

# Research on Miller's Market Defense Theory and Its Enlightenment\*

Junfeng Xu

Marxist School

Shanghai University of Political and Law

Shanghai, China

**Abstract**—David Miller, a professor on sociology and political science theory in Nuffield College in Oxford and the representative figure of contemporary market socialism, who is against the prevailing refuted criticism on "market" and constructed the famous Market Defense Theory. Namely, market can provide many kinds of goods and services to promote welfare; market can provide effective choices that guarantee general freedom, work freedom, and political freedom; The market can promote social development through industrial democracy and national democracy, which enlightens us that people must correctly handle the relationship between government and market, and guarantee to promote economic efficiency to provide more and better goods and services, and they should pay attention to people's true freedom, encourage people to participate in enterprise and national activities to Sharing labor's process and sharing labor's fruits to expand shared development's depth and breadth.

**Keywords**—David Miller; market criticism; market defense; enlightenment

## I. INTRODUCTION

David Miller, a professor on sociology and political science theory in Nuffield College in Oxford and the representative figure of contemporary market socialism, who is against the prevailing refuted criticism on "market" and constructed the famous "Market Defense Theory", who has made outstanding contributions to explore market economy and worker cooperatives' model. His major works include *Social Equity* (1976), *Anarchy* (1984), *Market, State and Society* (1989), etc. From researching the prevalence criticism theory on "market", he explored the relationship between market and welfare, democracy, freedom and put forward the famous "defend market theory", explained democracy and freedom's contents in market economy to provide us in exploring welfare, freedom, democracy to promote shared development's scope and breadth.

## II. MILLER'S "MARKET DEFENSE THEORY'S" TARGETING

Before the 1980s, the prevailing "market criticism theory" provided refutation targets for "market defense theory", which mainly covered three critical logic: namely,

\*Fund: This research was financially supported by the National Social Science Foundation of China (Grant NO. 17BKS017).

the goods and services provided by the market are not real demands, which cannot satisfy people's needs; the goods and services provided by the market are distributed by means of moral arbitrariness, not by people's voluntary action; The market encourages producers and consumers' selfish motives to cause the contradiction between producers and consumers thus destroys all kinds of social relations. In view of the above critical logic, Miller refuted them from theory with practice.

### A. Refuting the View that "Market Provides Unreal Demand's Goods and Services"

According to Miller's ideas from the human consumption psychological needs, human needs for goods and services include survival needs and development's needs. The so-called survival needs can be understood as the most basic needs to maintain human survival, such as food, shelter, clothing, etc. The so-called development needs refer to the higher level pursuit needs after survival necessities are satisfied, such as "in human society development's different stages, the public will have certain spiritual needs", showing obvious characteristics of "spiritual needs", [1] including cultural needs, political needs, health demands, social activity needs, etc. Of course, the basic needs' quality requirements are also varied, such as food type, housing type, housing area, etc. However, this kind of demand is not fixed in attribute and type in any case, but at the same time, it is to meet human beings' real needs. As for critics' claim that welfare induces human demand, Miller both acknowledged harmful producers induced by false advertising, exaggeration and vague descriptive descriptions, and affirmed those consumer goods' authenticity. Therefore, most goods and services provided by the market are real demands, but market is prone to unfair demand products' distribution, which requires political intervention to reduce unfair market welfare's distribution.

### B. Refuting the View that "Market Provides Goods and Services by Moral Arbitrary"

"Market distribution is a general distribution principle in developed market economy, which is consistent with supply and demand's price theory" and usually shows obvious fairness. [2] Miller believed that market is a relatively ideal way in welfare distribution system and tended to fair distribution. Even if the market distribution is actually unfair,

it still belongs to unfair phenomenon caused by market distribution behavior's inherent fairness. Miller advocated the workers' cooperative model in market economy, which is an enterprise management model relying on workers' self-determination, in which workers' income was carried out according to enterprise management's status, how much to produce, how to produce, how to allocate production are according to enterprise management's status, successful enterprises can, of course, to give workers more reward; failure enterprise, of course, also bear market's risk. He thought that different income distribution caused by individual talents and skills in market competition was reasonable. He also pointed that luck or chance in market is allowed to exist, of course, government should reduce market luck element through policy encouragement and obtain more profits, having nothing to do with moral arbitrary, solving these problems is by adopting government and market distribution system. The problem was not market protection, but government's action through political process to reduce inequality.

### *C. Refuting the View That "Market Destroys All Kinds of Social Relations"*

According to Miller's opinions, planned economy mechanism and market economy mechanism are unavoidable economic mechanisms in any societies, which determine market logic and administrative logic from social interaction. There is no single administrative community and no absolute market community. He advocated that market is not the only communication mechanism in future social development. In the background dominated by market mechanism, democratic political system, planning agencies, public funding agencies, social service agencies, voluntary agencies and other institutions are allowed to participate in social communication. And social interaction should not be "monolithic" completely to reject market, because market is able to provide diversified products and living ways, and a single living way will lower interpersonal relationship and social interaction's standards. Market can improve social interactions' quality and supply more and better goods and services for the people, thus providing a rich and colorful interactions. Although there are certain differences between each other, and there may be different argument and debate, behavior does not substantially affect human social interaction which will improve social interaction's quality.

## III. MILLER'S "MARKET DEFENSE THEORY'S" CONTENTS

### *A. Market Promoting Welfare Theory*

Miller thought that "people's enjoying goods and services' quantity, quality, range" belonged to material welfare, which could be measured by people's "enjoying private consumption figures", also included people's enjoying public welfare, such as "public facilities (bus services, swimming pool, cinema, etc.)", social characteristics such as "physical environment's quality". [3] Basing on this judgment, Miller put forward that welfare must rely on market efficiency and public system to promote welfare equity. He argued that market was "information

system" which can communicate producers and consumers through price mechanism and profit mechanism, from which we can know what goods and service people demand, which goods and services are not suitable for people to lead producers in accordance with people's needs to make production, and guide consumer in accordance with production. At the same time, market is also a kind of incentive mechanism, through which can profits grow to increase the number of welfare commodity categories for producers' profit pursuit and original profit accumulation both to meet those "extreme egoism's" needs, also what altruistic "extreme" and other producers' needs to promote welfare arrangements. He suggested that the welfare system that completely replaced market is not desirable, because complex society will always face many incomplete information and unscientific plan making, which will have certain difficulties in theory and practice. But at the same time, we cannot completely rely on market-oriented welfare arrangement, because sometimes, welfare is actually unequal in the market, which asks market welfare to combine with public system, such as investment institutions, tax system and property rights so as to promote distribution equalization.

### *B. Market Guaranteeing Liberalism*

Miller took "effective choice as the core" and understood freedom as "people make very different choices about the way they want to live", including "private consumption choice's freedom, employment choice's freedom, free speeches' freedom" and so on. [4] He believed that market could provide people with "special lifestyle resources", so people could choose a free lifestyle including various types of clothes and different types of music, etc., which he called "general choice's freedom". At the same time, market could provide specific freedom, such as choosing working type and working place. Market can provide diversified services and production providing people with working opportunity and obtain employment freely. Market production and services, in turn, are linked to monetary incentives, providing different jobs for different types of people who need them. Market can cater for those who choose a particular job without a high income, for those who are skilled but not willing to contribute to society, and for those who are skilled but want a higher income. For example, there are artists who prefer to work in tight Spaces; there are some people who would rather go hungry than go out to work and so on. About political freedom, Miller understood it as freedom to express and exchange political opinions freely. He argued that because market could provide abundant books, media companies, television, photocopying etc., which provide possibility for freedom to express political views. Even if government supported a series of books and newspaper industry, it cannot give these industries more mandatory requirements allowing companies to retain some autonomy and political freedom's space.

### *C. Market Promoting Democracy Theory*

Miller believed that democracy should include both industrial democracy and national democracy. The so-called industrial democracy mainly refers to enterprise internal democracy, which is each worker can manage enterprise,

what produce and how to produce can be decided by the workers according to market and enterprise's specific management mode. Workers can discuss production specialization or diversification and details such as to increase production, improve production conditions breaking through the traditional management pattern. Miller put forward that industrial democracy mainly depends on enterprise structure with workers' cooperatives management model. In other words, workers jointly own enterprises' capital, participate in enterprises' management, decide the major issues in enterprises through elections, thus realizing democracy and equality. National democracy is on the basis of plans made by traditional state experts and administrative officials, at the same time, it should rely more on the public's participation and jointly decide the model and plan with market society. In his opinion, in order to improve expert officials' plans effectiveness, it is required to establish a "citizen group" of similar institutions by which major issues are defined in principle through democratic means and general guiding principles. Economy's details are made by experts and officials to handle major economic problems, and public participation provide with large parameters, but not specific economic details. Government only needs to carry out detailed operations within large parameters' scope, such as enterprise structure trend, investment institution policy, optimal tax rate and other issues, keeping at least a certain democratic process.

#### IV. MILLER'S "MARKET DEFENSE THEORY'S" ENLIGHTENMENT

##### A. *Emphasizing the Welfare System with Combination Between Market and Government*

To handle the relationship between government and market properly is a difficult problem for the economic development in all countries. Planning and market are indispensable basic means for economic development, and there is no absolute marketization or planning. Facts have proved that market economy's efficiency is unparalleled, and the planned economy's macro-control attribute is an important means to cure market failure. Contemporary Chinese development has entered a critical period with market economy's decisive role in resource's allocation fields, which greatly promoted Chinese economy, but also with excess production capacity, uneven product quality, low service, the income distribution gap and other issues, affecting shared development in China. Miller's "market defense theory" inspires us to pay attention to not only market's decisive function, but also government's macro-adjustment function to realize welfare arrangement system combining government and market. On the one hand, we can allocate resources with better and higher social benefits through market decisive role so as to provide more and better goods and services to the public and improve social welfare's content and quality; on the other hand, government should play a decisive role outside resource allocation's field to guide enterprises' development from policy orientation and service type leading economic efficiency. In all walks of life outside the economic field, government should play a greater institutional role to pay attention to social equity and realize

a harmonious development structure with politics, economy, culture, society and ecology, so as to provide guarantee for people's welfare.

##### B. *Expanding Understanding About Freedom*

Freedom is human beings' value goal and value pursuit for Chinese social development. However, freedom is relative, there doesn't exist absolute freedom. We must ensure freedom on the established historical basis and within the legal system's scope and people enjoy "extensive rights and freedoms in accordance with the law." [5] With Chinese economic development, people's freedom space is also increasing. However, freedom cannot be separated from economic further development, nor can it be separated from co-breeding of political ecology, social ecology and cultural ecology. At present, we have entered Shared development's era in which contradiction between people's demand for a better life and the unbalanced and inadequate development constitutes principal contradiction in the society. Miller's "market defense theory" description on market promoting freedom, especially the real freedom, provides us with a new way to think about freedom. Miller's understanding about freedom from choice, defined as food and clothing selection, employment choice, expression freedom, with too realistic and narrowness, has certain positive meaning from actual behavior choice and specific actions choice, which suggests us that we should not only focus on freedom's high value guidance, but also on people's real life to promote people's freedom.

##### C. *Grasping Democracy's Practical Connotation*

Democracy must embody and safeguard people's fundamental interests. However, democracy is not the same as "pan-democratization". Democracy has social, historical and realistic features and must be under certain rules, rather than a disorderly behavior without principle or discipline. Chinese democratic system gradually perfected, especially in grassroots democracy system to guarantee people's power, but there are still some misunderstanding and prejudice which requests us to strengthen democratic system's construction, especially deliberative democracy system construction to ensure "to discuss all things by people" people's democracy is all about people. [6] Miller's "market defense theory" on promoting democracy, especially from industrial democracy and national democracy can expand our thinking on democracy which requires that we should constantly strengthen workers' participation in enterprises, play employees' owner attitude and workers' rights in production and income distribution to enjoy labor's pleasure and working achievement to realize sharing labor process and sharing working fruits. In addition, we will continue to expand people's participation in national affairs. When formulating macro policies, government will make use of people's enthusiasm on providing good suggestions from the general public so as to provide a practical basis for macro policies.

## V. CONCLUSION

Miller's "market defense theory" criticized the false ideas that "market provides goods and services falsely, market provides goods and services by moral arbitrary, market competition leads to social relations' deterioration" from theory and practice ,which reveals market's providing goods and services in promoting welfare, freedom and democracy and offer ideas for people to promote Shared Development, freedom, democracy, etc.

## REFERENCES

- [1] Fan Yu. Social Transformation and Public Spiritual Demand — On Functions and Norms of Emotional TV Programs, *Modern Communication*, vol.6, pp82-84, 2004.
- [2] Ren Taizeng. Theory of Market Distribution — Distribution According to Work" and "Distribution According to Production's Factors". *Journal of Social Science*, vol.6, pp64-70, 2001.
- [3] Saul Estrin, Julian Le Grand, *Market Socialism*, Economic Daily Press, pp. 32-34, 1993.
- [4] Saul Estrin, Julian Le Grand, *Market Socialism*, Economic Daily Press, pp. 32-34, 1993.
- [5] *Decisive Victory in Building Moderately Prosperous Society in All Respects and Winning the Great Victory of Socialism with Chinese Characteristics for a New Era*. People's Publishing House, PP37, 2017.
- [6] *Decisive Victory in Building Moderately Prosperous Society in All Respects and Winning the Great Victory of Socialism with Chinese Characteristics for a New Era*. People's Publishing House, PP39, 2017.