawls says the following in *Restatement*: “while under socialism the means of production are owned by society, we suppose that, in the same way that political power is shared among a number of political parties, economic power is dispersed among firms, as when, *for example*, a firm’s direction and management is elected by, if not directly in the hands of, its own workforce.”²⁵ But here democratic management of firms is only an illustration of socialism, not part of its definition, as economic power can be dispersed in many ways.²⁶

Another feature of liberal socialism is that the people as a whole have the “equal right to participate in the control of the means of production and natural resources, which are to be socially owned.”²⁷ And that, under liberal socialism “collective decisions made democratically under the constitution determine the general features of the economy.”²⁸ So the major means of production are controlled democratically by the people as a whole.

A liberal socialist regime owns the means of production in order to realize justice. Edmundson has argued that Rawls’s principles of justice probably require a lot of social ownership of the commanding heights of the economy, in part to prevent private owners of these resources to leverage them to violate political liberty.²⁹ As John Roemer has put it, “nationalizing firms at a certain level would prevent the emergence of a class of capitalists capable of influencing politics and economic policy by virtue of their economic control of significant sectors of the means of production.”³⁰ For this reason, liberal socialism need not secure equality of income and wealth, since it can simply appeal to the difference principle, “confident that the structural guarantee of social ownership of the means of production secures reciprocity.”³¹ And, as noted, under liberal socialism, the people as a whole control the means of production, which should also help to ensure that liberal socialism realizes justice.

To bring out the uniqueness of liberal socialism, note that Rawls’s other preferred economic regime, property-owning democracy, does not necessitate the public ownership of the means of production. It includes some elements of workplace democracy, but focuses on stopping economic inequality by distributing

23. Ibid.

24. Rawls 1999, p. 248.

25. Rawls 2001, p. 138. Emphasis mine.

26. That said, I think there is argumentative pressure for Rawls to adopt some kind of workplace democracy, and indeed at least some grounds for thinking that Rawls may adopt it. For discussion, see O’Neill 2008.

27. Rawls 2005, p. 298.

28. Rawls 1999, p. 248.

29. Edmundson 2017.

30. Roemer 1994, pp. 78–9.

31. Edmundson 2017, p. 152.

capital into many hands, and not in the hands of the state alone.³² In a property-owning democracy, owners of productive assets get a market return “for what they [the owner] contributes” and so private owners can extract rents for creating capital, a process that would be significantly constrained under socialism. Liberal socialism “removes from the public agenda . . . the divisive issue of whether or not the means of production shall be common property,” whereas property-owning democracy leaves this open.³³ Thus, we can follow Colin MacLeod in saying that “the key difference between a liberal socialist state and a property-owning democracy is that the former has much more extensive public ownership of the means of production and natural resources than the latter.”³⁴

Liberal socialism is also distinct from the command economy, for it does not abolish the market. Rawls did not think that public ownership was the same thing as state ownership with total central direction. He agrees with James Meade that markets can efficiently allocate resources, such that the command economy would be less efficient than a market society.³⁵ Public ownership of the means of production must take advantage of markets. Rawls notes that “market institutions are common to both private property and socialist regimes” in order to make use of the “allocative” rather than the “distributive” function of prices; socialism restricts ownership and distribution.³⁶

I will not address Rawls’s justice-based arguments for liberal socialism, nor Edmundson’s.³⁷ The basic reason is that if liberal socialism cannot be stable for the right reasons by Rawls’s own lights, then it is ill-suited to regulate the basic structure of society. Indeed, liberal socialism should be discarded from consideration, much as Rawls discards the system of natural liberty.

The main way in which my argument can be answered is that Rawls was concerned with which regimes are most stable *relative to alternatives*.³⁸ One could

32. O’Neill and Williamson 2012. Vallier 2015.

33. Edmundson 2017, p. 152. Here I understand all Rawlsian economic regime types as constitutional regimes, with the basic elements of property ownership determined in a more long-term and continuous fashion than if the regimes were merely adopted by a legislature by majority vote.

34. Macleod 2014, p. 181, n. 3.

35. Meade 1964, p. 67.

36. Rawls 1999, p. 242.

37. Edmundson thinks that, by taking the ownership of the means of production off the agenda, liberal socialism has a big advantage over property-owning democracy because settling the ownership of the means of production ensures consensus and reconciliation. Under liberal socialism “citizens, as co-owners of publicly held means of production, can readily recognize themselves as standing in a permanent relationship of reciprocity. Unlike those living under a regime of property-owning democracy, citizens have no occasion to be disturbed by or suspect the fairness of periodic transfers of productive assets” Edmundson 2017, p. 139. On Edmundson’s telling, liberal socialism is simpler, and as Rawls says, “simplicity is itself desirable in a public conception of justice.” Rawls 1999, p. 479. I’m not convinced that because liberal socialism takes the ownership of the means of production off the political agenda that it will *for that reason* be settled in a well-ordered society. People can chafe under restrictions even if they are built into the constitution, and non-socialist members of a well-ordered society may chafe for precisely this reason.

38. Rawls 1999, p. 434.

then argue that other regimes are less stable than liberal socialism, in which case that would be sufficient for Rawlsians to support it. However, I shall argue that Rawls's liberal socialism cannot meet Rawls's standard of stability for the right reasons. If that is true, then liberal socialism is not an eligible conception of justice, even if other regimes are even less stable. So, I confine myself to a kind of threshold argument, which is that liberal socialism does enough stability to establish and maintain a well-ordered society.

3. THE INSTABILITY OF REASONABLE ECONOMIC PLANS

Under liberal socialism, the publicly owned means of production must produce goods and services sold in an open market. Again, liberal socialism is not communist in abolishing markets in capital and consumption. Liberal socialism must satisfy consumer demand, and not dictate the terms of public consumption. But liberal socialism is also subject to democratic decision because public firms are public assets. That means public firms must follow certain public priorities; they cannot simply maximize efficiency. Accordingly, the government must direct firms to act differently than mere private firms. If states give no guidance, it is unclear why the means of production need to be publicly owned. Leaders of firms (owners or managers, depending on the details) could still dominate workers if they need only respond to market signals.³⁹ Thus, while Rawls claims "Given the resulting economic environment, firms regulated by market forces conduct themselves much as before," the process of governing and maintaining the "resulting economic environment" will demand quite a bit of political officials.⁴⁰

Government structuring of the economic environment will reverberate through firms' production decisions, such as setting salaries, consumer prices, and long-term investments. And there's no one way that these decisions must be made. Thus, we can expect that government officials will (reasonably) disagree about which *economic plan* to adopt. Here an economic plan need not include a complete list of firm decisions, as one may find in a command economy. Economic plans under liberal socialism will be more open-ended. They may direct firms to pursue some degree of profit, or to raise or lower wages according to general criteria, and so on. Yet under liberal socialism, publicly owned firms need these directives, as well as some overarching plan for the whole economy that establishes trade-offs between activities in different sectors.

39. Admittedly, if the government owns and operates firms, that will surely result in different firm behavior even if the government provides no directives, since public ownership might, for instance, curtail aggressive profit-seeking that is only possible in the market, but here we might respond that the government can get similar results without public ownership, say through the regulation and redistribution of capital in a property-owning democracy. I thank Paul Weithman for discussion of this point.

40. Rawls 1999, p. 248.

However, to abide by even an open-ended economic plan, firms must make micro-level decisions satisfy their directives, such as whom to hire, or what price to set for a particular good. If they lack the freedom to make these micro-level decisions, then the economic plan will be very invasive, not only at any one time, but over time as governments issue new plans. Indeed, firm owners and workers will experience directives as more invasive still if firms cannot predict the content of the new directives. For this reason, I expect liberal socialism to give firms latitude to make micro-level decisions. But if they have this freedom, they can easily stray outside of an economic plan because no centralized force coordinates their production decisions with other sectors, or even within a single sector. The state must therefore ensure that the freedom to make micro-level production decisions does not break with the plan, and this will invariably require extreme monitoring and regulation. So even if the state does not issue micro-level directives, it must substantially limit the autonomy of industrial production. This was arguably the general pattern of firm behavior under the Soviet Union's economic system, which never reached full economic planning. The central government tried to approximate planning by issuing directives to firms. Firms would meet these directives in haphazard ways, leading to further directives, that as a whole constituted "vast and arbitrary government interference."⁴¹

This means that liberal socialism cannot guide policy through automatic stabilizers, in the way that some forms of Keynesian fiscal or monetary policy might. Nor will it be sufficient to make the workplace democratic. It is essential to liberal socialism that the means of production are publicly owned to achieve particular social goals. Achieving these goals simultaneously will then require the deliberate management of capital because socialism abolishes large parts of the stock market.⁴² The stock market is a massively complex source of information about the comparative value of capital goods and investment. This is not to say that all the information provided by stock prices reflects real economic value, but rather that the stock market gives firms information about what to produce. Movements of stock prices indicate millions, if not billions, of evaluations, providing firms detailed information about which business decisions add economic value. These include information about whether to introduce a new product, a price change for a firm's central product, new firm leadership, or a new advertising campaign. The stock market, therefore, provides a huge amount of feedback in terms of how people evaluate the value of firms given certain decisions. When the stock market is abolished, this source of information is abolished.

One of Hayek's reasons for thinking that socialism must ultimately restrict freedom is precisely because the abolition of the market, or even large parts of

41. Boettke 1993, p. 59.

42. Or, at least, large parts of the domestic stock market; this detail is important because many economies that attempted to be socialist still exposed their firms to market prices by selling resources to other countries, such as oil and gas companies in the Soviet Union. This is, in a way, to "cheat" at socialism by introducing the price mechanism to aid some production decisions.

the markets, deprives government officials of information, and so they have to make decisions in the dark. The resulting decision-making process invariably is flat-footed and heavy-handed insofar as officials see it as their duty to guide the capital stock toward achieving social ends. Again, huge stocks of capital are neither bought nor sold. Thus, directives must replace prices, either in the form of direct commands, or complex regulations.

Critically, economic plans under liberal socialism do not pursue mere economic efficiency. They are owned by a democratic polity and are part of the basic structure of society. So, they must be governed, at least broadly, by considerations of justice in a way that private firms are not. This means that firms will receive not merely generic *economic* directives, but may often receive certain kinds of *moral* directive. State officials may order them to produce in ways that will satisfy the public conception of justice. Government may find methods of organizing public production so that justice is done without issuing specific moral directives to firms. But organizing a justice-conducive economic plan will presumably require more interference and oversight than an economic plan focused entirely on economic efficiency. Balancing more goals requires more control.

On this basis, let's define a *reasonable economic plan* as a set of directives for the public ownership of the means of production that satisfy Rawls's principles of justice.⁴³ That is, the plan must direct public firms to be productive and efficient, so as to produce a supply of primary goods that can be distributed to protect basic liberties, ensure fair equality of opportunity, and that organizes inequalities to maximize the economic position of the least advantaged group in society. Thus, a reasonable economic plan is both moral and economic; it specifies the economic ends of firms and the ways in which their activities satisfy principles of justice in their operation as a whole. One might object that Rawls's principles apply to the basic structure of society and not particular firms, but in this case, the commanding heights *are* part of a society's basic structure, and so formulating reasonable economic plans is an essential feature of a just liberal democratic state.

Members of a well-ordered society will prefer different reasonable economic plans, much as they embrace different reasonable comprehensive doctrines. After all, reasonable economic plans invariably involve prioritizing some goods over others, and will impact each person's well-being differently. Even within the framework established by justice as fairness, people will have deep, irresolvable disagreements about which reasonable economic plan is best. Some may rank reasonable economic plans by the degree to which they satisfy the difference principle, whereas others may rank them by their ability to protect fair equality of opportunity.⁴⁴ And indeed, many citizens will want economic plans to speak to values other than justice.

43. Or that at least satisfy the constraints on reasonable liberal political conceptions of justice found in Rawls 2005, p. xlvii.

44. Assuming this difference is consistent with the priority of the first principle over the second, and within the second principle.

The burdens of judgment will clearly apply to the choice of reasonable economic plans. Here the differences among citizens may not be as great as the differences among conceptions of the good, but we are still bound to see enormous variation.

A natural concern about reasonable economic plans is that reasonable people can reject them, much as they reject reasonable comprehensive doctrines. Each economic plan contains considerable directives for the activities of firms, at least in terms of general guidelines they must follow in order to serve the public good. Thus, to the extent that economic plans involve extensive directives to public firms, to that extent reasonable economic plans will be reasonably rejectable, much as reasonable comprehensive doctrines are reasonably rejectable. And consequently, both will fail to be stable for the right reasons.

Rawlsians can respond in several ways. First, perhaps the details of how public firms operate can be determined by way of constitutional democracy, much as any other economic policy. If liberal socialism is the best way to institutionalize justice as fairness, then liberal democracy may legitimately formulate the set of reasonable economic plans and democratically select one, or appoint representatives or administrators who will select from among the set. But this presumes that democratic procedures are permitted to choose among reasonable economic plans, while democratic procedures are not permitted to choose among reasonable comprehensive doctrines. Constitutional democracy must instead only enact policies compatible with their society's reasonable political conception of justice, which contains no information about particular conceptions of the good life, however reasonable those conceptions of the good may be. We must therefore formulate the set of reasonable economic plans neutrally enough that reasonable comprehensive doctrines can comport or congrue with at least one of them.⁴⁵ But given the many particular decisions and trade-offs included within a reasonable economic plan, it is unlikely that congruence can be achieved. Just as there is no neutral reasonable comprehensive doctrine, there is no neutral reasonable economic plan. All require controversial, reasonably rejectable institutional choices.⁴⁶

Further, the selection of a reasonable economic plan is considerably more coercive than economic policy in a property-owning democracy or under welfare-state capitalism. Liberal socialist governments are unique in issuing fairly precise

45. Ibid., p. 386.

46. Paul Weithman raises a related objection, which is that by committing themselves to a shared conception of justice, citizens *thereby* commit themselves to the legitimacy of the ways in which states decide to balance different values and issue precise directives. The idea is that the legitimacy of choosing a contentious reasonable economic plan is legitimized on the grounds that it is a way to institutionalize a reasonable conception of justice. But, stability for the right reasons requires that those who endorse a conception of justice compatible with liberal socialism must also see the choice of a reasonable economic plan as a *reasonable application* of their shared conception of justice. Reasonableness isn't transitive in the sense that officials can legitimately pursue whatever application of a conception of justice or a regime type they like, as long as they are making a good faith effort to implement a mutually endorsed conception of justice. People must be able to see the particular implementation of justice as reasonable, and that is what I am disputing in the case of selecting a reasonable economic plan.

coercive commercial directives. If, for instance, a liberal socialist society adopts an economic plan that favors gas power over wind power, or if the plan favors mass transit over automobile manufacturing, they do not merely make inevitable trade-offs between political values. As noted above, centrally planned societies routinely issued such directives, which led workers to ignore the directives, to satisfy them inefficiently, and even to revolt.

The use of coercion to choose between interests is not by itself problematic for Rawls. He argues that people who embrace a conception of justice are “bound to accept the consequences” of states making inevitable decisions about who to favor in making policy choices.⁴⁷ The state instead deliberately issues a panoply of specific directives, which both express a commitment to certain weightings of values and micro-manage people’s economic lives based on those commitments. These endorsements and directives provide persons with stronger reasons to reject liberal socialism than many other regime types.

To put it hyperbolically, recall what Leon Trotsky observed about Stalin’s USSR, “The old principle [under capitalism]: who does not work shall not eat, has been replaced with a new one: who does not obey shall not eat.”⁴⁸ Capitalism says that if you don’t work, you don’t eat. But under liberal socialism, those who bear the greater burdens of economic plans live under the threat of government penalty and coercion, of losing various personal and bodily goods. If they do not obey, they suffer. I grant that citizens under liberal socialism will have freedom of occupation, and these citizens will have robust and effective democratic freedoms to oppose the reasonable economic plan in place. Liberal socialism is a far cry from Trotsky’s description of Stalin’s Soviet Union. And yet, all democratic freedoms and freedom of occupation can do is press a liberal socialist government to adopt a different reasonable economic plan, which will face the same obstacles to securing agreement.

I expect critics to maintain that *any* economic system will favor some over others, so that liberal socialism is not unique. The risks of corruption and domination will be present in any economic system and may be more pronounced in the private sector. Perhaps so, but other economic systems do not favor some over others coercively and with the state’s imprimatur.⁴⁹ Property-owning democracy and welfare-state capitalism do not operate with central economic plans, and so they do not coercively coordinate a wide range of economic decisions. They do indeed make economic decisions that favor some over others, but these are the unintended results of embracing policies that treat all as free and equal. A reasonable economic plan is different: it is the deliberate adoption of a system of production decisions by the state, an endorsement of the plan as a reasonable ordering of public political values.

47. Rawls 1999, p. 85.

48. Trotsky 2004, p. 213.

49. At least when they are functioning largely as expected.

Consider an analogy. Some illiberal Catholic critic of liberal democracy thinks the state should coercively endorse Catholicism as the true state religion. In defending herself against liberal charges of coerciveness, the illiberal Catholic can claim that liberal approaches to religion are also coercive because liberalism keeps any sectarian regime from coming to power, effectively establishing secularism. *Any* system of rights, Catholic or liberal, they say, will favor some over others. The liberal is not so different from the illiberal, then. Liberals just prefer some kinds of coercion to others. For this reason, a democratic society can legitimately choose to coercively establish Catholicism as the state religion in much the same way as a democratic society can coercively establish freedom of religion. But we know the problem with this line of argument: many citizens reasonably reject Catholicism, and so the establishment of Catholicism cannot establish stability for the right reasons. Too many people will reasonably reject how the state balances various religious values. The same is not true under liberalism, where many policies have non-neutral effects, but the state rigorously avoids deliberately favoring of one comprehensive doctrine over another. On related grounds, I contend many citizens can reasonably reject reasonable economic plans, since implementing the plan requires that economic administrators adopt sectarian systems of directives.⁵⁰

Here the critic could raise a new objection, which is that reasonable economic plans indeed engage in uniquely coercive direction but this is not problematic for stability because reasonable economic plans can be justified *based solely on shared political values*. The Catholic illiberal insists on legislating private, sectarian values, values that some people do not share *at all*. That's why coercive establishment of Catholicism cannot be stable for the right reasons, but a reasonable economic plan could be. The liberal socialist state admits coercively favoring some groups over others in selecting economic plans, but it always makes the case for these plans in terms of shared public political values. Reasonable economic plans will be legitimate because they are based on at least some good-faith weighting of shared political values, and so will be stable in the right way.

This reply can only succeed for a particular kind of political liberal, such as Jonathan Quong, who argues that reasonable people cannot dissent from any reasonable political conception of justice. Dissent will be unreasonable *by definition* if the political conception is reasonable; there is no space for reasonable comprehensive doctrines to provide citizens of a well-ordered society with sufficient reason to reject the political conception of justice in question.⁵¹ Thus, for Quong and others, like Lori Watson and Christie Hartley⁵², considerations drawn from reasonable comprehensive doctrines cannot lead one to reject a reasonable political

50. It is true that private sector firms will have their own controlling and meddlesome plans, and will subject workers to forms of domination that may not be present under public ownership. That may indeed be a good argument for the greater justice of liberal socialism, but it does not resolve the problem of stability for liberal socialism.

51. Quong 2011, pp. 161–191.

52. Watson and Hartley 2018, pp. 40–61.

conception of justice. But this is not Rawls's view. Rawls is clear that reasonable people might reject a reasonable political conception of justice when they appeal to their private doctrines. Yes, in the first stage of political justification we appeal to public political values alone—*pro tanto* justification—but the second stage, *full* justification, occurs when each person or group tries to show that their reasonable comprehensive doctrine congrues with, or at least is not in conflict with, their reasonable comprehensive doctrine.⁵³ If full justification fails, the rejected political conception cannot be stable for the right reasons. If citizens may ultimately appeal to private considerations in determining whether to accept a reasonable economic plan, then the analogy with the Catholic illiberal can be revived; because, in the end, the reasonable economic plan will have such grand consequences for each person or comprehensive doctrine that they could readily have sufficient reason to reasonably reject all reasonable economic plans.

So, I conclude that there will be no stable reasonable economic plans on Rawls's view, or at least on the most plausible reading of *Political Liberalism*. But, if one follows Quong, then he may be able to resist my analogy between comprehensive doctrines and economic plans. But this comes at the price of nullifying the role of comprehensive doctrines in fully justifying a political regime.

4. HAYEK ON THE INSTABILITY OF ECONOMIC PLANS

We can strengthen the argument that liberal socialism is not stable for the right reasons by drawing on Hayek's arguments in *The Road to Serfdom*.⁵⁴ Here the stability problem for liberal socialism is that democratic leaders will be unable to agree on which reasonable economic plan to adopt, and the resulting discord will be destabilizing in itself.

I read *RTS* not as a defense of laissez-faire capitalism but rather as an argument that liberal socialism cannot be stable for the right reasons. Hayek's argument is that the liberal rule of law and individual freedoms are incompatible with a socialist economic order and that a socialist economic order must invariably collapse into a totalitarian order. The argument is remarkably proto-Rawlsian, as it assumes that the "scales of value" of rational and moral persons "are inevitably different and often inconsistent with each other."⁵⁵ Given that everyone's fate is bound up in the details of the central plan, people will deeply disagree about how to proceed as a collective, and this disagreement will reappear among democratically elected officials. But given how much is at stake, Hayek foresaw that interminable squabbling is inevitable. And during difficult times, this squabbling would make democratic

53. Rawls 2005, p. 386.

54. Hayek 2007.

55. *Ibid.*, p. 102.

leaders look weak and ineffectual. This would leave the liberal-socialist regime vulnerable to takeover by some group or sect that promises to end the debate and impose a single plan based on the sect leader's empathic connection with the people. Under liberal socialism, people are not allowed to go their own separate ways when it comes to decisions about economic production. This winner-take-all aspect will lead to ferocious fights about how to plan the economy, and the fights will undermine the stability of democratic regimes, leading to totalitarian government. An advantage of private property in the means of production is that it allows people to pursue different ends while coordinating the operation and production of capital; that is far less feasible in a socialist regime.

Some have attacked Hayek for making a bad slippery-slope argument, perhaps based on his *purported* claim that welfare states must lead to totalitarianism.⁵⁶ Critically, Hayek expressly embraces the welfare state by supporting "the assurance of a certain minimum income for everyone."⁵⁷ Without getting into the weeds of Hayek exegesis, we can usefully characterize Hayek's concerns about the welfare state by distinguishing, as Hayek does implicitly, between the *welfare state of law* and the *welfare state of administration*.⁵⁸ The welfare state of administration is not the same as a social-insurance or safety-net state. It operates based on a robust conception of distributive justice that requires considerable interference with the internal workings of the market through regulatory controls. Hayek is concerned only about coercive redistributive institutions that permit constant *state tinkering*. He affirms the welfare state of law, where clear, public, general principles, rather than extensive administrative bodies, shapes social insurance and other state functions, and allows considerable redistribution of wealth.⁵⁹

The problem with liberal socialism, then, is that it is a welfare state of administration. It 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 some kind of economic plan. We can see that the logic of reasonable pluralism applies to deciding what to produce. Deep disagreement will lead to intense struggles that weaken democratic orders and their ability to resist totalitarianism.

Understood in this way, Hayek was right. We have never seen a liberal socialist regime, only liberal welfare states and *illiberal* socialist regimes. While many liberal welfare states moved in a socialist direction following World War II, they did not reach the liberal-socialist ideal. Clement Attlee's Labour government in Britain socialized only 20 percent of society's productive resources, falling well short of

56. Farrant and McPhail 2010 discuss other versions of this criticism. They argue that Hayek thought the welfare state would lead to serfdom, in contrast to Hayek 2007, pp. 29–31.

57. Hayek 1979, p. 55. Kevin Vallier discusses Hayek's endorsement of a minimum income as a necessary condition of legitimacy while simultaneously rejecting social justice in Vallier 2019b.

58. This distinction draws on <http://bleedingheartlibertarians.com/2012/05/hayek-on-serfdom-and-welfare-states/>.

59. See Vallier 2019b for a discussion of these aspects of Hayek's views.

implementing any substantive economic plan.⁶⁰ Furthermore, after a few decades, democratic parties retreated from socialist economic programs and started selling off state enterprises.⁶¹ Real-world socialist regimes destroyed their liberal democratic institutions; liberal democratic regimes eventually backed away from socialism.

A version of Hayek's story is likely to occur even in Rawlsian ideal theory, where full compliance with the principles of justice is assumed.⁶² This is not to say that liberal socialism might go wrong; rather, if liberal socialism works *as intended*, it will lead to serious social conflicts. Even under ideal conditions, reasonable people will disagree sharply about which reasonable economic plan to adopt, and will see other economic plans as reasonably rejectable. And this will pose a stability challenge even for democracy *as such*. Because there is no good way to settle which economic plan to adopt, much as there is no good way to settle which comprehensive doctrine to adopt, parliaments face an impossible task that will discredit them no matter what they do. This is an invitation to authoritarianism even in a well-ordered society, if not through an actual dictatorship, then through the erosion of important democratic norms that restrict the use of political power. And *this* problem will arise even if reasonable economic plans are based solely on shared public political values.

In response, a liberal socialist might simply structure constitutional procedure to end otherwise interminable squabbling with a vote. Deliberation must terminate, and rarely achieves consensus, so why should deliberation about reasonable economic plans be any different? The answer is that reasonable economic plans have myriad parts and affect vast numbers of people in complicated ways, well in excess of the public policies of welfare states. Cutting off deliberation will not make the concerns and resentments of different groups disappear; indeed, the concerns are likely to lead to constitutional struggles. Again, it is no coincidence that socialist societies tended towards authoritarianism; if government controls the economy, you need a leader who will, as it were, make the trains run on time.

5. JUSTICE PLURALISM MAKES MATTERS WORSE

But matters are worse than this for liberal socialism, if one accepts, as Rawls eventually did, reasonable disagreement about conceptions of justice. Rawls adopted "justice pluralism" late in his career.⁶³ For instance, the revised version of *Political Liberalism* recognizes deep disagreement about justice⁶⁴ and that the difference

60. Thorpe, p. 124.

61. Though in England, the privatizations were led by conservative governments, in many parts of Europe, socialist parties led the privatizations themselves.

62. Rawls 1999, p. 8.

63. Vallier 2019a.

64. Rawls 2005, p. 442.

principle can be reasonably rejected, and this despite Rawls's continued endorsement of property-owning democracy and liberal socialism.⁶⁵ But the case for liberal socialism is grounded in justice as fairness; if political conceptions other than justice as fairness are reasonable, then the case for liberal socialism must depend on the common elements of the set of reasonable political conceptions of justice. Otherwise, liberal socialism may be an inappropriate economic regime for other reasonable liberal conceptions of justice. The trouble is that Rawls gave us little help envisioning the "eligible set" of reasonable political conceptions of justice.⁶⁶ They must all recognize and give priority to basic liberties, and give people the resources to make those liberties effective, but that leaves the eligible set of political conceptions quite open.⁶⁷ And it is unclear whether even most of these reasonable political conceptions of justice would be best realized, or realized at all, under liberal socialism. Rawls did not show that all the reasonable political conceptions of justice would be best realized in a liberal socialist regime. But even if Rawls had lived another half century, that task is too intellectually Herculean even in ideal theory, not to mention nonideal theory, which takes non-compliance into account.

For this reason, all we can say, at best, is that liberal socialism will be stable for the right reasons *if a well-ordered society adopts justice as fairness*. But other conceptions of justice might undermine the stability of liberal socialism, especially less egalitarian conceptions of justice that might, for example, favor welfare-state capitalism. So we cannot say that liberal socialism will be stable for the right reasons for any well-ordered society, and indeed many reasonable conceptions of justice will regard liberal socialism as deeply unjust.⁶⁸

6. WATERING DOWN LIBERAL SOCIALISM

If the foregoing argument is correct, a liberal socialist government cannot coordinate its citizens on a reasonable economic plan. Consequently, the government must water down the plan into more general directives. That means the plan will remain agnostic on some matters seemingly essential to preserve stability, but this will degrade the sense in which the government is truly socialist. The state may,

65. Ibid. Though Rawls does indicate that people can reasonably disagree about who can own capital, but I assume that this disagreement is limited to the debate between property-owning democracies and liberal socialists.

66. Ibid. The term "eligible set" comes from Gaus 2011, p. 321.

67. Rawls 2005, p. 450. Indeed, Vallier 2019a argues that the eligible set is so broad that it could include John Tomasi's free-market fairness. See Tomasi 2012.

68. There is an interesting complication here. Suppose John endorses conception of justice A, on which liberal socialism is unjust, but regards conception of justice B, on which liberal socialism is just, as reasonable. And suppose John's society coordinates on B. Must he therefore regard liberal socialism as legitimate, even if he regards it as unjust? I don't think so. I don't think legitimacy judgments are transitive in this way, such that if B is reasonable, and if liberal socialism is reasonable on B and only on B, that liberal socialism is reasonable.

for example, decline to use a heavy hand to operate publicly owned firms. But then where is guidance to come from? If government remains silent, firms will face great pressure to follow market dynamics, namely the behavior of consumers (including international consumers like other governments). And indeed, that is how publicly owned firms often function, like those in Singapore or Norway. They pursue profits in accord with a price system, operating like large capitalist firms but then distribute profits to government, to citizen savings accounts, or something of that sort. To my knowledge, these firms were never directed to follow anything like a reasonable economic plan. And that makes sense: if public firms follow market pressures, they can largely self-manage whereas under liberal socialism, this is less viable. Thus, if a liberal democratic government, facing dissensus about economic plans, leaves the decision-making of public firms to the market, liberal socialism is perhaps no longer worthy of the name.

Now, if all liberal socialists really want is for the public to own the means of production to avoid large concentrations of capital in private hands, or to aid the process of redistribution, or to help guarantee that workers are well-treated, then they can take over firms and operate them so as to achieve those ends. But Rawls's conception of liberal socialism involves a government with far more comprehensive and demanding aims, according to Edmundson's interpretation, which I have followed here. I admit, however, that my arguments may simply provide us with good reason to interpret Rawls differently than Edmundson does when it comes to determining what liberal socialism entails. Perhaps the essence of liberal socialism is something more like economic democracy, with democratically organized firms.⁶⁹

7. CONCLUSION

I conclude that liberal socialism cannot be stable for the right reasons. To be truly socialist, a government must adopt a reasonable economic plan. But reasonable economic plans are meddlesome and deliberately so: they involve all kinds of directives, regulations, and transfers. That makes them resemble comprehensive doctrines, which often prescribe regulations for all of a person's major life decisions. Consequently, some reasonable people will reject any particular economic plan, such that no one economic plan can be stable, much as some rea-

69. For example, Rawls does say that, "while under socialism the means of production are owned by society, we suppose that, in the same way that political power is shared among a number of democratic parties, economic power is dispersed among firms, as when, for example, a firm's direction and management is elected by, if not directly in, the hands of its own workforce." Here it may seem that Rawls is primarily thinking of socialism as a kind of economic democracy; see Rawls 2001, p. 138. I have not interpreted Rawls in this way in large part because focusing largely or exclusively on economic democracy makes it difficult to distinguish liberal socialism from property-owning democracy.

sonable people will reject any particular comprehensive doctrine, such that no one comprehensive doctrine can be stable. The result will likely be, as Hayek predicted, that socialist governments become gradually more heavy-handed and illiberal or cease to be socialist in any robust sense.

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