

ARTICLE

Mill's Socialism Re-examined

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Abstract

McCabe and Turner raise a number of perceptive points concerning my treatment of John Stuart Mill's political economy of progress and its relation to socialism. In giving context to their points this article first tries to clarify Mill's understanding of socialism as anchored in his positive classical economics. Mill the utilitarian philosopher endorses socialism, but he anticipates its arrival based on his materialist understanding of history. In this materialist context, the article argues that Mill expects the economy of worker cooperatives to advance from one focused on relational equality to one focused on luck egalitarianism. This shift is again supported by Mill's own utilitarian principles, but it is ultimately the product of what he anticipates will be the political economy of the cooperative mode of production.

Keywords: Mill; Socialism; Relational Equality; Luck Egalitarianism

I was initially a bit ambivalent at the idea of a symposium on Persky meeting his critics. On the one hand, it was surprising and flattering to discover that there was an identifiable group of critics, people who had paid enough attention to the *Political Economy of Progress: John Stuart Mill and Modern Radicalism (PEP)* to have serious opinions about it.¹ On the other, given the contentious nature of much scholarship today, it was frightening that the exercise might easily turn less than constructive. I am pleasantly surprised at Piers Turner and Helen McCabe's endorsement of much of the central argument and their gentle approach to the book's shortcomings. Even more pleasing are their stimulating commentaries, raising as they do some basic issues concerning Mill's socialism.²

As both Turner and McCabe point out, John Stuart Mill and his wife Harriet Taylor described their world-view as socialist.³ Of course not everyone has always been comfortable with Mill's turn towards socialism. As Turner observes, some major scholars

¹Joseph Persky, *The Political Economy of Progress: John Stuart Mill and Modern Radicalism* (New York, 2016).

²A very different version of this article was presented at the PPE Society Conference, 2019. I am grateful to Piers Turner for organizing the session. As can be seen in the adjoining pieces, he and Helen McCabe have both generated insightful articles for this exchange.

³Piers Turner, 'Mill's Evolutionary Theory of Justice: Reflections on Persky', *Utilitas* and Helen McCabe, 'Mill's 'Modern' Radicalism Re-examined: Joseph Persky's *The Political Economy of Progress*', *Utilitas*.

have demonstrated strong reluctance, even hostility, to identifying Mill as a socialist. This despite Mill's own self-identification as such. In particular, Turner points to Isaiah Berlin's insistence that the Mill of *On Liberty* is the true and valuable Mill, and all the rest is confusion.⁴ As I note in *PEP*, to claim Mill as confused and inconsistent is a sort of easy way out of wrestling with the material Mill generates.⁵ But given Mill's oft-stated commitment to seeing multiple sides of the same question, is it really surprising that he presents us with more than a simple linear perspective? As Turner observes, Berlin ties this up with deprecating comments on the influences of Harriet Taylor on Mill (a position also taken by Hayek). This claim by a champion of liberty is particularly odd, since Mill is clear that Taylor had a major input into *On Liberty* as well as his more explicitly socialist chapter on the future of the labouring classes.⁶

As a young man Mill was a philosophical radical. By the time he wrote his *Autobiography*, he was a socialist. As McCabe remarks, I don't emphasize the socialist label in *PEP*.⁷ However, I do suggest Mill's role in encouraging a wide range of twentieth-century socialists. As noted there, Mill was a major source for the work of Sidney Webb and the early Fabians. He influenced Dalton; he influenced Meade. All of these are best described in much of their activity as socialists. They all supported major aspects of the welfare state. They all supported major aspects of nationalizing industry. While Mill had considerable impact on these modern socialists, it is important to emphasize that his and Harriet Taylor's socialism doesn't fit neatly into any of the strains of twentieth-century socialism. Even less similar is the late nineteenth-century socialism of Marx and Engels. And for that matter Mill's socialism is fundamentally different from the early nineteenth-century socialism of Owen. That Mill and Taylor and all these others share a conviction that capitalism as a mode of production is transitional and ultimately destructive hardly demonstrates that they are all looking towards the same future. Mill's socialism is something very different from the nationalized socialism of the democratic socialists or the welfare socialism of social democracy. As Helen McCabe puts it, and I heartily agree, Mill's socialism is 'potentially valuable to a modern audience, being essentially voluntarist, decentralized, organic, and achievable through piecemeal reform from within existing capitalist institutions'.⁸ But that socialism is substantially different from what most modern audiences would label as socialism. While *PEP* does identify some major differences between Mill's thinking and that of twentieth-century socialists, it doesn't address the highly idiosyncratic character of Mill's socialism. Let me take the present opportunity to correct this lacuna.

⁴Turner, 'Mill's Justice'.

⁵Persky, *Progress*, pp. 21–5.

⁶Helen McCabe ('Mill Re-examined') rightly faults me for paying Taylor too little attention in *PEP*. McCabe points to Taylor's influence on Mill's understanding of the difference between laws of production and laws of distribution, certainly a fundamental proposition for the *Principles*. And she might have added Mill's own attribution to Taylor of all in the book 'that concerned the application of philosophy to the exigencies of human society and progress' (John Stuart Mill, *The Collected Works of John Stuart Mill, Volume I: Autobiography and Literary Essays*, ed. John Robson and Jack Stillinger (Toronto, 1981), p. 257). Since I chose as a title for my volume: *The Political Economy of Progress*, my lack of emphasis here seems more than careless. Indeed, that title might have sent just the right message if I had suggested that Mill himself supplied the political economy (as he himself claimed) and Taylor contributed much to the broad progressive thrust. This is the direction of modern scholarship on Mill and Taylor. I think it is reasonable. Further work on this relationship is important for the building of a feminist history of economic thought.

⁷McCabe, 'Mill Re-examined'.

⁸McCabe, 'Mill Re-examined'.

A. The Millian character of Mill's socialism

I readily admit, then, *PEP* doesn't put enough emphasis on the identity of Mill's mature radicalism and Mill's socialism. Mill discusses at length workers' cooperatives. *PEP* reads Mill's endorsement of workers' cooperatives as a main feature of his radicalism. In mid-nineteenth-century Britain cooperatives were widely recognized as a fundamental institutional feature of socialism. No wonder Mill and Taylor saw themselves as socialists. But their socialism was in many ways unique.

Both Turner and McCabe have previously explored aspects of Mill's socialism.⁹ And as they note, so have others, including Bruce Baum and Dale Miller.¹⁰ There is much in Mill's socialism to attract the attention of modern philosophers, political scientists and economists. What follows are a few observations about the socialism that Mill anticipated and supported. This list reflects several topics raised in *PEP* and overlaps with points made by both Turner and McCabe. But if there is something different here, it is a greater emphasis on the persistent role of Mill's classical political economy even in his socialism. By drawing out these classical themes in an explicitly socialist context, I hope to help clarify the meaning of Mill's socialism in his time and ours.

1. Mill's socialism is not statist. Like many classical economists before him and only a few socialists after him, Mill is doubtful about the efficiency and motivations of the state and its bureaucracy.
2. Mill sees the capitalist employment relationship as fundamentally destructive of individual liberty. Workers are searching for practical alternatives.
3. Mill expects that a classical falling rate of profit will push capitalists from the scene of production, leaving much of their capital on reasonable terms to the workers.
4. Unlike many later socialists (but certainly not all), Mill sees no gain to be achieved through a violent seizure of power (at least not in countries with democratic institutions).
5. Mill is sure of the positive effects of competition in a way that very much distinguishes him from most socialists.

Before considering each of these in greater detail, notice that while they include normative judgements presumably based on utilitarian morality or ethics, each of them also includes positive (largely classical) propositions about the nature of the economic world and/or its tendencies for development.¹¹ Attention to these positive propositions then marks a difference in emphasis between my approach to Mill's socialism and those

⁹Helen McCabe, 'Navigating by the North Star: The Role of the "Ideal" in John Stuart Mill's View of "Utopian Schemes and the Possibilities of Social Transformation', *Utilitas* (2019), pp. 291–309 and Piers Norris Turner, 'John Stuart Mill on Luck and Distributive Justice', *Routledge Handbook of the Philosophy and Psychology of Luck*, ed. Ian M. Church and Robert J. Hartman (New York, 2019), pp. 80–93.

¹⁰Bruce Baum, 'J. S. Mill and Liberal Socialism', *J. S. Mill's Political Thought: A Bicentennial Reassessment*, ed. Nadia Urbinati and Alex Zakaras (Cambridge, 2007), pp. 98–123. Dale Miller, 'Mill's "Socialism"', *Politics, Philosophy, & Economics* 2 (2003), pp. 213–38. I continue to be amazed by the number of Mill scholars from a range of academic disciplines doing serious work. Clearly this is a field that demonstrates the rich utility of interdisciplinary study.

¹¹I use the term 'positive proposition' here in the sense common in economics, i.e. as descriptive, whether theoretical or empirical, as distinct from a normative (or judgemental or value-laden) proposition.

suggested by McCabe and Turner.¹² I do not say that Mill's socialism can only be considered in this manner, but rather that this mixing of the positive and normative highlights an important aspect of how Mill himself approached socialism.

A.1. *The state*

Mill, the classic liberal, fears the concentration of power in the government. And then in most cases the individual knows their business better than the government can. The government is 'hardly ever able to maintain itself in equal competition with individual agency'. Despite government's wide access to resources, it suffers under 'one great disadvantage – an inferior interest in the result'. Notice, these are all positive (as opposed to normative) observations about the performance of government. Finally, Mill also offers a normative argument: state control of every type 'partakes, either in great or in small degree, of the degradation of slavery'.¹³

Mill doesn't explicitly compare state management to cooperative management. Interestingly, though, and despite his broad suspicion of government management, in most cases he ranks the state as more efficient than joint-stock companies. While Mill is sure that the state's bureaucracy is less efficient than the individual proprietor, he is doubtful that such bureaucracy is much worse than the similar bureaucracies of the joint-stock company. 'Whatever, if left to spontaneous agency, can only be done by joint-stock associations, will often be as well, and sometimes better done, as far as the actual work is concerned, by the state.' Mill goes on, 'Government management is, indeed, proverbially jobbing, careless, and ineffective, but so likewise has generally been joint-stock management.'¹⁴

In many ways Mill makes clear his low opinion of joint-stock management. For example, in situations in which small gains or losses depend on vigilantly enforcing a system on the workers, a large capitalist can generally be expected to move decisively. 'But the managers of a joint stock concern seldom devote themselves sufficiently to the work to enforce unremittingly, even if introduced, through every detail of the business, a really economical system.'¹⁵

For Mill, then, the state is not a promising alternative to the individual capitalist. The joint-stock company may be an even inferior manager. Yet Mill repeatedly emphasizes the strong pressures favouring production on a large scale. How are the large enterprises to be managed if not by a capitalist firm or a nationalized enterprise?

A.2. *The transition to democratic cooperatives*

In reducing workers to mere cogs, the capitalist firm undermines their motivation and initiative. The worker's liberty is destroyed and the worker's job is poorly done. No wonder workers are looking for more rewarding alternatives. While Mill is clearly

¹²For example McCabe ('Mill Re-examined') speaks of Mill's 'normative critique of capitalism' and certainly he has one. Capitalism doesn't do as well on utilitarian grounds as possible alternatives. But as I argue throughout this piece, the socialist alternative Mill endorses is one that he sees as actually emerging through the political economy of progress.

¹³John Stuart Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, *Collected Works of John Stuart Mill*, ed. John Robson, vols. 2–3 (Toronto, [1848] 1965), p. 938. McCabe ('Mill Re-examined') rightly notes that while Mill is quite hostile to centralized government, he is sympathetic to decentralized local governments.

¹⁴Mill, *Principles*, p. 954.

¹⁵Mill, *Principles*, p. 138.

sympathetic to such a search, his observations here aren't so much value judgements as empirical observations. In this search, Mill is sure that the workers will not go back to the economy of independent craftspeople and peasant proprietors. While historically such producers had experienced a good deal of independence in a market context, Mill is convinced that modern workers will not accept a counterproductive reversal of the explosion in productivity made possible by the economies of scale of modern technologies. Small-scale production is not the tendency of the future.

Instead Mill sees the workers eventually choosing democratic cooperatives for a fundamental restructuring of production. In the real world, Mill points to possible prototypes in the worker cooperatives created in the French Revolution of 1848 and stimulated by the writings of Louis Blanc. He is glad to see workers energetically exploring the possibilities of the worker-managed cooperative, of the 'association of labourers themselves on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers elected and removable by themselves'.¹⁶ This is the direction in which progress is moving. And this is the most promising alternative to the capitalist firm not only on moral grounds, but also on those of efficiency.

There are definitely Owenite aspects to Mill's emphasis on cooperation. But it is hard to avoid a sense that Mill puts greater weight on the productive promise of democratic cooperation. For Mill the employment relationship that emerged out of the industrial revolution destroyed the worklife of the labourers while it undermined their motivation. Individuals who necessarily followed the strict authoritarian rule of the manufactory lost control over the construction of their very being and lost interest in production itself. Mill sees in the worker-managed cooperative an arena for both individual identification and heightened productivity.

Mill clearly identifies this type of democratic cooperative as the institutional base of what he calls socialism. This is what he has in mind when he says:

I agree, then, with the Socialist writers in their conception of the form which industrial operations tend to assume in the advance of improvement; and I entirely share their opinion that the time is ripe for commencing this transformation, and that it should by all just and effectual means be aided and encouraged.¹⁷

At the time, Mill was certainly justified in making this identification of democratic producer cooperatives as the central institutional innovation advocated by the early socialists. Owen and Thompson had written of it and Blanc also. But from Marx forward, the role of democratic cooperatives in the socialist vision has been far less central and far less clear. To oversimplify a great bit, modern socialism has either emphasized the apparatus of the welfare state or the overarching role of nationalization and central planning. It is perhaps not saying too much to suggest that both these conceptions of modern socialism miss the core meaning of Mill's cooperative socialism.

Consider first the views of those supporting a national, centrally planned economy. While both Marx and Lenin had positive things to say about cooperatives, neither one placed them at the centre of the socialist struggle.¹⁸ Nationalization does away with the

¹⁶Mill, *Principles*, p. 775.

¹⁷Mill, *Principles*, p. 794.

¹⁸But see Bruno Jossa, 'Marx, Marxism and the Cooperative Movement', *Cambridge Journal of Economics* 29 (2005), pp. 3–18, and 'Marx, Lenin and the Cooperative Movement', *Review of Political Economy* 26.2 (2014), pp. 282–302. Jossa argues that Marx and Lenin saw cooperatives as a transition

capitalists, but central planning hardly replaces them with the type of workers Mill was hoping to see. There is a broad literature on contradictions and worker alienation in centrally planned economies.¹⁹ Lacking any pride of ownership and missing the engagement of democracy, workers in the centrally planned firm are almost the antithesis of Mill's cooperative workers. Mill is looking for the new cooperatives to 'increase the productiveness of labour ... by placing the labourers, as a mass, in a relation to their work which would make it their principle and their interest – at present it is neither – to do the utmost, instead of the least possible, in exchange for their remuneration'. This motivation is to come from being part of an active association. And even more important than the material gains achievable in this manner, workers will participate in a 'moral revolution in society', a revolution that will elevate 'the dignity of labour' and render 'each human being's daily occupation into a school of the social sympathies and the practical intelligence'.²⁰ Recall here Mill's broader emphasis on the importance of agency.

If all of this weren't bad enough, national planning necessarily creates a huge bureaucracy and massive centralization of power. Mill with his broad distrust of government would seriously doubt the social utility of so enhancing the reach of the Leviathan.

Turn back to the softer socialism of the advocates of the welfare state. It's plausible that at some level Mill could be reconciled to the goals of modern democracies to educate, insure and protect their populations. For example, I appreciate Turner's effort, based on principles of relational egalitarianism, to win Mill over to the reforms of the social democracy of the Scandinavian countries.²¹ I grant Turner the claim that Mill would be impressed by what has been achieved in that context, perhaps so impressed as to reorder some of his priorities. But that said, this socialism of social democracy is still not Mill's socialism. I suspect Mill would be deeply worried that the Scandinavian model even at its best has failed to tackle the central problem of liberty and the capitalist employment relation. Yes, it addresses a number of serious questions raised by relational concerns, but it still fails to make workers their own bosses. Perhaps it's the best that can be done in the here and now. Mill might even recognize this – recognize in effect that the forces of history on which his socialism relied failed to materialize as he anticipated. But he would have just as surely seen the accomplishments of the programme of nationalized social democracy as far less than the possibilities of decentralized, self-managed cooperatives.

A.3. *The falling rate of profit*

Like most nineteenth-century classical economists Mill is reasonably sure that as an empirical matter the rate of return on capital will fall, indeed fall towards zero. This piece of empiricism plays an almost quaint role in his hopes for cooperatives. Mill looks forward to the capitalists retiring from the scene, leaving a good deal of their

stage to full-scale planning. Also see the discussion in Joseph Persky, 'Producer Co-operatives in Nineteenth-Century British Economic Thought', *European Journal of the History of Economic Thought* 24 (2017), pp. 319–40.

¹⁹See for example Michael Lebowitz, *The Contradictions of 'Real Socialism': The Conductor and the Conducted* (New York, 2012) and Michael Burawoy, *The Politics of Production: Factory Regimes Under Capitalism and Socialism* (London, 1985), ch. 4, pp. 156–208.

²⁰Mill, *Principles*, pp. 791–2.

²¹Turner, 'Mill's Justice'. As discussed in section D of the present piece I agree with Turner (and I suspect with McCabe) that Mill endorsed such principles.

capital in the hands of worker associations. While Mill worries that the cooperatives won't be as adventurous with respect to technology as individual owners, he is sure that the combination of rising wages, falling profit rates, and the attractiveness of working in the expanding cooperatives will leave capitalists on the side lines.

Profits will be low for several likely reasons. First the accumulation of capital will proceed apace as capitalists continue to save. Second, if, as Mill hopes is likely, better-educated workers begin to exercise control over their family size, then a slower growth of population will put upward pressure on wage rates. Finally, the best workers will be increasingly attracted to the new producer cooperatives, leaving only those with 'little understanding' and 'little virtue' for the more traditional factories.²²

Mill identifies the economy with close to zero profits as a stationary state. Whereas McCabe seems to think Mill places the stationary state in the distant future, in fact Mill tells us it may come much sooner.²³ In a country like Britain 'the rate of profit is habitually within, as it were, a hand's breadth of the minimum, and the country therefore on the very verge of the stationary state'. Mill goes on to say that while the stationary state will not come 'soon' it will 'require but a short time to reduce profits to the minimum', if no counter-tendencies come into play.²⁴ Mill, anticipating Marx, goes on to provide an insightful discussion of the counter-tendencies to a falling rate of profit.²⁵ Mill's arguments in this section, while perceptive, remain a bit vague on just how strong these counter-tendencies are likely to be.

In any case, Mill understands that early experiments with cooperatives face serious problems in obtaining capital. He is unsure whether turning to the national government in such circumstances is wise. Thus he is particularly impressed by the efforts of the workers themselves to generate capital from pooling their tools and their modest savings. He is doubtful, for example, in the case of France in 1848, of the long-term viability of those associations which obtain loans from the government, noting that such enterprises had a poorer track record than those that were self-financed.

Mill is very optimistic that over time possibilities for private borrowing by cooperatives will emerge. If traditional capitalist enterprises find a world of low profits unsupportive, cooperatives are well suited to such an environment. Almost by definition, capital is abundant and relatively easy to find. And with profits low, borrowing capital is cheap. In particular, Mill looks forward to the class of capitalists lending 'their capital to the associations' rather than 'maintaining the struggle of the old system with work-people of only the worst description'. Over time these loans will be at lower and lower interest rates, reflecting the falling profit rate. In the end many capitalists will simply 'exchange their capital for terminable annuities'.²⁶

Mill summarizes the resulting transition as follows:

In this or some such mode, the existing accumulations of capital might honestly, and by a kind of spontaneous process, become in the end the joint property of all who participate in their productive employment: a transformation which thus effected, (and assuming of course that both sexes participate equally in the rights and in the government of the association,) would be the nearest approach to social

²²See Persky, *Progress*, pp. 81–8 and 145–8; Mill, *Principles*, p. 793.

²³McCabe, 'Mill Re-examined'.

²⁴Mill, *Principles*, p. 738.

²⁵See Persky, *Progress*, p. 84 for a discussion of Mill's list.

²⁶Mill, *Principles*, p. 793.

justice and the most beneficial ordering of industrial affairs for the universal good, which it is possible at present to foresee.²⁷

Thus, at least in Britain, Mill anticipates the capitalist and the capitalist system more or less peacefully giving up the stage to the new system of cooperatives. This peaceful transition requires no expropriation, only patience and hard work on the part of the labourers. In the brief period from the industrial revolution to the mid-nineteenth century the capitalists have set the scene. Mill expects them to bow out gracefully.²⁸

A.4. The question of exploitation/expropriation/violence

Mill is convinced that workers are effectively exploited by traditional capitalist relations. Their struggle is one of emancipation through association. Describing the French workers of 1848, he sees them struggling to 'free themselves, at whatever cost of labour or privation from the necessity of paying, out of the produce of their industry, a heavy tribute for the use of capital'. Mill is clear that justice demands 'this tax' be 'extinguished'.²⁹

But as Mill so often reacts to injustice, he takes as primary the need for rectification not by violence, but along peaceful and evolutionary lines. Whatever provocation the French workers might have experienced, Mill sees their peaceful taking up of cooperatives as highly admirable. They seek justice 'not by robbing the capitalists of what they or their predecessors had acquired by labour and preserved by economy, but by honestly acquiring capital for themselves'.³⁰

Mill clearly wants to encourage experiments with worker-financed cooperatives. McCabe seems to suggest that these voluntary experiments can go a substantial distance towards the goal of a cooperative society, without definitive assistance from the falling rate of profit and approaching stationary state. Or she wants to suggest that the two movements might potentiate each other.³¹ While this makes reasonable sense, I don't think it is Mill's view of the coming of socialism. As discussed in section C below, that view is based on a path to progress that is fully embedded in the key tendencies of classical political economy.

As the above discussion of the falling rate of profit demonstrates, Mill suspects that the times are auspicious for a peaceful transition from a capitalist to a cooperative economy without any need for expropriation or violence. This is certainly a fortunate set of developments pushing towards progress. And the emphasis on evolution as opposed to violent revolution has much in common with a range of later socialists who anticipated peaceful transitions. It has appeal to the British Fabians for sure. And it has appeal to many of the German Social Democrats. But that said, neither the Fabians nor the German Social Democrats strongly embrace Mill's socialism of cooperatives.³² Such socialists were far more likely to emphasize working through the political sphere, trade union expansion and nationalization of industries. Simply committing to an evolutionary approach does not mean taking the employment relation as a primary focus.

²⁷Mill, *Principles*, pp. 793–4.

²⁸The peacefulness of this transition is emphasized by Miller, 'Mill's Socialism'.

²⁹Mill, *Principles*, pp. 774–5.

³⁰Mill, *Principles*, p. 775. Mill notes that the confiscation of existing capital is 'imagined' by many persons and pretended by more to be the meaning and purpose of Socialism' (775).

³¹McCabe, 'Mill Re-examined'.

³²See for example Beatrice Webb's critique of producer cooperatives in *The Cooperative Movement in Great Britain* (London, 1899) and the discussion of cooperatives in Eduard Bernstein, *Evolutionary Socialism* (New York, [1899] 1967), pp. 109–34.

Of course, at the same time many socialists who rejected an emphasis on producer cooperatives and instead emphasized political/party organization, unions and nationalization continued to anticipate the central role of violence and expropriation in their understanding of a socialist transformation. And one could hardly imagine Mill endorsing Marx and Engels's dictatorship of the proletariat.

A.5. Competition

Most of the socialists of the nineteenth century see competition in the market place as a major negative of the capitalist system. Owen looks to a new system of childrearing to reduce competitive attitudes and enhance cooperative ones. Marx argues that competition inevitably ends in monopoly. The British cooperative movement looks forward to a cooperative commonwealth in which competition is largely superseded. But Mill dissents strongly from this broad socialist viewpoint. Thus he writes that while he supports the expansion of cooperatives, 'I utterly dissent from the most conspicuous and vehement part of their [Socialist] teaching, their declamations against competition'.³³

According to Mill, Socialists blamed competition for 'all the economical evils which at present exist'. Mill's basic argument is straightforward: 'Wherever competition is not, monopoly is; and that monopoly, in all its forms, is the taxation of the industrious for the support of indolence, if not of plunder'.³⁴

Mill is aware of course that socialists are most distraught by the competition among workers in the labour market. But he looks behind the market for an explanation of low wages and unemployment. As a good Malthusian, Mill argues that the problem was not the market itself, but the high birth rates among British labourers' families. In a country like America where demand for labour exceeded supply, competition among producers tended to raise wages. As Mill puts it, '[I]f the supply of labourers is excessive, not even Socialism can prevent their remuneration from being low'.³⁵

In any case if cooperatives were the standard form of industrial organization, there would be no competition between 'labourer and labourer' only between 'association and association'.³⁶ And this type of inter-cooperative competition would ultimately benefit all of the 'industrious classes' in their roles as consumers.

For a long time into the future, Mill clearly sees inter-cooperative competition as a, perhaps the, major source of motivation for labour in an economy of cooperatives. Socialists, according to Mill, fail to take account of the 'natural indolence of mankind'. Workers achieving

any state of existence which they consider tolerable ... will not exert themselves to improve ... Competition may not be the best conceivable stimulus, but it is at present a necessary one, and no one can foresee the time when it will be indispensable to progress.³⁷

³³Mill, *Principles*, p. 794. Mill added the section on competition and cooperatives in 1852 as he was expanding his commitment to this new industrial form. Neither Turner nor McCabe pay serious attention to the question of competition, although McCabe ('Mill Re-examined') mentions in passing that the issue had been broached in *PEP*.

³⁴Mill, *Principles*, p. 794.

³⁵Mill, *Principles*, pp. 794–5.

³⁶Mill, *Principles*, p. 795. Mill here as throughout remains vague on exactly how cooperatives are expected to recruit their membership.

³⁷Mill, *Principles*, p. 795.

Mill is sure that it would be difficult to convince ‘the general assembly of an association’ to take the trouble to explore an invention unless they knew that ‘rival associations’ were also exploring it. Moving towards cooperatives should not result in the reassertion of custom over competitive dynamism.

Given these observations, we conclude that while Mill definitely endorsed a form of socialism, it was his own version – one built on democratic worker cooperatives engaged in competitive production.

B. A nostalgia for classical economics

Yes, then, in his own way Mill is a socialist. But we fail to understand his socialism unless we also acknowledge his continuing fondness for classical economics. Mill’s socialism is decentralized and competitive, like the classical model. And Mill is reasonably certain that if the real world could be made to correspond to that model, the evils of capitalism would be largely contained.³⁸ Mill’s socialism is infused with a nostalgia for the world of classical economics.

In his chapters on private property Mill describes an idealized system of private property which he considers the appropriate reference point for considering that institution as a ‘question in social philosophy’.³⁹ McCabe wants to see this argument as a rhetorical means for critiquing the modern capitalist economy.⁴⁰ And perhaps there is some of this in Mill’s writing. But I still think his treatment of private property demonstrates his attachment or even nostalgia for the classical economic models of Smith, Ricardo and his father.

Mill is clear on how different this system is from the institution of private property we find in European history. Indeed, that real-world institution ‘did not owe its origin to any of those considerations of utility, which plead for the maintenance of it when established’.⁴¹ Instead of the messy world of ancient violence and tribunals, Mill postulates ‘a community unhampered by any previous possession; a body of colonists occupying for the first time an uninhabited country’. These colonists, if they choose to use the principle of individual property, come with equal property shares.⁴² However, once the division of property is made, no further interference is to be made. This idealized system is to be compared by the colonists to a system of common ownership and cooperative production conducted on democratic principles.

Of course, Mill realizes that this idealization of private property is far different from the institution in the real economy of Europe. He acknowledges that the system of private property as currently constituted rewards participants in ‘almost an inverse ratio to the[ir] labour’, and that under the circumstances it is virtually impossible to raise a defence of the institution. He knows that the system of private property in Europe came from a history not of a ‘just partition, or acquisition by industry’, but of ‘conquest and violence’.⁴³ And we know that eventually Mill endorses a system of competitive cooperatives.

³⁸Mill, *Principles*, p. 208.

³⁹Mill, *Principles*, p. 201.

⁴⁰McCabe, ‘Mill Re-examined’.

⁴¹Mill, *Principles*, p. 201.

⁴²Mill even suggests that shares may be set so as to compensate for the ‘injuries of nature’ (*Principles*, p. 201). On this issue, see the discussion of luck egalitarianism in the next section.

⁴³This is the point where Mill makes his famous assertion that under such circumstances ‘all the difficulties, great or small, of Communism would be but as dust in the balance’ (Mill, *Principles*, p. 207).

Yet Mill does not leave the matter there. With strong, almost nostalgic, ties to the models of classical economics, Mill struggles to identify a purer, ahistoric, system of private property. For Mill, the 'laws of property have never yet conformed to the principles on which the justification of private property rests. They have made property of things which never ought to be property, and absolute property where only a qualified property ought to exist.'⁴⁴ The race has been grossly unfair. But he wants us to imagine a world where the race is fair. One in which pains are taken to reduce inequality 'by every means not subversive of the principle (of individual property) itself.'⁴⁵

Mill's 'colony' embodies just this thought experiment. Which should the colonists choose, an idealized system of individual property or an idealized system of Communism? One thing Mill is sure of is that in this doubly idealized world 'the principle of individual property would have been found to have no necessary connexion with the physical and social evils which almost all Socialist writers assume to be inseparable from it'.⁴⁶ That said, Mill stops short of fully endorsing this sanitized private property. Instead, he admits to lacking the knowledge necessary to make a choice. Mill concludes: 'We are too ignorant either of what individual agency in its best form, or Socialism in its best form, can accomplish, to be qualified to decide which of the two will be the ultimate form of human society.'⁴⁷

Mill's thought experiments describing a pseudo-history/defence of private property are just that. Like the thought experiments of Robert Nozick⁴⁸ a century later they rest on the Lockean notion of property rooted in individual labour.⁴⁹ As Mill puts it, 'Private property, in every defence made of it, is supposed to mean the guarantee to individuals of the fruits of their own labour and abstinence.'⁵⁰ Like the thought experiments of Richard Nozick, they describe a world that never existed, one that no extension of reform could successfully reconstruct. It's hard to believe that Mill did not understand this point. Unlike Nozick, Mill is exquisitely aware that the history of property is the history of gross chicanery, fraud and violence. Nozick avoids the issue with a few throw-away statements about the possibility of 'rectification'. Nozick here echoes Mill's own assertion of a need for rectification. Mill writes:

To judge of the final destination of the institution of property, we must suppose everything rectified which causes the institution to work in a manner opposed to that equitable principle, of proportion between remuneration and exertion, on which in every vindication of it that will bear the light it is assumed to be grounded.⁵¹

⁴⁴Mill, *Principles*, p. 207.

⁴⁵Mill, *Principles*, p. 208.

⁴⁶Mill, *Principles*, p. 208.

⁴⁷Mill, *Principles*, p. 208. On the 'humility' of classical economists, and especially of Mill, see the discussion in David Colander and Craig Freedman, *Where Economics Went Wrong* (Princeton, 2019), ch. 2, pp. 20–36.

⁴⁸Robert Nozick, *Anarchy, State and Utopia* (New York, 1974).

⁴⁹Explicitly for Nozick and implicitly for Mill, these 'experiments' smack of natural law. This must be a bit uncomfortable for Mill the utilitarian. But even in this hypothetical world Mill leaves the ultimate 'choice' of the colony to utilitarian considerations.

⁵⁰Mill, *Principles*, p. 208.

⁵¹Mill, *Principles*, p. 208.

But Mill knows such rectification is virtually impossible and he never seriously suggests it should or can be undertaken.⁵²

For Mill these dreams of a cleansed system of property are just nostalgic exercises. But we can see important elements of that nostalgia in Mill's anticipation of socialism. In the world of the here and now Mill knows it is not a question of choice. The die is cast. The progress of history is already pushing towards a new economy of worker cooperatives. But Mill reads into that world what he considers the best characteristics of the classical economic model. Falling profits, retiring capitalists and democratically enthusiastic workers are already opening the next act of the play with a purer competition among decentralized cooperatives.

C. Material progress and Millian socialism

Yes, Mill is a socialist with his own perspective. Here I claim more – that Mill's vision of the socialism to come is based on something like a materialist conception of history. Mill's political economy of progress is built up within a social science broadly similar to and anticipatory of Marx's historical materialism. Before developing this claim, consider a little background to the Mill–Marx relationship.

Although the two men both lived in London for much of the mid-nineteenth century, they did not interact directly. Mill knew little of Marx. Marx was downright hostile to Mill. Marx interpreted Mill's support of cooperatives as an attempt 'to reconcile irreconcilables' and a 'shallow syncretism' as he 'tried to harmonise the Political Economy of capital with the claims, no longer to be ignored of the proletariat'.⁵³

I like McCabe's speculation that Marx, among other motivations, might have actually feared Mill's genuine interaction with working-class radicals and cooperators.⁵⁴ However, given Mill's subsequently much more modest influence on working-class movements, Marx probably had little to worry about.

In any case, Mill and Marx share a number of overlapping themes. Consider for example Marx's concept of species being. Mill doesn't make anything like this central to his view, but he was very much impressed with the expansion of man's control of nature. A closer connection can be seen in Mill's understanding of something like Marx's concept of alienation. Mill's central focus on individuals striving to attain meaningful self-definitions seems very consistent with Marx's early vision. Marx perhaps does more on the side of economic history, but Mill has a clearer understanding of psychology. Turning to economic theory, Mill and Marx share what is fundamentally the same value theory and the same theory of surplus value.⁵⁵

These comparisons are all interesting. But I would claim there is an even stronger link and one that has a powerful impact on Mill's socialism. It lies in their parallel

⁵²We should recognize two important, but partial, exceptions here. In the real world, Mill supports the abolition of slavery and land reform. But these exceptions prove the rule as in both cases he generally argues for substantial compensation.

⁵³Karl Marx, *Capital: A Critique of Political Economy* (New York, [1867] 1906), p. 19. There is a missing link here in Nikolai Chernyshevsky, who translated into Russian much of Mill's *Principles*. Marx favourably cites Chernyshevsky's notes on Mill. The irony is that Chernyshevsky was himself a supporter of workers' cooperatives. See for example his novel, *What Is To Be Done?* (Ithaca, NY [1863], 1989).

⁵⁴McCabe, 'Mill, Re-examined'.

⁵⁵Sam Hollander suggests that Marx's hostility to Mill was rooted in his unwillingness to admit the similarities of their understanding of surplus value. Samuel Hollander, *John Stuart Mill: Political Economist* (Hackensack, NJ, 2015), p. 456.

approaches to what we can reasonably call a materialist conception of history. Mill's understanding of how the relations of production develop to match the forces of production anticipates much of Marx's own theory.⁵⁶ Admittedly Mill doesn't wax eloquent as to Hegelian categories, but hints of a dialectical dynamic are very much at the core of Mill's thought.

Mill is the political economist of progress. There is a strong dynamic at work under his reading of the future course of economic events. I suspect that Marxian scholars will resent labelling this projected line of development as historical materialism, but the parallels are suggestive. Although he does it only in passing, Mill refers to the emerging cooperative system as a 'mode of industrial organization'.⁵⁷ And as we saw above, Mill clearly identifies the transition from capitalism to cooperatives as an organic process brought on by the very success of the capitalists in accumulating savings and driving down profits. Even more tellingly, Mill sees the tensions of the modern economy as class tensions. The capitalist is harsh and dictatorial, but at the same time is making possible the expansion of worker literacy and political aspirations.

Consider in a bit more detail Mill's description of the opening up of the technological possibilities of invention in a stationary state. Mill's point here matches neatly Marx's claim that the old system of property relations in its decline becomes a major barrier to the development of the forces of production. Thus, Mill writes, once the stationary state sets in, 'Even the industrial arts might be as earnestly and as successfully cultivated, with this sole difference, that instead of serving no purpose but the increase of wealth, industrial improvements would produce their legitimate effect, that of abridging labour.'⁵⁸ Looking backward in the same passage he puts together a damning utilitarian assessment of technological change in the past:

Hitherto it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being. They have enabled a greater population to live the same life of drudgery and imprisonment, and an increased number of manufacturers and others to make fortunes. They have increased the comforts of the middle classes. But they have not yet begun to effect those great changes in human destiny, which it is in their nature and in their futurity to accomplish.⁵⁹

I'm not sure that Marx ever said it better.

Pushing this logic further, we can recognize that for Mill the progressive processes of history don't stop with the coming of the cooperatives. Mill's cooperatives will evolve. And if I read her correctly, McCabe and I seem in basic agreement on this point. She points to Mill's cooperatives as schools of democracy and liberty.⁶⁰ In *PEP*, I suggest that Mill anticipates the possibility that the cooperatives will eventually turn towards concepts consistent with the modern view of luck egalitarians. This is the direction of progress Mill thinks (hopes?) his materialist reading of history points in.

⁵⁶But notice that the dominant interpretation of Mill does not accept the argument made here. For example, see Joseph Hamburger, *John Stuart Mill on Liberty and Control* (Princeton, 1999), ch. 2. For a more extensive development of this debate, see Persky, *Progress*, pp. 157–60.

⁵⁷Mill, *Principles*, p. 776. Elsewhere in *Principles*, he comments, 'We cannot, indeed, foresee to what extent the modes of production may be altered, or the productiveness of labour increased' (p. 199).

⁵⁸Mill, *Principles*, p. 756.

⁵⁹Mill, *Principles*, p. 757.

⁶⁰McCabe, 'Mill Re-examined'.

Over time this new environment will develop a new set of moral understandings in the working classes. At some point in the future, I argue, Mill anticipates a development of the ethos of the worker cooperatives from what might be called relational or democratic equality to a deeper luck egalitarianism.

I think Turner questions this claim. He holds that even when addressing luck, Mill is more interested in establishing social and political equality than the broader egalitarian agenda of luck egalitarianism. But that is for the 'here and now'. And yes, relational equity provides important elements for Mill's reform agenda. Both Turner and I accept Mill's commitment to relational equality in the present.⁶¹ The argument is over Mill's vision for the future.

I take exception to what seems to be Turner's claim that the principles of relational equality represent Mill's last word on the future of distributive justice. And I point to a Mill quote reproduced in *PEP*:

The proportioning of remuneration to work done is really just, only in so far as the more or less of the work is a matter of choice: when it depends on natural difference of strength or capacity, the principle of remuneration is in itself an injustice: it is giving to those who have; assigning most to those who are already most favoured by nature. Considered however, as a compromise with the selfish type of character formed by the present standard of morality, and fostered by the existing social institutions, it is highly expedient; and until education shall have been entirely regenerated, is far more likely to prove immediately successful, than an attempt at a higher ideal.⁶²

This amazing paragraph anticipates fully the debates that went on among later cooperative socialists as they attempted to work out the evolution of the industrial system they hoped to construct. For example, the Guild Socialists in the early twentieth century struggled over the appropriate principles of payment in the first stages of the transition to cooperative production. Those socialists like Mill made a clear distinction between the here and now and the future. And like Mill they anticipated a transition to a fuller justice consistent with luck egalitarianism as society and education evolved under more favorable conditions. Ultimately the Guild Socialists looked to equality of payment as the guiding principle with motivation resting on a sense of craftsmanship and commitment to the community.⁶³ I argue that Mill, too, should be read in this manner – Mill, too, would anticipate a path of progress through the cooperatives.

Turner on the other hand wants to read Mill largely in terms of the principles of relational egalitarianism. And he isn't the only observer to doubt Mill's commitment to the broad agenda of luck egalitarianism. Relevant here is the view of no less of an authority on luck egalitarianism than G. A. Cohen. Cohen criticizes Mill for including 'justice' and 'expediency' in the same paragraph.⁶⁴ But, I would argue, Cohen like

⁶¹See the next section for a discussion of relational equality.

⁶²Mill, *Principles*, p. 210.

⁶³In that body of thought cooperatives are constructively addressed in a fully socialist context. The Guild Socialists brought up the questions of motivation and reward in a particularly rich fashion. More clearly than most they seriously considered the path from the modern economy to these semi-utopian visions. See the discussion of their programme in Joseph Persky and Kirsten Madden, 'The Economic Content of G. D. H. Cole's Guild Socialism: Behavioral Assumptions, Institutional Structure, and Analytical Arguments', *European Journal of the History of Economic Thought*, 26.3 (2019), pp. 427–63.

⁶⁴See the discussion of Cohen's position in Persky, *Progress*, pp. 214–15.

Turner doesn't seem to embrace Mill's commitment to an evolutionary understanding of justice in context.

If I read it right, I find McCabe's discussion of justice highly sympathetic to the argument here. We seem in broad agreement. Her only criticism is that perhaps this discussion in *PEP* should have been expanded. Her socialism is broader than Mill's. Mill sees most of these issues arising specifically in the context of the cooperative economy, while she seems to have a broader notion of socialism as the base.

In any case, Mill's anticipation of continuing long-term progress in the context of the cooperative economy provides not only solid socialist credentials for Mill, but also the most telling example of Mill's commitment to his own materialist conception of history. While he doesn't attempt a full description of the political economy that will emerge from the cooperatives, the point is clear. Under the improved environment of the cooperatives, deeper characteristics such as principles of pay will continue to evolve and the community's understanding of justice will approach something like that suggested by modern theories of luck egalitarianism. While Mill never quite puts it this way, the development of the material conditions will make possible the development of a population rich in individuality with a range of positive virtues and a commitment to the ethics of luck egalitarianism.

D. Relational egalitarianism and principles of reform

If we accept Mill's understanding of the broader trajectory of progress, I see no problem in Turner reading much of Mill's shorter-run reform programme as growing out of principles of relational egalitarianism. Turner makes a good point to emphasize that the Millian reform process is built on principles as opposed to specific topics of reform. For example, he looks below Mill's approaches to primogeniture and taxation of inheritance. Under the surface, I think Turner rightly identifies the key principle here as one of impartiality. Another example he offers is the preference for early cooperatives using merit and contribution as principles for the distribution of income.⁶⁵ All in all, Turner offers five secondary principles, 'a principle of impartiality or equal treatment, a presumption in favour of liberty, a sufficiency or subsistence principle, a merit or effort principle and a competence principle'.⁶⁶ These are sensible utilitarian grounds for relational equality. Each of them appears in Mill's reform reasoning. Turner does a good job at beginning to sort them out. I anticipate he will expand this effort to good purpose.

In this vein, I think for Mill the moral case for his cooperative socialism rests primarily on the expansion of his understanding of liberty to include the character of the workplace.⁶⁷ The Mill of the *Principles* sees the workplace relation between capitalist and labourer as fundamentally harmful. As such it violates what becomes the central injunction of *On Liberty*: to do no harm. In Mill's evolutionary understanding of justice this relationship is expedient when the process of accumulation is still relatively new. But as material conditions improve the key principle of liberty must come to the fore. While I am sure that there is much good work for Turner to do by way of unwinding his secondary principles, he shouldn't lose sight of this centrally important one.

⁶⁵Turner, 'Mill's Justice'.

⁶⁶Turner, 'Mill's Justice'.

⁶⁷Keep in mind that, apart from any moral case, and apart from any reform efforts on his own initiative, as a political economist Mill sees the major thrust towards a cooperative society as emerging from the economic history in what I describe above as a materialist conception of history.

Thus, I have no problem with the notion that Mill's original turn towards cooperatives involves an endorsement of the concerns of relational equality. As recently argued by Elizabeth Anderson, relational equality can't be easily achieved in the traditional capitalist employment relationship – an authoritarian relationship between boss and worker.⁶⁸ Anderson is herself pushed towards endorsing a power-sharing framework for industrial organization. As Turner might predict, Anderson's focus on relational equality opens a range of possible reforms, consistent with this stage of development. At her most radical, she is even an advocate of cooperative production. But, like Mill himself, she lays out a number of pragmatic reforms short of that fundamental structural change. She gives us material to work on in a world where Mill's predictions concerning the transition to a cooperative system have failed to materialize.

That Anderson, and I suspect Turner, are more sympathetic to relational equality than to luck egalitarianism doesn't in any way undermine the central argument in *PEP* that Mill anticipated the relational equality of the cooperative economy to lay the foundation for a transition to an economy characterized by luck egalitarianism.⁶⁹ Indeed, it is only in such a transition, for example, that McCabe's discussion of Mill's deep respect for the virtue/principle of fraternity becomes relevant.⁷⁰ Mill sees this virtue looming larger as the fuller conditions of luck egalitarianism are approximated. As McCabe suggests, Mill's root concerns with social harmony are evidenced here.⁷¹

In conclusion then, those of us sympathetic to Mill's socialism are left in a serious quandary. In the absence of a full more or less deterministic transition to a cooperative mode of production, we have lost the gospel of the straightforward agency of history and progress that Mill, the classical political economist, related. Under the circumstances, the challenge of constructively reworking the employment relationship is surely intimidating. We could do worse than falling back on the range of utilitarian principles and energy that Mill himself brought to bear in his own reform activities.

⁶⁸Elizabeth Anderson, *Private Government* (Princeton, 2017).

⁶⁹Persky, *Progress*, p. 215.

⁷⁰McCabe, 'Mill Re-examined'.

⁷¹Admittedly, as McCabe points out, this long-run goal received little attention in *PEP*.