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MARX AND RAWLS ON THE JUSTICE OF CAPITALISM AND THE MARKET

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Abstract

Marx and Rawls appear to have quite different views of justice. Marx claims that the concept of justice functions ideologically to represent conduct required by the prevailing mode of production as universally binding imperatives. Rawls claims that justice is the first virtue of society, whose principles may be agreed to by all persons who impartially and rationally deliberate on the issue of fairly dividing the burdens and benefits of social cooperation. I argue that these apparently different positions on justice can be reconciled, although important differences between the standpoints of Marx and Rawls remain.

Despite the differing influences on them of Hegel and Kant, the views of Marx and Rawls can be shown to converge. In proposing an explicitly political conception of justice, Rawls argues that acceptable principles of justice must be realisable in social institutions. This brings his ‘Kantian constructivism’ closer to the Hegelian view, on which Marx bases his rejection of universal, socially transcendent principles of justice.

I argue that both Marx and Rawls can be seen as asking what social institutions can realise principles of justice as fairness. Nevertheless, two important differences remain. Marx seems to envisage a society which transcends the ‘circumstances of justice’, as specified by Hume and Rawls, whereas for Rawls (2001: 177) a society beyond the circumstances of justice is utopian. Secondly, Marx claims that market relations should be transcended as the basis of society, since they inherently involve alienation of producers from the social process of production and from the product of their social labour.

However, while elimination of markets might be possible in a society that transcends the circumstances of justice, Rawls claims that it is not possible in any society where a fair resolution of competing claims is necessary. I argue that the position of Marx and Rawls can be reconciled if we take Marx’s objection to markets as fundamentally an objection to the ‘fetishism of commodities’. I conclude that, apart from any utopian element in Marx’s conception of a future classless society, the positions of Marx and Rawls on the justice of capitalism and the market are quite close.
Marx and Rawls on the Justice of Capitalism and the Market

1. Introduction

Marx and Rawls appear to have quite different views of justice. Marx (1970: 16-20) claims that the concept of justice functions ideologically to represent conduct required by the prevailing mode of production as universally binding imperatives when, in reality, such conduct serves the interests of the ruling class of society. Rawls (1999: 3) claims that justice is the first virtue of social institutions, whose principles may be agreed to by all persons who impartially and rationally deliberate on the issue of fairly dividing among themselves the burdens and benefits of social cooperation.

In this paper, I examine whether this difference is as profound as it appears on the surface. I shall begin with Marx’s apparent rejection of the concept of ‘justice’ as ideological. I shall argue that this is a rejection of the idea that principles of just conduct may stand as absolute moral injunctions for individuals, quite independently of the possibility of the conditions of their realization in social institutions. Marx derives this position from Hegel.

For Hegel, the primary issue of justice, which he equates with recht (‘right’), is the realization of a conception of political, civil and domestic justice in the background institutions of society. These requirements for living together under a way of life in the spheres of the family, civil society and the state are prior to moral injunctions for individuals, and are the source of their rational force as practical guides of conduct. Justice for Hegel is thus constituted by practical—but not expedient—principles of ‘ethical life’. In the Philosophy of Right, Hegel thus offers a social and developmental approach to the problems that Kant addresses in his moral and political philosophy (Pinkard, 2002: 286).

Marx shares this developmental view of justice, implied by taking justice in any society to be constituted by principles of ethical life (Sayers, 1998: 123). These principles impose the highest standards of rightness in action that the society can realize but may come to be judged wanting when it becomes practically possible to realize higher standards within more developed social institutions. For Hegel, the criterion of development of principles of justice is the level of freedom that social institutions embodying those principles realize, and I think that Marx assumes the same standard.

However, Marx differs from Hegel and anticipates Rawls by taking the idea of social justice to be based on the division of the burdens and benefits of social cooperation. While Hegel (1991: §149) focuses on justice as regulative principles of conduct required to secure real freedom in ethical life, Marx sets that issue aside as a concern of the legal and political superstructure of society. Marx focuses instead on society’s form of social cooperation (‘mode of production’). Social cooperation includes the production and distribution of resources that are generally useful to people, whatever their aims (Rawls’s
'primary goods') and the distribution of these is a central concern of social justice for both Marx and Rawls. Both Marx and Rawls seem concerned with distributive justice as part of what Rawls calls 'political justice'. The aim of political justice in distributing the rights and duties, advantages and burdens arising from the modes of production present in a society is to achieve a morally proper balance between competing claims among those who are involved in social cooperation.

The convergence between Rawls and Marx is not complete, since there is a further element in Marx's social theory. Marx seems to suggest that a society based on free, conscious cooperation will liberate the productive forces of society to such an extent that the circumstances of justice—moderate scarcity and limited sympathy, according to Hume—will no longer apply. If this is an element of Marx's theory, it is clearly speculative. It implies that the concept of political justice will ultimately be inapplicable to a society based on the free, conscious cooperation of the direct producers. Whether this is in fact part of Marx's theory is debatable: at one point Cohen (2000a: 104) thinks it is but at another he (2000b: 307) does not. In any case, this conclusion provides no stronger a basis for rejecting the notion of justice than we have for believing that the circumstances of justice can be transcended.

Because Rawls takes Kant's moral philosophy as his point of departure, this suggests that Rawls, contrary to Marx, proposes standards of justice that are a matter of moral conscience for all rational individuals at all times. However, Rawls proposes what he calls a 'Kantian Constructivism' for principles of justice, which has a political rather than metaphysical basis. This later becomes 'political constructivism' and then a 'political conception of justice' (Rawls, 2001: 26-9).

On the political conception, justice will be defined by principles that are agreed through reasoned and impartial reflection by members of a liberal democratic society, who regard each other as free and equal persons. No particular moral intuition or moral conception supports this agreement. It is supported by its being a best—though not merely expedient (Rawls, 2001: 37)—fit among the various overlapping conceptions of morality of people at a certain stage of social development. It reflects broadly shared ideas of what would be a fair division of rights and duties, burdens and advantages. Rawls affirms the possibility of realizing principles of justice that free, equal, reasonable and impartial persons would agree to as an acceptable basis of living together, at least when a society produces enough for all to have a decent standard of living and accepts liberal democratic political ideas. These principles serve as a necessary precondition of living together in a society that realizes freedom to the fullest extent compatible with equal liberty for all.

These agreed principles of justice, in terms of which the justice of the basic structure of a society may be judged, play a similar role to the standard of maximum realization of freedom implicit in the Hegelian picture. For, according to Rawls (1999: 52-6, 220, 474-8), free, equal, reasonable and impartial people—his 'participants in the original position'—
would agree to principles of justice that require a just society first and foremost to include the maximum set of basic liberties that can be shared equally by all. This standard need not coincide with what individuals in any given form of society will think is reasonable in the way of a shared conception of justice as the basis of their way of life. Nor can the principles of the standard be affirmed independently of their realization. The affinities between this and a Hegelian conception are more important than any differences.

To sum up: Marx has a developmental view of justice and, in particular, of ideas of justice. Implicit also in Rawls's view is a developmental view of conceptions of justice, which forms of society have as a shared understanding of what is just and unjust. On the other hand, Rawls believes that an absolute standard of justice is provided by the principles of justice agreed to by the 'participants in the original position', at least for societies in which they are realizable. These principles cannot be treated as a mere moral injunction, since they are acceptable only if they can be realized. Provisional principles must be modified until they can be realized.

Arguably, such an absolute standard is implicit in Marx's developmental view of social justice. While endless technological improvement in our ability to act is imaginable, it is hard to see how there could be endless leaps in the level of freedoms established by social relations of production. When social freedom reaches a point where the basic structure of society establishes the most extensive set of basic liberties compatible with like liberties for all, there will be no higher standpoint from which the justice realizable in that society could be judged wanting.

Where Rawls and Hegel really differ is over the importance of respect for individual self-assertion as the basis of the standard against which historical conceptions of justice may be judged. Rawls (2000) discusses in some detail what Hegel's critique of a liberal doctrine of freedom might be and concludes (Rawls, 2000: 361, 371) that it can only derive from taking the state as a substance of which individuals are accidents, coupled with the perfectionism implicit in his Philosophy of History. I think this interpretation is supported by passages from the Philosophy of Right such as Hegel's comment on individual expectations of marriage:

'Any way at all in which the decision to marry comes first and is followed by the inclination so that the two come together in the actual marital union, can itself be regarded as the more ethical course ... in those modern dramas and other artistic presentations in which love between the sexes is the basic interest, we encounter a pervasive element of frostiness which is brought into the heat of the passion such works portray by the total contingency associated with it. For the whole interest is represented as resting solely upon these particular individuals. This may well be of infinite importance for them, but it is of no such importance in itself.' (Hegel, 1991: 202)
Rawls (2000: 363-5) takes himself to be Kantian in following Kant’s interpretation of the social contract as an ‘idea of reason’, that is, an agreement on principles for social institutions that each ‘can see are reasonable and fair’. On this view, a fair social structure must respect individual self-assertion by ensuring that its institutions do not require anyone to sacrifice their interest in their own welfare for the good of others. Rawls accepts, however, that this standard will appear feasible only in certain social conditions (liberal democracy). He also accepts that stages of society will adopt social structures that will be seen as just by their own lights but which are unjust in reality.

Marx (1976: 85) also differs from Hegel and agrees with Rawls in taking the view that individuals are not just bearers of social institutions1. Marx (1969: 127) believes that a just society will accommodate individual freedom and individual self-assertion: ‘In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association, in which the free development of each is the condition for the free development of all’.

One difference between Marx and Rawls remains. Marx clearly envisages that a future society of free, consciously cooperative producers will rely neither on private property, nor exchange of commodities in the market. On the other hand, Rawls (1999: 242) thinks that a just society could be based on private property so long as it is widely and not too unequally distributed. The substantive basis of pure procedural justice will primarily be a market economy. Nevertheless, I shall argue that some degree of reconciliation of the views of Marx and Rawls can be achieved.

First, I shall argue that the goal of free, conscious cooperation is not incompatible with a basic structure of society that includes market exchange. An incompatibility arises only where control over whether and how society should employ this mechanism is surrendered, over and above any surrender of aspects of choice over economic transactions inherent to adoption of the market mechanism as a distributive device. I shall argue that the fetishism of commodities is separable from commodity production in general, even if it is inseparable from capitalist commodity production. The fetishism of commodities within capitalist commodity production rather than commodity production as such is the stamp of ‘a state of society, in which the process of production has mastery over man, instead of being controlled by him’.

As for private property in the means of production, Marx and Rawls differ in their sentiments but not fundamentally, since Rawls concedes that further analysis or experience may demonstrate that private property in the means of production does not best realize his principles of justice. A remaining issue is the claim that public ownership of

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1 As is shown in the following passage from The Holy Family: ‘Hegel’s conception of history presupposes an Abstract or Absolute Spirit which develops in such a way that mankind is a mere mass that bears the Spirit with varying degrees of consciousness or unconsciousness’ (Marx-Engels, 1975: 85).
means of production excludes the possibility of alienation in commodity exchange and so cannot be reconciled with the market. On this, I shall only provide some preliminary remarks.

2. Marx on Justice

Marx makes apparently conflicting comments on the theme of justice under capitalism. On the one hand, according to Marx, the distribution of rights and duties, burdens and advantages constitutive of capitalism are just from the standpoint of its own principle of freedom. Acting in accordance with the distribution of entitlements proper to Capitalism must be judged to be just from that standpoint. As Marx (1976: 301) states, no entitlements (constitutive of capitalism) are violated when capitalists exploit workers by taking advantage of their right to use the labour power they hire from the workers for their own benefit: 'it is a piece of good luck for the buyer, but by no means an injustice towards the seller'. This entitlement, as Marx (1976: 731; Selected Works 3: 19) explains, is part and parcel of the distribution of rights and advantages proper to a capitalist mode of production.

On the other hand, one can only conclude that the capitalist system wrongs workers from this description of its general tendency: 'within the capitalist system all methods for raising the social productiveness of labour are brought about at the cost of the individual labourer; all means of the development of production ... become means of domination and exploitation of the producers; they distort the labourer into a fragment of a man, they degrade him to the level of an appendage of a machine ...' (Marx, 1976: 799). If there are feasible and good alternatives, social arrangements that dominate, exploit, degrade and dehumanize workers must be considered unjust. What better grounds could there be for such a conclusion?

There are three ways of dealing with this problem of interpretation. One is to charge Marx with confusion, as Geras (1985: 85) does. This may stand only if no other way can be found of reconciling Marx's derision of issues of justice with his perception of the injustice of capitalism. Allen Wood (1993: 434-5) sets out in its sharpest form another way to resolve the problem. He claims that Marx adopts an Hegelian stance, according to which right and ethical values are binding only with respect to the principle of freedom of a social order that is about to pass away. However, as Wood interprets Marx, the rights and values of an old social order do not have overriding force. A higher claim on our action will be made by an emerging, higher principle of freedom. Demands for action to

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2 This is not to say that Geras mistakes the serious political effects of the apparent inconsistency or the need for something to be done to prevent acolytes of Marx from falling into their own inconsistency on issues of justice.

3 Allen Wood develops this view in a number of places, starting with (Wood, 1981:Ch 3). His latest account is in (Wood, 2004)
realize that higher principle outweigh the claims of right and ethical value. According to
Wood, since Marx advocates action for a higher principle of freedom than the moral
principles of capitalism can accommodate, he should be construed as an ‘amoralist’ or
even as an ‘anti-moralist’.

The third way of resolving the issue takes the second as its point of departure. As in that
case, morality is to be taken relative to social orders. This is not a moral relativism, since
for Marx these social orders can be ranked in accordance with their realization of the
fundamental human value of freedom, as it is collectively realized in that social order’s
form of social cooperation. However, the third interpretation differs by allowing
evaluation of actions not only with respect to the morality and values of a passing social
order but also with respect to an emerging one. Advocacy of action for the sake of a new,
higher principle of freedom transcends the old morality but not all morality whatsoever.
Allen Wood rejects this option, it seems, largely because he shares Hegel’s view that we
may understand only an already made social order at its point of full development. As
Wood (1993:438) interprets Hegel: ‘self-transparency is possible for a social order only
after the process of its formation is complete, for only through that process does spirit give
itself the capacity to comprehend itself by interpreting its own deeds.’ On this view, we
can at most only grasp the problems of an old order and cannot see forward to their
solution.

Allen Wood argues that Marx is right against Hegel in taking agents to be capable of
identifying insoluble problems of an old order and the kind of agency capable of solving
those problems. However, for Wood, the future can be no more transparent than this. Yet,
if we may recognize the insoluble problems of an old order and have some idea of what
sort of action might solve them, it is not clear why we cannot also set out the principles
and some possible realizations of a new order that will solve those problems. On the third
view, the principles of justice of a new order are accessible to those who recognize the
limitations of the constitutive principles of the old order. Outlines of new principles of
justice should not, on this view, be dismissed as a wishful writing of ‘recipes for the cook
shops of the future’, so long as they leave scope for deciding in practice between different
possible ways of implementing those principles.

Taking this view, we can say that social cooperation achieved by a capitalist property
system will involve an unjust distribution of rights and duties, burdens and advantages
from the implicit standpoint of a society based on free, conscious cooperation of the direct
producers, at least where the circumstances of justice still prevail. From this higher
standpoint embodying a more developed form of social freedom, exploitation of workers
will therefore properly be judged unjust. Principles of justice for Marx are, as for Hegel,
necessities of ways of life. However, these necessities may be judged as to their relative
adequacy as principles of justice by the degree of realization of freedom that they
accommodate. Though capitalist exploitation and domination of workers may be
considered just under principles of justice necessary to capitalism, Marx may judge them
unjust against the more adequate principles of justice of a society based on the free conscious cooperation of the direct producers.

4. Marx and Rawls
Marx has a fairly precise conception of what I have so far vaguely referred to as a 'social order'. For Marx, the fundamental element of social order in any specific form of society is its 'economic base', which consists of the 'social relations of production' through which cooperation in production takes place. These 'social relations of production' may be taken as socially defended relations of control over production that determine whose interests it serves (Hunt, 1993: 105-7). They will therefore consist largely, though not wholly, of property relations, since property relations are those relations between people which determine access to material goods, control over their use and entitlements to a share of the benefits of their use.

The crucial property relations are those over 'productive forces', as Marx puts it, or productive resources. Productive resources broadly considered are intrinsic consciously formed and utilised factors of the production process which contribute to its productivity. These include at the highest level of aggregation, collective labouring activity, instruments of production and the object worked on. These may in turn be disaggregated into their components. Collective labouring activity, for example, may be decomposed into individual activities and work organization. Individual working activity may be decomposed in turn into specific skills together with the knowledge, procedures and motivation required for their application (Hunt, 1993: 104).

Clearly, property in productive resources defined as above will determine the place of individuals and groups in the system of social cooperation and, consequently, the principal aspects of their place in the social distribution of rights and duties, burdens and benefits. Marx’s economic basis of society must therefore be part of what Rawls (1999: 5) calls the ‘basic structure’ of society, which includes the main institutions through which rights and duties, and the burdens and benefits of cooperation are distributed among participants in social cooperation.

It might be thought that Rawls’s ‘basic structure’ can simply be equated with Marx’s ‘economic base’ or set of social relations of production. However, this is blocked by Marx’s exclusion of the legal and political superstructure of society from the economic basis of society, given that Rawls (1999: 6) also includes legal institutions within it. Nevertheless, the distinction Marx draws between base and superstructure is reflected to some extent in Rawls’s (1999: 48-9) distinction between the realization of social rules that define liberties and entitlements and the regulation of individual conduct to conform to those rules through authoritative legal power. Rawls does not take his basic structure as consisting simply of rules for living and working together. These rules must, on the one
hand, be realized administratively and, on the other hand, be coercively regulated so that citizens can be confident that their expectations will by and large be realized.

Although Rawls confines his theory to the ‘ideal’ case, where compliance with the rules governing the distribution of rights and duties, burdens and advantages of social cooperation is assumed, Rawls (1999: 211) argues that a regulative structure is required for assurance even in that case, since human persons are always subject to the temptation to break rules, even when they are just. In the ideal case, this regulative structure is assumed only to be ready to act against non-compliance. Rawls thus dispenses with any active role in this case for the regulative legal and administrative structure which, for Marx, constitutes the superstructure of society (Hunt, 1993: 132-5).

While Rawls’s ‘basic structure’ and Marx’s ‘economic base’ of society virtually converge in Rawls’s ideal case of strict compliance, in any realistic circumstances they will diverge. In any case, on the basis of the above analysis, we may identify Rawls’s ‘basic structure’ of society with a structure that combines Marx’s economic base with his legal and political superstructure. Since, Marx’s economic base and legal and political superstructure constitute an organic unity (Hunt, 1993: chapter 5), it will be appropriate to identify Rawls’s ‘basic structure’ of society with the organic unity comprising Marx’s base and superstructure.

Rawls argues that this structure is the subject of justice. Apart from Marx’s sweeping dismissal of the political issue of the justice of existing social arrangements, we have no reason to assume that this is not the subject of justice for Marx also. If there is any difference between the positions of Marx and Rawls on justice, one is over whether a just basic structure of society will be based on a market economy. Another is over whether the principle to apply in full communism of ‘From each according to his ability, to each according to his needs’ ⁴ will replace the principles of justice that Rawls affirms. In the following section, I discuss the extent and significance of these differences.

5. Marx and Rawls on the market

For Rawls, a market economy is arguably fundamental to the basic structure required by his theory of justice. Rawls argues for justice as fairness to be taken as a shared, impartial acceptance by members of a society of principles defining what is just and unjust as the basis of their cooperation. Rawls claims that there can be no substantive notion of justice in distribution. We lack a criterion of just outcomes in the initial distribution of entitlements, by contrast with the case of regulative justice, where the criterion of whether some response to wrongdoing or special needs is just is that it appropriately punishes the wrongdoing or meets the need. Justice in distribution thus cannot be determined

⁴ Although usually scrupulous, Rawls (1999: 268) misquotes this precept of Marx by substituting ‘from’ for ‘to’ in ‘... to each according to his needs’.

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independently of its being the outcome of a distributive procedure that may be taken to be a fair way of resolving competing claims.

This is another possible point of convergence with Marx. For Marx (Selected Works, 3: 18) rejects criteria of the justice of distributions based on any single feature of participants in social cooperation, such as the relative amount of work they do, since all such criteria fall within 'the narrow horizon of bourgeois right'. Despite this shared rejection of substantive criteria of the justice of outcomes, such as benefit according to contribution, Marx attempts through the principle of distribution according to need to provide a more adequate independent criterion by which outcomes of a system of distribution can be judged just or unjust. Rawls (1999: 74-5), on the other hand, takes distributive justice to be primarily a matter of 'pure procedural justice'. For Rawls, the problem is to devise a basic structure whose array of outcomes is 'just whatever it happens to be, at least so long as it is within a certain range.' Thus a fair machinery of distribution is called for, which will produce just outcomes simply because its procedures are fair. This system of distribution cannot fundamentally rely on conscious direction to just outcomes, given the absence of an independent criterion for whether outcomes are just.

For this reason, a competitive market economy clearly recommends itself as the basis of a fair mechanism of distribution, since it operates without conscious direction to concentrate resources and positions in the hands of those who make the best social use of them (Van Parijs, 2003: 203; Stiglitz, 1993). However, it does not follow that this mechanism of distribution will be fair, simply because its overall operation is largely independent of conscious direction and it is efficient. On its own, the market delivers no outcomes at all for those who cannot usefully produce commodities because they contribute to useful cooperation in other ways. There cannot usefully be a competitive market for the service of bearing and delivering a couple's child, for example. While competitive markets for part-time care of a child can serve useful social ends, one for full-time care seems likely to have serious negative side effects.

A competitive market economy can be supplemented, as Nozick suggests, with a gift economy, but this system of 'natural liberty' would still be seriously unfair. The needs of children and their full-time carers would normally be met through the gift economy but this will lead to dependency and unequal opportunities for children and their full-time carers. Under a patriarchal family structure, women will be the full-time carers of children and dependent on their husbands for a livelihood. Wealthy parents will provide their children with advantages over other children. People who suffer serious misfortune will be dependent on uncertain charity for a livelihood. A system of distribution cannot be considered fair when it produces such serious, morally arbitrary disadvantage.

Rawls (1999: 57) considers four interpretations of an early, non-specific version of the difference principle, and claims that the choice is ultimately between the system of 'natural liberty' and the system of 'democratic equality'. Rawls (1999: 62-3) argues that
we must reject the system of ‘natural liberty’ as a fair mechanism of distribution because it leaves too much to social and natural contingency. Great differences in life outcomes under the system of ‘natural liberty’ will be due to morally arbitrary factors to an unacceptable degree.

Rawls (1999: 243) claims that only a market economy embedded in other ‘background’ institutions can be fair. These background institutions will transform the system of natural liberty into the system of ‘democratic equality’. Rawls (1999: 243-47) then sketches in outline the functions of these institutions, dividing them into four functional branches. The ‘allocation’ and ‘stabilization’ branches promote competitiveness and full employment of resources for the sake of efficiency. The ‘transfer’ branch addresses issues of individual need, in part by providing a social minimum of income. Finally, the ‘distribution’ branch maintains a fair distribution of property, upon which the fairness of the whole system crucially depends.

Rawls (1999: 248) recognizes but rejects Marx’s criticism of the alienating effect of market relations. For Marx, market relations inherently obscure and represent in an inverted form the real social relationships between producers. Producers who have full private property rights over their resources of production view themselves as independent agents, devoted to their own interests. However, competitive markets impose upon them the reality of their position in a system of social cooperation. As Adam Smith (1952: 194) famously says, it is as though an ‘invisible hand’ leads them to look after the requirements of others, more reliably and well than if they had consciously chosen to do this. The reality of their position in social cooperation is therefore concealed from them, appearing instead in the form of the price relation between different commodities at different times.

Marx (1976: 165) puts this in another way: ‘It is nothing but the definite social relations between men themselves which assumes here, for them, the fantastic form of a relation between things.’ Marx (ibid) claims that in religions ‘the products of the human brain appear as autonomous figures with a life of their own’. A similar ‘fetishism’ attaches to what people produce when they produce them as commodities. Marx claims that this fetishism is ‘inseparable from the production of commodities’. Marx (1976: 171-3) then goes on to argue that the relations between the various activities of producers are comparatively transparent and intelligible when we consider social cooperation in the form of a ‘free association of producers’. Here, as in the case of an individual producer—Marx uses the fable of Robinson Crusoe as an example—cooperation ‘stands under their conscious and planned control’.

The analogy drawn with religion raises a problem for Marx’s claim that the fetishism of commodities is inseparable from commodity production. In the case of religious fetishisms, Marx (1976:173) recognizes that religious projections of the struggle for control over nature onto imaginary forces that are supposed to govern the world will vanish ‘when the practical relations of everyday between man and man, and man and
nature, generally present themselves ... in a transparent and rational form’. Religious fetishism is a reflection of real limitations in humanity’s power over nature. Correspondingly, the fetishism of commodities should be a reflection of real limitations in social cooperation. That, of course, is Marx’s position: commodity production is the limitation in social cooperation that presents social relationships in a fantastic form. However, Marx does not address the possibility that the real limitation resides in the specifically capitalist mode of production as a specific form of commodity production rather than in all its forms.

Chris Arthur (2002: 20-21) argues that general commodity production can only exist as an aspect of capitalism. If this is right, we cannot make a distinction between a form of commodity production that sustains a ‘fetishism of commodities’ and one that does not. However, as I (2005a:157-163) argue, Arthur does not show that commodity production without capitalism can only be a shell of the real thing, resembling it in outward form only. Arthur claims that price competition cannot impose a discipline to employ only socially necessary labour in production outside capitalist commodity production, because there is no mechanism by which the ‘law of value’ can be imposed on producers. This position overlooks the possibility that price competition itself is the required mechanism. For, if the law of value is conceived as a long run tendency, price competition will support that tendency because it will always tend to reduce costs of production, of which the labour directly or indirectly involved in production will be a significant part.

Arthur (2002:32) further argues that value under capitalism is what it is because of its role in capitalist social relations of production. I (2005a:161) think this is right, if only because value is a social relation of production, which must therefore be shaped by the other social relations of production with which it interacts. However, it does not follow from this that value within the capitalist mode of production has so little in common with value in other forms of commodity production that they cannot be said to be species of the same thing. So, the possibility remains that the fetishism of commodities that Marx outlines is attached to the capitalist form of commodity production and might not be attached to more transparent and intelligible forms, if there can be any.

The form of social cooperation that Marx (1976: 171) considers will be transparent and intelligible is the free association of producers. Marx suggests that this form of social cooperation is subject to conscious and planned control, much as Robinson Crusoe’s various activities are subject to his conscious and planned control. At other points, Marx suggests that the whole of society will be subject to conscious direction in the way that a single factory is. However, it is not at all clear that conscious collective agency can always be just like individual agency, or the kind of collective agency found in a single factory.

Von Mises and Hayek, following Adam Smith (1952: 194), argue that the sheer scale of social cooperation makes the coordination problem insoluble through conscious direction similar to that which individuals exercise over their activities. Some argue that modern
computing technology makes the problem of consciously organizing cooperation on a large scale soluble. However, we cannot say how similar to individual conscious control future free conscious control over social cooperation will be. To anticipate this similarity would amount to writing recipes for the technological cookbooks of the future.

It is therefore quite possible that the means chosen for coordination of production under a free association of producers will include market relations for a greater or lesser proportion of exchanges. As I (2005b) have argued elsewhere, although Marx dismisses commodity production as the basis of a post-capitalist economy because it must limit the conscious pursuit of the common good through collective activities, he does so on the basis of a too abstract conception of freedom. For Marx, the indirect pursuit of collective welfare through pursuit of individual welfare must be freedom diminishing. However, we cannot immediately conclude that market coordination of economic activity is freedom diminishing simply because it goes on outside the scope of conscious collective coordination of production.

Hayek (1982, Vol. 2: 8-9, 20-21) argues that the market relieves individuals of an impossible burden of decision in much the same way as moral rules relieve individuals of the burden of deciding what would have the best overall consequences on each and every occasion of action. We are simply unable to calculate consequences every time a moral decision arises and require rules of thumb to follow in normal cases, given our limited cognitive capacities. Similarly, our limited knowledge of the opportunities and restraints facing other economic agents in large-scale economies precludes ongoing calculation of what we should produce and exchange so as to get the most from the collective labour of society. In the absence of some technological enhancement of our capacity, therefore, the market—or mechanisms of distribution such as ballots and queuing—may constrain but, in constraining, also liberates individuals from the burden of achieving conscious control over all aspects of their economic interactions.

So long as this conscious surrender of control over some aspects of economic interaction does not ultimately affect more important or fundamental aspects, such as the just distribution of the burdens and benefits of social cooperation, we should not regard it as freedom diminishing on balance (Hunt, 2001: 144-148). Conscious control in a free association of producers by means of market relations will therefore not necessarily undermine the freedom of collective control over the economy.

That market relations may be part of a transparent economy in which a free association of producers controls its economic life does not imply that any specific form of commodity production will be similarly transparent or freedom enhancing. A free association of producers will choose the scope and limits of commodity production. It may choose not to adopt market mechanisms for some aspects of exchange, such as provision of education or health services, where markets cannot be sufficiently competitive. It may choose gift giving where personal relationships are important to exchange, or where tradition rather
than new product development is important, such as in the production and consumption of traditional foods and household goods.

Under the capitalist mode of production, however, markets are privileged as the dominant institution of production and distribution, since they are the sites and vehicles of exploitation of the direct producers. They present themselves as necessities of economic interaction, because any sense of the injustice of exploitation will be muted by acceptance of its necessity. The concealment and inversion of social reality that Marx discerns in commodity production as such is, I suggest, part of an ideology of exploitation (Larrain, 1983: 26-7). In addition, capitalist commodity production is based on forms of cooperation that exclude a free association of direct producers. Under capitalism, producers are subject to capital.

I conclude, therefore, that Marx is correct in rejecting commodity production in the shape it takes under capitalism but that Rawls (1999: 248) is also correct in his sketchy assessment of the compatibility of markets with a free association of producers: ‘... a competitive scheme is impersonal and automatic in the details of its operation; its particular results do not express the conscious decision of individuals. But in many respects this is a virtue of the arrangement; and the use of the market system does not imply a lack of reasonable human autonomy.’

6. Justice of the Market and Capitalism
Marx and Rawls differ on the justice of market arrangements. Rawls includes them as a fundamental part of a just basic structure of society, while Marx considers that they alienate producers from their capacity for free, conscious cooperation. However, as I have shown above, it is possible to reconcile Marx’s fundamental concerns with the justice of market relations by construing them as concerns with the justice of those relations when incorporated within the capitalist mode of production. Commodity production under capitalism sustains a ‘fetishism’ of commodities because it rests on a drive toward total commodity production and makes the labour capacity of the direct producers a commodity that they are forced to sell as such to capitalist employers.

Marx and Rawls agree that capitalism is unjust. For Rawls (2001:138) it is unjust because the distribution of property under Capitalism will lead to unfairness in a distributive mechanism based on the market. This will be so even if transfers are made to those who are poorest to bring their standard of living up to a minimum level. For Marx, the fundamental basis of the injustice of capitalism is the separation of the direct producers from the means of production. This will entail an unfair distribution of wealth: as Marx (1976: 799) puts it ‘Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery ... at the opposite pole, i.e. on the side of the class that produces its own product as capital.’
As already noted, Marx develops a much more comprehensive account of the injustice of capitalism than does Rawls. This reflects the lack of salience of the issue in Rawls’ discussion of just social systems, which leads Rawls (2001: 139 fn) to confess that a serious fault of *A Theory of Justice* when first published was that it did not sufficiently emphasize the difference between a ‘property-owning democracy’ and welfare-state capitalism as economic systems based on private property.

Marx’s more comprehensive analysis of the injustice of capitalism leads him also to limit private property in the means of production to prevent full private property rights from bestowing of too great a degree of independence on producers for conscious cooperation to flourish. But this raises the question of whether limits on private property rights in the means of production is compatible with exchange of commodities. Commodity exchange presupposes that a buyer alienates money to a seller, while the seller alienates a product, which in turn implies that the buyer comes to acquire a property right over the product exclusive of any rights of the seller, while the seller acquires a property right over the money paid for the product exclusive of any rights of the buyer.

I think this problem of reconciling the private property rights implicit in commodity exchange with public ownership of major means of production can be solved by supposing that only elements of full private property rights are necessary for commodity exchange and that these elements are devolved to buyers and sellers from public ownership. The institution representing the public’s property rights will have some power over buyer and seller but the latter will have no power over each other or, at least, no more power than one capitalist has over another when both have institutional shareholders in common or are financed by the same bank.

Thus private property need not take its ‘ideal’ form of full private property rights within all forms of commodity production: cooperatives, for example, combine the principles of collective and private property. With respect to other economic entities they are privately owned while those who work within them are their collective owners. Even the private aspect of cooperatives can be limited by ensuring that the investment funds on which they rely are publicly owned. As argued above, any market economy, even a liberal socialist system in which productive assets are publicly owned, will presuppose an element of private property. In a liberal market socialism, managerial control of publicly controlled enterprises would be the private aspect in the property rights of producers, which would in turn make commodity exchange and competition possible.

However, this element of private property relations would fall short of full private property rights. For that reason, it need not entail that individuals have too much independence of action as private producers, given their social interdependence. To have some degree of private initiative and to be obliged to accept some part of the good or bad fortune consequent on exercising that initiative does not preclude some degree of collective responsibility also. Those who work with some degree of professional
autonomy within institutions are fully aware of this possibility. It therefore seems that the mere presence of commodity production and exchange need not be a barrier to collective freedom. True, conservative capitalist governments around the world want freedom of choice for individual workers to act as a barrier to collective union action in the workplace. However, collective union action is compatible with a degree of individual freedom of choice as exercised in ballots over strike action and in election of union officials.

A final subtle difference between Rawls and Marx on alternatives to capitalism is that Rawls considers that his principles of justice may be instantiated by either a property-owning democracy or liberal socialism. For Marx, however, if he could be brought to accept the justice of commodity production in any form, it could only be a form that minimizes barriers to conscious cooperation arising from the necessities of private property rights and competition. Marx would therefore consider that only a liberal socialism would minimize barriers to collective freedom. In this respect, I think Marx’s view is to be preferred.
References