

## **Efficient Markets and Alienation**

Barry Maguire  
The University of Edinburgh

Forthcoming in the *Philosophers' Imprint*

### **Abstract**

Efficient markets are alienating if they inhibit us from recognizably caring about one another in our productive activities. I argue that efficient market behaviour is both exclusionary and fetishistic. As exclusionary, the efficient marketeer cannot manifest care alongside their market behaviour. As fetishistic, the efficient marketeer cannot manifest care in their market behaviour. The conjunction entails that efficient market behavior inhibits care. It doesn't follow that efficient market behavior is vicious: individuals might justifiably commit to efficiency because doing so serves the common good. But efficient market systems nevertheless have significant opportunity costs. The discussion yields a range of desiderata for non-alienated economic organization.

### **Section One: Introduction**

In his *Notes on James Mill*, in 1844, Karl Marx complained that:

...the mediating process between men engaged in exchange is not a social or human process, not human relationship; it is the abstract relationship of private property to private property...men engaged in exchange do not relate to each other as men.

And here's Friedrich Engels (1845):

The relation of the manufacturer to his operatives has nothing human in it; it is purely economic.

I offer a contemporary version of this old objection to markets. I argue that efficient markets alienate us from one another by inhibiting care in market contexts.

Alienation objections to markets have surprisingly few defenders in contemporary moral or political philosophy – certainly as contrasted with distributive objections or concerns about exploitation.<sup>1</sup> One explanation of the waning influence of alienation objections to markets is a problematic inference from the fact that individuals can enter into exchanges for lots of different kinds of reasons. You can sell your cow to help yourself, to help the buyer, or perhaps to help the cow. It is often presumed to follow that any motives that might be required to avoid alienation can be encouraged in market contexts without altering the organizational infrastructure of the market system.<sup>2</sup>

But mere exchange - a voluntary transfer for consideration<sup>3</sup> - cannot have been what Marx and Engels had in mind, nor, for that matter, Philip Wicksteed, when he famously said that (1910, 180):

The economic relation does not exclude from my mind everyone  
but me, it potentially includes everyone but you.

For such a substantive economic relation, we need to turn to the arguments *for* the markets. In particular, we need to consider the ethical arguments based on

---

<sup>1</sup> For a sense of the richness of these other discussions, see Cohen (2008), Roemer (2017), Anderson (1993), and Satz (2010). As for the alienation objection: Liberal egalitarians generally avoid critiquing economic motives beyond the basic structure (for discussion, see Scheffler (2010, ch. 4), and Cohen (2008, chs. 1 and 3)). Libertarians are satisfied with exchanges that respect basic rights (cf. Friedman 1970, Brennan and Jaworski 2015). Discussions among socialists tend to be either uncritical of market alienation (Cohen (2001, 81); Honneth (2017, 16)); or unduly optimistic that the basis for would-be alienation in market relationships can be compensated by other areas of social and political life (Miller 1989, ch. 8; Carens 1981, 204-6). There are two exceptional accounts of Marxian alienation: Brudney 1998 and Kandiyali 2020. However, these theorists do not engage directly with the arguments *for* markets. Meanwhile, a related alienation objection to impartial moral theories has been extremely influential in contemporary moral philosophy: especially Williams 1973, Railton 1984, Wolf 2012b. There are no applications of these contemporary discussions of alienation in moral philosophy back to political economy.

<sup>2</sup> For discussions of this 'mixed motive' defence, see Folbre & Nelson (2000), Sudgen & Bruni (2008), Brennan and Jaworski (2015), Sverdlik (2011), Di Norcia and Tigner Larkins (2000).

<sup>3</sup> This is the standard definition; for discussion see Brown & Maguire (2019).

Smithian efficiency models.<sup>4</sup> These ethical arguments provide justification for behavior in conformity with the presuppositions of the efficiency models. A certain motivational profile is a constituent of the economic systems envisaged by these arguments. As I will argue, motives in efficient market systems have two features – being exclusionary and being fetishistic – that inhibit a range of desirable modes of engagement.

It is often alleged to be an empirical question which motives predominate in which circumstances.<sup>5</sup> But this is an *a priori* result, based on the presuppositions of the efficiency-based arguments for market participation, and drawing on some pertinent developments in moral psychology and normative theory. My critique is directed at any economic system that has justificatory support from the ethical efficiency argument for market systems. The conclusion is that the efficiency benefits of markets necessarily come with a significant cost.

This cost is not an *intrinsic* disvalue, or an inherent vice, in market systems. On the contrary, I allow that market motives in market systems, given suitably benign political and social institutions, could manifest mutual respect and even a certain kind of community. However, they are incompatible with caring about one another and recognizing that we care about one another in productive contexts. I think this opportunity cost is very significant. This is like walking through the Highlands without enjoying the view, or reading *Ulysses* just so you could say you did. An alternative economic system that better enables recognizable care in production could improve the quality of our lives together very significantly.

My conclusion falls short of constituting an argument for abolishing markets, because we don't yet have a satisfactory sense of what they might be replaced with. On this point, here's G.A. Cohen (2009):

---

<sup>4</sup> It is common (following Sen (1985) to distinguish consequentialist and deontological (freedom or rights-based) arguments for markets. I'll mostly set aside the latter. Among the former, some concern the inculcation of virtues or the egalitarian advantages of markets. I'll mostly set these aside as well. I will focus on that large class of Smith-style invisible hand arguments according to which there is a domain of market activity the nature and point of which justifies a choice principle for participants. Important instances include Heath (2014), McMahon (1981), Jensen (2002), Sen (1977, 1984), Hansmann and Kraakman (2000), Boatright (2000). On the relation between such domain-specific justifications for profit-oriented behavior and 'stakeholder' theories, see Heath (2014) and Hansmann and Kraakman (2000).

<sup>5</sup> And for their part, sociologists tend to restrict themselves to such empirical questions; see, for instance, Callon (1998); Fourcade and Healy (2007).

...the principal problem that faces the socialist ideal is that we do not know how to design the machinery that would make it run. Our problem is not, primarily, human selfishness, but our lack of a suitable organizational technology: our problem is a problem of design.

The present argument is a contribution to our understanding of the socialist ideal. I do not know whether there is any feasible economic system that yields a better balance of all the values that ought to bear on such a thing. That question awaits more interdisciplinary research. I'll say one or two helpful things at the end. But even if there is no feasible non-market economic system, it is important to be clear-eyed about the shortcomings of market systems – not least, so that we can attempt to mitigate them.

## **Section Two: Alienation**

Alienation is the state of being problematically inhibited by certain kinds of agential structures from certain kinds of positive engagements.<sup>6</sup> This is a complex relationship between the alienated *agent*, a specific kind of engagement (with a patient, or an activity, or themselves) that they are alienated *from*, and some agential activities or structures that they are so alienated *by*. To make this more concrete, we need substantive conditions for the various argument places in this relation.

I will be arguing that markets inhibit a certain kind of positive engagement, so let me start by saying what kind of engagement I have in mind. Discussions among Marxists emphasize serving others by responding directly to their needs. Here is Cohen (2009), for instance: “I serve you not because of what I can get in return by doing so but because you need or want my service, and you, for the same reason,

---

<sup>6</sup> For helpful discussions of alienation, see Schacht, 1970; Kain, 1982; Wood, 1999; Brudney, 2013, 2014; Jaeggi, 2014; Leopold, 2018, and O’Neill and Gilibert 2019; and Kandiyali 2020. Generally, the significance of my argument is conditional upon the importance of alienation as I characterise it, but not *as* the only interesting characterization of alienation, Marxian or otherwise. For a more Kantian approach, see Forst (2017).

serve me.” There is a question about how best to understand this. Suppose that I were to serve you, seemingly responding directly to your needs, but only because I want something from you. This purely instrumental attitude, that one might have towards an enemy or a machine, is not plausibly the kind of service that Marxists have in mind. For instance, Daniel Brudney says that “in communist society, ...my production would be *for* your needs” (1998, 174, Brudney’s emphasis); Kandiyali maintains that in communism, “I have produced with the motivation of helping you satisfy your needs” (202, 565; see also Honneth 2017, 23). Similarly, critics of impartial moral theories almost unanimously emphasize the importance of direct motivational responsiveness to others.<sup>7</sup>

The Marxist theorists discuss other conditions of non-alienated engagement, too, in particular concerning the prospects for recognition of one’s service. I’ll return to this in a moment. But the focus of the argument will be on whether one can *care about* another person while serving them in efficient market contexts.<sup>8</sup> I will work with the following necessary condition for caring about someone. If you care about someone, then, facing a set of options, one of which bears on their needs significantly,

FITTING MOTIVE: You are non-instrumentally motivated by the fact that the option would positively impact their needs.

The operative notion of ‘motive’ here is conative rather than affective: more like a constituent of one’s intention than something one wants. For example, someone who purports to care about the homeless in their neighbourhood, but never does anything to help despite having the means to do so, presumably fails to care. Someone who does help the homeless, but only in order to gain esteem from others for doing so, also fails to care. I assume that motives are moderately

---

<sup>7</sup> For examples and discussion, see Baker and Maguire (2020).

<sup>8</sup> I am heavily influenced here by the feminist tradition that emphasizes care, especially Diemut Bubeck (1995) and Joan Tronto (2013). However, it is important to distinguish care *about*, which is the multi-focal attitude I am concerned with, from care *for*, which is an activity of needs meeting. For some discussion of the distinct question of the compatibility of markets and care for, see Sugden and Bruni (2008) and the reply by Folbre and Nelson (2000). I do not assume that all alienation involves the inhibition of care. One might be alienated in virtue being inhibited from respecting someone, or admiring them, or being in on a joke with them. But I will focus on instances of alienation that do involve the inhibition of care.

counterfactually robust. If you care about someone, you will be motivated to help them out even if doing so is burdensome.

Not all caring is part of an ongoing relationship; one can care about a stranger one has just met.<sup>9</sup> However, I do assume that caring about someone is at least *potentially* part of a relationship, in the sense that actions that manifest care are generally signaled as such, and that this signal is ideally recognized by the recipient. Recognition of caring service is not merely the expressed belief that one has been so served, but the expression of the fact that one *cares* about the fact that one has been so served.<sup>10</sup> Recognition by the agent *of* this recognition by the patient “completes” the caring action.<sup>11</sup>

One can care about things other than people, of course – for instance about products and activities and ideals. The FITTING MOTIVE condition naturally extends to caring about other things for their own sake, with responsiveness to needs substituted by substantive conditions for honouring the value in question (cf. Anderson 1993). A good hatter will be responsive not just to fit but to aesthetic considerations, for instance, and a builder not just to the function of a building but its form. One can also hope for recognition for making beautiful hats, just not from the hat.

Let me say something about the role of *agency* in alienation. There is plausibly an ethically significant difference between separations caused by psychological or social forces, on the one hand, from those caused, for instance, by mountains.<sup>12</sup> One is not *alienated* from another just by virtue of living far away from them. But one can be alienated from another by racist norms, or austere etiquette norms, or unnecessarily complex bureaucracy. These two sides of alienation – alienation *by* and alienation *from* – tie together two strands in Marx’s writing about alienation: both our alienation from others in capitalism and the role of economic agency in

---

<sup>9</sup> Bubeck, (1995, 232). Even Nel Noddings, for whom, notoriously, all care is personal, agrees with this point; see (1984, 39).

<sup>10</sup> Cf. Brudney (2010, 152), Cohen (2009, 34).

<sup>11</sup> Marx, *MECW* 3, 217, 226, 228. For excellent discussion of completion, see Brudney (1997).

<sup>12</sup> I do not quite insist that this agency condition is essential for anything that can properly be called “alienation” (see fn. 6). For instance, it is felicitous to say that scholars can be alienated by a pandemic from engagement with their intellectual communities. The language is permissible. My point is just that this social structure condition nicely distinguishes an important class of cases.

creating and sustaining this alienation.<sup>13</sup> Market institutions are themselves partly sustained by individual actions that conform (intentionally or otherwise) to the ‘morality of the market.’

Let me turn now to the question of what in virtue of which the inhibition of care in productive contexts is *problematic*. The short answer is that caring about one another in production is an important good in life.<sup>14</sup> But this claim is itself contentious, and calls out for further explanation, both axiological and metaethical.

The standard Marxian line is that caring and recognition are constituents of self-realisation (cf. Elster 1986; Gilibert & O’Neill 2019; Brudney 1998; Kandiyali 2020; see also Hurka 1993, 3-5); the standards of self-realisation, in turn, appeal to the fact that productive service is an ideal part of human nature.<sup>15</sup> I have never found this explanation particularly satisfying: two natural and attractive ideas – the importance of care and of recognition – do not seem to be best explained in terms of an abstract theoretical idea with tenuous unity and metaphysically dubious grounds.

Rather, I would suggest that G.A. Cohen’s notion of community (2009) – that people care about one another, and care that they care about one another – more neatly and attractively systematizes these values. And there are other direct sources of support for these ideas, too. The importance of caring about value is emphasized in Susan Wolf’s theory of meaningfulness (2012a) and Thomas Hurka’s (2001) theory of virtue (as well the discussions of non-alienation in moral philosophy, noted above).<sup>16</sup> Theorists such as Axel Honneth (2003, 2017), Daniel

---

<sup>13</sup> See *MECW* 3, 154, 217, and *MECW* 35, 616, for instance. These two strands are partly reflected in the different usages of “Entfremdung,” for the state of being estranged, and “Entäusserung” for the activity that causes the estrangement.

<sup>14</sup> I restrict my attention to questions about being problematic in terms of a loss of important values rather than in terms of a conflict with standards of justice. For discussion of the claim that non-alienated labour is a requirement of justice, see Kandiyali (2020, 584).

<sup>15</sup> The modal status of these appeals can vary. Most strongly, with Marx, these appeal to what is essential to human nature. More weakly, these might appeal to sufficiently robust facts about human beings, with human beings perhaps restricted by some prior ethical condition (as in Aristotle’s minimal decency or Rawls’s reasonableness).

<sup>16</sup> It is not a coincidence that Hurka (1993) criticizes perfectionism, and Hurka (2001) develops this powerful alternative (see his discussion of this point in 2001, vii).

Brudney (1998), and Nancy Fraser (2003) have characterized the importance of recognition in our social lives.

But these further explanatory remarks are not essential to the argument. I just need that *some* such plausible story can be told. The important thing, dialectically, is to separate out two possible sources of disagreement. Firstly, one might dispute that the notions of care and recognition that I am employing constitute constituents of one worthwhile way of theorizing about non-alienation. But this would be an uphill struggle, even without any appeal to self-realisation. Secondly, one might take issue with either the axiological conjecture that non-alienation so understood is valuable, or the metaethical basis on which some such axiological conjecture is defended – perhaps by arguing that this requires a dubious essentialist metaphysics, or an otherwise problematically objective theory of human flourishing. I will not engage this kind of scepticism any further here.

### **Section Three: The Ethical Efficiency Argument and the Alienation Objection**

#### **3.1 Marxist Objections to Capitalism**

I presume that ‘capitalism’ picks out that subset of market systems in which one class disproportionately owns the means of production, and the other, in virtue of that fact, systematically earns less than the value of their labour.<sup>17</sup> The primary motivation for *market*-based socialisms is to retain the consequential benefits of market systems while avoiding capitalist inequality and exploitation. I remain neutral about whether the market socialists are right about this – that these broadly distributive injustices can be resolved, at least in principle, in the context of non-capitalist market systems (cf. Miller 1989, Carens 1981, Roemer 2017). However, I think the alienation objection applies to all efficient market systems. In this sense, the alienation objection cuts deeper than the inequality and exploitation objections to markets. The version of the argument I develop is compatible with the

---

<sup>17</sup> This is the first condition of capitalism in Fraser (2014, 57), Cudd (2012, 6), and Gilibert & O’Neill (2019). See also see also Elliot (1976, 165).



presumption of robustly socialist background institutions – and indeed, I will presume them in what follows.<sup>18</sup>

### 3.2 The Ethical Efficiency Argument

My argument targets the behavior that would be justified by the efficiency argument for markets. The efficiency argument takes Smith-style invisible hand efficiency models as a premise, as it were, and advocates the kind of behavior, in the relevant contexts, that would collectively realise Pareto efficiency. This is a domain-specific indirect consequentialism, with a heavily restricted axiology. This principle does not direct individuals to perform efficiency-maximising actions. Rather they are directed to conform to their roles in the efficiency-promoting system.

The most significant version of such an ethical theory has been developed by Joseph Heath (2014; see also McMahon 1981). Heath focusses on the manager in a mid-sized firm. Each manager is directed to promote the profit of their own firm, within a range of legal and ‘beyond compliance’ constraints: in addition to being respectful of contracts and basic legal infrastructure, managers ought not engage in monopolistic behavior, for instance by colluding to keep prices higher than the market clearing price, and they ought not to exploit informational asymmetries, for instance by misrepresenting the quality of their products. The rationale for these constraints is provided by reflection on the ideal functionality of the market system, namely to use price-responsiveness to allocate scarce valued resources across the system efficiently. Call this commitment to pursuing the profit of their firm subject to the constraints their *commitment to profitability*.

An individual marketeer might have such a commitment for different reasons. Importantly, they might have this commitment precisely on the basis of the indirect consequentialist justification. Assume that they do. This justification is not one of their first-order motives; it is a higher-order justification for the principle that issues in these motives. But it is not morally idle. Such a *benevolent marketeer* might be reliably disposed not to participate as an efficient marketeer if they come

---

<sup>18</sup> The simplest example is with the Carens’ scheme (1981), in which individuals are explicitly directed to earn as much pre-tax income as possible in private firms, in order to do their social duty.

to believe that doing so would not conform to an optimal rule (either on the ethical grounds that this was not the right rule, or on the economic or psychological grounds that the conjunction of the various assumptions didn't hold).<sup>19</sup> Indeed, the whole community might be known to accept the authority of market principles on this basis; this might well be a source of mutual respect and one kind of recognition – care that we respect one another.<sup>20</sup>

### 3.3 The Exclusion-Fetishism Argument

In my view, the primary instance of alienation is the owner-manager's relationship with customers, employees, and competitors. Both workers and capitalists are alienated by the kinds of interactions that they enact by participating in the capitalist mode of production. But capitalists have more effective choice about whether to participate in this production and on what terms. (This is perhaps why, in *On the Jewish Question*, in 1843, Marx maintained that the behaviour of profit-oriented capitalists, rather than workers, constitutes the "the *supreme practical* expression of human self-alienation" (MECW, 3, 170).)<sup>21</sup>

I focus on owner-managers of mid-sized firms in competitive markets. Grant all the assumptions needed to support the indirect consequentialist justification of their commitment to profitability, and assume managers and other economic

---

<sup>19</sup> Cf. Miller (1989, 221); Brennan (2012); Thomas (2011, 1126).

<sup>20</sup> Compare Miller (1989/2002, 221). Hence G.A. Cohen hyperbolized when he said that the market is "intrinsically repugnant" (2009). So, unsurprisingly, did Marx (1844): "The only wheels which [capitalism] sets in motion are *greed* and the *war of the avaricious – competition*."

<sup>21</sup> In virtue of these alienated relationships, managers are also alienated from their product (insofar as they are not guided by the meeting of needs as such, but by the prospect of exchange at market prices), and their own activity (assuming they have the right values). This relation of alienation is symmetric with other profit-oriented competitors. Customers are derivatively alienated from profit-oriented managers, and from their products, insofar as the manager's commitment to profitability is sufficient to preclude a certain relationship of caring recognition between them (more on this later). Customers may also be alienated non-derivatively from products and producers insofar as they exchange products precisely in response to the maximization of their household's narrow material interest (as required to avoid 'consumption externalities'); but I do not address this question directly here. Employees may also be non-derivatively alienated in the same way, e.g. in a willingness to switch from one job or community or product to another just on the basis of income-maximisation. (Here I'm distinguishing the alienated manager deciding to sell inferior widgets from the alienated worker readily disposed to make them.) For reasons of space, I also do not address the fiduciary relationship between shareholders and managers, and between managers and employees.

participants accept this justification for their commitment. Assume the most benevolent of background political and social institutions.

There are two ways the marketer's motives in market contexts might meet the FITTING MOTIVE condition: either if they have fitting motives alongside their market motives, or if their market motives are themselves fitting motives. I argue against these in turn. The commitment to profitability is exclusionary. This rules out FITTING MOTIVES alongside market motives. And market motives are fetishistic. This prevents market motives themselves from meeting this condition. I argue for these two claims in the next two sections. In the final section, I respond to three objections.

One further restriction is important. The ethical efficiency argument for markets is, to some extent, constrained by the 'problem of the second best' (Lipsey & Lancaster 1956), according to which, if the optimal conditions for some outcome don't obtain, it doesn't follow that approximating those conditions will approximate the outcome. It follows that the ethical efficiency argument does not, as such, provide support for a system of mixed commitments – to profitability and to other pertinent 'stakeholders.' It is unclear what becomes of the ethical efficiency argument when individuals are systematically representing a range of different interests in their price-oriented behavior.<sup>22</sup> I'll consequently restrict the discussion to unmixed commitments. It is a task for future work to consider ethical arguments for mixed commitments in second-best market systems.

## **Section Four: Part One: The Exclusionary Argument**

### **4.1 Exclusionary Commitments**

For a commitment to be exclusionary is for that commitment to be inconsistent with being motivated by a certain class of reasons in the relevant context.<sup>23</sup>

---

<sup>22</sup> On this point, see especially Sen 1984; see also Matthews (1981), Heath (2014); Hansmann and Kraakman (2000).

<sup>23</sup> Raz (1976). In Raz's work, *being exclusionary* is a normative property stating a normative relationship between one reason and some others, according to which the first reason – the 'higher-order' reason – makes it the case that one ought not respond to the others – the first-order reasons. I am introducing a psychological analogue of this normative relationship.

Exclusionary commitments are rather common. Perhaps you promise your partner to decide which school to send your child to just on the basis of your child's education, and hence not on cost, or impacts on others, or nostalgic preference (Raz 1976). A good teacher will grade a paper on its merits, unmotivated by the impact on the student's career prospects. A good judge would be unmotivated by their personal relationship with the accused.

There are three earmarks of exclusionary commitments. Firstly, these other considerations – e.g. concerning the impacts of your school choice on other children – are still reasons, in some relevant sense. Relating to this, secondly, one may well be affectively responsive to them: perhaps regretful about these implications. And thirdly, one might be motivated by these considerations in counterfactual contexts. Perhaps one sends an email, expressing regret that one couldn't bend the rules in this case. But still, one will not be *motivated* by these reasons in the context of deciding about school choices.

#### **4.2 The Commitment to Profitability is Exclusionary**

The commitment to profitability is exclusionary. The efficient marketeer will make decisions – about which products to sell to whom under what circumstances, about hiring and firing, about which products to produce or discontinue, which factories to open and close – all on the basis of what will best promote the profitability of their firm, and not on the basis of loyalty to staff, or a sense of pride in making beautiful clocks.

The rationale for this is given by the efficiency argument itself.<sup>24</sup> Marketeers ought not engage in monopolistic behavior, for instance by colluding to keep prices higher than the 'market clearing' price. This rules out not just self-interested behavior to keep prices high, but also putatively altruistic behavior on behalf of other firms. Imagine one firm saying to another: "We won't lower our [firm A's] prices, to capture your [firm B's] market share, since that would mean that you [in firm B] would need to cut your salaries." It is an open question whether the market at large will be better served by having firm B producing the same gizmos less

---

<sup>24</sup> A separate argument for exclusion maintains that managers have fiduciary duties to shareholders (cf. Friedman 1970), and that such duties are themselves exclusionary. I continue to set aside such deontological approaches to market ethics.

efficiently; with firm B's production process being valued by the market more highly than it should be; with the price of gizmos being higher than it should be; which in turn might lead to consumers buying more gadgets rather than gizmos, even though gadgets produce less utility, etc. In short, the 'kindness' to firm B is naïve in this case. Imagine firm B says in turn, "thanks, we will return the favour by reducing our production of widgets so that you can capture more market share at your higher production price." In the efficient market system, in responding to prices one already takes into account the impact of one's market behavior on peoples' interests. To attend separately to those interests on their own terms would involve a kind of 'double counting'. Attending to those interests separately would involve – so the argument maintains – a kind of naivety about the systemic nature of the decision-making context. For by giving this good to this person below market price, you are expectably depriving some needier person of the same resource or expectably creating less with more – either way misallocating scarce social resources. Any sensible economic ideal – an ideal that avoids 'romantic anti-capitalism'<sup>25</sup> – will require individuals to have some sensitivity to the social value of the scarce resources they employ in their productive activities, which in turn will require one to follow some kind of information-responsive allocation principle. The market provides such a principle.

Significantly, all three features of exclusion apply to efficient marketeers. Firstly, the commitment to profitability involves not being motivated by the excluded first-order reasons in market contexts; it doesn't entail that these other considerations are not reasons. The prospect of a loyal elderly employee's subsequent financial troubles – call him 'Morrie'<sup>26</sup> – and the fact that he has been loyal to the company for many years are bona fide reasons. The commitment to profitability excludes motivation by these reasons. Secondly, the commitment to profitability does not entail that the marketeer in charge will be indifferent to Morrie's plight altogether. It may be that the efficient marketeer has a range of affective (rather than motivational) attitudes that someone who cared would have. Perhaps the marketeer greatly regrets having to make this decision; wishes it were otherwise. The marketeer may also manifest caring motives towards Morrie outside the market context. But the efficient manager would not show preferential

---

<sup>25</sup> Miller (1989/2002, 208).

<sup>26</sup> Morrie Cohen was "dismissed because it no longer paid the boss to pay him" (Cohen, 2000, 181).

treatment, for instance by allowing Morrie to work for an extra month until he is eligible for retirement. Nor would the efficient marketeer, considered just as such, be in any way motivated to do so, since doing so would only hinder profitability. And thirdly, were it not for the exclusionary commitment, the agent might well be motivated to help. This is compatible with caring about the other more generally – and might well be common knowledge between the two of them. The marketeer might well be motivated to help Morrie in other contexts, and perhaps to apologise that economic imperatives forced the choice in this case.

These exclusions only apply in the appropriate contexts. One's commitment to being a good teacher only constrains one's motives qua teacher. If you are grading your son's paper, your commitment to being a good teacher excludes facts about his prospects from motivating you. But these facts can reasonably motivate you when he falls sick during class. The exclusionary nature of efficient exchange does not mean that buyers and sellers cannot care about each other at all. It means that the efficient buying and selling cannot manifest<sup>27</sup> their caring about each other.

This is important. I'm not arguing that you cannot care about someone with whom you interact on efficient terms in market contexts. I'm arguing that your efficient market interactions cannot manifest your care about each other, given that care involves the FITTING MOTIVE condition. That is all I need for my argument. Excluding care-based motives in a context is not incompatible with manifesting care in other contexts. But it is incompatible with manifesting care in this context alongside one's market motives.

### 4.3 Exclusion in Non-Ideal Contexts

It is important to note that the exclusionary nature of the commitment to profitability does manifest itself in non-ideal contexts – so long as they are not *too* non-ideal.<sup>28</sup> To see this, just think about other exclusionary activities. I am no perfect teacher, and I do not operate in a perfect educational system. But I still omit

---

<sup>27</sup> I intend 'manifest' to mean something like 'partially constitute' here, rather than the sense of 'manifest' in which it is consistent with the possibility of insincere signalling.

<sup>28</sup> Under *sufficiently* non-ideal conditions I permit welfarist considerations to influence my grading. And likewise with efficient markets. But then we encounter second-best problems, as noted above.

to give students grades on the basis of need rather than merit. And, in doing so, I am often not motivated at all by their need. The exclusionary nature of promising, requesting, planning, etc., also clearly persist in non-ideal contexts. Similarly, in deciding who to fire, who to hire, who to buy from, who to sell to, on the basis of profitability, one is thereby not (first-order) motivated at all by the welfare of implicated individuals (compare Wicksteed 1910, 180 and Heath 2014, 102).<sup>29</sup>

## Section Five: Part Two: The Fetishism Argument

### 5.1 The Fetishism Argument

The exclusion argument purports to establish that one cannot manifest care in addition to efficient market motives in one's participation. But this leaves open the question whether one's market participation might *itself* manifest care for one's co-participants. For comparison, the promise only to consider one's child's welfare in choosing which school to send them to, while exclusionary, is clearly compatible with manifesting care for one's child. In this section, I'll argue that the motivations of efficient marketeers are fetishistic and so fail to meet the FITTING MOTIVE condition. Of course, the central point here isn't exactly that the end is fetishistic – and as it will turn out, that term has a somewhat slippery meaning. Rather, the point of the discussion of fetishism is to draw out the contrast with FITTING MOTIVES.

We can start with this. Caring about an end for its own sake, and hence, *inter alia*, being motivated by its interests as such – is fetishistic if the end is not valuable in itself.<sup>30</sup> It may still make perfect sense to adopt the end. Trying to score more goals than the other team, or bag all the Munros, or start work at 9am would be fetishistic if one cared about these things for their own sakes.

---

<sup>29</sup> It is an interesting question for another time how the exclusionary nature of efficiency connects with the exclusionary nature of property more generally, which latter is also clearly significant in non-ideal contexts.

<sup>30</sup> Cf. Smith 1994, 75; Frankfurt (1988). Marx uses 'fetish' slightly differently; for discussion see Leopold 2018.

Consider an analogy with ecological systems. We might aim to increase ecosystem health, not because we care about the ecosystem, but because we care about the individual animals in the ecosystem and aiming to increase ecosystem health is the best way to help all the affected animals given either our ignorance about the holistic dynamics of the ecosystem or the difficulties and risks in intervening accurately. As this example suggests, it might make perfect sense to have a fetishistic end in a sufficiently complex system given a sufficiently challenging epistemic situation. And indeed, this is a decent metaphor for the kind of epistemic challenges presented by the standard Hayek-style knowledge arguments (cf. Hayek, 1945), building on a Smith-style market system.

Just so, the efficient marketeer's orientation is fetishistic. The efficient marketeer *qua* marketeer is directed - by the terms of the efficiency models, their own functional role, and the associated ethical arguments - to promote profit in market contexts. This end, the profitability of their firm, is not valuable in itself. And efficiency, as such, is not non-instrumentally valuable. I'm eating a banana and you an orange when we would prefer to have switched; but I still really like bananas.

Of course, sometimes giving someone a bonus, or retaining an inefficient elderly employee, or improving safety standards, will improve overall productivity. Happier and safer and more secure workers are generally more productive. The profit-maximising marketeer will be motivated to provide such a bonus. Strictly speaking, though, the marketeer's motive is of the form 'this happiness-inducing action will make these workers more productive,' not simply 'this happiness-inducing action will make these workers happier.' Not only do facts about persons fail to appear in the content of the efficient marketeer's motives, facts about their welfare also fail to appear.<sup>31</sup> Furthermore, the efficient marketeer will abandon any motivation to take the option that benefits some salient individual (whether an employee, customer, or what have you, and irrespective of their non-market relationship) in a market context whenever doing so ceases to contribute to profitability (subject to the constraints). Just as enlightened self-interest isn't altruism (being nice to someone's mother so they'll go out with you isn't a way of

---

<sup>31</sup> Cf. McMahon (1981, 269) on the irrelevance of 'proper names' in market decisions.



caring about their mother), so enlightened profitability does not manifest care for co-participants.<sup>32</sup>

The argument here is analogous to, but cuts deeper than, the objection to impartial moral theories that they yield unduly abstract motives in friendly contexts. The Act Consequentialist can avoid some of these concerns because they can be motivated by considerations bearing on an individual's welfare *as a way* of caring about the general welfare.<sup>33</sup> But the marketeer's objective is not to promote the general welfare, nor even to promote a part of the general welfare. They are at least two removes from that objective. They are aiming to promote the profitability of their own firm, thereby to promote efficiency, which can contribute to the general welfare. Facts about the good of individuals don't play any role in their first-order reasoning at all.

---

<sup>32</sup> For further discussion of 'enlightened' behavior in market contexts, see Jensen (2002, 245) and Heath (2014, 79). This applies to both of two schools of thought – the Walrasian 'coordinating' model and the more recent 'creative bargaining' model (Ostroy and Makowski 2001).

The coordinating model assumes (like the welfare theorems) that competitive firms are, by and large, price takers, so that the marketeer is responsive rather than proactive; prices direct activity, in the first instance, and individual market participants merely respond in profit-oriented ways. Managers need not be looking for ways to make profit *at each other's expense*. Rather, they respond to prices as given representations of prevailing social valuation of scarce resources, in ways designed to maximise the profit of their own firm. On this coordinating model, managers can continue to manifest creativity in their choice of what to produce, and their non-market choices, such as the division of tasks, between workers, and between workers and managers.

The coordinating marketeer knows people only make exchanges that benefit themselves relative to social cost. They know that in hiring and firing, buying and selling, their allocations of resources, in also being so responsive to interest and social value, conform to optimal efficiency rules. Everyone just wants resources allocated with maximal efficiency, and everyone knows the rules. So, when the cost of one factor increases, so that employers have to lower wages, they expect to lose a percentage of staff, and the staff know this too. No hard feelings. Similarly, the coordinating marketeer isn't *competing* with the customer either, really. The price is the price, and you have whatever stock you have, and they want it at that price or they don't. There is a sense in which they are competing with their competitors, of course, for each is trying to innovate the production process to capture market share. The proscription on exploiting information asymmetries doesn't require one to share new production techniques.

On the bargaining model, marketeers bargain 'creatively' for the terms of an exchange; and prices reflect this bargaining process. Individuals need to attend carefully to the particular situation of their opposite number, and to the needs and interests of consumers in the future, and they need to respond creatively and dynamically to opportunities that they see and create. Here, individuals are more actively engaged in the market process as adversaries. A defence lawyer might work hard to defend a client they know is guilty only because of their common-good argument for the adversarial trial system. Likewise, the bargaining marketeer might work hard to make a profit at another party's expense only because of their common-good argument for the adversarial market system.

<sup>33</sup> Cf. Baker and Maguire (2020, 406).

## 5.2 The Sophisticated Marketeer reply

This appeal to the consequentialist literature suggests an alternative response. I have been assuming that the efficient marketeer is always motivated by profit as such. But this assumption is actually rather dubious. Managers who ruthlessly fire staff, close factories, and lower the quality of their products in precise responsiveness to profitability calculations, are probably less successful at promoting the profitability of their firms than managers who exercise compassion, show loyalty, and who *are* guided by the 'laws of beauty.'

Profitability, like happiness, is not best promoted directly.<sup>34</sup> The standard on motives yielded by the ethical efficiency arguments is even more indirectly consequentialist: have whichever motives most conduce to one's firm's profit-maximisation (within the beyond compliance constraints). Hence, if there were various caring motives that better conduced to profit-maximisation, these would, in fact, be justified by the ethical efficiency arguments. Consequently, the objection continues, the marketeer can, at least in some cases, meet the FITTING MOTIVE condition while complying with the efficiency models. This 'sophisticated marketeer' (modelled on Peter Railton's (1984) 'sophisticated consequentialist') is not simply a long-game profit-hunter. Their motives are conditional rather than instrumental. They really do (take themselves to) care about their customers, their products, and their employees. It is just that these concerns are regulated by a higher-order disposition to retain such a set of commitments in market contexts only if it conduces sufficiently to profitability over some suitable time-horizon.

There are two problems with this defence. The first is that it can't capture all the cases. A manager who is only motivated by loyalty, compassion, and aesthetics might survive for a while in a competitive marketplace. But insofar as they are genuinely responsive to some higher-order condition of long-run profitability, there will be many situations in which they face a choice between these values and their commitment to profitability. Indeed, the main point of the ethical efficiency arguments is to provide a justification for the kinds of deviations from 'ordinary morality' that are likely in competitive market contexts.<sup>35</sup> They have some

---

<sup>34</sup> Cf. Railton (1984, p.140 and following)

<sup>35</sup> See especially McMahon (1981).

justification for prioritising profitability in such cases, namely the ethical efficiency argument, together with the presumption of political institutions that provide unemployment benefits, lifelong education, etc. It follows that the sophisticated marketeer will not have sufficiently robust fitting motives.

The second problem concerns their commitments themselves. Consider an analogy from Cocking and Oakley (1995). An ambitious young philosopher befriends an older professor to advance their career. The young philosopher comes to care about the older professor. But the conditionality remains: if the relationship ceased to be professionally advantageous, the younger philosopher would withdraw. This relationship is better than acrimony. But still, there is clearly something problematic about this relationship. According to Cocking and Oakley's diagnosis, the 'governing conditions' of the young philosopher's commitment to the relationship are incompatible with friendship. This explains our inclination to say that the young philosopher doesn't *really* care about the older professor.

Likewise, there is something problematic about our sophisticated marketeer. The problem is not just with their first-order motives, which I grant will sometimes meet the FITTING MOTIVE condition. The problem is rather with their governing conditions – their commitments themselves. They often ask after your children, but they won't consider the impacts on you or them in deciding to switch production knowing you'll lose your job and probably have to move across the country. Again, there is a good rationale for this, and I'm not saying the choice would not be justified all things considered. I'm just drawing attention to a feature of the practical reasoning of the efficient marketeer. Just like the ambitious philosopher, the nature of their commitment, and not just their motives, is in tension with what it is to care about their employees in market contexts.

## Section Six: Three Objections and Some Refinements

### 6.1 The Games – Markets Analogy

Lots of activities are exclusionary and/or fetishistic without being problematic. Exclusion is a common feature of social roles, as illustrated by the examples of judges, teachers, etc. Some activities are both exclusionary and fetishistic: in particular, competitive games. But competitive games seem unproblematic. I have argued that efficient markets are exclusionary and fetishistic, but it doesn't follow that they are in any way problematic.

Competitive games are usefully analogous to efficient markets in various respects: both involve intrinsically valueless ends (e.g. getting a small ball into a distant hole) and both are exclusionary (since one ought not be motivated in the relevant context by one's opponent's concern to win). Games have a process-inducing end rather than an intrinsically or consequentially valuable end.<sup>36</sup> This offers another line of defence for efficient markets. As noted above, a benevolent marketeer will recognize that the pursuit of profit is not something that the marketeer cares about for its own sake, but rather for the sake of the efficiency benefits that ultimately accrue across the system.<sup>37</sup>

The problem with the analogy is this. Competitive games are constituted by attempts to engage in otherwise *unnecessary* activities (Suits, 2005; set aside so-called 'serious games' (Flanagan 2013)). You wouldn't be running around on a court, or hitting a small ball with a metal stick, if you weren't playing tennis or golf. But we would still need to look after elderly people, build houses, educate students, heal the sick, clean our toilets, etc. even if there were no market for these activities. This is true of lots of other institutional activities as well. If we didn't have the institution of 'parent' or 'teacher' or 'judge' or 'marriage' there would still be child rearing and educating and punishing and love.

---

<sup>36</sup> Cf. Nguyen (2016, 125).

<sup>37</sup> Compare Miller (1990, 221).

It is plausible enough that efficiency is the ‘point’ of a *market* system.<sup>38</sup> But it doesn’t follow that efficiency is the only point of all our economic behavior. The organizational structure of markets – extrinsic motivation, competition between firms and between firms and customers, decentralization information provided in exchange, a certain division of responsibilities, all impersonally commensurated across a massive system – is clearly not essential to all the underlying economic activity (even if we attend just to traditionally marketized activities, setting aside reproductive labour, caring labour, state-based economic activity, etc.). This raises the question of what are the relevant values at stake in all this economic activity. Plausibly enough, efficiency is a desirable feature of any economic system, *pro tanto*, and other things being equal. But in the case of economic organization, other things are never going to be equal. And it is not at all plausible that efficiency (together with respect for property rights) is the *only* desirable feature of all this economic activity.<sup>39</sup>

Interestingly, it would be better if economic organization were *more* like the organization of games, in one sense. Games are designed to realise values instantiated in the activity rather than by consequences of the activity. In the case of markets, the opposite is true: the system is not designed to be responsive to values instantiated in the activity at all (beyond respect for property rights). The system is designed consequentialistically, in this sense. But there are many values that can be instantiated in productive activity. This is where there is the potential for a tremendous opportunity cost. Just as the value of friendship is not just the value of the benefits that friends provide for each other, the values realizable by participants in an economic system far outstrip the benefits of efficiency.

I offered a sketch of some of these values earlier, referring to meaningfulness, authenticity, and recognition. The dialectical point, in response to the games-markets analogy, is simply that there are many important values at stake in economic activity, many of which are central to the good life, and many of which are inhibited by efficient market participation. There is, in consequence, a significant opportunity cost to markets. Rather than games, markets are more

---

<sup>38</sup> Compare the assumption in the title of Heath (2019): “Is the Point of the Market Pareto or Kaldor-Hicks Efficiency?”

<sup>39</sup> It is likely that Joseph Heath would agree, since he understands the end of Pareto optimality as a ‘third best’ solution to the problem of economic organization (2014, ch. 7).

analogous to activities in which some end is pursued without realizing the values that can be instantiated by alternatives: opaque but moderately efficient bureaucracies, or 'teaching to the test,' or walking through the Highlands without enjoying the view.

## 6.2 Caring Beyond the Market?

Consider another objection. Even if market interactions themselves fail to meet FITTING MOTIVE and thereby fail to manifest care, the market system is just one part of a larger system of social organization. Individuals are free to manifest care for one another in their personal lives and perhaps in their political lives. (And, their market interactions may well manifest mutual respect.) This line of thought is naturally allied with skepticism about whether care in production is a necessary constituent of the good life. The alternative suggestion is that, insofar as care about others is a constituent of the good life, what matters is that one cares about others *in certain domains*, and perhaps that one cares about others *enough* across the sum total of one's social interactions.

One thing the exclusion-fetishism argument might yield is an ethical justification for *limits* to markets, precisely at the point at which they begin to restrict the scope for individuals to manifest enough care for one another. This is already an interesting result, for this argument is not represented in the contemporary literature on the ethical limits of markets, most of which focusses on specific goods (such as organs or sex), or types of goods (such as 'noxious' goods in Satz (2010)), rather than on the opportunity costs of extensiveness of the commitment to profitability in social life as such.

This connects with another line of defence specific to market socialism. Suppose that our basic needs were guaranteed beyond the market: not just health care and lifelong education, but guarantees of free time, a safe working environment, well-designed recreational spaces and robustly funded public arts. Throw in a comfortable basic income. There are tricky political and economic questions about provisioning this, but set them aside for now. Suppose that market systems were carefully restricted just to the distribution of private resources that we merely want

– leather jackets, haute cuisine, and subwoofers. It seems reasonable enough that people ought to trade-off their access to some of these goods with their access to others. Suppose that sufficient overlap might be found between such a restricted market system and the domain of mere wants. Does this offer the prospect of a market without alienation?<sup>40</sup>

I don't think so. There are two key points here. The first point is that we can manifest care not just in the meeting of basic needs but in providing anything of significance to someone. In friendship, for instance, the spontaneous indulgence of a whim can be just as meaningful as providing food. Likewise, a pastry chef might show their love by agonizing over tiny details in a cake. You can manifest the fact that you care about me by fixing either teeth or my speakers. By doing the latter, you can also manifest your care about music appreciation.

The second point – and this is also why the alienation argument doesn't merely establish a justification for *limits* to markets – is that the non-market values under consideration (meaning, authenticity, recognition, etc.) are at stake even in relatively small-scale interactions.<sup>41</sup> My meeting your need and your meeting mine, each out of concern for the other, realizes more value than our exchanging the same items each for our own sake. (I'm assuming we can hold other things fixed here, such as the extrinsic significance of the relevant needs.) The opportunity cost is, in that sense, *intrinsic* to an efficient market system of any size. But this value is also accretive. As relationships and institutions based on such mutual care constitute more of our lives together, with them grow relationships of trust<sup>42</sup> and loyalty, and mutual dependency, greater scope for compassion, less vulnerability, and, perhaps, less existential angst. Or to put the point conversely, the degree of alienation plausibly increases with the significance and extent of needs that are responded to 'abstractly' rather than directly.

---

<sup>40</sup> Compare Carens (2003, 146-148) and Kandiyali (2020, 574).

<sup>41</sup> This is implicit in Cohen's 'camping trip' example (2009).

<sup>42</sup> On the contrast between trustworthiness and mere reliability, and some connections between trustworthiness and continuities across one's commitments, see Baier 1991.

### 6.3 Caring Roles in Organised Institutions

This line of thought relates to a third objection, this time to the necessity of FITTING MOTIVE for care. I appealed to the FITTING MOTIVE condition to argue that profit-oriented market behavior is exclusionary and fetishistic. However, it might be objected that the FITTING MOTIVE condition is most plausible in paradigmatic cases of caring in *personal* contexts. It remains an open question whether this condition is an appropriate standard in *massive institutional* contexts, such as a globalized economy with complex and sophisticated divisions of labour and lengthy and complex supply chains. By contrast, it seems possible in such contexts that one might care about another precisely by conforming to a suitably well-designed role, even if it doesn't turn out that each individual's motives reliably conform to FITTING MOTIVE. This might well be the best way to think about conformity to price in a massively integrated economic system, given the efficiency argument. Conforming to the terms of the market system might well be how one manifests one's care for others in a complex economic system. The benevolent marketeer who follows the 'implicit morality of market' might thereby manifest care for other market participants by so doing – even if they don't meet the FITTING MOTIVE condition. So runs this line of reply.

It is true that the specific standards of care in personal contexts, such as with close friends or family, cannot be expected to provide a fully satisfying set of standards for interactions in a massive economic system. There are degrees of attentiveness to one's friends that one could not possibly meet for all of one's customers, for instance. In order for care to yield a fundamental ethical standard in economics, we need a theory of how standards of care vary in different kinds of contexts. This is a big task that cannot be fully undertaken here. However, I will aim to say enough to undermine the contention that ideal behaviour in efficient market systems is a fully satisfying way of caring about one another in our productive lives.

The first point to notice is that institutionalizing interactions can *enhance* an agent's ability to recognizably care about someone. There are various explanations for this. (i) *Specialisation can enable deeper engagement*: Divisions of labour don't need to be 'cretinising' (as in Adam Smith's pin factory). They can instead enable some



individuals to focus on specific needs while trusting that others individuals will focus on relevant other needs. Such a division of labour can facilitate *deeper* forms of engagement with distinctive values. (ii) *Collaboration can improve one's epistemic situation*: Institutions are valuable and dynamic sources of improved understanding about how to meet needs better. It is obviously not likely that one will know as much about one's customers or patients or clients as one does about one's children. However, it doesn't follow that one will not know as much about what will meet a specific need. Many idiosyncratic facts about an individual will be irrelevant to meeting a specific need. Much of the relevant knowledge is general. Institutions can greatly increase an individual's understanding of how to meet a need by professional training and ongoing knowledge exchange on large and small scales. (iii) *The value in integrating levels of caring engagement*: Plausibly, there are multiple agential levels of care in the ideal case: one individual, or several in collaboration, manifests care about one patient, as one amongst an identifiable group of patients with specific needs. This interaction is organized in the larger context of community care. These community interactions are, in turn, organized with other communities in the context of a larger caring political entity such as the state, and so on. Each level aims for a kind of fitting engagement with values suited to its level of organization, and a fitting engagement with agential entities at lower and higher levels of organization.<sup>43</sup> This is another important manifestation of our care about the fact that we care about one another.

There are also some familiar limitations associated with institutionalizing care. One concerns *transparency*: often, the larger the institution, the less transparent is the full justification for some particular choice both to agents and patients. Another concerns *standardization*. The greater the number of agents and patients managed by a given rule, the less responsive any application will be to the specific abilities of the agent and needs of the patient. This applies also to the agent's knowledge of their abilities and the patient's needs. A similar point applies to *commensurability of goods*: on the supply side, as the exchange value of one good is a function of the supply and demand of many others; and on the demand side, as the relative utility of one good is a function of all the other private goods the individual prefers to have than not. The more (kinds of) trade-offs that one's choice principle is responsive to, the less particular agents can be committed to meeting particular

---

<sup>43</sup> For more on this kind of level-specific suitability, see my 'Rewiring Ethics' (ms).

needs. Finally, there are issues concerning *domination*. It may improve efficiency or replicability to have a greater number of decisions managed centrally, but this leaves individuals with less discretion to make choices based on their knowledge of specific abilities, needs, and non-financial circumstances. This connects with the amount of discretion allocated to a specific role. The commitment to efficiency constitutes an extremely rigid limit on appropriate choices.

Now recall two structural features of alienation: firstly, that it comes in degrees, varying with the extent to which one manifests care and can expect recognition for one's productive endeavours, and that it is imposed by will rather than nature. I submit that productive institutions are more alienating, the worse they fare concerning the provision of caring enhancements and caring limitations (as introduced in the previous two paragraphs), relative to the extent to which these constraints are imposed by will rather than nature. And here it is striking that efficient markets fare poorly concerning all these standards.

In the case of the market, the allocation rule is responsive to all resource use by everyone across the global economy. It may be true that an individual accepts their role in the market system because everyone's doing so serves the common good. But the choice principle that guides their motives and behavior in particular market contexts leads them to make decisions on the basis of considerations that are very distantly related to the needs of the person they are ostensibly serving. There are various kinds of additional distance. These features intensify the degree of alienation between agent and patient.

Firstly, the price of the good is sensitive not just to the supply of this resource and the demand for this resource. It is also sensitive to the supply/demand functions for all the other resources that bear on its production. This sensitivity is, famously, invisible to the individual at the point of withholding a resource. This has a familiar upside, but also a less familiar downside, since the very invisibility of the mechanisms determining price means that often neither of us can know why you are withholding a good from me in a particular instance.

Secondly, an individual's willingness to pay a certain amount for a good is a *ratio* of need for this resource and needs for every other marketized good. To show the

difference, contrast a single adult with an adult with financial dependents, but with otherwise similar consumption patterns. Assume that the single adult needs the resource slightly less (for an equivalent health outcome). Still, plausibly the adult with dependents will be willing to pay less for the resource. In fact, willingness is not just a ratio of needs, for it is rather the individual's own representation of this ratio, which will be epistemically imperfect, and also susceptible to influence by various pragmatic factors.<sup>44</sup>

Thirdly, insofar as the price system plays an important epistemic role, it has significant limitations. As noted above, institutionalizing care can yield considerable epistemic *benefits*. The larger the organization, the greater their epistemic power, since they can draw on a sophisticated division of epistemic labour, enabling practitioners to research and teach in their area of specialization. On a smaller scale, practitioners can also share knowledge about local idiosyncrasies, as when trainee learns about the quirks of this type of customer or that in the neighbourhood, or an apprentice learns a culturally distinctive technique. By contrast, efficient marketeers will fail to be responsive as such to the standards of good housebuilding, or good breadmaking, or good public health – or indeed, by any type-specific standards at all. The pressures to maximise market share reward optimization thinking rather than ideal-oriented thinking, which, in turn, lowers trust in aesthetic and engineering expertise. The implications are, by now, proverbial.<sup>45</sup> And even if market pressures lead one to making excellent sourdough loaves, this will be a kind of coincidence, rather than an outcome guided by educated concern for the values at stake in their production.

Fourthly, the allocation system will usually itself be larger. The allocating institution in the market case is not the firm but the entire market economy. The logic of invisible hand arguments pushes for more extensive markets: more competition, more substitutes, more flexible factors of production (including labour), etc. This is also part of the 'logic' of the microeconomic models: the tendency is to bring more phenomena into market contexts – consider the Pigouvian (1920) response to externalities – or at least to use the logic of the market to police its own boundaries – here consider the Coase-ian approach to transaction

---

<sup>44</sup> Compare Elster on adaptive preferences (1986, 107).

<sup>45</sup> See, e.g., Marcuse (1964) and Tronto (2013, 129).

costs (1960). There is also an assumption of scale in Hayek's 'knowledge' argument (1945): in suitably small collectives, there will usually be better ways to get the information.

At this point, on behalf of efficient markets, one might appeal to the 'will' condition, arguing that the various inhibitions of care, and failures to enhance care, in market-structured production are imposed upon us by nature rather than by will, and hence are not alienating, any more than other natural constraints, such as the distribution of raw materials. And there some reasons to be sceptical. Consider the complexity of the supply chain in producing a car, for instance. Complete transparency is hardly likely to be worthwhile in any satisfactory productive system. But clearly *greater* transparency and control over larger patterns of production is possible. Greater discretion and control over the local deployment of resources is clearly also possible, even if at some cost to economic efficiency (which is an open question). Responsiveness to a larger body of evidence about how to meet specific needs is also clearly possible. And it is clearly possible to impose more structure on systems of production. One can care in an institution to the extent that that institution is responsive to two different levels of engagement: the overall distributive pattern of contributions and services and the individual level of engagement. Efficient markets can score fairly well on some distributive criteria. But they score very poorly on the individual criteria – this is precisely the point of the Exclusion-Fetishism argument.

### **Section Seven: Some Institutional Implications**

This discussion has suggested various approaches to mitigating alienation. One is to limit the scope of markets, meeting basic needs collectively and distributing on market terms only things that we merely want. This is an instance of a more general strategy. The extent of alienation in society is responsive to a number of gradable properties, in particular the degrees of distance between service and need: the invisibility of the price system, the complexity of trade-offs manifested in market behaviour, the exclusion of non-price-related information, and the overall size of the economic system. The extent of alienation in a society can be mitigated by institutions that are designed to reduce these degrees of distance.

But these reforms will run up against the grain of the efficiency arguments themselves, which, as noted, are constantly pushing to expand the domain of the market and to purify the standing of its own rules in its own domain. It is an open question for further interdisciplinary investigation what will remain of the efficiency arguments when the extent and nature of the market domain is modified this way or that to accommodate alienation concerns.

But market socialism is not the only decentralized alternative to capitalism.<sup>46</sup> There is another important class of alternatives, called ‘municipal socialism’ or ‘participatory socialism’ or ‘socialism from below’ (cf. Hahnel & Albert 1991, Guinan & O’Neill 2019, Robertson 2020). Here the emphasis is, in the first instance, on decommodifying the means of production, reallocating control of capital from private corporations to local workers and municipalities. This approach is more directly a response to worries about exploitation and inequality, set aside earlier; but this approach would also address worries about alienation, insofar as individuals and communities are empowered to reorganise production to meet one another’s needs. Furthermore, an economic system that motivates by intrinsic values rather than extrinsic incentives, and that is based on cooperation rather than competition, could even be more efficient than a market system. The emphasis on management ‘from below’ also offers a prospect for addressing Hayek’s ‘knowledge problem’; as noted, plenty of knowledge is underutilized by exclusionary responsiveness to the price system. These are all further questions to be addressed in the pursuit of a more ‘suitable organizational technology’ for socialism – both as an economic and a political system.

The central point is that the very depth and complexity of our productive interactions is a tremendous – and currently missed – opportunity to realize a range of important values in our productive lives. It seems worth entertaining the prospect of a more caring alternative: with individual caring relationships that are collaboratively responsive to relevant distributions of abilities and needs, at all levels of organization: the level of a particular service, an individual role, a particular organization, an industry; and that preserves important continuities

---

<sup>46</sup> Notice that central planning would also be alienating, since individual contributions are still a significant organisational distance from any needs-meetings.

with the values at stake in our un-marketised commitments – for instance reproductive and domestic labour, aesthetic pursuits, productive traditions and our relationship with the environment.<sup>47</sup>

---

<sup>47</sup> Thanks to [many people].

## Works Cited

- Anderson, E. (1993). *Value in Ethics and Economics*. Harvard University Press.
- Baker, C. & Maguire, B. (2020). 'The Alienation Objection to Consequentialism,' in the *Oxford Handbook of Consequentialism*.
- Baier, Annette. (1991). *Trust*. Tanner Lectures, vol. 13. University of Utah Press.
- Blum, L. (1990). 'Vocation, Friendship, and Community.' In *Identity, Character, and Morality*, Flanagan & Rorty (eds).
- Brennan, J. 2012. 'For-Profit Business as Civic Virtue.' *Journal of Business Ethics* 106 no 3: 313-324.
- Brennan, Jason. & Jaworski, Peter. (2015). *Markets Without Limits*. Routledge.
- Brown, B. & Maguire, B. (2019). 'Markets, Interpersonal Practices, and Signal Distortion.' *Philosophers' Imprint*, vol. 19, no. 14.
- Brudney, Daniel. (1998). *Marx's Attempt to Leave Philosophy*. HUP.
- Brudney, Daniel. 1997. 'Community and completion,' in Reath, Herman, Korsgaard & Rawls (eds.), *Reclaiming the History of Ethics*. CUP (1997)
- Bubeck, Diemut. (1995). *Care, Gender, and Justice*. Oxford: Clarendon Press.
- Callon, M. (1998). 'Introduction: The embeddedness of economics markets in economics.' In *The Laws of Markets*, Callon (ed). Oxford: Blackwell Publishers.
- Carens, Joseph. (1981). *Equality, Moral Incentives, and the Market*. University of Chicago Press.
- Carens, Joseph. (2003). 'An Interpretation and Defence of the Socialist Principle of Distribution.' *Social Philosophy & Policy*.

Coase, R. (1960). 'The Problem of Social Cost,' *Journal of Law and Economics*, vol. 3, 1-44.

Cocking, Dean and Oakley, Justin (1995). 'Indirect Consequentialism, Friendship, and the Problem of Alienation,' *Ethics* 106 (86-111).

Cohen, G.A. (2009). *Why Not Socialism?* Princeton University Press.

Eliot, J. (1976). 'Marx and Contemporary Models of Socialist Economy.' In *History of Political Economy*, volume 8, issue 2.

Elster, J. (1986). 'Self-Realization in Work and Politics.' *Social Philosophy & Policy*, 3:2.

Engels, Friedrich. (1845). *On the Condition of the Working Class in England*.

Flanagan, Mary. 2013. *Critical Play: Radical Game Design*. Cambridge: MIT Press.

Folbre, N. & Nelson, J. (2000). 'For Love or Money – or Both?' *The Journal of Economic Perspectives For Love or Money -- Or Both?*, Vol. 14, No. 4, pp. 123-140.

Forst, R. 2017. 'Noumenal Alienation.' *Kantian Review*, 22, 4, 523-551.

Fourcade, M. & Healy, K. (2007). 'Moral Views of Market Society.' *Annu. Rev. Sociol.* 33:285-311.

Frankfurt, H. (1988). *The Importance of What We Care About*. Cambridge University Press.

Fraser, N. & Honneth, A. 2003. *Redistribution or Recognition*. Verso.

Fraser, N. (2014). 'Behind Marx's Hidden Abode.' *New Left review*, 86.

Friedman, M. (1970). 'The Social Responsibility of Business is to Increase its Profits.'



Gilbert, P. & O'Neill, M. (2019). 'Socialism.' *Stanford Encyclopedia of Philosophy*:  
<https://plato.stanford.edu/entries/socialism/>

Guinan, J. & O'Neill, M. 2020. *Community Wealth Building*. Polity Press.

Hahnel, R. & Albert, M. (1991). *The Political Economy of Participatory Economics*.  
Princeton University Press.

Hansmann, H. & Kraakman, R. (2000), 'The End of History for Corporate law' *Yale  
Law School*, no. 235.

Hayek, F. (1945). 'The Use of Knowledge in Society', *The American Economic Review*,  
35 (4), 519-530.

Heath, Joseph. (2014). *Morality, Competition, and the Firm*. Oxford: Oxford  
University Press.

Held, Virginia. (2005). *The Ethics of Care: Personal, Political, and Global*. Oxford: OUP.

Honneth, Axel. (2017). *The Idea of Socialism*. Polity Press.

Jensen, M. (2002), 'Value Maximisation and the Corporate Objective Function.'  
*Business Ethics Quarterly*, vol. 12, no. 2, 235-256.

Kandiyali, J. (2020). 'The Importance of Others: Marx on Unalienated Production.'  
*Ethics*, 130. 555-587.

Leopold, David. (2018). 'Alienation.' *Stanford Encyclopedia of Philosophy*.

Lipsey, Richard. & Lancaster, Kelvin. 'The General Theory of the Second Best,'  
*Review of Economic Studies*, 24 (1956): 11-32.

Marcuse, H. (1964). *One Dimensional Man*. Beacon Press.

Matthews, R.C.O. (1981). 'Morality, Competition, and Efficiency.' *The Manchester School*, vol. 49, issue 4, 289-309.

Marx, Karl (1992 [1844]). *Notes on James Mill, 1844 Manuscripts*. In *Early Writings by Karl Marx*. Penguin Random House.

McMahon, C. (1981). 'Morality and the Invisible Hand.' *Philosophy & Public Affairs*, 10.3, pgs. 247-277.

Miller, David. (1989). *Market, State, and Society*. Oxford: OUP.

Noddings, Nell. (1984). *Caring: A Feminine Approach to Ethics and Moral Education*. Berkeley: University of California Press.

Norcia, Vincent. & Larkins, Joyce. (2000). 'Mixed Motives and Ethical Decisions in Business' *Journal of Business Ethics*. Vol. 25, Issue 1, 1-13.

Ostroy, J. & Makowski, L. (2001). 'Perfect Competition and the Creativity of the Market.' *Journal of Economic Literature*, vol. 39, no. 2.

Rawls, J. (1973). *A Theory of Justice*. OUP.

Rawls, J. (1993). *Political Liberalism*. CUP.

Raz, Joseph. (1976). *Practical Reason and Norms*. Oxford: OUP.

Robertson, M. (2020). 'Left Economics From Below? Defending the Programme after Corbyn.' *New Socialist*, 25 August.

Roemer, J. (2017). 'Socialism Revisited.' *Philosophy & Public Affairs*, 45, No. 3.

Roemer, J. (2020). *How We Cooperate*. Yale University Press.

Satz, Debra (2010). *Why Some Things Should Not Be For Sale*. OUP.

- Schwartz, Adina. (1982). 'Meaningful Work,' *Ethics*, vol. 92., No. 4, 634-646.
- Scheffler, S. 2010. *Equality and Tradition*. OUP.
- Sen, Amartya. (1977). 'Rational Fools.' *Philosophy & Public Affairs*. Vol. 6, No. 4, 317-344.
- Sen, A. (1984). 'The Profit Motive,' in *Resources, Values, and Development*, HUP.
- Smith, Adam. (1776). *The Wealth of Nations*.
- Smith, M. (1994). *The Moral Problem*. Blackwell Publishers.
- Sugden, R. & Bruni, L. 2008. 'Fraternity: Why the market need not be a morally free zone.' *Economics and Philosophy*, 24; 35-64.
- Suits, B. (2014). *The Grasshopper*. Broadview Press.
- Sverdlik, Steven. (2011). *Motive and Rightness*. Oxford: Oxford University Press.
- Tronto, J. (2013). *Caring Democracy*. NYU Press.
- Weber, M. 1978. *Economy and Society*, UC Press.
- Wicksteed, Philip. (1910). *The Common Sense of Political Economy*.
- Williams, Bernard. (1973). *Utilitarianism: For and Against*. Cambridge University Press.
- Wolf, Susan. (2012a). *Meaning in Life*. Princeton University Press.
- Wolf, Susan. (2012b). 'One Thought Too Many' in *Luck, Value, and Commitment: Themes from the Ethics of Bernard Williams*. Oxford: OUP.