

# Why Not Capitalism?

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## Ideal vs Non-Ideal Theories of Justice

Brennan argues (against Cohen) that in an ideal Utopian society Capitalism would be preferable to Socialism.

**Cohen's Question:** What principles would people live by, and what situations would they live under, if only people had perfect moral motivation?

What's the point of asking this question? Answer: it tells us what justice requires.

*Cohen's Answer:* Socialism

*Brennan's Answer:* Capitalism

What is Socialism? What is Capitalism?

Capitalism and socialism are simply ways of organizing the ownership of property. In capitalism, individuals may own the means of production. In socialism, they may not — the means of production are owned collectively (or by representatives of the collective, such as the State).  
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Under **Capitalism** there is: (1) extensive private property (including ownership of the means of production); (2) voluntary trading of private property on the market; (3) the possession by every person of an extensive sphere of economic liberty.

## Against Cohen: Mickey Mouse Clubhouse Village

Brennan parodies Cohen's *Camping Trip* parable with his *Mickey Mouse Clubhouse Village* example. His aim is to bring out (what he sees) as major flaw in Cohen's argument.

### BRENNAN'S RECONSTRUCTION OF COHEN'S ARGUMENT

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| <p><b>P1</b> Socialism with morally perfect people is better than Capitalism with real, flawed people.</p> <p><b>P2</b> A world of Socialism with morally perfect people is better than our actual world with real, flawed people.</p> <hr/> <p><b>C</b> Socialism is intrinsically more desirable than Capitalism.</p> |
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A just society is a society in which everyone is committed to justice. Justice doesn't require more of people than what they can do.

Brennan is right that this is a bad argument. The conclusion doesn't follow.

**The Cohen Fallacy:** concluding that if an idealized version of X is better than a realistic, flawed version of Y, then X is inherently superior to Y.

Is Cohen committing this fallacy?

### *The Positive Case for Capitalism in a Utopia*

Brennan argues that Capitalism — defined as an economic system with characteristics (1)–(3) above — is desirable even in a Utopia (full of morally flawless individuals). Here's why:

1. **Our Projects:** owning private property is instrumental to our ability to pursue our projects, which helps give our lives coherence and meaning. And that's valuable.
2. **Personal Space:** owning private property is necessary for having a space all your own. And that's valuable.
3. **The Aggravation of Asking Permission:** without private property, you would constantly have to ask for permission to use things. That's annoying.
4. **The Knowledge/Coordination Problem:** private property (which is traded voluntarily on the market) is necessary for allocating goods in an optimal way and is helpful in solving coordination problems (by allowing us to form reliable expectations).
5. **Economic Liberty:** a Capitalist society endows people with an extensive sphere of economic liberty. And that's valuable.
6. **MetaUtopia:** a Capitalist society would allow for pockets of socialism.

But can't many of these valuable qualities be realized in a Socialist society as well?

Is this a fair reconstruction of the argument Cohen is trying to make, though? This is something to keep in mind when we read Cohen's book for ourselves later on.

Socialism can allow for the private ownership of *non-productive property*. And so can't it realize these things too?

Brennan's Response: *There is no categorical distinction between productive and non-productive property*. Furthermore, even if there were a distinction, in an ideal Utopia, what would be so bad about people privately owning the Means of Production?