Research on Miller’s Market Defense Theory and Its Enlightenment*

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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, 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


