

JOHN STUART MILL ON SOCIALISM AND ACCOUNTABILITY

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RESUMO

Este artigo mostra que o tipo de socialismo proposto por John Stuart Mill é marcado por uma forte preocupação com a controlabilidade do poder econômico e político. Ele rejeitou enfaticamente os modelos centralistas de socialismo por entender que eles levam a uma grande concentração de poder que compromete a liberdade. Para J. S. Mill, o socialismo deve ser implantado lentamente a partir de reformas amplamente discutidas que favoreçam a cidadania econômica dos trabalhadores, promovam a participação deles nas decisões referentes ao processo produtivo e em associações voluntárias. J. S. Mill acreditava que a competição econômica é essencial para o adequado funcionamento de uma economia socialista. Ele não esperava que tal economia se tornasse uma realidade em um futuro próximo.

Palavras-chave: socialismo, democracia econômica, accountability.

ABSTRACT

This article shows that the type of socialism that John Stuart Mill proposed is characterised by a strong preoccupation to render the economical and political power accountable. He emphatically rejected centralist models of socialism on the grounds that they lead to a huge concentration of power that compromises freedom. For J. S. Mill, socialism should be gradually established by means of widely discussed reforms that favours the economic citizenship of workers and promotes their participation in the productive process and in voluntary associations. J. S. Mill believed that economic competition is essential to allow a socialist economy to work properly. He did not expect such an economy to become a reality in the near future.

Key-words: socialism, economic democracy, accountability.

1 Introduction

This article will show that accountability was a central concern in John Stuart Mill's account of socialism. Especial attention will be paid to the investigation of the account of socialism Mill presented in *Chapters on Socialism* (posthumously published in 1879). Mill favoured decentralised forms of socialism because he thought that centralised models of socialism tended to discourage competition, neglect talent and disregard freedom. He defended a type of market socialism motivated by the idea that the concern with the control of power was a necessary component of the well-being of both individuals and society. Mill thought socialism was better able to promote economic citizenship but saw it as a model of society to be implemented in a distant future by means of gradual reforms. In order to allow socialism to flourish, he advocated reforms to disperse property and favoured the spreading of social practices purported to strengthen the spirit of partnership amongst the members of society. Mill saw this as essential to allow socialism to flourish.

Mill defended a type of socialism in which competition is a relevant aspect of economy and feared that excessive increase of state bureaucracy would stifle creativity in society. He saw the equilibrium of power within society as essential to prevent oppression and generate security in society. In view of this, he defended the necessity of the participation of people in intermediary bodies based on voluntary association to protect freedom against tyranny and wanted society to help the working classes to achieve a basic level of subsistence and education so as to be able to fully participate in the political life of society. It is relevant to keep in mind that Mill thought socialism was better able to promote economic citizenship but saw it as a model of society to be implemented in a distant future by means of gradual reforms rationally discussed.

In addition to this introduction, there are three remaining sections. In the next section, Mill's notion of economic democracy will be analysed. In the third section, Mill's conception of gradualism, accountability and state intervention will be scrutinised. In the last section, the main conclusions will be presented.

2 Economic Democracy

Mill conceived of democracy not as a simple form of government, but as a complex form of social organization (ASHCRAFT, 1999, p. 175). He saw socialism as the application of the democratic principle to the realm of the economy, so as to create an equitable society. Mill attributed many of the problems of nineteenth-century society to the fact that class relations were based on dependence and not on partnership (ASHCRAFT, 1999, p. 177). In order to solve these problems, he maintained in *Chapters on Socialism* the conviction that employers and employees should merge in a system of co-operatives. In *Chapters on Socialism*, he also insisted that limitation of population and the widespread provision of basic education were pre-conditions to the introduction of a social arrangement where misery and degradation were abolished. But, in the third edition of *Principles of Political Economy* (1852), he was much more strongly committed to socialism than in *Chapters on Socialism*. In the latter, Mill was more preoccupied with promoting the reform of capitalism than with promoting socialism. He expected that associations of labourers and capitalists would prevail throughout society and believed that profit-sharing would be superseded by a form of socialism in which co-operatives in which all who worked were shareholders with equal power of decision and ownership competed in the market. This was not a social scheme to be immediately introduced, but to be brought about in a distant future.

Socialism emerged in the wake of the Industrial Revolution as a reaction against “an individualism most marked in the use, and abuse, of private ownership of productive goods in industry” (CHARLES, 1998, p. 318). Most socialists think that the means of production should be socially owned in order to allow an equal division of the goods produced. They want to see society

engaged in the task of protecting its weaker members. In *Chapters on Socialism*, Mill praised socialists who wanted to multiply small-scale socialistic experiments and progressively renew the social order, gradually superseding the system of private property. Charles Fourier wanted society to be organised in ‘phalanxes’, that is in rural co-operatives of approximately 1,800 members. He proposed that each person should receive “minimum subsistence for work done and the surplus to be divided between labour, capital and talent” (CHARLES, 1998, p. 320). In contrast to Fourier, Robert Owen had an industrialist mentality. He prescribed a system of administration that was autocratic and paternalistic, but which had proved its efficiency in the New Lanark Mills in Scotland. In *A New View of Society*, Owen claimed that character was formed by the environment. Therefore, the problems of society were not rooted in individuals but in social structures. It was, therefore, necessary to improve conditions of sanitation, education, and the housing of workers in order for society to advance.

Mill shared with Fourier and Owen the belief that changes in society must be gradual and not controlled by a central authority. Mill was critical of socialists “who want the central government taking possession of private property and managing the totality of the resources of the country” (CW, v. 5, p. 737).¹ He opposed the centralist type of socialism on the grounds that a social scheme could not be adopted without first having proven its capacity to implement standards of social life superior to that of the system which it was intended to replace. He proposed that socialism should be implemented on a small scale, so that it could easily be abandoned if it proved detrimental to society (CW, v. 5, p. 737). In *Chapters on Socialism*, Mill criticised communism as a centralised form of social organization that risked undermining the improvement of society by ignoring the diversity of capacities among people and granting everyone equal earnings without reference to their contribution to production.

Mill disagreed with those who defended socialism on the assumption that the wages of common workers in Europe were diminishing. He recognised that wages were insufficient to supply the necessities of working people, but emphatically affirmed that they were slowly increasing. Mill reinforced the approach to competition that he outlined in *Principles of Political Economy* by portraying it as a security for cheapness as well as a mechanism to render people accountable for what they produced. Besides, he deemed competition important in enhancing individuals’ capacities and placing them on the path of improvement. Mill did not intend to campaign for socialism by making false accusations against capitalism. He asserted that socialism was better able to meet the demands of a truly democratic society than capitalism. But, as he did not think that the pre-conditions for the implementation of socialism were in place, he preferred to concentrate his efforts on promoting reforms to existing society. The Reform Act of 1867 gave those who lived on weekly wages in Britain the possibility of exerting a great influence on legislation. Mill assumed that the newly enfranchised voters would engage in attempts to reform the current property regime because they were not beneficiaries of the status quo (CW, v. 5, p. 713). But he thought that these reforms would

be beneficial not only for the newly enfranchised voters but for society as a whole. Undoubtedly, Mill defended the principle that property should be taken from people, with due compensation, when the public interest required it.

The final sections of *Chapters on Socialism* were designed to show that the notions of property held throughout history were as variable as all other creations of the human mind. Mill has sometimes been accused of being unclear in his approach to property. On the one hand, he praised the educative effects that the diffusion of property bring about. On the other hand, he saw common ownership of the means of production as a final solution to the problem concentration of wealth (SCHWARTZ, 1972, p. 207). But, in the end, Mill intended to introduce legislation to make possible the expropriation of landed property when it was required to increase productivity and prevent an excessive concentration of property (CW, v. 5, p. 753). He judged the inheritance of property to be detrimental to the public good because it concentrated wealth. Mill thought that the concentration of wealth through accumulation across generations was one factor which prevented large sections of the population from achieving economic citizenship. Therefore, expedients to disperse property were essential. Mill regarded huge concentrations of property as inimical to liberty because they created a concentration of power, which led to oppression. As a rule, he argued that the state should grant a provision to secure the subsistence of the children of those who died without leaving a will, and use the surplus to supply the general purposes of society (CW, v. 2, p. 222-223). The right of bequest was a different issue because each person had the right to give to any other person whatever they can produce or obtain in a fair market. Therefore, Mill believed that the essential principle of property was “to assure to all persons what they have produced by their labour and accumulated by their abstinence” (CW, v. 2, p. 227). Mill’s notion of property was intended to prevent extreme inequalities and parasitic behaviour and to promote love for work, an active mentality, and a balance of power.

Richard Arneson claims that, despite Mill’s sympathetic approach to many aspects of the socialist critique of the property system, he was sceptical in relation to socialism because he saw it as a threat to individual liberty. In Arneson’s (1998, p. 272) opinion, Mill presumed that socialism would increase the influence of collective decisions over individuals and augment the interdependence amongst them in a way that would be bound to restrict individual freedom. Arneson (1998, p. 278) alleges that Mill’s presumption is wrong because interdependence is a phenomenon present in privately-owned complex modern industry and there is no evidence that it amounts to a restriction of individual freedom. He also avers that Mill’s fear of a homogeneous working classes tyrannising over the rest of society is groundless. For Arneson (1998, p. 272; 282), the homogeneity of the working classes was based on solidarity against the employers. Hence, if socialism were introduced, such solidarity would come to an end, because there would be no employers to make it necessary.

Arneson is certainly correct in claiming that Mill had reservations in relation to socialism, fearing that it could pose a threat to individual freedom. However, Arneson (1998, p. 283) is wrong in thinking that Mill saw the augmentation of interdependence in socialism as the source of a threat to freedom. Since the publication of *Civilization* (1836), Mill had affirmed that the advance of civilization depended on the capacity of human beings to act together for common purposes. Interdependence considered in itself was, therefore, a good thing because it facilitated co-operation. In *Chapters on Socialism*, Mill feared a threat to freedom emanating from centralised and revolutionary forms of socialism, in which the state was a bureaucratic monster which allowed no opposition. Realising that such forms of socialism were becoming popular, he advocated the reform of capitalism and hoped for more favourable conditions in the future for the implementation of a decentralized form of socialism.

Mill's attitude towards socialism, as outlined in *Chapters on Socialism*, demands further clarification. Here, Mill addressed matters related to socialism and co-operatives which had emerged subsequent to debates he attended in the late 1820s. In the late 1830s, he expressed doubts about the possibility of co-operatives carrying forward the operations of industry independently of individual capitalists, but admitted that they could be important sources of education for the working classes (CLAYES, 1998, p. 293). In the mid-1840s, Mill placed his chief hope for harmonising, at the same distant date, the interests of workers and employers in co-operative work and partnership (CW, v. 4, p. 382). In the 1850s, he viewed co-operative work as a source of regeneration for society and reconsidered the unsympathetic tone of the first edition of *Principles of Political Economy* in relation to socialism. In a letter of 23 August 1858 to Frederick J. Furnivall, he said that the progress of co-operatives was slow because altruistic moral feelings were lacking (CW, v. 14, p. 569). In the 1860s, Mill showed greater sympathy towards the co-operative cause, judging it essential to elevate the social dignity of those who worked with their own hands (CW, v. 15, p. 832-833). In a letter of 25 September 1865, Mill contended that the growth of co-operation and the merging of labourers and employers into one class were important means of preventing hostilities between them (CW, v. 16, p. 1103).

From the previous considerations, one can infer that Mill supported practices of co-operation from the 1840s and co-operative socialism from the early 1850s. Even in *Chapters on Socialism*, Mill continued to defend co-operative practices as antidotes to paternalistic doctrines and as essential in promoting workers' independence. Nevertheless, in the last years of his life, Mill recognised that the growth of workers' co-operatives was taking place at a pace that was below his expectations, because the spirit of partnership was not rooted deeply enough in society to permit socialism to flourish. He held that, without the ascendancy of moral feelings of co-operation, the form of socialism he supported could not be adequately implemented.

3 Gradualism, accountability and state intervention

Revolution implies wide-ranging changes in society and unpredictable consequences (CW, v. 18, p. 231). Therefore, those who supported revolutionary change in order to implement socialism were relying on untested beliefs (CW, v. 5, p. 737). Mill saw no case for resorting to violence to implement socialism in Britain, because the dynamic of British society permitted changes to be gradually implemented. He presumed that, if the masses used violence to establish socialism, the outcome would be terrible. There was a reason for this: the production of sudden, violent, and wide-ranging change in society required a massive use of power that led either to the total annihilation of other political forces or to a continuous conflict fuelled by bitter resentment and revenge. A new order abruptly implemented against settled expectations must increasingly concentrate power in its own hands in order to counter the fierce opposition of those who have lost property and power.

Mill wanted to prevent drastic inequality in the socio-economic sphere without undermining political liberty. His political economy was designed to be applied in political systems that promoted participation in a broad sense (MILLER, 2000, p. 90). He averred that those who cared for nobody but themselves were condemned to unhappiness, while those who cultivated public spirit “retain as lively an interest in life on the eve of death as in the vigour of youth and health” (CW, v. 10, p. 215). Mill’s advocacy of civic virtues complemented his advocacy of a private sphere of conduct, in that he assumed that the exchange of experiences in the public sphere could help people to cultivate their own individuality. Therefore, there was no contradiction between self-cultivation and public spiritedness. A liberal-democratic civic culture required the existence of voluntary associations which would establish relations between individuals and strengthen their spirit of co-operation. These types of associations were unlikely to exist in centralised forms of socialism.

Mill’s concern with democracy was at the heart of his political economy. He believed that the participation of people in the economic sphere was as beneficial to society as their participation in the political process. Moreover, he revised the doctrine of laissez-faire by allowing the state to provide basic education and to prevent those inequalities that led to the submission of some individuals to others. Mill wanted society to help the working classes to achieve a basic level of subsistence and education, because he thought that otherwise they would not be authentic citizens capable of making the informed choices that democratic societies demanded. Therefore, he linked self-government with economics, in that he assumed that democracy could not subsist where economic opportunities were not well distributed.

Mill moderated his defence of socialism, in *Chapters on Socialism*, fearing the increasing popularity of revolutionary forms of socialism that posed a threat to freedom. For him, economic democracy presupposed economic freedom. He favoured the creation of various centres of power in order to eliminate the possibility of tyranny both in the political and in the economic sphere. Mill favoured the idea that intermediary bodies which would operate to counterbalance the power of the

state and prevent despotism were essential to the life of societies. He saw co-operatives of workers, co-operatives of consumers, and unions as intermediary bodies based on voluntary association and designed, above all, to prevent economic despotism, which was as much a threat to individuality as political despotism. Mill's account of economic democracy was marked by a preoccupation to prevent the control of society by private monopolies. He presumed that once primary education and subsistence were accessible to everyone, people would be prepared to participate fully in the life of democratic societies. However, he was not a paternalist, but a radical who believed that personal responsibility should be a characteristic of all classes (SCHWARTZ, p. 195). In point of fact, Mill believed that freedom and economic democracy were essential to the well-being of society. This was why he asserted that good social arrangements were those which "make the scale turn in favour of equality, whenever this can be done without impairing the security of the property which is the product of personal exertion" (CW, v. 20, p. 354). Mill marshalled a utilitarian argument against drastic economic inequality: it distorted the market place and created luxury and snobbishness in one spectrum of society and envy and resentment in the other. A society marked by severe inequality could not provide security for its members, which was a very important social utility and one of the most vital interests of human beings (CW, v. 10, p. 259).

Mill thought that accountability was possible only in societies where existed an equilibrium of power. Therefore, a balance of power is instrumental to promote co-operation in political, economic, and family relations because it helps preventing individuals, groups, and governments from improperly imposing their wishes over others. He regarded the concentration of economic power as much a threat to individuality as political despotism. It is apposite to note that accountability relates not only to the need to place limitations on government but also to the need to strengthen social practices that would prevent excessive concentrations of power. Mill favoured small-scale socialist experiments, assuming that they could be discussed and evaluated, as opposed to revolutionary forms of socialism which tended to generate unaccountable powers. Preoccupied with the issue of accountability, he proposed a type of market socialism in which co-operatives of workers would compete among themselves, and their members take part in the administration of their respective enterprises.

Mill followed in *Chapters on Socialism* the fundamental lines of reasoning of the flexible approach to principle of laissez-faire he had previously outlined in *Principles of Political Economy*. He was aware that from the late 1840s on the economic debate shifted to the discussion of the shortcomings of the economic system. Mill intended to make the laissez-faire principle more flexible, so that it could address the problems posed by the poverty of the working classes, an issue which had not been the central preoccupation for his predecessors in political economy (LAJUGIE, 1981, p. 28-29). His revision of the laissez-faire principle was grounded on the view that one could not assume that the restriction of the power of the state causes necessarily the maximization of individual freedom. As a matter of fact, Mill neither wanted state intervention to be permanent in

many areas nor intended to transform the organs responsible for them into branches of the central government. He believed that, were this to happen, England or any other country would be free otherwise than in name. In appointing and paying the people who would control all aspects of life, the central government, would be able to impose its despotic will over society. For Mill, the risks of tyranny would be aggravated if “intelligence and talent are maintained at a high standard within a governing corporation, but starved and discouraged outside the pale” (CW, v. 3, p. 943). In this case there would be no rival power to criticise the government and those who were oppressed by government would be left no one to resort to. The ideal society Mill proposed in *Chapters on Socialism* was expected to be implemented by means of the democratic debate, but one in which competition is still a relevant aspect of the economic life. His views on socialism were undoubtedly marked by Weber’s fear that the excessive increase of state bureaucracy would stifle creativity and leave society in a situation of semi-slavery (BELLAMY, 1994, p. 52).

4 Conclusion

It has been claimed throughout this article that accountability was a central concern in Mill’s account of socialism. His notion of accountability was complex because it was not only restricted to the idea of setting limits to government, but his ultimate intention was to create a social order where no unopposed power existed. Mill favoured decentralised forms of socialism because he thought these versions of socialism were not incompatible to diversity and creativity. He drastically opposed any attempt to implement forms of socialism that discourages competition, neglects talent and disregard freedom. Mill certainly did not equate legal limitation of government to accountability, because he thought that, in certain circumstances, an excessive weak government might mean private economic monopolies being left unopposed and hence unaccountable. Accountability, for Mill, means making answerable for their acts those who exert power, either by means of the law or by means of incentives for social practices which tended to prevent the concentration of power. This is why he favoured the idea that intermediary bodies such as co-operatives of workers and co-operatives of consumers based on voluntary association were essential to prevent economic despotism. In the end, Mill proposed a type of market socialism that he deemed capable of promoting economic citizenship without destroying the atmosphere of freedom and competition that he judged fundamental to bolster social improvement. He knew it was not a social scheme that would be implemented in the near future. In fact, it remains to be seen if it is feasible even in a distant future. There is no doubt, however, that he defended such a scheme motivated by the idea that the concern with the control of power was a necessary component of the well-being of both individuals and society.

Notes

¹Hereafter *The Collected Works of John Stuart Mill*, J.M. Robson and others (eds), 33 vols., (Toronto and London: University of Toronto Press and Routledge & Keagan Paul, 1963-1999) will be referred to as (*CW*) followed by the numbers of the volumes in which each work is inserted and the numbers of the pages.

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