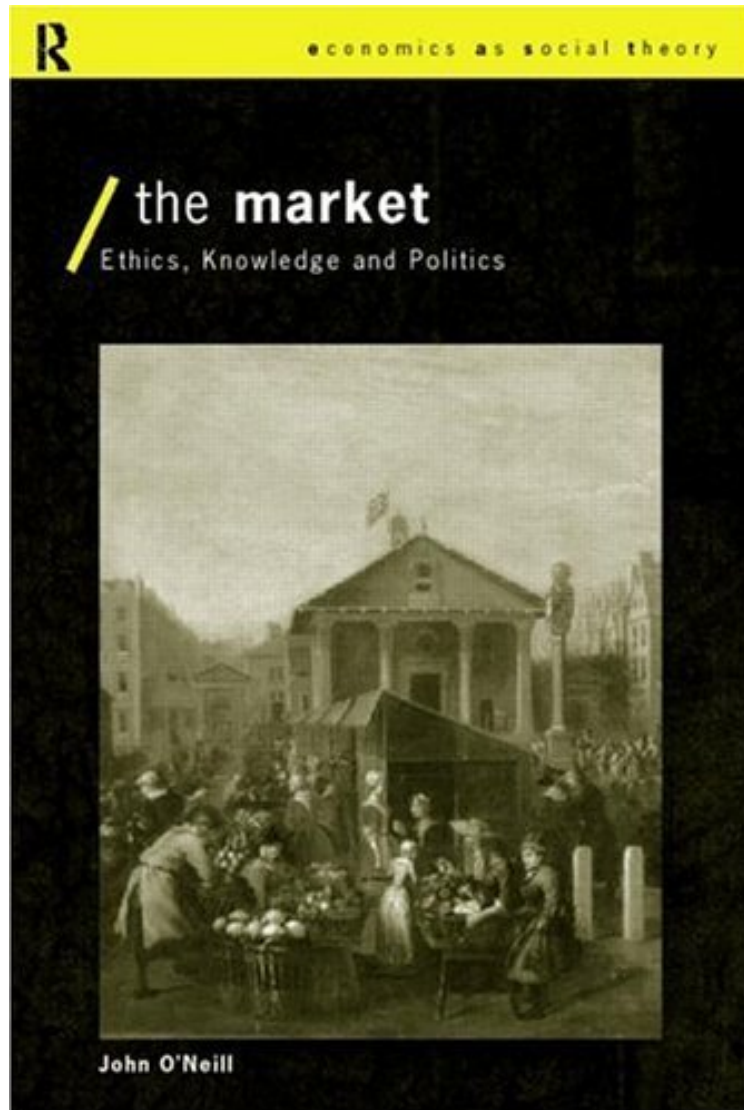


(Download) The Market: Ethics, Knowledge and Politics (Economics as Social Theory)

The Market: Ethics, Knowledge and Politics (Economics as Social Theory)

John O'Neill

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John O'Neill : The Market: Ethics, Knowledge and Politics (Economics as Social Theory) before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Market: Ethics, Knowledge and Politics (Economics as Social Theory):

18 of 19 people found the following review helpful. John O'Neill's non-market associational orderBy G. SteeleThis book ranks highly among those which seek to provide an intellectual basis for post Reagan/Thatcher/Berlin Wall politics. O'Neill's objective is to elucidate the operation of 'international functional units of planning' that are capable of using global resources in 'an ecologically rational way'; and he sets out 'to defend non-market associations' and 'to

puncture the intellectual case for the market economy'. His inspiration is 'Otto Neurath's strong form of associational socialism', which is his guide to a 'non-market associational order'. O'Neill's subject - the market - comprises 'social and institutional arrangements through which goods are regularly produced for, distributed by and subject to contractual forms of exchange in which money and property rights over goods are transferred between agents'. By the precepts of Austrian school politics, the market (i) is an amoral, arational, non-economic, non-teleological institution which offers no judgement of the end-states that it fosters and (ii) affords a framework for the peaceful co-existence of individuals with diverse goals. These precepts support an ethos of benign neutrality which rivals the perfectionist account of political and social institutions. Rival paradigms of political theory point to different values in negative liberty; it is a prerequisite for either (i) neutrality: with an accommodation of different perceptions of the good, or (ii) perfectionism: with an inducement to character building. However, the author identifies three (not two) issues: (i) 'the powers and dispositions of character' needed to become an autonomous person; (ii) the freedom from coercion needed to exercise that autonomy; and (iii) the material means needed to effect action. He argues that the blurring of the first two issues has obscured the positive component in Hayek's endorsement of liberty. O'Neill laments 'the rejection of the enlightenment project of a rationally ordered social life' and points to an Austrian paradox: to assert that autonomy is good, is to invite rational debate over the conception of the good, which surrenders the virtue of neutrality. O'Neill believes that 'the most effective defence of market institutions would not be to appeal to institutional neutrality between conceptions of the good but rather to develop a perfectionist liberal economics according to which the free market is a necessary condition for that good.' Yet, (as O'Neill concedes) Hayek does not propagate a purely contractarian version of liberalism. The perfectionism in Hayek is especially evident in respect of such desirable traits as 'independence and self-reliance, individual initiative and local responsibility'. For Hayek the key issue is the nature of the 'Great Society', where individuals can find 'the best conditions for achieving their aims'. O'Neill finds the best welfare defences of the market in classical economics: 'material conditions of well-being, the social and cultural conditions for the development of human excellences ... autonomous choice and the possibility of cultural accomplishment, and conditions that foster proper social relationships'. These constituted the vision before the paradigm shift from substantive accounts of welfare to preference satisfaction. Any concern with the content of well-being was then abandoned. Thereafter there was either the (neo-classical) calculus of pleasure and pain or the (Austrian) remit of allowing individuals the best prospect for achieving personal goals. Aristotle was reversed: an item is desirable because of an individual's beliefs about it, not because it is objectively good. However, O'Neill's account is blemished by his conflation of neo-classical constrained optimisation (whose unlikely assumptions deter many students) with Hayek's social theories of sequential causation and co-ordination. In consequence much of his purported criticism of Hayek flies wide of the mark. O'Neill presents the market as having encroached too far upon non-market associations: at best, the market creates a tension between welfare gains - although he finds 'little relation between growth in economic welfare and growth in reported "satisfaction" - and contractual relations that are incompatible with non-market associations; the market corrodes conditions of human well-being: the commitments of personal relationships; social bonds and loyalties; social identity and the narrative order of human life; the norms of recognition that are vital to the internal order of the sciences, arts and crafts; skills and social esteem; and the public nature of the sciences and arts. (In like fashion, might not gravity be indicted for causing backache?) At the very least markets need boundaries, 'so that non-market associations and relations can flourish'. O'Neill questions the perceived values of the market: liberal neutrality (chapter 2); welfare (chapters 3 and 4); autonomy and freedom (chapters 5, 6 and 7); 'the forms of recognition it is taken to foster' (chapter 8); those values which emerged from the socialist calculation debate (chapters 9, 10 and 11); and those drawn from public choice theory (chapter 12). In chapters 9, 10, 11 the focus switches to defences of the market which emanate from Austrian economics. The issue of economic calculation under socialism led to the watershed of Hayek's 'Economics and knowledge' in 1937. O'Neill argues for two (not one) debates in the 1920s and 1930s: between von Mises and Neurath (on the necessity for commensurability through market valuations) and between Hayek and Lange (on epistemological realities). There would seem to be few ills that non-market associations cannot put right, and these include the political opportunism exposed by public choice theorists. O'Neill points to the paradox that '[i]f one took seriously what they are saying in their theories, one could not take seriously their acts of saying them'; in other words, what is the hidden motivation of public choice theorists? Although public choice theory says 'something right' in its critique of state benevolence, the author believes it is too narrow in its view of self-interest, which should be taken in the particular institutional context. Associational socialism again takes its cue: non-market institutions can re-orient an individual's self-interest. Whereas many Austrians would accept as paramount 'the question of what associations best develop the goods of human life', they would be sceptical of O'Neill's utopian 'vision of a non-market associational order' as an alternative to the market economy.

Following the failure of 'really existing socialism' in Eastern Europe and Asia, the market is now generally perceived, by Left and Right, to be supreme in any rational economic system. The current debate now focuses on the proper boundaries of markets rather than the system itself. This book examines the problems of defining these boundaries for the recent defences of the market, and shows that they highlight major weaknesses in the cases made by its

proponents. The author draws on considerable research in this area to provide an overdue critical evaluation of the limits of the market, and future prospects for non-market socialism. The issues discussed cross a number of academic boundaries including economics, philosophy and politics.

"O'Neill has opened a new chapter in the debates over the market, inviting greater focus on the virtues and preconditions of nonmarket associations and deserving careful scrutiny by all defenders of the market.."-Ethics