

**Session 4 agenda, 9/25/03. Sociology 929, *Envisioning Real Utopias*.
Market Socialism**

1. Details of the proposed mechanism.

- how does the two currency system really work? (Chang)
- funds for banks: where do these come from? Incentives for taxpayers? (Richard)
- issuance of new shares to new adults: how is this engineered? (Matais)
- how does owning coupons really benefit the owners if they cannot sell them? (Zeynep)

2. Coexistence of Coupon firms and privately owned firms. Doesn't this create all sorts of perverse effects: disincentive effects on innovation in private firms if there is a low ceiling on private venture capital firms, but perverse strategies with high ceilings? How can the conversion of private to public firms be handled? What about competition between public and private firms? (Linda, Zeynep)

3. Public Bads argument. Why would coupon socialism reduce public bads? Won't there still be plenty of firms with incentives to pollute, and couldn't mutual funds be sufficiently concentrated in such firms to back such practices? (Patrizia, Cesar, Stuart)

4. Firm accountability, monitoring. Would this be an acute problem in coupon socialism? How would mutual funds really monitor firms? What about accountability of the mutual funds or rent seeking within mutual funds? What about accountability within firms? What about risk-taking incentives of firms? (Richard, Matais, Stuart, Zeynep)

5. Investments vs dispersal of dividends. What governs the firm's decision to retain earnings for investment vs distribute dividends to coupon holders? Won't the structure of ownership here lead to perverse incentives with respect to this choice (the "cash-cow" problem for older coupon-holders)? (Linda)

6. Egalitarian effects. How egalitarian would one expect the effects of this project really to be? How much inequality in capital assets would be generated within generations? (stuart) What is the justification for the equality of opportunity vs equality of welfare principle? (Zeynep). Does coupon-socialism obstruct advances on other strategies for increasing equality? (Jay)

7. Public & private power, democracy. How, really does market socialism advance democratic power? Does it provide for a sharp separation of political and economic power as argued for by Walzer? (Adam)

8. Capitalist values, efficiency, rationality, etc. Will coupon socialism encourage capitalist individualism? Does it rest on capitalist values of efficiency and instrumental rationality? Is this a problem? (Richard, Zeynep)

9. Black market problem. Wouldn't this be a terrific problem, requiring lots of government intrusiveness, etc.? (Cesar, Linda)

10. Global context. How would coupon socialism contend with foreign firms? foreign investments? Socialism-in-one-country problem? (Linda)

11. market socialism vs other varieties of socialism. Is market socialism "socialism"? How well does it advance socialist goals *relative to other socialisms*? (Matias, Zeynep)

12. Transition Problem. How could this possibly be politically feasible? Why is this more feasible than improving equality via income distribution? (Eric, Zeynep)

13. Relationship of market socialism to other social inequalities (race, gender, etc.). Does market socialism directly contribute to dealing with other forms of status inequality? (Elizabeth)