Is socialism morally superior to other systems of political economy, even if it faces practical difficulties? In *The End of Socialism*, James R. Otteson explores socialism as a system of political economy—that is, from the perspectives of both moral philosophy and economic theory. He examines the exact nature of the practical difficulties socialism faces, which turn out to be greater than one might initially suppose, and then asks whether the moral ideals it champions—equality, fairness, and community—are nonetheless important enough to warrant attempts to overcome these difficulties, especially in light of the alleged moral failings of capitalism. The result is an examination of the “end of socialism,” both in the sense of the moral goals it proposes and in the results of its unfolding logic.

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The End of Socialism

JAMES R. OTTESON
Wake Forest University
For my children

And for the other young souls on

whom civilization will depend
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Preface

Not many people today call themselves, or describe their positions as, socialist. There are a few redoubtable figures—including the initial inspiration for this book, the late G. A. Cohen—but their small numbers might make one wonder why one should bother writing a book addressing them. The answer is that although few people call themselves socialists, a large proportion of people endorse policies—and indeed, a political worldview—that is what I will call socialist-inclined. Socialist-inclined policy is that which tends to prefer centralized over decentralized economic decision making. It also tends to distrust granting local people or communities a wide scope to organize themselves according to their own lights, especially when their decisions conflict with larger, preferred corporate or social goals. It tends to prize material equality over individual liberty and is willing to limit the latter in the service of the former, and it tends to hold that self-interest is either morally suspect or can be eradicated from (or at least significantly diminished in) human behavior by the proper arrangement of political, economic, and cultural institutions. A great number of people, regardless of party affiliation, fall somewhere along those continua in the directions of socialism. The argument of this book applies, therefore, to all those policies, beliefs, and positions that are socialist-inclined, even if not avowedly “socialist.”

As a theory of what traditionally was called political economy, socialism is not properly a theory of ethics (let alone metaethics), but neither is it simply a set of policy prescriptions. It is instead a system
of social organization that is inspired by moral concerns but limited
by both politics and economics. It aims to inform our social institutions
in a way that is properly moral, but at the same time integrated
with the facts of both our political situation and our economic reality.
Like any other system of political economy, it must meet moral mus-
ter: it must, that is, aim to comprehend—or at least comport with—
our most important moral aspirations. Yet because it aims at reform
of our actual institutions, it cannot ignore the political, economic,
and even cultural realities we face. If socialism were to issue in policy
recommendations that were politically or economically unsustain-
able, or that were impossible to implement given central and endur-
facts of human nature or of the human condition, or that could
be maintained only by morally repugnant means, then these would
count against it. They would count against any other system of politi-
cal economy too.

What I propose to do in this book is to examine the case for social-
ism as a theory of political economy—in other words, not based
purely on its moral aspirations or intentions, or only on whether it
“works”—but on whether its moral commitments are the right ones
and whether the policy prescriptions it entails are practicable.

Proceeding in this way implies criticisms of two other poten-
tial methodologies. On the one hand, if one’s political philosophy
takes no reckoning of its real-world practicability, perhaps on the
grounds that such questions belong to some discipline other than
philosophy—economics or political science, perhaps—then it has not
yet risen to a level warranting serious consideration for reforming
actual institutions. On the other hand, if one’s policy prescriptions
fail to acknowledge a reliance on or reflection of proper moral val-
ues, then they, too, do not yet warrant serious consideration. It is
only when the connection between morality and policy are not only
acknowledged but integrated that one develops a theory of political
economy worthy of assessment. Paraphrasing Immanuel Kant, the-
ory without experience is mere intellectual play, whereas experience
without theory is blind.

In the following chapters, I therefore examine both parts of the
socialist enterprise. But I do so in reverse order. After first describing
my use of the term “socialism” (and “capitalism” as well), I then evalu-
ate socialism’s feasibility. Before we can know whether the attempt to
instantiate a system of political economy is worth the effort, we need to have an honest reckoning of the difficulties involved, and we need to have a reasonable estimate of both the potential costs and the potential benefits. It turns out that socialism faces formidable obstacles to its implementation and would incur substantial costs. The obstacles and costs are more daunting than one might have expected. Yet being difficult or costly to implement does not by itself defeat a proposed system of political economy, because the proposed system might reflect moral values important enough to justify the attempt regardless. Thus the second part of the book examines the moral values served by, or intended to be served by, socialism and asks whether they warrant the effort despite the difficulties. My examination shows that socialism’s moral values are worthwhile in the abstract but lose their attractiveness as they become more specific, as they must to translate into policy. The conclusion I draw, then, is that socialism is a difficult and costly system of political economy that the specific conceptions of its moral values do not justify. That constitutes the end of socialism, then, in both senses of the word end: an attempt to implement it will inevitably end in heavy costs to its community, and the philosophical case for socialism ends in failure. Or so I shall argue.

Disclaimer

I have written this book not only for specialists but also for educated lay readers, and in so doing I have sought to strike a balance between addressing the concerns of scholars and remaining intelligible to readers not steeped in the scholarly debates. I realize that this strategy risks disappointing both audiences. Because no book can satisfy all audiences or address all concerns related to its topic, however, I have therefore tended to err on the side of nonspecialist audiences when making the necessary choices about how to frame discussions or which topics not to address. For those wishing to pursue the arguments further or more systematically, I make frequent reference to other sources and discussions. But my goal is to contribute to a larger public conversation about the benefits and liabilities of socialism (and, to a lesser

1 Please see Gaus 2011, however, which heroically provides perhaps the most complete discussion and justification for a liberal social order that one book possibly can.
extent, capitalism). The United States, like much of the Western world, stands now at a crossroads; which direction it goes will affect not only its current but also its future prospects, including for generations not yet born. To them, and in the sincere hope that they will live lives of freedom, peace, and prosperity, this book is dedicated.
Acknowledgments

In writing this book, I have benefited from reading the work of and having conversations with many people. They include historical figures such as Aristotle, Frédéric Bastiat, Adam Ferguson, Hume, Kant, Locke, Marx, Mill, Albert Jay Nock, Rousseau, and Adam Smith. They also include contemporaries (or near-contemporaries) such as Armen Alchian, Elizabeth Anderson, Richard Arneson, Bradley Birzer, James Buchanan, Art Carden, Henry Clark, Ronald Coase, G. A. Cohen, Harold Demsetz, Douglas Den Uyl, Ronald Dworkin, Richard Epstein, Gerald Gaus, Ryan Hanley, Friedrich Hayek, Max Hocutt, Daniel Klein, Will Kymlicka, Mark LeBar, Loren Lomasky, James McCawley, Deirdre McCloskey, Michael Munger, Robert Nozick, Maria Paganelli, Mark Pennington, Steven Pinker, Benjamin Powell, Douglas Rasmussen, John Rawls, Richard Richards, Russell Roberts, David Rose, William Ruger, Michael Sandel, Debra Satz, David Schmidt, Peter Singer, Jason Sorens, Thomas Sowell, Cass Sunstein, John Tomasi, and Peter Vallentyne. A special note of thanks goes to some extraordinary students, including Noah Greenfield, who read and commented on the entire manuscript, as well as Josh Halpern, Shmuel Lamm, Mikey Stone, and many other students at Yeshiva University and New York University with whom I discussed ideas in this book. Two anonymous reviewers for Cambridge University Press provided numerous insightful and valuable suggestions, which I have incorporated liberally. I express my sincere gratitude to them all. Of course, I am responsible for any errors.
Acknowledgments

I would also like to thank my editor at Cambridge University Press, Robert Dreesen, for his encouragement and support. Thanks also go to Beatrice Rehl of Cambridge University Press, who first convinced me I should work on this project.

I gratefully acknowledge the following institutions that provided invaluable and generous support during the time it took me to write this book: the Earhart Foundation, the Fund for American Studies, the Hertog Foundation, and the William E. Simon Foundation.

Above all else, I would like to thank my family—my beloved Katharine, Victoria, James, Joseph, and George—for their love, patience, and unfailing support. In this, as in everything else, they are the sine qua non.