

Article

# Rival views of economic competition

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## Abstract

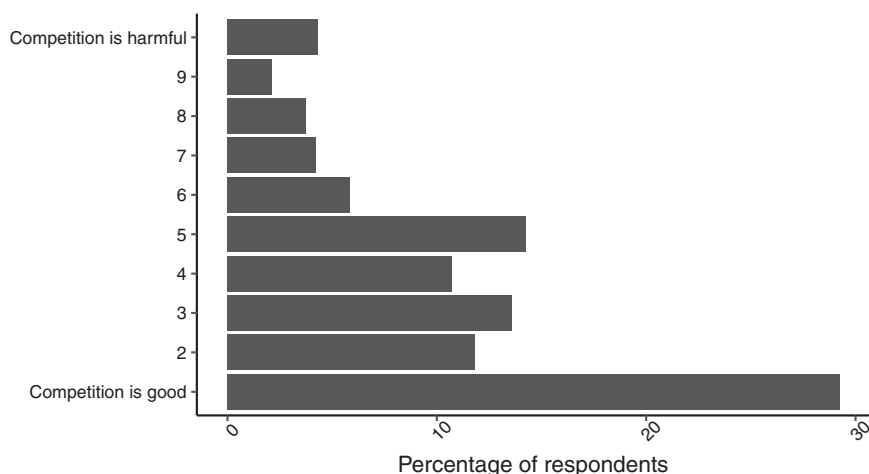
Competition is a constitutive feature of capitalist societies. Social conflicts over the introduction, abolition and regulation of market organization are saturated with implicit moral arguments concerning the desirability of competition. Yet, unlike private property, exchange relations and social inequalities, economic competition has rarely been the explicit core of moral debates over capitalism. Drawing on a broad variety of social science literature, this article reconstructs, maps and systematizes ethical arguments about economic competition in capitalist societies. We discuss six contradictory rival views of economic competition and illustrate their influence by providing historical examples of the respective views in action in political-economic debates. This article serves as a mapping groundwork for reviving the systematic ethical debate on economic competition. In addition, our map of rival views lends itself to use as a structuring tool in empirical research on the moral economy and ideational embeddedness of capitalist societies, markets and firms.

**Key words:** competition, moral norms, social theory, Hirschmanantitrust issues and policies, history of economic thought, equity, justice, inequality, and other normative criteria and measurement

**JEL classification:** A40; B00; D63

## 1. Introduction

Political philosophy, social theory and the sociology of morality are remarkably silent on the normative desirability of economic competition. This is despite the fact that, in the history of economic ideas, few features of market organization have been as normatively charged as the competitive organization of the economy. Over the last 300 years, it has been ‘enthusiastically advertised as a source of stability, progress, efficiency, justice, equality, harmony, freedom, diversity and healthy individualism; while, at the same time, it has been condemned as a source of instability, poverty, inefficiency, injustice, inequality, alienation, coercion, and insecurity’ (Dennis, 1977, p. x). While critics of capitalism have rarely focused



**Figure 1.** World Value Survey evaluation of competition.

Source: World Value Survey, longitudinal file; sample is weighted by S018.

on the relationship between competitors or on competition as a feature of modern capitalism (but see [Etzioni, 1988](#))—presumably because it is too thoroughly taken for granted and not specific to capitalism alone—its proponents are generally much more inclined to cite competition as a desirable organizing principle of capitalist economies and beyond. Positive connotations of competition are dominant in contemporary economic thought, if not in Western societies more broadly. The desirability of competition, provided it is ‘fair competition’, seems to have slipped beyond the purview of normative critique. The World Value Survey has been surveying the populations of a large number of countries on their normative stance towards competition since the 1980s, and, throughout the different waves and countries, a significant majority agree with the statement that competition is ‘good’ rather than ‘harmful’ (cf. [Figure 1](#)).

Normative views on competition have not always been this unambiguous. This article reconstructs the structure of moral debates for and against economic competition by drawing on a broad corpus of 1117 works in economics and the social sciences, which we systematize in a schematic *tableau idéologique*. Both the title and structure of our essay pay tribute to Albert O. Hirschman’s classic essay on rival interpretations of market society. While Hirschman discussed the interplay between society and the market more broadly, however, we focus on ethical debates concerning the element of economic competition in a narrower sense. Across the social sciences, competition is most frequently debated in non-moral terms, such as when the ‘principle of competition’ is presupposed in economic models. But there is also a significant number of implicit and explicit moral uses of the term.

We structure the moral debate—and the main body of our article—along six dominant axes of rival views on competition: competition can be judged normatively on the basis of its effects on economic welfare, social order, distribution, freedom, human character and interpersonal harm. The result of this stylized collection of ideas is that the normative views can be grouped in a scheme of six contradictions. In a further step, we take a random sample of occurrences of ‘competition’ and related terms in a broader corpus of literature from

economics and the social sciences and use our scheme to code the respective arguments as they occur. We show that the normative arguments about competition that we identified occur quite frequently and that our *tableau idéologique* generally passes the test of empirical applicability and representativeness.

Beyond making a contribution to normative debate, this article contributes to the empirical sociology of morality in two ways: first, we illustrate the occurrence of moral positions in debates and suggest how our scheme allows for further content analyses of political-economic debates, but possibly also of debates on competition outside of economic contexts, which contemporary societies are increasingly facing in the course of economization and marketization (e.g. in the fields of education, health and politics). Second, in using a large corpus of classical texts we try to go beyond the analysis of ideas by outstanding intellectual figures, a practice often employed in the sociology of morality and the sociological and political analysis of economic ideas.

## 2. Economic competition—systematizing the debate

Numerous features of capitalism have come under normative attack, but the critique of competition has arguably not figured as centrally as many others. Thus, a large proportion of contemporary critiques of capitalist society starts from the effects that profit-oriented behavior, free exchange and the market-based allocation of resources have on domains outside of the market proper (Herzog, 2013): they may exploit workers and the vulnerable (Satz, 2010), corrupt moral values or destroy the natural environment (Sandel, 2012), undermine social ties, institutions and overall legitimacy (Polanyi, 2001; Honneth, 2014), and make the realization of distributive justice problematic (Anderson, 1990).

In the old and new sociology of morality (Abend, 2010), too, the evaluation of competition has not figured prominently. While the traditional sociology of morality in the economy tended to focus on issues of the moral limits of market exchange, the problem of the sacred and the infusion of social values into market value (Zelizer, 2017), its ‘new’ counterpart has mainly analyzed how markets transmit, configure and cement notions of worth between persons, objects and categories (Fourcade and Healy, 2007; Kiviat, 2019). The determination of societal worth through market outcomes is certainly one way in which competition relates to the moral fabric of capitalist societies. However, norms governing the introduction, regulation and abolition of competition as a core interpersonal relationship in market societies are rarely discussed in this literature.

This is not to deny that normative thinking about competition, particularly it being ‘fair’ or ‘unfair’, has received much attention, and there is an entire legal field as well as antitrust authorities dealing with these normative questions on a daily basis. But this is *not* the main part of the moral problem that is the focus of this article, because the question of fair or unfair competition already presupposes that competition exists in principle and concerns only the proper or improper ways to behave within it. To illustrate this distinction, an analogy with Michael Walzer’s *Just and unjust wars* is helpful (Walzer, 2006, ch. 1). Much as the realist view on wars regards them as the inevitable result of self-interested states, a realist view of economic life sees it as being governed by the ‘law of competition’, through which the competing interests of market participants are transformed into, and held in check by, equilibrium prices (Dennis, 1977, p. 113). A practical illustration of this thinking can be found in firms’ blame-avoidance strategies, for example, in debates about layoffs necessitated by

the ‘forces of the market’ (Ulrich, 2008, p. 141ff). But much as for wars, where the justifications for starting a war (*ad bellum*) and for behavior within wars (*in bello*) can be discussed, the reasons for introducing economic competition (*ad concurrentiam*) and for justifying certain behaviors within a given competition (*in concurrentia*) can (and should) be subject to moral debate.

Societies around the world have without doubt developed a rich repertoire of *in concurrentia* norms and debates about them. In the majority of advanced capitalist countries, there has been a rise of specialized antitrust authorities and competition laws that regulate what a ‘fair’ sort of economic competition should look like (Djelic, 2005).<sup>1</sup> Typical intuitions and norms of fairness governing competitive activities include the intuition that competition between competitors of largely unequal size is problematic; that competition without equal starting conditions is unfair; that practices aiming at the outright destruction of competitors make competition ruinous; and that competition by illicit and fraudulent means is forbidden. Beyond these common intuitions, there is a range of more informal norms defining good behavior among competitors, some of which are codified in optional codes of ethical practices, while others are part of tacit knowledge in the business community. While the exact boundary between *in concurrentia* and *ad concurrentiam* norms—as in the analogy of war—is not always clearly demarcated, we still rely on Walzer’s stylized distinction to deal with the more principled debates surrounding *ad concurrentiam* norms in this article.

In what follows, we discuss six axes of normative conflict over the desirability of competition. The first four are largely consequentialist in nature, the last two also rely on virtue-ethical and deontological reasoning. Since they are not just intellectually relevant, but also widespread in societal debates, we present societal conflicts and debates alongside each position. Although we focus on the normative core of the respective arguments, we want to be clear that the disagreements between them are not solely based on explicitly ethical position-taking. Ethical disagreements and disagreements about what competition actually is or does regularly go hand in hand. As amply demonstrated in the sociology of morality, moral conflicts often consist of quarrels over construal and classification as well as over ethical principles themselves (Boltanski and Thévenot, 2006; Fourcade and Healy, 2013).

## 2.1 Engine for well-being or wasteful enterprise?

The first group of arguments bases judgments on the desirable or undesirable *economic* consequences of competition, above all, on increases or decreases in ‘aggregate’ economic well-being. Most of the views belonging to this group are far from naive denials of the fact that competition has immediate economic consequences of mixed desirability. Thus, typical costs incurred in the process of competition are what economists refer to as externalities: damage to the natural environment and to the well-being of workers, for example. Economic consequentialist views of competition are not blindly progressivist, but they do argue that overall—or even overall *and* in the long run—certain gains in productivity, efficiency and well-being should consistently outpace obvious costs of competition, allowing at least in principle for compensation of the respective losers. By lowering prices, competition could itself act as one mechanism for this redistribution to some workers who lose jobs in the

1 The influence of non-economic goals and explicit fairness considerations in competition policy varies considerably over time and between regulatory regimes (Ergen and Kohl, 2019).

competitive process.<sup>2</sup> Overall, economic consequentialist arguments often run into utilitarian deliberations about which costs and benefits there are, how to weigh them inter-subjectively and how to evaluate the resultant utility balance.

### 2.1.1 Competition as a source of prosperity

Proponents of unhampered rivalry in the economic sphere cite a wide variety of mechanisms that lead from competition to prosperity. Probably the most influential position values the extrinsic motivation function of competition. Actors who are in competition for their economic livelihood—intentionally or unintentionally—force each other to raise their levels of effort in order to keep up. Competition, in this view, encourages industriousness. While this view of the benefits of competition has been applied to all kinds of economic domains, it appears most often in debates on competition between workers and on social policy. A good early example of the reasoning behind this position can be found in the much-discussed arguments of opponents of the English Poor Laws (Polanyi, 2001). Early forms of modern social policy came under heavy criticism from liberal thinkers, as they were held to increase, rather than decrease, misery among the working population. Malthus's forerunner Townsend based his critique of the Poor Laws on the conjecture that the more the state provided for the poor, the less inclined they would be to be hardworking and industrious:

What is most perplexing is, that poverty and wretchedness have increased in exact proportion to the efforts which have been made for the comfortable subsistence of the poor; and that wherever most is expended for their support, there objects of distress are most abundant; whilst in those countries or provincial districts where the least provision has been made for their supply, we hear the fewest groans. Among the former we see drunkenness and idleness clothed in rags; among the latter we hear the cheerful songs of industry and virtue. (Townsend, 1817, p. 7).

References to the extrinsic motivation function of competition—though in less radical versions than in earlier liberal thought—are equally prominent in contemporary debates. An influential example is the economist Arthur Okun's idea of a 'tradeoff' between equality and efficiency. Okun's starting point is that equality seems to be a core feature of virtually all domains of American society except for the economy in which competition reigns supreme:

American society proclaims the worth of every human being . . . As American citizens, we are all members of the same club. Yet at the same time, our institutions say 'find a job or go hungry', 'succeed or suffer'. They prod us to get ahead of our neighbors economically after telling us to stay in line socially. They award prizes that allow the big winners to feed their pets better than the losers can feed their children. (Okun, 2015, p. 1)

For Okun, the competitive organization of capitalist economies was justified as 'a system of rewards and penalties that is intended to encourage effort and channel it into socially productive activity' (Okun, 2015).

Okun's reference to the 'channeling' effects of economic competition captures the second prominent economic justification for competitive organization: its allocative functions. Allocation-based arguments in favor of competition were especially prominent in early writings on the division of labor. Competition, in arguments of this systemic type, dynamically

2 Empirically, the question of the influence of competition on consumer prices and innovation in markets remains surprisingly unresolved (Fear, 2008, pp. 284–287; Shaikh, 2016, chs. 7 and 8).

regulates the allocation of individuals to economic activities and of resources to economic uses. Adam Smith's most cited example of this function is the price-mediated adaptation of the textile industry to a sudden rise in demand for black cloth due to an episode of public mourning (Smith, 1981, pp. 132–133; Okun, 2015, pp. 76–77). Allocation-based arguments were among the core economic arguments for the superiority of capitalist over socialist societies. In an influential critique of government planning, Friedrich Hayek reasoned that the adaptation of economic systems to changing environmental conditions would necessarily overburden the capacities of central planners. No matter how wasteful in terms of parallel efforts and collateral damage, competition would provide the only suitable decentralized mechanism to allocate societies' resources to competing uses (Hayek, 1945). Allocative arguments were often at the core of economists' and policymakers' opposition to government efforts to cushion the effects of economic depressions. As depressions were seen to be large-scale reallocation processes, governments could only make matters worse by interfering with the economic 'weeding out' of inefficiencies, a position Blyth (2013, p. 121) has aptly called 'liquidationism':

*In all cases ... [of depressions under study] recovery came of itself ... But this is not all: our analysis leads us to believe that recovery is sound only if it does come of itself. For any revival which is merely due to artificial stimulus leaves part of the work of depressions undone and adds, to an undigested remnant of maladjustment, new maladjustment of its own which has to be liquidated in turn, thus threatening business with another crisis ahead. (Schumpeter, 1934, p. 20, emphasis in original)*

A third prominent mechanism in favor of competition sees competitive pressure as generating a better climate for innovation and discoveries, stimulating new process and product innovations that are necessary for economic growth. In part, this is what Schumpeter (1975) referred to when describing competition as a process of 'creative destruction' and the economist William Baumol has called the 'free market innovation machine' (2002). For Baumol, competition between firms leads to 'arms races' in innovative activity, in which competitors, for fear of falling behind, 'over-invest' in research and development:

*Without the profit-driven competition of the innovating firms seeking to be the first to learn how to make the better mousetrap or the better computer ... how much more modest would the growth record of the market economies have been? All this is patently driven by what some call the "profit motive" although others, less affectionately, just call it "greed." But it is greed harnessed to work as efficiently and effectively as it can to serve the public interest in prosperity and growth. (Baumol, 2002, p. 15)*

Institutionalist economists such as Acemoglu *et al.* (2012) consider these mechanisms to be one of the reasons why rapid industrial growth historically occurred first in the more competitive systems of the West, and why 'cut-throat' capitalist societies like the American system of today seem more likely to bring about radical technological innovations than their 'cuddly' European peers.

### 2.1.2 Competition as a wasteful enterprise

Strikingly, for every single mechanism cited by arguments in favor of economic competition on the grounds of prosperity, there are counter-arguments with the polar opposite assessments of the economic consequences of competitive organization. One of the main lines of critique

against valuing competition for its extrinsic motivation function was captured by Karl Polanyi. He ridiculed thinkers like Townsend, Malthus and Ricardo for ‘approaching human community from the animal side’ and for ‘zoological determinism’ (Polanyi, 2001, pp. 124). The idea that only material needs would spur individuals to become productive members of society rested on impoverished anthropology, according to Polanyi. By reducing human wants to material betterment, proponents of free competition would in effect propose socially and economically dysfunctional institutional orders. Polanyi finds exemplary empirical support for the negative economic effects of unfettered competition in early experiments with capitalist cooperatives, such as Robert Owen’s in New Lanark:

In a worker’s life wages was only one among many factors such as natural and home surroundings, quality and prices of commodities, stability of employment, and security of tenure . . . But much more than that was comprised in the adjustment. The education of children and adults, provision for entertainment, dance, and music, and the general assumption of high moral and personal standards of old and young created the atmosphere in which a new status was attained by the industrial population as a whole . . . The profits of New Lanark sprang mainly from the high productivity of labor on shorter hours, due to excellent organization and rested men, advantages which outweighed the increase in real wages involved in the generous provisions for a decent life. But the latter alone explain the sentiments of all but adulation with which his workers clung to Owen. (Polanyi, 2001, pp. 178–179)

Today, arguments of a similar type are associated with the notion of the ‘crowding-out of intrinsic motivation’ by competitive pressures and economic incentives in general (Titmuss, 1970; Grant, 2011). The sociologist Talcott Parsons famously warned of the dangers of open competition in professional fields. Using the example of the medical profession, he argued that the proper functioning of the medical field was dependent on professional ethics, as problems of asymmetric information and of trust would render professional sincerity essential (Parsons, 1951, ch. 10). In contemporary social conflicts, professions routinely defend themselves against reforms that threaten their autonomy, for example, via incentive schemes or external quality control, with reference to such motivational arguments (Exworthy *et al.*, 2016).

The second mechanism, allocative arguments, has equally been subject to fundamental critique. Among the most prolific theoreticians of economic competition as a wasteful enterprise was Thorstein Veblen. Veblen’s critique of unchecked competition focused on the allocative consequences of competitive organization. He reasoned that firms under increasing competitive pressures would shift their efforts from what he called a focus of ‘serviceability’ to one of ‘vendibility’. Instead of trying to improve their products or production methods, competitors would increasingly ‘waste’ resources to outsell each other. This reasoning was the basis of Veblen’s fierce critique of modern advertising:

Advertising is competitive; the greater part of it aims to divert purchases . . . And to the extent to which the efforts of advertising in all its branches are spent on this competitive disturbance of trade, they are, on the whole, of slight if any immediate service to the community. Such advertising, however, is indispensable to most branches of modern industry; . . . Each concern must advertise, chiefly because the others do. (Veblen, 1927, pp. 57–58)

Similar assessments of competition diverting resources into unproductive activities can be found in early socialist thought, especially in Saint Simon (cf. Schmidt am Busch, 2007). In the 20th century, such assessments regularly appeared at the core of proposals for

nonmarket forms of economic organization, such as cartels and large integrated concerns (Adams, 1887; Andrews, 1889; Keynes, 1927; Michels, 1928). Path-breaking representatives of this line of argument can be found in early French socialism and among utopian socialists such as Robert Owen, who recommended some form of central coordination within a ‘social economy’ to counter the waste of chaotic parallel efforts (Fourier, 2012). This argument is often motivated by an engineering view of economic systems, which see competition as technically deficient. A significant proportion of the American economics profession at the turn of the 20th century expected a significant increase in corporate concentration, in parts based on a waste theory of competition (Morgan, 1993). Possibly the climax of the waste theory of unchecked competition in the American context was the detailed 1921 report ordered by Herbert Hoover on ‘Waste in Industry’ (American Engineering Council, 1921).<sup>3</sup> The theory also appeared in New Deal agricultural and industrial adjustment programs meant to increase efficiency, raise prices and avoid waste (Skocpol and Finegold, 1982; Barber, 1996). The inefficiencies of competition also influenced the design of some real socialist systems, whose basic anti-competitive rationale Kornai describes with hindsight thus:

Competition based on private property leads to business secrecy, whereas under socialism innovations become common property. Competition leads to waste of other kinds, such as the proliferation of costly advertising and the eternal changing of models and types of product, which socialism can eliminate. Finally, it puts an end to the frittering away of resources on parasitical consumption by the exploiting classes. (Kornai, 1992, p. 51)

Remnants of a waste theory of competition also appear in contemporary conflicts over interfirm cooperation, such as in debates over standardization and limited horizontal agreements. The argument has seen a surprising renaissance in the writings of the Chicago School and in Transaction Cost Economics, such as when concentration in the economy is explicitly welcomed on the grounds that the efficiency gains of bigger businesses might outweigh the loss of competition (Williamson, 1968; Posner, 1979).

The idea that competition is chiefly responsible for innovative activities has been turned on its head as well. A common criticism is that competitive systems tend to make short-term goals—for example, maximizing shareholder value or short-term profits—more attractive than long-term ones (Jackson and Petraki, 2011). Since the 1970s, a strand of critique of unchecked competition has emerged which argues that increasing competitive pressures and the attendant short-term-oriented rationalization decrease the opportunities for actors, organizations and societies to bring about innovations. Contrary to the positions cited above, these arguments describe innovations not as a problem of incentives, but as a problem of capabilities. Richard Lester and Michael Piore systematized this line of argument in the proposition that new products emerge in what they call protected ‘interpretative spaces’. Nurturing new ideas and developing new products often require long-term undirected cooperative arrangements, which are stifled by competition:

3 The early 20th-century movement to eliminate waste in industry was not directed against competition per se. Rather, it tried to ameliorate and channel it with regulatory frameworks and through the rationalization of accounting practices (Berk, 2009).



Interpretation involves cooperation, transparency, and disclosure. It also demands a degree of trust that your interlocutor is not deliberately trying to deceive you. Economic competition, on the other hand, fosters opportunism, secrecy, and confidentiality ... In an economic organization, interpretation is understandably pushed to the margin ... These competitive obstacles both within and among firms suggest the need for public spaces within which free-flowing conversations can occur. (Lester and Piore, 2004, p. 119)

Instead of preserving such protected spaces, competition channels resources into immediate output-generating or efficiency-enhancing activities. Arguments about preserving dynamic capabilities to innovate to the detriment of open competition regularly appear in conflicts over institutions governing corporate control and the public funding of research and development. They have recently resurfaced in the critique of the financialization of the American corporation (Lazonick, 2010).

## 2.2 Competition and order

A common dialectical turn among proponents of competition against the arguments of their critics concerning the undesirable economic consequences of competition is to highlight the positive effects of competition on *political* order. New market entrants and other competitors constantly challenge each other, thus preventing the concentration of economic power and the accompanying potential for exploitation. What checks and balances are to the political order, competition is to the economic sphere. Moreover, given that it is hard to prevent economic power from spilling over into other social spheres, and given that such spillovers are often considered normatively undesirable, competition can even be seen as a promoter of both 'simple' and 'complex' equality (Walzer, 1983): it keeps the size of within-market competitors relatively equal, but it also prevents one competitor from influencing other spheres of society through its power. This function of the creation of order is, according to proponents such as Hayek (1945), in fact, a very efficient one: a decentralized system of local checks and balances that does not require the heavy machinery of central administration with its potential vices of corruption and inefficiencies (Hayek, 2006, p. 149).

### 2.2.1 Order through competition

In practice, the US antitrust regime is probably the most prominent empirical case in which this argument has been used to fight monopolistic structures both in business and in labor organization (Pitofsky, 1979). The spillover of cartelized big-business power into conservative and radical politics at the end of the Weimar Republic was also an important part of the historic narratives of transition authorities and German ordoliberals when they established the post-World War II German antitrust laws (Gerber, 1998). This line of reasoning was also behind the radical change of attitude of the German Left towards cartelization and big business that occurred after World War II (Callaghan and Höpner, 2012). The noncompetitive features of corporate Germany were held responsible for the rise of the fascist regime.

Among the vaunted positive consequences of competition are thus not only a more stable economic order but also a more desirable political or social order. Competition is seen as a basic social contract and a creator of social order because, after all, competition is a minimal and undemanding way for individuals to socialize and settle rivalries over scarce resources; it has the characteristic of what Hirschman has called a 'steady diet of conflict' typical of market societies (Hirschman, 1994). When defining competition, classical sociologists like Max Weber or Georg Simmel often emphasized the element of struggle, but they regarded it

as an essentially peaceful means of conflict resolution compared to situations of outright violence or war.

For [Simmel \(2008\)](#), competition, particularly the relationship between competitors and the customers to be served, was the means by which modern market societies became bound together. As Hirschman summarizes: ‘In this connection he [Simmel] gave high marks to competition as an institution that fosters empathy and the building of strong social ties’ (p. 1472):

There is this incredible effect of socializing people: [competition] compels the competitor, who finds his fellow competitor at his side and only as a result of that really starts competing, to approach and appeal to the potential customer, to connect to him, to find out his weaknesses and strengths and to adapt to them, to find or to build all imaginable bridges that might tie the producer’s existence and performance to the potential customer . . . competition has the effect that those who are destined to lead the masses must subject themselves to the multitudes. ([Simmel, 2008](#), p. 961)

Simmel here repeats a theme found throughout his work. Modern market societies seemed to have ambivalent effects on social order, undermining old social bonds and hierarchies and creating new ones. Competition, then, was one societal force that separated similar social positions and created bonds between heterogeneous ones. The argument that competition may force economic elites to ‘listen to’ and ‘bond with’ the broader citizenry has regularly featured prominently in proposals to bring down international trade restrictions, particularly in the developing world. It has influentially been summarized in Douglass North and colleagues’ distinction between *Open Access Orders* and *Limited Access Orders*, characterized by rent-seeking and political oppression ([North et al., 2007](#)).

### 2.2.2 Competition—social division and unstable orders

Praise of the societal bonding effects of competition came under heavy fire in early sociological theory. Émile Durkheim in particular made theories of competitive modern social orders the main intellectual opponent for his theory of society. As outlined in the attack on Herbert Spencer in *Division of Labor*, Durkheim reasoned that neither traditional nor modern differentiated societies could—or did—rely on competition as an integrating force. To the contrary, it was the workings of social structures and morality that prevented competition from causing society to *disintegrate*:

Indeed when competition opposes isolated individuals not known to one another, it can only separate them still more. If they have ample space at their disposal, they will flee from one another. If they cannot go beyond set limits, they will begin to differentiate, but in a way so that they become still more independent of one another. ([Durkheim, 1984a](#), p. 217)

In his more political writings, Durkheim called the abolition of intermediary organizations in economic life, like guilds, a ‘serious anomaly’, recommended their reestablishment, and saw the causes of the societal disorder of his time in an ensuing ‘under-regulation’ of economic life ([Durkheim, 1984b](#), p. lv). Later sociologists saw competition as a root cause of social *anomie* and deviant behavior. While the legitimacy of modern social orders rests on principles of meritocracy and fairness, economic systems that are organized by unhampered competition can distribute benefits in comparatively unequal and unintelligible ways.

Hence, it was thought to be a challenge for modern capitalist societies to come up with institutional regimes that safeguarded the legitimacy of market society as a whole:

Continuing satisfactions must derive from sheer participation in a competitive order as well as from eclipsing one's competitors if the order itself is to be sustained. . . . The distribution of statuses and roles through competition must be so organized that positive incentives for conformity to roles and adherence to status obligations are provided for every position within the distributive order. (Merton, 1938, p. 674)

In modern political-economy debates, variations on such arguments regularly appeared in pleas for public assistance, protection for displaced workers, and protection for distressed industries and regions to prevent social unrest (Hawley, 1966, ch. 3). Arguments against unchecked competition based on the protection of social orders should not be mistaken for a mostly leftist or progressive line of reasoning. They have been equally prominent in illiberal conservative movements in history as well as in contemporary politics, the aim being to limit markets in order to preserve traditional social hierarchies and national social orders (Kolozi, 2017; Bluhm and Varga, 2019).

### 2.3 Competition and distributional justice

Market organization in general and competition in particular have regularly been associated with both just and unjust distributional outcomes. Of course, many of the distributional arguments for or against capitalist social orders have nothing to do with competition proper. For instance, arguments concerning the distributional consequences of private property, 'free' exchange, or the capital-labor nexus concern other features of capitalist society. Yet, a significant proportion of classic and contemporary assessments of capitalism based on concerns about distributional justice implicitly rests on rival views of competition.

#### 2.3.1 Competition, consumer empowerment and meritocracy

Arguments justifying competition on distributional grounds broadly belong to two categories: arguments valuing consumer empowerment and arguments associating competitive outcomes with meritocratic ideals of distributional justice. By their very nature, competitive systems do not produce equal outcomes directly, but this position contends that the indirect or long-term outcome is more egalitarian and, given fair competition, justifiably unequal. There is a long, and in part precapitalist, history of popular demands to subject producers to the disciplinary force of competitive markets in the name of buyers and consumers. E. P. Thompson, for example, reports premodern popular revolts against grain producers' attempts to 'hide' produce from the 'open market' (Thompson, 1971). The transparency and social control in 'open markets' (here meaning physical 'marketplaces') were believed to make usury and production restrictions more difficult and, hence, to protect the poor from the caprice of producers. Intuitions and theories about the consumer-empowering effects of competition—often coupled with the subtext that consumers are 'many', 'weak', and 'disorganized'—have been core arguments in favor of competitive organization throughout the history of capitalist societies. The Western popularization of a strongly consumer-based justification of market organization is often attributed to Adam Smith's *Wealth of Nations* (Schumpeter, 1954, p. 302). Building on earlier economic thinkers and social philosophers, Smith used highly moralized language when criticizing restrictions on competition: '[T]o

narrow the competition must always be against [the interest of the public]', he conjectured, 'and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens' (Smith, 1981, p. 267). During the previous two centuries, many kinds of restrictions on competition have been attacked on consumer welfare grounds. They have been and still are one of the main arguments against barriers to international trade (Irwin, 2017), banking and financial market regulation (Krippner, 2011) and antitrust violations (Ergen and Kohl, 2019).

This position would not deny unequal immediate outcomes through competition—there are obvious winners and losers. But given fair initial conditions, competition is thought of as the best way of realizing meritocratic principles which make these direct inequalities justifiable. Only in free competition are economic functions, countries, organizations and actors remunerated according to their talents, efforts and social value. Nullmeier (2000) and Davies (2016) have argued that there exists a continuity of beliefs in 'just' outcomes produced by 'fair' competition from antiquity and early modern thought to parts of today's liberal thought. Such positions are often based on the idea that competition functions as both a check on unjustified claims on resources and as a 'discovery procedure' to determine the 'true' value or nature of things and persons.

### 2.3.2 Competition and inequality

Competition has been criticized on two diametrically opposed grounds: it is supposed to make societies more unequal and to fail to achieve meritocracy. Especially since the Industrial Revolution, intellectuals and policymakers of various stripes have questioned the potential of competition to serve as a check on the powerful and have instead argued that it is the basis of perpetuated, if not increasing, inequalities. Among the most prominent varieties of this line of argument are theories of monopoly capitalism, which posit that market competition has a built-in tendency towards corporate concentration. Theories of monopoly capitalism were among the most prominent Marxist theories of competition, popularized by authors such as Hilferding (1985) and Sweezy (1942).<sup>4</sup> They were at the core of distributional arguments of the Fabians, justifying socialism on ethical grounds by appealing to Yeomen ideals:

The combinations controlling production become larger and fewer . . . Each one of us is quite 'free' to 'compete' with these gigantic combinations, as the Principality of Monaco is 'free' to go to war with France should the latter threaten her interests. The mere forms of freedom remain; but monopoly renders them nugatory. (Shaw, 1911, p. 74)

Monopolization tendencies thus do not lead to a more egalitarian distribution of resources but to a solidification of unequal starting positions. But does competition in this view achieve meritocracy and thus justify the inequality it produces? Reformist positions still believe in the virtues of competition in this regard, if—and only if—it is properly regulated and the self-destructing initial equality condition is safeguarded by the state. The old American antitrust tradition therefore sought to protect 'small' competitors from the 'unfair' practices of 'large' firms (Pitofsky, 1979). Its basic tenet is also regularly brought up in trade disputes, for example, when producer groups and governments decry certain corporate, political and

4 For a good overview and suggestions for further development of the argument, see Shaikh (2016).

competitive practices for violating the principle of a ‘level playing field’. For some liberal intellectuals, requiring equal starting conditions in order to defend competitive organization on the grounds of distributional justice was so daring that they warned not to rely on distributional arguments at all, as acknowledging them might ‘produce a nightmare’ (Hayek, 1998, p. 85).

More revolutionary positions, by contrast, do not believe in a remedy for the self-destructive tendencies of competition. Only replacing the competitive principle with, for instance, an economy of solidarity would eliminate its concentrating and inequality-increasing tendencies. What is more, *even* under perfect initial conditions, competition might not be the best way to achieve meritocracy, as competition can get deflected from its original purpose and produce undesired outcomes (Binswanger, 2010). When competitors outcompete each other with ever more marketing and customer persuasion, the winner is arguably the best in this competition, but without earning any other merits, such as increasing production efficiency or product quality.<sup>5</sup>

## 2.4 Competition and freedom

While the previous arguments focused on economic, social and distributional consequences of competition, competition has also been valued and condemned as an expression of human freedom or unfreedom. In this dimension, the debates do not necessarily revolve around whether competition itself is free or not, or whether it requires political freedom to exist. Rather, the question is whether competition itself has emancipatory qualities.

### 2.4.1 Freedom manifested in competition

Some of the major intellectual origins of this line of thought date from the period in which the political and economic order of feudalism obstructed many personal freedoms. A strong notion of negative freedom developed in conflicts over feudalism, and traditional regulation is an influential founding myth of competitive capitalism (Schumpeter, 1954, pp. 80–81). While simple histories of the emergence of capitalism routinely remark upon increases in economic welfare, they almost always regard an order built around the notion of freedom as better in principle, regardless of material, social or distributional consequences.

Whenever more principled debates on social order occur, or market society as such is called into question, the appeal of this founding myth regains its initial strength. For instance, German ordoliberal thinkers upheld the principle of competition as a general expression of human freedom—endangered in the economically centralized Weimar economy and abolished in the politically centralized Nazi regime (brief overviews of the idea of competitive freedom are Hellwig (2006) and Thielemann (2010, ch. 3)). The principled nature of this kind of reasoning is also revealed when European ordoliberals in antitrust policy rejected enforcement norms allowing higher levels of economic concentration, even if they would raise welfare and efficiency, on the grounds that they principally run counter to the realization of competitive freedoms (Ergen and Kohl, 2019). What is more, the ‘freedom to compete’ achieved quasi-constitutional character in Europe through the case law of the European Court of Justice and is regularly used to challenge trade barriers erected by EU Member States (Scharpf, 2010).

5 In fact, meritocracy itself has been criticized for being fundamentally at odds with egalitarian ideals (Young, 1979).

### 2.4.2 Unfree in competition

The relationship between competition and freedom has been described in contradictory terms. Within the competitive process, the participating actors tend to lose sight of the original and overarching purposes of action and replace them with the sole purpose of ‘winning the game’. There is an inversion of means and ends, a topic that was at the core of the social critique of turn-of-the-century and postwar sociology. If competition was introduced as a means to the end of increasing overall welfare, then, in the inverted logic, it becomes an end in itself, with welfare possibly only serving as a means to maintain competition. In the words of Georg Simmel, who elsewhere pointed to the socializing effects of competition:

With increasing competition and increasing division of labor, the purposes of life become harder to attain; that is, they require an ever-increasing infrastructure of means. A larger proportion of civilized man remains forever enslaved, in every sense of the word, in the interest in technics. The conditions on which the realization of the ultimate object depends claim their attention, and they concentrate their strength on them, so that every real purpose completely disappears from consciousness. (Simmel, 2004, p. 232)

Similar diagnoses of dominating ‘means of action’—and hence of unfreedom—through competition can be found in the works of Max Weber and Karl Marx. Weber (1984, p. 181) famously described the decoupling of the ascetic work ethic from its Protestant origins in capitalist societies: ‘The Puritan wanted to work in a calling; we are forced to do so’. Karl Marx relied on competition to make his theory of capitalist development a structural theory, independent of both individual and collective intentions: ‘the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition, and therefore enter into the consciousness of the individual capitalist as the motives which drive him forward’ (Marx, 1982, p. 433).

Rather than seeing the ordering virtues of competition, opponents cast doubt on whether competition can live up to its promise of being a self-organizing principle. They understand the loss of collective control over economic processes as a danger for societies. Arguments concerning the loss of collective self-control through competition have been influential in the modern environmental movement. The *Club of Rome’s* influential plea for a conscious end to unchecked economic growth, for example, came with the promise that ‘those pursuits that many people would list as the most desirable and satisfying activities of man – education, art, music, religion, basic scientific research, athletics, and social interactions – could flourish’ (Meadows et al., 1972, p. 175). The opposition between rival views of freedom in competition is also visible in the different interpretations of the political and economic causes of World War II. Whereas proponents of competition saw restrictions on international trade, the concentration of industry and through unions as the *Road to Serfdom* (Hayek, 2006), opponents rather emphasized the prior excesses of a ‘satanic mill’ of market competition as the root cause that destroyed a stabilizing institutional order (Polanyi, 2001).

## 2.5 Competition and the development of character

Competition has not only been discussed in terms of collective outcomes for social orders, but also in terms of virtue ethics, which considers certain character traits as morally valuable and a source of ethical evaluations. As in the previous rounds of the debate, there are directly opposing views about whether competition corrupts individual character by bringing its most undesirable traits to the surface or whether it refines it by suppressing its least noble parts.

### 2.5.1 Competition benefiting human character

The disciplining effect of competition is not only said to be influential at the level of societies, but it is also vaunted for its effects at the individual level. Albert Hirschman famously described how, during the Scottish Enlightenment, the private interests that the competitive system appeals to were seen as the rational governors over uncontrolled passions (Hirschman, 1977). In other words, competition not only produces the best outcomes for society, but it is also a mechanism through which virtues are promoted and vices suppressed, thus appealing to the very best character traits in humans. Economist Frank Knight searched for ethical justifications for competition in non-economic human desires for self-realization, artistic creation and creative achievement. Even though Knight conceded that the bulk of such self-realization in the economic system of his day was reserved for a ‘winning’ minority, he saw intrinsic reasons in human nature to justify competition in the economy (Knight, 1923, p. 602).

Praise of economic competition on the grounds of virtue is especially prominent in elitist theories of social order. The economist Joseph Schumpeter, for example, diagnosed an increasing trustification of Western economies. While the economy of the 19th century, which Schumpeter called ‘competitive capitalism’, provided ample room for entrepreneurs, ‘trustified capitalism’ would make innovative activity the preserve of large bureaucratic firms. For Schumpeter, entrepreneurs were not just economically significant, they represented a particular type of human flourishing that he tried to capture with terms like ‘energetic’, ‘creative’, ‘sharper intelligence and more vivid fantasy’ and ‘delight in social power and creative design’, and which he contrasted with a mass of ‘mediocre’, ‘passive’ and ‘hedonistic’ individuals (Schumpeter, 1912). With the incremental decline of the competitive order, this type of entrepreneur seemed to die out:

The development of our psyches runs parallel to ... socioeconomic and political developments. The instinctive masters and servants of old are being replaced by cripples called professionals, small specialized wheels in machines who have no sense of the richness of existence in earlier times, and whose total personality dries up along with their human relations. (Schumpeter quoted in Dahms (1995, p. 9)).

The idea that participation in competition nourishes valuable features of human character has been especially prominent in debates on the welfare state. As nicely captured in Townsend’s quote above, social safety nets have repeatedly been criticized for ruining human character and for creating obedient, hedonistic and immature personalities. In a similar vein, the historian Jenny Andersson has argued that the assumed necessity to stimulate the emergence of reformed citizens, able to thrive in knowledge economies, was a core belief underlying welfare state retrenchment under Western Third Way governments (Andersson, 2009).

### 2.5.2 Competition destroying character

More often than it is lauded for its positive effects on individual character, competition has been attacked as a social force leading to the corrosion and degeneration of character and virtue. Two interrelated lines of this argument figure prominently: first, there is an economic argument that maintains that unchecked competition lowers the plane of ethical behavior in markets and society; and second, there is a sociological argument that sees competition as a force that leads actors away from realizing their true nature.

Arguments about the corrupting effects of competition on ethical behavior were very prominent in turn-of-the-century debates on industrial competition. The economist Henry Carter Adams found examples of this process in the railroad competition of his time and cautioned his contemporaries that:

The free play of individual interests tends to force the moral sentiment pervading any trade down to the level of that which characterizes the worst man who can maintain himself in it. So far as morals are concerned, it is the character of the worst men and not of the best men that gives color to business society [56] . . . It is a necessary result of a competitive society that the plane of business morals is lower than the moral character of the great majority of men who compose it. (Adams, 1887, p. 43)

Such ‘race to the bottom’ arguments today are very common in debates on labor rights, environmental protection, taxation and economic development policies (Shleifer, 2004). Their common core is that competition systematically overrules all regard for behavior that is not conducive to competitive success. In this vein, scholars have argued that orderly and socially beneficial competition relies on ethical foundations and social norms it cannot provide for itself (Etzioni, 1985).

The second argument approaches competition from a more sociological, or social psychological, perspective. Its core is that, to the degree that societies’ positions and rewards are allocated by competition, a culture may emerge that leads actors away from other bases of self-esteem, recognition and human flourishing. A good example of such an argument is Adorno and Horkheimer’s fragment on commercial culture in American society:

In this country there is no difference between a person and that person’s economic fate. No one is anything other than his wealth, his income, his job, his prospects. In the consciousness of everyone, including its wearer, the economic mask coincides exactly with what lies beneath it, even in its smallest wrinkles. All are worth as much as they earn, and earn as much as they are worth. They find out what they are through the ups and downs of their economic life. They know themselves as nothing else . . . People judge their own selves by their market value and find out who they are from how they fare in the capitalist economy. Their fate, however sad it may be, is for them not something external: they acknowledge it.<sup>6</sup> (Horkheimer and Adorno, 2002, p. 175)

While cultural critiques of capitalist personality traits often featured in the sphere of intellectual debate, similar ideas appear in social conflicts over the welfare state and in popular resentment towards the upper classes of capitalist society. The sociologist Michèle Lamont, for example, has documented strong beliefs among members of the working class about the corrosive personality trait of ‘competitiveness’ among the well-to-do, who they claim to be ‘two-face’, ‘not real’, ‘people with facades’ and ‘dishonest’ (Lamont and Thévenot, 2000, pp. 108–112).

6 Horkheimer and Adorno’s ideas on the corrosion of character are of course much more nuanced and complex than to suggest a simple relationship between competitive society and the dominance of the ‘economic mask’. Still, the *Dialectic* repeatedly suggests that market competition has a distinct and important influence on individual personality, for example, when it claims that: ‘Every bourgeois character expressed the same thing, even and especially when deviating from it: the harshness of competitive society. The individual, on whom society was supported, itself bore society’s taint; in the individual’s apparent freedom he was the product of society’s economic and social apparatus’ (Horkheimer and Adorno, 2002, p. 125).



## 2.6 Competition and harm

A final debate—and the one exhibiting the most pronounced deontological concern with intentions—is about whether acting in competition is an instance of deliberate harm inflicted by competitors on others or whether, to the contrary, it prevents greater harm. Both sides do not in principle contest the basic ethical rule, probably one of the most widespread also in religious ethics, that it is wrong to deliberately harm others. Even for liberals like John Stuart Mill, this was one, or even the only principle that should allow the state to intervene in individual affairs (Mill, 1977, p. 223). The question rather revolves around whether this principle can be properly applied to economic competition.

### 2.6.1 Competition as harm

The intuition that competition is an instance of harmful action is usually motivated by the disastrous consequences competition can entail: destroyed family businesses, deserted former industrial regions or mass unemployment. As Simmel notes, ‘if one were to destroy the economic, social, family or even physical existence of someone through an outright attack to the same degree as it can occur through competition . . . , then we would immediately call upon the penal law to intervene’ (Simmel, 2008, p. 972). Harm can be done to other competitors, to those depending on them (workers or suppliers), or to the natural or social environment. But unlike in the first round of the debate, where beneficial versus detrimental consequences of competition were at stake, the harm argument simply *presupposes* that at least some consequences of competition can be considered harmful. Its ethical concern, however, focuses rather nonconsequentially on the fact that the origin of this harm lies in the competitors’ *intentions* and not simply in unintended competitive processes. Deliberately intending to harm others, successful or not, is morally untoward, and competition is the kind of economic situation that seems to systematically call for these intentions. While rarely backed up by elaborate ethical considerations, harm-based intuitions and arguments are regularly put forward in disputes over international trade and unfair competition. Most modern trade policy instruments, like anti-dumping and anti-subsidy proceedings, require plaintiffs or administrations to prove that foreign entities inflicted ‘substantial’ harm or injury on domestic firms or industries (Blonigen and Prusa, 2003). The classification of competitive behaviors as intentional actions to harm competitors often rests on—popular or technical—assessments that actors competed in an ‘unfair’ way.

### 2.6.2 Competition not causing but preventing harm

The diametrically opposed view not only rejects the above claim that competitive action is an instance of deliberately harmful action among competitors, but it also goes further in claiming that competition is effectively a means to prevent further harm from occurring. The rejection of the harm argument can be based on different grounds. One is an iteration of the very first round of the debate: even when one admits that harmful consequences do occur in the course of competitive processes, the beneficial consequences are simply claimed to outweigh the harmful ones. Particularly, arguments based on the grounds of consumer welfare maximization follow this line of thought: competitors lose as competitors, but they (and others) profit as consumers, which is the ultimate end. In the ethics of welfare economics, as made explicit by Hausman et al. (2016), competition is unproblematic if the individuals that lose out can in principle be compensated. This argument has greatly influenced the

American antitrust profession since the 1960s, which fiercely attacked antitrust institutions to cease from ‘protecting competitors’ from competition (Bork, 1978, pp. 81–88).

This opposing view, moreover, does not share core assumptions of the harm argument. Even if harm occurs, market participants were free to enter the market and into contracts and have given mutual consent. Opponents would even deny outright that competitors have the intention to harm. To adopt Friedman’s (1970) quip, the firm’s intention is simply to make a profit. In indirect competition, some firms might not even be aware of their competitors and therefore unable to form intentions directed towards them (McNulty, 1968; Simmel, 2008). The process of competition thus appears to be one of depersonalization, in which competitors’ intentions are directed away from an outright desire to harm other competitors. As Theodor Geiger has put it, ‘violence is *by nature* (*wesensverschieden*) different from competition’ (Geiger, 2012, p. 35). The prime focus of the intentions shifts instead to the competitive stakes—better products, lower prices or better production processes—through which the interaction with competitors is mediated. While wars or uncontrolled fights require the kind of intention that is directed at harming competitors outright, competition is of a ‘nobler’ sort. Arguments deflecting criticism of competition based on harm can regularly be found in antitrust policy and in international trade disputes. As mentioned above, the Chicago School in antitrust analysis attacked traditional American antitrust institutions precisely on the grounds that they should not grant competitors legitimate claims against competitive harm (Ergen and Kohl, 2019). (Emphasis in original)

### 3. Exploring the competition debate empirically

Our systematic reconstruction of debates about economic competition thus yields a scheme of six arguments in favor and six contradictory arguments against competition which we identified in classical works of political economy and more recent ones in sociology and other fields. How frequent are these arguments beyond our qualitative reading of the few classics above? For a more synoptic analysis, we constructed a corpus of 1117 works in political economy and tested the empirical applicability of the scheme in an exploratory content analysis.

To this end, we collected historical texts in political economy according to a broad definition that included texts in the social sciences dealing with economic subject matter. We therefore included the philosopher David Hume and the sociologist Max Weber, but we excluded purely non-economic writings by David Ricardo or John Maynard Keynes. The broad definition also implies that we did not collect only a few reception-history star authors who populate the cursory histories of thought in textbooks. With this broad definition, we tapped a wide variety of different sources that are considered authoritative in the field. First, there are online libraries (e.g. McMaster University Archive, History of economic thought, marxists.org) offering, with at times obvious ideological predilections, free classical texts that are easily accessible and of good graphic quality. To avoid distortions, we collected texts from ideologically opposed camps. The second central source is Schumpeter’s classic work *History of Economic Analysis*. We went through its appendix of authors and included all economic works of cited authors that were accessible on common online platforms (archive.org, HathiTrust, Online Library of Liberty, Bibliothèque Nationale de France, Bayerische Staatsbibliothek digital). About 90 of the works cited were not available. Third, to cover the classical works in the social sciences, we collected the most frequently referenced

classical authors in a variety of social science textbooks.<sup>7</sup> Fourth, we went through the Wikipedia section and related links for ‘schools of economic thought’, ‘sociology’ and ‘economic sociology’ and completed our collection with all named authors and their works therein. All these sources still have a selection bias in favor of the accessible texts, but one that is very much reduced in comparison to existing analyses.

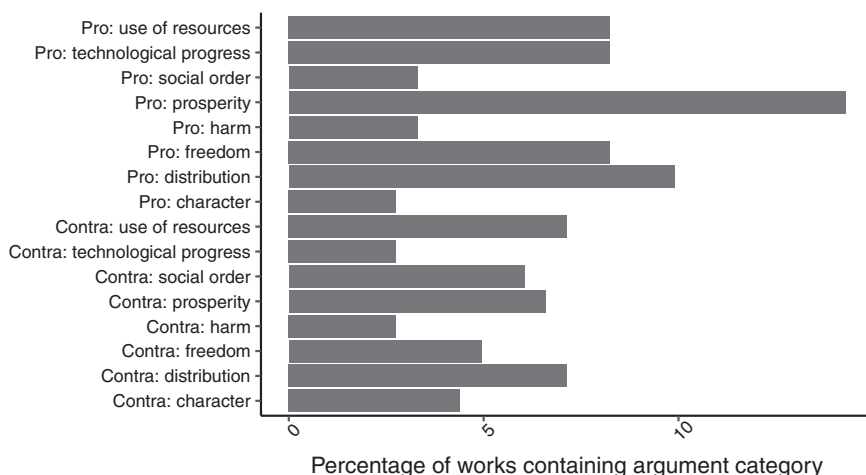
While we included the four (arguably) prevailing languages of classical economics—English, German, French and Italian—we focus our exploratory analysis on English-language texts and the translated versions to avoid language-related effects. English was also the central language of economics in the 19th century, if translation exports and imports are taken into consideration (Reinert, 2013). The works collected range in date from 1600 to today, but more than 90% of the works are from the long 19th century plus the interwar years. Our corpus is thus a good collection from the classic period of economics and the birth of the social sciences, with the copyright protection duration representing a natural limit. These texts also have sufficient quality to identify the key terms, which is more difficult in earlier texts. When compared to the seminal Gale corpus ‘Making of the Modern World’—which starts in 1450 and consists of 61 000 books—we are clearly dealing with only a subsample with a probable reception-history bias. Its comparative advantage is that the full texts are available in machine-readable form for computer-assisted quantitative content analyses.

After cleaning the material (eliminating prefaces, tables of contents, references, running heads), we located occurrences of ‘compet\*’, ‘monopol\*’, ‘rival\*’, ‘antitrust’, ‘cartel’ and ‘emulat\*’ with lexical variants, as these terms offered a workable trade-off between false negatives and false positives in initial trials. Although a few arguments about competition might do without any of these terms, these are arguably unsystematic. Overall, there are 53 390 occurrences, where 194 works do not contain a single mention and 50% have fewer than 10. We defined a 400-word window around these key terms and defined this as a snippet. Many of these snippets overlap because the terms cluster in the texts. We therefore applied the Optimal String Alignment algorithm to delete all redundant snippets with a similarity above 0.5 on a scale from 0 to 1. We also excluded the few works with more than 300 hits as these often have the character of technical treatises on competition (such as Chamberlin’s (1933) ‘Monopolistic Competition’) and would have distorted frequency counts. This reduces the number of occurrences to a little under 17 000.

We take these snippets as the basic unit for a content analysis of arguments for and against competition. Automated techniques such as topic modeling and even dictionary approaches failed to capture the underlying argumentative structure. We therefore reverted to a standard manual coding approach to explore the arguments. Due to the still high number of cases, we took a random sample of the works—representing 10% of all snippets, i.e. 1695 nested in 78 works—to use the *tableau idéologique* elaborated in Section 2 as a coding scheme for the two times six types of arguments (cf. Table 1). In addition, we coded whether snippets contained any of these moral arguments at all or whether the competition terms are used in an amoral sense (mostly in empirical or technical senses).

Our first finding is that in the majority of instances—60%—in which competition is a topic, it is referred to in amoral senses. On the one hand, this is not surprising for a discipline

7 Drawing on standard textbooks identified in Korom (2018) and drawing on classical works cited in Mikl-Horke (2015).



**Figure 2.** Relative frequency of arguments *pro* and *contra* competition.

that, in the 19th century, begins to settle on decidedly ‘technical’ market analysis. On the other hand, the remaining 40% show just how much competition *was* still being talked about with the arguments we identified. The empirical scheme thus has a certain validity beyond individual works of influential authors.

A further finding regards the distribution of arguments. For snippets *with* morally relevant arguments, their relative frequency averaged over all works is displayed in Figure 2. We observe that all argument categories can be found in this random subsample of political-economy literature, even though some—for instance, harm-related arguments—are relatively rare. Generally, there is a slight majority of arguments in favor of competition, and the justification of competition through prosperity is the most widespread across all works. Among the counterarguments, the negative distributional consequences of competition are among the most widespread; in absolute terms, they are also the most frequent, which may be driven by two socialist works in the sample. Snippets can contain more than one argument and, perhaps not surprisingly, the pro- and counterarguments correlate positively among themselves.

#### 4. Discussion—Social context and the structure of the debate

Organized along with six contradictions, our description of the debate might seem highly stylized. It is nonetheless puzzling that the very same form of social organization in the economy has been subject to such a variety of empirical and normative assessments. Our rival views of competition seem to contradict each other in fundamental ways. Can competition simultaneously stimulate and stifle innovation? Can it ennoble and corrode character as well as destroy and create social order? Evaluating a similarly patterned normative debate on market society, Albert Hirschman reasoned that simultaneous countervailing effects of markets would not be ‘any more ‘contradictory’ than for a business firm to have income and outgo at the same time’ (Hirschman, 1982, p. 1483). The quest for both empirical research and normative debates, then, is less about developing an accurate overarching model or

**Table 1:** Rival views summarized

Evaluative domain	Evaluative axis	Basis of evaluation	
		<i>Pro</i>	<i>Contra</i>
Economy	Aggregate prosperity	Prosperity	Industrial waste
	Use of resources	Efficient allocations	Industrial inefficiencies
	Technological progress	Incentives to innovate	Capabilities to innovate
Society	Social order	Social stability	Social anomie
Distribution	Legitimacy of resource distribution	Just distributions	Unjustified inequalities
Human freedom	Degree of human freedom	Manifestation of freedom	Diversion of action
Human character	Desirability of character traits	Virtue	Corruption
Personal harm	No-harm principle	Prevention of harm	Cause of harm

about ‘solving’ the debate than it is about dealing with questions of balance, interaction, off-setting possibilities and geographical and historical varieties.<sup>8</sup> Our tableau should prove useful for tackling such questions in both normative assessments of competition and empirical research on moral conflicts over its introduction, regulation and abolition. [Table 1](#) summarizes the rival normative views of competition and fleshes out their basic axes of disagreement. The normative complexity of economic competition in modern societies has consequences for both moral debates and empirical social research. Here we provide a brief sketch of the consequences for each research field.

With regard to normative arguments, the variety of arguments for and against competition may be a symptom of the fact that the qualities and consequences of competition are highly dependent on context. In capitalist societies, judgments about the normative desirability of competition generally concern specific manifestations in specific fields and in specific historical episodes, and this empirical contextualism of debates might help with understanding the often contradictory positions in public debate and the history of thought.<sup>9</sup> There are multiple ways to account for why different contexts might be associated with rival views of competition.

First, there are substantive differences among what counts ethically in different situations. Substantively, incentives to innovate are as insignificant for the organization of low-skilled retail work as effects on human character are for deciding a medium-scale merger case. Different competitive activities, competition in different societal domains and competition in different cultural–historical settings may very well represent entirely different objects

8 One explanation for why there seem to be stable disagreements about the nature and consequences of competition could also lie in the incommensurability of two more fundamental *Weltanschauungen* (MacIntyre, 1985), a liberal-progressive and a more conservative-protective one, from which the diverging views of competition derive.

9 We do not mean to say that arguments about competition *should* at all times be context-dependent, but simply observe that they empirically *are*.

in terms of moral evaluation. Based on contextual specifications, ethical assessments might then selectively draw on particular segments of the rival views of competition.

Second, situated normative judgment is not only useful when assessing the relevance of certain arguments but also helps to develop a clearer idea of the relationships and offsetting possibilities between arguments. As has been shown empirically for American manufacturing workers in the postwar era, for example, moral intuitions may limit competitive conduct to certain activities and channels, suggesting the prevalence of non-economic, normative checks on outright competition in certain social settings (Roy, 1952). In contrast, denying a corporate merger in order to preserve the level of competition in a sector might well legitimately be judged on the basis of offsetting calculations between the projected costs and benefits of the effects of heightened competition on incentives, the allocation of resources and the expected rate of innovation. If there are substantive differences between competitive situations with regard to what counts and how arguments are related, empirical investigations into the types of evaluative criteria prevalent in a specific social setting may be useful starting points even for purely ethical exercises.

A similarly situational and pragmatic approach should prove useful in empirical research on the moral boundaries of competition. As suggested by the *Sociologie des conventions*, moral conflicts in modern societies often take the form of patterned situational quarrels over the proper way to classify and justify acts, events, persons and things (Boltanski and Thévenot, 2006). Such quarrels are endemic in conflicts over the introduction and abolition of competition. When social groups debate the political and economic consequences of anti-trust negligence towards digital platforms, the civilizational and societal consequences of a guaranteed basic income or the side-effects of Chinese steel exports to the USA, they do so in patterned ways. They resort to rival ethical positions that have become part of Western societies' moral repertoires to judge and legitimate competition.<sup>10</sup> As our reconstruction illustrates, these repertoires are not historically unchanging, immovable structural sets. As suggested by pragmatic cultural sociology (Swidler, 1986), actors draw on repertoires of moral arguments. These may range from general ethical principles to narratives about the moral qualities of specific empirical cases. The salience of, and relationship between, rival views of competition is highly historical, shaped by agency, institutions, culture, power structures and event sequences. To give a few examples of this historicity of the structures of moral debates about competition, classical waste theories of competition have all but died out in Western societies since the 1970s (a rare exception is the recurrent debate about the structure of agricultural production in rich countries). A political-economic manifestation of this ideational erosion is the level of recognition among European antitrust regimes of the usefulness of crisis and rationalization cartels, which has been diminishing since the 1990s. Similarly, the category of judging competition on the basis of its effects on social order has almost disappeared since the Second World War. Conversely, the popularity of arguments focused on innovation and the stimulation of technological change is largely a product of the 1970s and 1980s (Berman, 2011, ch. 3). It is up to a historical sociology of moral ideas, then, to explore the determining moments, trends and social carriers of ideas surrounding

10 The notion of repertoires of moral concepts has been used effectively by Abend (2016, pp. 37–39). Our rival views of competition occupy a lower plane of abstractness, however, even when compared to Abend's 'thick' concepts. The adequate descriptive term for our rival views might be that of *shared moral arguments*.

competition (Werron, 2015). Our tableau of rival views should help to guide such research both for general questions about the moral evaluation of competition and for specific questions about contentious normative judgments.

A historical view of moral repertoires can also shed light on the peculiar structure of the debate on the morality of competition. The fact that rival positions have based their cases for and against competition on flatly inconsistent assertions might be explained by the fact that ideas and moral repertoires change in response to changes in practices and institutions (Dobbin, 1994). Competition as an organizing principle of the economy has become firmly entrenched in rich Western societies since the Second World War, and nonconsequentialist doubts about the commensurability of competition with established ways of social organization have arguably been gradually silenced. Once the lifeworld changes too abruptly, we submit, entire repertoires of moral vocabulary might be eroded and generationally trickle away (Honneth, 2014). A good example of this process of erosion is the recently revived American debate about antitrust enforcement. While the American antitrust tradition was influenced by a multitude of evaluative criteria and moral considerations until the 1960s, a much narrower interpretation of the laws has become dominant since then (Pitofsky, 2008). Often labeled as the Chicago School in antitrust, the new enforcement practices explicitly sought to limit the influence of ‘the social purposes of antitrust’ (Bork, 1978, p. 666) and centered around the notion that antitrust policy shall exclusively promote economic efficiency and consumer welfare on the basis of rigorous economic analysis (Kovacic, p. 2003). This evaluative reorientation has demonstrably led to a decline in enforcement vigor and hence to an increasing level of concentration in important sectors of the American economy (Gutiérrez and Philippon, 2018; Grullon *et al.*, 2019). Social movement actors, commentators in the media, politicians and intellectuals have in recent years begun to challenge the conservative interpretation of the antitrust laws dominant in the USA since the late 1970s (Khan, 2018; Wu, 2018; Crane, 2019). Yet, these challenges rarely deviate from the vocabulary and evaluative standards championed by earlier conservative reformers. They rather typically emphasize the costs to American consumers of increased corporate concentration (Philippon, 2019) or demonstrate that present-day business models may undermine specific arguments about the self-regulating nature of markets (Khan, 2016). Materially, the growth of professional groups around technical-economic analysis in competition policy renders return to the explicit consideration of ‘non-economic’ evaluative criteria unlikely (Crane, 2019). While future change away from purely economic goals in antitrust certainly is not unthinkable, the ideational, scientific and moral bases of the regime in which courts ‘were freely choosing among multiple, incommensurable, and often conflicting values’ (Ginsburg cited in Wu, 2018, p. 135) for preserving competition have arguably been eroded.

## 5. Conclusion

This article’s goal was to recover the debate about the normative qualities of economic competition from the sphere of intuitions, popular prejudice and niche intellectual debate. We have described 12 normative positions, grouped into contradictory pairs along six axes of moral evaluation. Each normative position has in addition been explicated ‘in action’ in political-economic debates. To develop an understanding of the applicability and representativeness of our stylized *tableau*, we manually coded a random sample of discussions of competition in a large corpus of social scientific texts. Our exploratory content analysis provided

provisional insights into the prevalence and distribution of normative assessments of competition. Finally, we argued that the peculiar structure of the debate may both be a result of the historicity of moral repertoires as well as a starting point for empirical analyses of social conflicts over economic competition. To conclude, we highlight promising connections to recent arguments in the sociological literature, contemporary fields for empirical application and important future research desiderata.

A number of recent arguments in the sociology of morality may be put into fruitful discussion with our results. First, [Kiviat \(2019\)](#) has recently argued that ‘people use causal theories as a tool of moral adjudication’ and that economic practices making causal storytelling impossible may become objects of moral rejection. Competitions in the economy and beyond are regularly employed as devices for the purpose of causal sense-making in complex distributional problems. Debates about the qualities of competition can then be understood as highly relevant to the practical determination of the boundary between morally sound and unsound practices. Second, the literature on moralized markets has hitherto mostly focused on the moralization of vertical distributional and environmental aspects of markets ([Balsiger, 2019](#)). The moralization of horizontal relations—the arguably vast world of informal and codified norms between workers and producers—has rarely been at the center of attention.

Important contemporary fields for the application of our framework are two-fold. First, economization often goes hand in hand with the expansion of competition to organize allocation and distribution. The oft-diagnosed proliferation of economic expertise and logics into non-economic fields imply that the normative legitimation and contestation of competition will be an increasingly important field of social conflict ([Mandelkern, 2019](#)). Second, regulatory fields that target horizontal market relations—like competition and trade policy—are obvious candidates for empirical application. The transfer of the determination of the social boundaries of competition to bureaucratic management in the course of the 20th century has transformed these fields into highly technical legal and economic endeavors, often disconnected from overtly moral debates ([Hofstadter, 1964](#); [Chorev, 2007](#)). As described in Section 4, these fields are nevertheless shaped at their core by tacit and overt normative conflicts. Beyond the possible uses of our mapping framework in empirical social research, it may be of use in reviving explicitly normative philosophical work, which in our view is particularly needed in fields marked by economization and technocratic governance.

We see straightforward avenues for further research in both quantitative and qualitative directions. Our exploratory content analysis is open to many promising extensions. Important questions would be which social actors and authors defend which arguments, and which arguments correlate empirically. The debate about the moral qualities of competition is highly historical. Questions about the historical sequence, the relationship between moral repertoires and institutions over time and about geographical and cultural differences would represent rich avenues for further empirical research. Qualitatively, our analysis has focused on modern Western discourse. Systematic investigations of global cultural understandings of competition would almost certainly uncover alternative moral repertoires regulating economic competition.

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