

Université de Montréal

The Problem of Exploitation in Advanced Capitalism:
Are There Feasible Alternatives Alleviating Exploitation?

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Ce mémoire intitulé :

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Abstract

Exploitation as a concept sits at the heart of the philosophy of labour and constitutes one of the most fundamental tensions within modern capitalist societies. From as early as Thomas Aquinas, to more modern philosophers like John Locke, Adam Smith, Karl Marx, and even more contemporary, John Rawls and G.A Cohen, exploitation is a topic that has been discussed at lengths in political philosophy. However, it would seem that we are still met with the question of what it means to be exploited. Asking a libertarian and a socialist what constitutes exploitation would yield an endless debate that requires a steady ground to understand what it means to be exploited. However, it is not merely enough to understand from a definitional perspective what exploitation is. As such, this project focuses on two distinct approaches to the problem of exploitation in order to arrive at feasible solutions to a problem as old as labor itself.

In first exploring what the cannon of philosophy defines exploitation as, we will be able to situate a theoretic underpinning of the problem. Once a theoretic understanding is developed and our own working definition of exploitation is put forward, the discussion will transition into an empiric exploration of exploitation and its connection to asymmetric power relations in capitalism. A case study surrounding the store closure of Wal-Mart's Jonquière branch will highlight the asymmetry of power between employer and employee and subsequently showcase the extent of the vulnerability of workers within advanced capitalism. This coupling of theoretic exploration and empiric realisation will allow us to isolate what factors contribute to the problem of exploitation in advanced capitalism and posit feasible solutions to the problem of exploitation. In putting forward these solutions this project seeks to understand ways in which we can render capitalism a better system for workers through the gradual diminishment of exploitation achieved through the integration of socialist principles within advanced capitalism itself.

Key Terms: Exploitation, Vulnerability, Analytic Marxism, Feasibility, Private Government, Advanced Capitalism, Marxism, Labor, Power

Résumé

Le concept de l'exploitation est au cœur de la philosophie du travail et constitue l'une des tensions les plus fondamentales au sein des sociétés capitalistes modernes. Depuis Thomas Aquinas, jusqu'aux philosophes plus modernes tels John Locke, Adam Smith, Karl Marx ainsi que ceux plus contemporains tels John Rawls et G.A Cohen, l'exploitation est un enjeu qui fut longuement discuté en philosophie politique. Néanmoins, il semblerait que nous soyons toujours confrontés à la question de savoir ce que signifie d'être exploité. Solliciter l'avis d'un libertarien et d'un socialiste afin de décortiquer le concept de l'exploitation laisserait place à un débat perpétuel en l'absence d'une base commune qui permettrait d'élaborer sur le sujet. Toutefois, il ne suffit pas de considérer uniquement la perspective qui repose sur la définition pour comprendre l'exploitation.

Cela dit, ce projet se concentre sur deux approches distinctes du problème de l'exploitation afin de parvenir à ériger des solutions réalistes vis-à-vis un problème aussi vieux que le travail lui-même. En explorant d'abord la façon dont la philosophie définit l'exploitation, nous pourrions situer un fondement théorique au problème. Une fois qu'une compréhension théorique est développée et que notre propre définition de l'exploitation est proposée, la discussion transige vers une exploration empirique de l'exploitation et de sa liaison étroite aux relations de pouvoir asymétriques du modèle capitaliste.

Pour mettre en évidence l'asymétrie de pouvoir entre employeur et employé dans le capitalisme moderne, une étude de cas qui porte sur la fermeture de la succursale de Wal-Mart à Jonquière démontrera la partie empirique de notre étude ainsi que l'étendue de la vulnérabilité des travailleurs au sein du capitalisme avancé. Cette combinaison de l'exploration théorique et de la réalisation empirique nous permettra d'isoler les facteurs qui contribuent à la problématique de l'exploitation dans le capitalisme avancé ainsi que de formuler des solutions viables et réalistes.

À travers ces solutions, ce projet cherche à comprendre comment nous pouvons rendre le capitalisme un meilleur système pour les travailleurs à l'aide la diminution graduelle de l'exploitation obtenue grâce à l'intégration des principes socialistes dans le capitalisme avancé lui-même.

Termes clés: Exploitation, Vulnérabilité, Marxisme analytique, Faisabilité, Gouvernement privé, Capitalisme avancé, Marxisme, Travail, Pouvoir

To Rebecca, the best editor who never signed up for the job. This project would not have been possible without you.

And in memory of Linky, the greatest writing companion I will ever have. You will be missed, friend.

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Introduction

Exploitation as a concept sits at the heart of the philosophy of labour and constitutes one of the most fundamental tensions within modern capitalist societies. From as early as Thomas Aquinas, to more modern philosophers like John Locke, Adam Smith, Karl Marx, and even more contemporary, John Rawls and G.A Cohen, exploitation is a topic that has been discussed at lengths in political philosophy. However, it would seem that we are still met with the question of what it means to be exploited. Asking a libertarian and a socialist what constitutes exploitation would yield an endless debate that requires a briefing prior to engagement. Given that the topic is so vast and that there are so many different groups that put forward their own definition, it is important that we carve out a clear starting point for our discussion. Exploitation at its core touches on moral issues and begs the question of if exploiting another is wrong and if so what circumstances of exploitation can be deemed wrong. However, it is not the goal of this thesis to set out on a mission to define morality as a whole, but instead we should be as definitional as possible with how we understand the applicability of the concept of exploitation. The 19th century is arguably the most important time period for any works surrounding the concept of labor, as industrialization changed how we understand work even to this day. As such, this is where a good deal of our focus will begin, however, it is key that we move forward through history and understand how labor circumstances may change but exploitation is ever-present.

This project will have three distinct sections that take up the problem of exploitation in different ways. Section one will begin by exploring through various time periods how exploitation was and is still understood by political philosophy. This will be achieved by grounding our foundation in Karl Marx's work on the topic of exploitation. From that point forward however, the school of Analytic Marxism will be our pathway of choice in understanding modern interpretations of Marx's work. Starting with a definitional approach to the concept will allow us to understand in abstract ways what exploitation consists of. The goal in establishing this definitional approach from the onset is to allow us to transition into an empiric approach to workplace injustice. In outlining this project, it is important that we understand that capitalism today is not the same as it was in its earlier iterations. For this reason, we will be addressing exploitation in what modern philosophers call, advanced capitalism. This

mode of advanced capitalism has developed in the 150 years since industrialization and as such has changed the way in which we understand the worker's relationship to exploitation. The phenomenon that motivates this project and its aims of developing a deeper understanding of exploitation are simple. Why is it, through all this change in the post-industrialized world does exploitation still remain a prevalent issue that the worker is subject to? Post-industrial society and more specifically, countries that have reaped the benefits of capitalism to develop, have since fought against previous forms of workplace injustices that were once accepted, such as slavery, child labor and dangerous work conditions within their own borders. Legalisation has been put in place to protect the worker mostly from these large injustices in modernity, yet exploitation, as we will explore is a problem that persists. There is a gulf in injustices between your average foundry worker in 19th century England and your average superstore clerk in 21st century Canada, however, it is paramount that we understand they still struggle from within the same basic framework of injustice that is capitalism.

This will lead us to utilizing empiric data to see how our exploration of exploitation can be applied to modern day work circumstances in section two. This is key to our understanding of exploitation in advanced capitalism as if we were to remain in an abstract, definitional argumentation then it would be difficult to relate the worker's real-life circumstance to our understanding of exploitation. Through the case study of the 2005 closure of Wal-Mart Jonquière's location, we will begin situating our previously established definitional exploration of exploitation. As such, the aims of the second section of this project are to utilize the tools developed in section one and establish a framework of exploitation within advanced capitalism. This framework will draw on Elizabeth Anderson's notions of private government, emphasising the asymmetric power relations found in the corporate structure of advanced capitalism. Understanding economic factors such as the market mechanisms that both propel and perpetuate capitalism will act as the goals of this section and situating the worker within these circumstances will aid us in understanding how exploitation persists in the modern day. In establishing how the framework of advanced capitalism exploits the worker, our goal shifts from describing the circumstance to understanding the ways in which we can feasibly change the system. Utilizing both the established definition of exploitation and the frame work of advanced capitalism it is found within will allow us to posit ways in which the system can change keeping at its core ways in which we can eliminate exploitation in attempts to render work circumstances

for the worker better. As Marx says in his concluding thesis on Feuerbach, “Philosophers have only interpreted the world in, various ways; the point, however, is to change it.”¹ We cannot merely stop at interpreting the problem but instead we must challenge ourselves in understanding the ways in which our explorations can be applied to real work circumstances. This will be done through the use of a concept by Analytic Marxist, Eric Olin Wright called real utopias, where instead of merely speculating solutions, we look to real world institutions that minimize exploitative practices. This project will keep at its core Canadian work conditions as while Canada maintains its status as an undeniably capitalist country, many of its legislative choices tend to incorporate socialist aims, for example Medicare. Combining our definitional and empiric understanding of exploitation, this project aims to posit solutions to the problem of exploitation correcting for injustices that have plagued the worker from the very beginnings of capitalism.

¹ Robert C. Tucker, Karl Marx and Friedrich Engels, eds., *The Marx-Engels Reader*, 2d ed (New York: Norton, 1978), 145.

Section One: Exploitation Defined

A discussion of exploitation cannot be had without situating the work of Karl Marx, as for Marx, exploitation is one of the primary evils of capitalism.² Beginning with Marx allows us to ask three questions that enable the development of a well-rounded understanding of what exploitation is, those questions being: (1) what did Marx understand exploitation to be and why was it problematic, (2) what are the criticisms of this view, and (3) how should we understand exploitation. The remainder of this section will address these three points, as a full understanding of exploitation is required before we can move into the situating of exploitation in terms of actual work circumstances.

The main works of Marx that section 1.1 will take up are select portions of *Capital: Volume 1* and *Wage-Labor and Capital*, as these texts develop two key elements of our exploration. Those being: Marx's theory of labor and how Marx defines exploitation based on this theory. As such our main focus in the opening portion of this project will be to fully develop these two concepts as they function as the basis for any modern discussions. That said from this definition we will move into how modern Marxists take up this pillar of Marxism and where their criticism stands. The main authors to focus on for the second portion of this section will be G.A Cohen and John Roemer. Being analytic Marxists, Cohen and Roemer present pertinent revisions and criticisms to Marx that are required if we want to further our discussion past how Marx understands exploitation. Section 1.1 and 1.2 will act as the building blocks of our discussion and will enable us to bring together how political philosophy has understood the term exploitation since Marx. This will lead us to bring forward our own understanding of exploitation aided by the works of Paul Warren and Nicholas Vrousalis, a student of Cohen, who has contributed greatly to the modern discussion of exploitation. However, I believe we can further revise Vrousalis' work hence bringing a more applicable definition of exploitation into the fray. If we succeed with this, then our discussion of modern workplace exploitation in section

² Nancy Holmstrom, "Exploitation," *Canadian Journal of Philosophy* 7, no. 2 (June 1977), 353, <https://doi.org/10.1080/00455091.1977.10717024>.

two can take up a new view of what exploitation is how we can put forward solutions to the problem presented.

1.1 The Build up and Establishing of Marx on Exploitation

1.1.1 Exploitation Before Marx

Karl Marx is unarguably the catalyst for the discussion of exploitation in the modern canon of philosophy. Prior to Marx, while discussed, the notion of exploitation was mostly looked at through the lens of establishing fair prices and not so much the workers who are involved in the production of goods.³ Thinkers like Thomas Aquinas and John Locke would take up this line of reasoning and focus on exploitation as a relationship between the seller and buyer, where it would be unjust for the seller to exploit circumstances to upcharge the buyer.⁴ What is important to note with these rudimentary forms of exploitation is that they were limited to this narrow relationship between buyer and seller due to the fact that the feudal mode of production was present and drew their attention to these aspects of commerce. It would only be in the early 19th century that exploitation would become an inquiry into work-based relationships due to the industrial revolution. Thomas Hodgskin, a 19th century liberal political writer would be one of the first contributors to our modern definition of exploitation prior to Marx. Hodgskin argues that exploitation occurs when one person can live off of another person's productive labor in a parasite-like manner.⁵ This can be compared to the way in which tenants rent residency from a landlord and the landlord generates income by virtue of their position solely as property owner. The money the landlord earns as rent, comes from wages that the tenant earns from labour.⁶ This is akin to the relationship between the proletariat and the bourgeois within the capitalist mode of production as, the proletariat does not have ownership over the means of production and as such, they must work for the bourgeois. For Hodgskin, in both of these circumstances the person who is gaining from this exchange is entitled to their stream of revenue by ways of their legal claims of ownership over the resource, be it residence or the means of production.⁷ This relationship is ultimately enabled by the state suppressing the workers "natural right" of laborers to the full

³ Matt Zwolinski, and Alan Wertheimer, "Exploitation," *Stanford Encyclopedia of Philosophy* (Stanford University: August 16, 2016), <https://plato.stanford.edu/entries/exploitation/>.

⁴ Zwolinski, "Exploitation."

⁵ Ibid.

⁶ Ibid.;

⁷ Ibid.

product of their labour, and instead enabling a circumstance wherein artificial property rights determine who owns what.⁸

In exploring this pre-Marxian notion of exploitation there have been quite a few key elements that have risen. Among the most prevalent to our discussion is the transition from the feudal mode into the capitalist mode of production where workers lose access to the means of production and the emphasis on private property as highlighted by Hodgskin. These two factors are pertinent to our discussion of exploitation as I aim to show that exploitation is a phenomenon that is intrinsically tied to the asymmetry between worker and owner introduced by capitalism. A key factor to note in this transition is that we are not arguing that in both feudal and slave modes of production exploitation was not present, however, in the capitalist mode of production it has taken a new form due to the introduction of wage labor and the severance of the worker and the means of production. If we juxtapose the worker in the capitalist mode of production with the serf, the serf is not paid a wage, instead the serf is the one who pays tribute to the lord.⁹ Marx states that “the serf belongs to the soil, and to the lord of the soil he brings its fruit,” this shows that fundamentally the serf has a different relationship to work than the proletariat of Marx’s time.¹⁰ This difference is the commodification of the workers labor and its transformation into *labor-power*. This transition is the key to understanding how exploitation functions as now the worker enters a buyer/seller relationship with her employer. She agrees upon a rate that she will be paid and regardless of her net production in her eight-hour day, she is paid the rate agreed upon at the time of employment.

While it is undeniable that the worker of Marx’s time had more freedom than the slave of the past, they become a different kind of slave, a wage slave. In the past the slave was the commodity itself. They were bought and sold like a linen coat or the twenty yards of linen required to make it. Through the progress of history, the worker no longer was the commodity, but it transformed into a producer of labor-power that could be bought and sold. This gave the laborer much more freedom than the slave because of their ability to quit if need be. Wage labor is not a relationship of forced oppression, it is from the onset something that comes from a choice to sell one’s labor power. The buying and selling factor of the capitalist mode of

⁸ Ibid.

⁹ Karl Marx, *Wage-Labour and Capital & Value, Price and Profit* (New York, NY: International Publishers, 2006), 20.

¹⁰ Marx, *Wage-Labour and Capital & Value, Price and Profit*, 19.

production enabled one of the most important elements of exploitation that shapes Marx's definition. The scales were tipped in favor of the capitalist, as the question arises, why would the laborer sell their labor-power if it would disadvantage them in some circumstances, Marx would answer "it is in order to live".¹¹ If we bring this back to Hodgskin's concerns with the privatization of property, we can see a greater problem arise with privatization of industry. This privatization eliminates the possibility that the serf once had by accessing the means of production itself and now the worker becomes dependant on wage through the sale of their own labor-power through contractual agreeance with the factory owner. A classic libertarian line of reasoning would state that this transition into "free" capitalist markets enables a new opportunity that they never had access to before. They had freedom to choose wherever they please to work and sell their labor power. They, as well as the capitalist are in this together, if the capitalist does well, this means that the worker is needed and thriving. There is a choice on both ends when entering into the contractual agreement that is employment, however, while we can see the laborer's ability to sell their labor-power as an actualization of their own freedom, and thus a realization of their power, they still must sell this labor power to the capitalist, who will ultimately decide the terms of the contract as they hold all the power due to their possession of the means of production. This is in part due to the fact that if the capitalist withholds employment from the laborer, they potentially face failure insofar as business goes, but the laborer has much more on the line. This is how we should understand the notion of wage slavery, as it embodies one of the many illusions of freedom offered by capitalism. More of these illusions will be explored throughout the remainder of this project.

Thus far we have established three key factors that we should keep with us moving into the next section of the text. Those factors being, the introduction of private property and the problems this imposes for the worker, the transition from the feudal mode of production into the capitalist mode of production, and the supposed freedom that comes with the commodification of labor power. From here we should move into how Marx defines exploitation in order for us to take the next step into our discussion.

1.1.2: Marx on Exploitation

¹¹ Ibid.

If we look to Marx's bibliography, we can clearly see that his theory builds up from his early works towards a fully realized theory of exploitation in his later works. The full definition of exploitation will only be completed in Marx's greatest contribution to economics, *Capital: Volume I*, where he develops pivotal notions such as exchange value and labor power, concepts that were already in development but yet to be fully realized.¹² However, we can see traces of this theory in works as early as *Wage-Labor and Capital* published in 1849. That said, Marx's theory of exploitation would not be coherent in his early works alone as they require the refining of the concept of labor into labor power before becoming fully realized.¹³ As such I believe we should follow Marx's bibliography carefully to understand the key transitions in his own understanding of exploitation. The two texts mentioned, as well as an analysis of Nancy Holmstrom and Ernest Mandel's work on Marx will allow us to fully develop how Marx thought about the concept of exploitation. While Marx's definition is fundamentally built upon previous terminology, I believe we should begin directly with how Marx defines exploitation. From there we can begin to break down the terminology that is pertinent to our exploration through an analysis of what the necessary conditions for exploitation are for Marx.

Beginning with Marx's definition of exploitation sounds like an easy entry into the topic, but what we must understand is that Marx's theory of exploitation is layered deeply into his overall theory of labor. As mentioned, Marx himself would not be able to define exploitation fully until *Capital: Volume I*.¹⁴ The first appearance of exploitation in *Capital: Volume I* is chapter nine of the book and this gives us a clear indication that it is a topic that is deeply seated in his already established theory of labor. This is done because the discussion of exploitation requires an economic framework to be built up in order for it to function. As such, notions of commodification and exchange value developed in the early chapters of *Capital*, function as a basis for our discussion. What this leads to is a discussion of surplus labor, which, I will argue is the most important part of exploitation in Marx's established framework. This is key to understanding Marxian exploitation because at its core, Marx believes exploitation comes from

¹² Ernest Mandel, *The Formation of the Economic Thought of Karl Marx: 1843 to Capital*; trans. Brian Pearce (London: N.L.B., 1971), 81.

¹³ Mandel, *The Formation of the Economic Thought of Karl Marx*, 81.

¹⁴ Mandel, *The Formation of the Economic Thought of Karl Marx*, 81.

the forced extraction of surplus labor.¹⁵ To take up a formal definition, we should understand Marx's view of exploitation as:

A exploits B if and only if A extracts forced, unpaid, surplus labor from B.¹⁶

This definition of exploitation is not without contention in the world of academic Marxism, however, I believe it is the definition that has the highest level of fidelity to what Marx discusses in *Capital*. This definition places at its core, the relationship between worker and work and not merely a distributive problem that thinkers like Allen Wood would take up in defining exploitation.¹⁷ Nancy Holmstrom defends this view in her 1977 article aptly titled, "Exploitation." Holmstrom's view seeks to address why for Marx, exploitation is a "primary evil" and not just a problem that exists in capitalism.¹⁸ This is important for our argument as for Marx, exploitation is a key factor in all class-based societies, and it cannot be escaped by merely paying workers more by generating less profit for the capitalist. Hence the distributive justice argument that paying workers more or providing workers some access to the means of production would make them less exploited is shown as false through Holmstrom's work on the topic. That said, even with the definition presented we are met with another challenge, that being understanding the terminology presented in the definition itself. As such, our next task is understanding the terms: forced, unpaid and surplus labor. These are the key terms that Holmstrom highlights in her text, but I would like to add to this list a term seemingly lacking from her own, that being: wage. In working on these four subjects we will be able to fully define Marx's definition of exploitation which is the obligatory starting point of our entire project.

1.1.2.1: Surplus Labor and Wage

Marx presents an understanding of exploitation that is founded on a formal mathematic structure and as such there are varying degrees to which people can be exploited. He states that "the rate of surplus value is therefore an exact expression for the degree of exploitation of labor power by capital".¹⁹ In discussing the degree of exploitation, we should understand that for

¹⁵ Holmstrom, "Exploitation," *Canadian Journal of Philosophy*, 357.

¹⁶ Nicholas Vrousalis, "Exploitation, Vulnerability, and Social Domination," *Philosophy & Public Affairs* 41, no. 2 (2013), 145, <https://www.jstor.org/stable/42703848>.

¹⁷ Holmstrom, "Exploitation," 354.

¹⁸ Holmstrom, "Exploitation," 353.

¹⁹ Karl Marx, *Capital: A Critique of Political Economy*, ed. Ernest Mandel, trans. Ben Fowkes (London: Penguin Books in association with New Left Review, 1990), 208.

Marx, what is important is that in a given days work, there is a portion of the work that is for the laborer themselves as well as a portion of work that is for the capitalist.²⁰ Due to the fact that workers only benefit from a portion of their work, the rest of it creates a surplus value that is for the capitalist, this is how profit is generated. This means then that, in capitalism, there is a disconnect between necessary labor and surplus labor. It is at this point that we should define the two notions clearly:

Necessary labor: “is the labour-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labour prevalent in that society.”²¹

Surplus labor: “he does work, but his labour is no longer necessary labour, and he creates no value for himself.”²²

These definitions are key as Holmstrom isolates a tension that exists between necessary labor and waged surplus labor.²³ Why is this problematic for Marx though? As we have shown in the definition presented for exploitation, surplus labor is a fundamental concept that acts as a necessary condition for exploitation to occur. It is pivotal to the discussion that we isolate this as a fundamental problem in the worker/work relationship as what this disconnect between surplus labor and necessary labor creates is a tension wherein labor under capitalism appears free, but in reality, it is not. This concept will be taken up further in section two where we explore modern challenges to exploitation.

This illusion of freedom is developed by Marx himself in *Wage, Labor and Capital*, and is echoed by Holmstrom in her text. Why is this? This question brings back into the discussion of the previously mentioned emphasis on the problems generated by a system built on the concept of wage. This is why exploitation in the era of capitalism is fundamentally different and can only be discussed when diagnosing the modern problem that is wage labor. Holmstrom states that in the capitalist mode of production “there are no chains and no laws that force workers to work for a particular boss or even work at all”, they are given a wage, and this seems like a fair exchange

²⁰ Marx, *Capital: A Critique of Political Economy*, 208.

²¹ *Ibid.*, 129.

²² Marx, *Capital: A Critique of Political Economy*, 325.

²³ Holmstrom, “Exploitation,” 356-357.

between buyer and seller.²⁴ However, this newly obtained freedom compels the worker to sell their labor power due to their lack of access to the means of production.²⁵ This in turn creates a circumstance where workers, who lack access to the means of production, take up contractual wage-based positions, where necessary labor becomes secondary to surplus labor in order for the capitalist to make profit and keep the business operating.²⁶ This is where the question of distributive justice returns and one can ask, if the workers could merely have a wage equal to the total sum of value produced then no exploitation would occur. However, the issue is more complex due to the class-based structure of the capitalist mode of production.

Exploitation is fundamentally tied into the relationship between worker and value produced and a mere re-evaluation of the distribution of profit would fail to eliminate exploitation in the form presented above. This discussion of necessary labor and surplus labor enables us to understand where exactly exploitation uproots the workers freedom and how this is done through what Holmstrom presents as “relative freedom”.²⁷ The farmer who tends to the fields for 10 hours a day to ensure a yield that can sustain her family for the winter is still unfree due to the necessary labor required to tend to the field but is more relatively free than a worker who is subject to surplus labour. For example, the commercial farmhand who spends only four hours of her eight-hour day generating necessary labor and the other four hours creating a surplus is less free than the farmer who tends to her own field; this is how we should understand Holmstrom’s relative freedom. This can be furthered by saying a farmhand who only spends two hours of their eight-hour day producing necessary labor is more exploited than the worker who spends four hours producing what is necessary. For Marx, exploitation is not a matter of workers merely feeling oppressed, it is an equation that can be represented by understanding the degree in which workers produce what is necessary and what is surplus. This creation of surplus value is what, for Marx, is the lynch pin of the entire system of exploitation. Further, the attribution of a wage enables the conditions that make possible the generating of surplus value and ultimately where the capitalist derives their profits from.

²⁴ Ibid., 357.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Holmstrom, “Exploitation,” 358

Thus far I have put emphasis on the notion of wage being something that contributes to exploitation, however, it would seem at first glance that this would cause a direct contradiction to one of the key terms we have set out to define, that being “unpaid.” How then can a system that offers a wage, create conditions where workers are unpaid? This will be our next discussion as I believe the notion of unpaid work can still be seen as a major contributor to exploitation in current work circumstances. Much like our discussion of surplus labor we should begin with how Marx understands wage from a definitional perspective. In the first chapter of *Wage-Labour and Capital* we are almost immediately met with a definition of wage. That definition is:

“Wages, therefore, are not a share of the worker in the commodities produced by himself. Wages are that part of already existing commodities with which the capitalist buys a certain amount of productive labour-power.”²⁸

Marx expands by stating that the worker, in the capitalist mode of production, works to secure his own existence, as work is an integral activity that is required to “keep alive”.²⁹ What the worker produces for himself is a wage that is ultimately turned into necessary goods such as food and shelter. What follows Marx’s definition of wage is key to understanding the framework of exploitation that he creates:

“And the labourer who for twelve hours long, weaves, spins, bores, turns, builds, shovels, breaks stone, carries hods, and so on-is this twelve hours' weaving, spinning, boring, turning, building, shovelling, stone-breaking, regarded by him as a manifestation of life, as life? Quite the contrary. Life for him begins where this activity ceases, at the table, at the tavern seat, in bed.”³⁰

Marx clearly creates a line between life at work and life outside of work in this passage and this is a key notion to our understanding of exploitation as once wage labor ceases, life for the worker begins. Wage labor is the commodification of the workers labor power and at its core, wage, the agreed upon salary of the worker, is what begins the cycle of exploitation.³¹ We can understand now that the capitalist’s pursuit of profit through the creation of surplus labor creates a market wherein workers sell their labor power in order to live. In doing so, they subject themselves to

²⁸ Marx, *Wage-Labour and Capital & Value, Price and Profit*, 19.

²⁹ Marx, *Wage-Labour and Capital & Value, Price and Profit*, 19.

³⁰ Ibid.

³¹ Ibid., 20.

unpaid work, this is due to the fact that the worker is not seeing the full return of their labor in the form of profit, instead the profit is generated for the capitalist who, as Hodgskin would say, can now live parasitically off of the worker. This is why the notion of unpaid work and wage is pivotal to Marx's understanding of exploitation. If the worker would be generating all of the profit for themselves, they would not be trapped in this cyclical form of exploitation where they require their wage to pay for their basement dwelling. If a day's work was just necessary labor and not tied to the generation of surplus labor with the aims of profit, then the worker could free themselves from this cycle. Instead they are trapped in the illusion of freedom offered by wage labor, and this is where we must situate exploitation, this is the start of the discussion now that we have entered into the capitalist mode of production. Further, this discussion contributes to the argument that for Marx, exploitation is not just distribution, this is due to the fact that so long as this structure of labor exists, even if the worker would gain more insofar as a salary goes, they would still be cut off from the means of production and the cycle of exploitation would continue. The problem here is the relationship between wage and surplus labor, a relationship that can only be seen by understanding how Marx thought of wage in his early works and how this is fully realized in *Capital: Volume 1*.

1.1.2.2: Are Workers Really Forced?

The final portion of this section on Marx touches on one of the more important notions going forward, that all labour is forced labour.³² The reason why I have chosen to end this portion on Marx on the topic of forced labor is because I believe it captures the cycle of exploitation going into modernity. What I mean by this is arguments used by the bourgeois such as claims that capitalism is merely equal exchange between worker and owner are still taken up today by libertarian thinkers.³³ This section should be seen as a primer to the following section 2.1 where we will fully take up the libertarian line of reasoning and see why it is still flawed. However, before we can even begin to consider this dialogue, we must understand from the onset what Marx means by forced labor.

It is at the start of this section that we should clearly establish that workers are not forced to work in the same way slaves were. Friedrich Engels in his 1844 work titled, *The Principles of*

³² Marx, *Capital: A Critique of Political Economy*, 49.

³³ Ibid.

Communism juxtaposes the slave and proletariat and defines the slave as “sold outright”, contrasting this with the proletariat worker who “has to sell himself by the day and by the hour.”³⁴ What is important to take away from this distinction is once the slave is sold, he becomes the property of the master, and as such this implies an interest in the slave. If the slave were to die, then the master would be at a loss due to the cost incurred to purchase and maintain the slave. For example, if a master purchases a slave for a total sum of 5,000\$ and the slave were to then promptly die, then the master would be at a loss. This is contrasted by the capitalist who promises his worker a salary of \$5,000 and the worker dies, the salary no longer needs to be paid out, and the worker can be easily replaced. To return to Engels, “the individual slave, property of one master, is assured an existence, however miserable it may be, because of the master’s interest.”³⁵ This interest in the slave is what keeps him alive, but the proletariat does not have this. Instead what the proletariat has to do is secure their existence daily by means of the selling of their labor power. While this juxtaposition could be interpreted as the slave being better off than the proletariat, this is not the case. Instead what we should derive from this is the varying levels of freedom that exist between these classes of laborers. The slaves lack of freedom is bound to their title as slave and as Engels highlights, the slave can become the proletariat once their status of slave is abolished. The slave, so long as they hold the status of slave and are owned by a master, have no choice but to work. However, this is not the case for the proletariat, the proletariat have the *choice* to sell their labor power on a daily basis, but this choice, in actuality, acts as the invisible chains that turn the proletariat worker into capitalism’s slave.

In capitalism there exists a twofold system of force that exerts pressure onto the proletariat to work. This twofold system is key to understanding how Marx views all labor as forced labor in capitalism. The first way we should understand force is through the involuntary nature of work in capitalism. The second is through the forced extraction of surplus labor. These two forms of force over the worker derive from the fact that in capitalism the worker is understood as a “free agent”.³⁶ However, they are from the onset not truly free, this is due to the fact that their day to day work cycle is never a voluntary ordeal. Workers are forced by their lack of access of the means of production to sell their labor power to the capitalist and this is why

³⁴ Friedrich Engels, “The Principles of Communism,” in *Marx Engels Selected Works Volume 1* (Moscow: Progress Publishers, 1969), 83.

³⁵ Engels, “The Principles of Communism,” 83.

³⁶ Marx, *Capital: A Critique of Political Economy*, 415.

there exists a relationship of force in the selling of labor power. If the worker was truly a free agent, then they could choose to work wherever they would like and pursue any job they wish, but instead of having this freedom, the worker is forced to sell their labor power in order to reach a level of subsistence.³⁷ In the capitalist mode of production, the worker is required to enter into this exchange with the capitalist or else they will simply starve to death. This is fundamentally different to the slave whose levels of subsistence were taken care of by the master due to the master's interest in the slave. In capitalism this does not exist, if a worker ceases to be productive, they will be replaced as for the capitalist there is not the same initial cost of acquiring the slave. This creates a circumstance where the worker is forced to enter into this relationship at a fundamental disadvantage and this is why the forced labor present in capitalism is a necessary condition for Marx's view of exploitation.

Prior to delving deeper into how there is a forced extraction of surplus labor in capitalism, we should at this point get more technical with Marx's understanding of the generation of profit through surplus labor. Within the first section of *Capital Volume 1*, Marx develops an outline for what would later be understood as the "rate of exploitation."³⁸ There are three fundamental factors to understand in Marx's function, those being:

Constant capital (C): the labor value of non-labor means of production such as machines, buildings, and raw materials.³⁹

Variable capital (V): the labor value of the labor power of workers involved in production.⁴⁰

Surplus value (S): the difference between the value a worker produces in a given period of time and the value of the consumption goods necessary to sustain the worker for that period.⁴¹

What is important to note is that surplus value is what generates profit for the capitalist and as such it is key to the function that generates the rate of exploitation. Surplus value comes from the exploitation of workers and relates back to the differentiation of necessary labor from surplus

³⁷ Ibid., 415 – 416.

³⁸ Zwolinski, "Exploitation."

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

labor mentioned in the above section. As such, the rate of exploitation for Marx is S/V , what this means is we can understand just how exploited workers are by seeing how, once variable capital is paid by means of wage, what the surplus is, thus the profit is derived from this difference factor.⁴² This equation represents the second way in which workers are engaged in forced labor in a capitalist system according to Marx. Lacking access to the means of production forces workers to commit themselves to this systematic form of exploitation wherein their surplus labor is turned into profit that is not given to them, but instead taken by the capitalist. What the equation for the rate of exploitation does is show that in any circumstance where workers do not see the surplus value returned to them, they are being exploited. This brings us back to Holmstrom's view that this is not a problem of distributive justice as no matter what wage the workers are being paid, labor in its most fundamental form in capitalism is forced due to this extraction of surplus value. Therefore, the twofold relationship of forced labor is realized through workers being forced to sell their labor power due to their lack of access to the means of production, and due to this fact, the capitalist can now forcibly extract surplus value from the workers. This two-pronged approach to the notion of force shows that workers, from the onset seem as if they are free, but in a system where they lack ownership of the means of production are exploited to generate profit for the capitalist. This is why exploitation is understood by Marx to be a necessary evil of capitalism and why one of the primary aims of communism is to escape the cyclical nature of exploitation through forced labor.

1.2: The Failures of Marxian Theory of Exploitation

Section One has aimed to show that Marx puts forward a fully developed system of exploitation that encompasses the working condition at the time. Marx has accounted for a plethora of sociological and political conditions that enable exploitative circumstances and through his formulaic structure, has presented a case for the evils of exploitation. However, upon reading this theory it would seem that there are some areas which require a critical insight. An orthodox or classical Marxist would argue that there needs not be a further exploration into exploitation as it is cut and dry that all labor is forced for Marx and as such all labor is exploitative, but is this really the case? Given that the texts we have discussed thus far have been taken from the mid-19th century at the heart of Marx's influence I believe a jump forward in the

⁴² Ibid.

history of political philosophy should be taken in order to criticize the definition presented. While there are a plethora of thinkers who have commented on Marx's work, the discussion truly moved forward at the turning point of analytic Marxism through the works of G.A. Cohen and John Roemer. The overall aims of this section will be to put into question the definition of exploitation presented by Marx, and in challenging this definition we can explore what the necessary and sufficient conditions are for someone to be exploited in advanced capitalism through an analytic Marxist perspective. This section will act as a bridge between where the discussion of exploitation started and where, in its contemporary form, has gone.

1.2.1: John Roemer on Exploitation

I believe we can summarize why Roemer's contribution to the study of exploitation is pertinent in one simple question: should Marxists be interested in exploitation? This question acts as the title to a 1985 article published by Roemer and it sets the stage for his challenge to Marx. When faced with this question, the obvious answer for any Marxist is a resounding yes. As the previous section illustrates, there is a wealth of writing Marx dedicated to the topic and his theory of exploitation is at the heart of his discussion of labor. Exploitation for Marx is a primary evil of capitalism. How could the theory of exploitation not be of interest to Marxists? In asking this question, Roemer puts into question the pertinence of exploitation by arguing that it is at best secondary to distributive issues found within capitalism. This is due to his views that answering the problem of inequality is sufficient to dealing with exploitation, while the contrary is not true. We can already see a tension being formed, as through Holmstrom's interpretation of Marx we see that the issue was not about distribution. That said, Roemer is not arguing that exploitation is not something that occurs within capitalism. Instead, what he is arguing is that exploitation is a phenomenon that while once pertinent, we must move on with the discussion in order to further develop tools to fight advanced capitalism.⁴³ As such, Roemer shifts his focus onto two elements of capitalism that stem from distributive issues that are what those interested in exploitation should focus on. The two elements being; unequal exchange and property relations. What this allows Roemer to do is to take up exploitation in a new way that moves it away from the narrow sense Marx argued for. That said we should immediately point out two

⁴³ John E Roemer, *Egalitarian Perspectives: Essays in Philosophical Economics* (Cambridge: Cambridge University Press, 1996), 67.

flaws that exist within Marx's theory, both of these flaws stemming from the fact that Marx saw the only way out of exploitation being the transition out of capitalism and into communism. I say communism here instead of socialism because the initial transition point into socialism would still maintain some elements of exploitation until material abundance is reached.⁴⁴ The first issue pertains to the fact that, Marx, while being a figure synonymous with fighting for workers rights, never fully developed a theory of justice dedicated to these rights. The only just state for Marx would be the communist state. As such, for Marx, exploitation is certainly evil, but he never explicitly states why it is morally problematic. The second issue would be that given Marx's fixation on all labor being forced labor, the discussion would seem to stop before it even starts. This narrow vision of exploitation is the primary reason Roemer moves the discussion forward by changing it on a fundamental level away from forced labor being both the necessary and sufficient condition for exploitation. As such, we should begin the discussion of unequal exchange as our entry point into understanding distributive inequalities as an issue that supersedes exploitation.

Similarly to how we began the discussion on Marx, I want to put forward two definitions of exploitation by Roemer. The first is what Roemer dubs a "general" definition of exploitation and it goes as follows:

- (1) There is an alternative, which we may conceive of as hypothetically feasible, in which S would be better off than in its present situation;
- (2) Under this alternative, the complement of S , the coalition $N - S = S^1$ would be worse off than at present.
- (3) S^1 is in a 'relationship of dominance' to S ⁴⁵

In this definition S represents a coalition in a larger society represented by N . As such what we can derive from this definition is that S and S^1 are embedded in a relationship wherein S^1 dominates S in some way. Further, the exiting of S from N would render S^1 worse off than in its present state. A simple example would be:

⁴⁴ Roemer, *Egalitarian Perspectives: Essays in Philosophical Economics*, 29.

⁴⁵ Roemer, *Egalitarian Perspectives: Essays in Philosophical Economics*, 17.

S tills the field daily while S^1 enjoys a life of luxury. S is forced to work because she lacks access to the means of production in the state N which they are currently inhabiting. There exists a state, N^1 where S would be able to access the means of production. If S would leave state N and move to N^1 then there is an alternative wherein S would be better off and S^1 worse off as a result.

We can already see Roemer moving the discussion away from labor itself and moving it towards a discussion of power relations between two people who are embedded in a systematic relationship. What Roemer wants to do in defining exploitation in such a way is moving towards a more normatively charged form of exploitation that can understand the relationship between exploiter and exploited.⁴⁶

In addition to his general definition of exploitation Roemer puts forward two more definitions that build upon the concepts already presented. The first is that of unequal exchange (UE) and the second is property relations. In his UE definition of exploitation, Roemer argues that a person is exploited if they expend more hours in production than in goods they can purchase, such is to say if they produce X in Y hours of work, they should be able to purchase X.⁴⁷ The converse is true of the exploiter who works fewer hours and purchases more than produced.⁴⁸ Further, Roemer wants to highlight that this exploitation can in part be derived from a person's original endowments of alienable productive assets.⁴⁹ Such is to say that things like inheritance can often be directly linked to a person's status as exploited. Thus, this definition he highlights specifically the unequal distribution of the alienable productive assets. One of the major differentiating factors between Roemer and Marx is that Roemer will take up an egalitarian perspective on exploitation and situate the *bad* that is found in exploitation in this unjust distribution of goods. This is why Roemer argues that Marx's views on exploitation are narrow and aren't worth pursuing further. For an egalitarian the normative status of the person found within dominating relationship of exploitation is far more important than the production and value-based argument being put forward by Marx. Through this egalitarian perspective we can now ask the question, is the person who is exploiting in a position that is morally

⁴⁶ Ibid., 16.

⁴⁷ Paul Warren, "In Defense of the Marxian Theory of Exploitation," *Social Theory and Practice* 41, no. 2 (April 2015), 290, <https://doi.org/10.5840/soctheorpract201541216>.

⁴⁸ Paul Warren, "In Defense of the Marxian Theory of Exploitation," 290.

⁴⁹ Ibid.

problematic. This question will be elaborated on but is it important to keep it in the discussion from this point onward.

A further point that Roemer captures in this definition is the inequality presented in most economic systems. There will always be levels of inequality present so long as market mechanisms are present.⁵⁰ This is how Roemer grounds the argument that even in the case of early stage socialism exploitation will be present due to the incentive structure of the previous economy still being in place.⁵¹ In making this argument we can begin to see that exploitation becomes secondary to inequality amongst peers in a society. For Roemer, if inequality is eliminated then exploitation will be resolved, but not vice versa. As such, exploitation becomes a secondary problem to distributive justice. This is furthered in Roemer's property relations definition of exploitation (PR). Taking up S and S¹ again the PR definition can be understood as:

- (1) If S were to withdraw from the society, endowed with its per capita share of society's alienable property (that is, produced and nonproduced goods), and with its own labor and skills, then S would be better off (in terms of income and leisure) than it is at the present allocation;
- (2) If S¹ were to withdraw under the same conditions, then S¹ would be worse off (in terms of income and leisure) than it is at present;
- (3) If S were to withdraw from society with its own endowments (not its per capita share), then S¹ would be worse off than at present.⁵²

What we can derive from this definition is that S and S¹ are embedded in a systematic relationship wherein the thriving of either group depends on the other group. Coalition S, as the exploited, determine the well being of S¹ and would, if a feasible alternative could be found, withdraw from society to better themselves, however they cannot due to their lack of access to the means of production. If we juxtapose both Marx and Roemer at this point, we understand that for Marx, the worker is exploited due to their situation in the chain of production of alienable assets, however for Roemer, the problem of exploitation comes prior to the point of production, it is instead based on their exploited position in society. Roemer's definition of exploitation here

⁵⁰ Roemer, *Egalitarian Perspectives: Essays in Philosophical Economics*, 17.

⁵¹ *Ibid.*, 29.

⁵² Roemer, *Egalitarian Perspectives: Essays in Philosophical Economics*, 40.

seeks to situate the worker in the context of work instead of merely pointing at capitalism as the problem.

What we should take away from this is that Roemer, in putting forward these three definitions, emphasizes the exchange between the exploiter and exploited and highlights that due to distributive injustice, exploitation in advanced capitalism is morally problematic. This is why his definition puts forward the possibility of an alternative wherein S could escape society N and not be exploited. Roemer's goal is to show that if property relations became balanced and the exploited would gain access to productive assets then they would be better off. In Roemer's egalitarian world people's production and consumption levels should be similar and if these are out of sync then exploitation occurs. To answer the question posed by Roemer at the beginning of this section, Marxists should take interest in distributive justice and move away from the theory of exploitation as presented by Marx.

To conclude this section let us understand why Roemer moves towards this normative use of exploitation. I want to address the transition from Marx to Roemer here by showing why this transition is important and merits further discussion. What is important to understand about both perspectives put forward is that both accounts seemingly open and close the book on the topic of exploitation. Marx's definition of exploitation seeks to show that there is a systematic problem that is found in capitalism that enables exploitation. Exploitation for Marx relies on the forced extraction of surplus labor, but this could be a problem that still occurs in early socialist societies as shown by Roemer through his property relations argument. This makes Roemer move towards understanding exploitation on more of a personal relationship between exploiter and exploited. Through this normative lens, we can understand the "unjust" relationship between capitalist and worker due to the initial unequal distribution of alienable goods.⁵³ Roemer tries to close the book on exploitation because he thinks there is a problem that takes precedence over exploitation in advanced capitalism. Exploitation is a consequence of inequality in initial distribution of physical assets on Roemer's account and thus unfairness comes from this unequal distribution from the onset of private property.⁵⁴ Inequality is furthered in advanced capitalism because of this initial unequal distribution and in cases of true surplus the problem is only

⁵³ John E Roemer, *Free to Lose: An Introduction to Marxist Economic Philosophy*, (London: Radius, 1988), 53.

⁵⁴ Roemer, *Free to Lose: An Introduction to Marxist Economic Philosophy*, 69.

perpetuated.⁵⁵ Roemer targets the beginning of capitalism's distribution of alienable goods to be the cause for exploitation and as such resolving the issue is difficult due to its deeply embedded state in advanced capitalism.⁵⁶ Further, Roemer targets cyclical nature of the capitalist chain of reciprocity that enables a generational advancement in aggregate wealth of those that benefit from the inheritance of alienable resources.

Roemer's initial goal in writing on exploitation is to show that there is more than exploitation to discuss when arguing about the evils of capitalism. In redirecting the discussion of exploitation to distributive problems, Roemer seemingly ends the conversation on exploitation but is this the case? I argue that it is not. In fact, I believe in looking at Roemer's theory of exploitation and its developing of the systematic relationship between exploiter and exploited we can follow the lead of thinkers like Paul Warren and Nicholas Vrousalis, who we have already mentioned, in arguing that exploitation is a problem worth arguing for. I will explore this further in section 1.3 as prior to a full discussion on the topic of why exploitation remains pertinent we should look at another author who tried to close the book on exploitation. As such, the following section will be a brief exploration of G.A Cohen on the topic of exploitation. Roemer and Cohen put forward two of the strongest arguments against the pertinence of exploitation. Now that we have explored Roemer's perspective let us delve into Cohen's work.

1.2.2: G.A Cohen on Exploitation

Cohen's discussion of exploitation is less directly situated in his work than what we have thus far experienced with Roemer, yet is still pivotal to our discussion as similarly to Roemer, Cohen attempts to move exploitation away from the standard Marxist definition. Cohen puts forward what he calls the "Plain Marxist Argument" and it goes as follows:

- (1) The labourer is the person who creates the product, that which has value.
- (2) The capitalist appropriates some of the value of what the labourer creates.
- (3) The labourer receives less value than the value of what he creates
- (4) The labourer is exploited by the capitalist⁵⁷

⁵⁵ Ibid., 70.

⁵⁶ Ibid., 58.

⁵⁷ Gerald Allan Cohen, *History, Labour and Freedom*, (Oxford: Oxford University Press, 1988), 228.

What we can see in this argument is what seems to be the standard relationship between labourer, product and value, however what makes this different is that the argument does not presuppose, nor imply the labor theory of value.⁵⁸ In Marx's narrow perspective, he believed the entire creation of value came solely from the worker. However, Cohen's definition shows that even in the case that value is derived from other factors, there can be exploitation. The laborer here creates that which has value but is not exclusively tied to value generation through labor power and profit creation in the same way Marx describes value creation. Instead what Cohen focuses on is that in order for exploitation to occur the capitalist must appropriate *some* value that is created by another, regardless of the system in place that determines value. That is to say that even in the case that labour power is not the factor that determines value, exploitation can still occur, thus rendering the labor theory of value and exploitation mutually irrelevant.⁵⁹ This is important as it renders exploitation a much more versatile tool in diagnosing problems in capitalism as similarly to Roemer's argument, once we move away from value generation being the root cause of exploitation, we can then focus the issue on distributive paradigms, which is precisely what Cohen does. What differs Cohen's interpretation of exploitation from Roemer's is that Cohen is much more interested in a *direct* form of exploitation that takes into account the contractual relationship of work circumstances. Cohen states that "the crucial question for exploitation is...whether or not it is fair that capitalists have the bargaining power they do", instead of focusing injustices from within the labor conditions, Cohen asks if these conditions are morally problematic from the onset, thus highlighting a tension on a systematic level.⁶⁰ Cohen's views of exploitation are centered around two ideas that define the kind of exploitation found within capitalist work circumstances. The first is the notion of taking without giving and the second is the unreciprocated exchange between exploiter and exploited that is not necessarily forced.⁶¹ Here we must understand the systematic nature that embodies exploitative relationships, and in focusing on these two notions we can see that there is a power imbalance that exists between exploiter and exploited. This imbalance in power is the major target of

⁵⁸ Nicholas Vrousalis, "G. A. Cohen on Exploitation," *Sage Journal* 13, no. 2 (May 1, 2014), 152, <https://doi.org/https://doi.org/10.1177/1470594X14528651>.

⁵⁹ Vrousalis, "G. A. Cohen on Exploitation," 152.

⁶⁰ Cohen, *History, Labour and Freedom*, (Oxford: Oxford University Press, 1988), 233- 234.

⁶¹ Vrousalis, "G. A. Cohen on Exploitation," 152.

Cohen's attack as he poses the question of if the capitalist ownership of the means of production is unjust. As such for Cohen the condition's for exploitation are as follows:

The labourer is exploited and the capitalist exploits if and only if the exchange in which they are engaged occurs against the background of an unjust distribution of alienable resources.⁶²

If we accept the claim that the capitalist ownership of the means of production is unjust then this definition holds. Following Roemer and Cohen's egalitarian perspectives on justice it is clear that exploitation occurs against this background of unjust distribution and thus this background is what enables forced labour.

The final notion to discuss with regards to Cohen's interpretation of exploitation is his more mature view that develops egalitarian principles of distributive justice that were present in his earlier works discussed. In his later work's Cohen develops a key concept that contributes to exploitation, that being the notion of involuntary disadvantage. Given that we have already shown that Cohen argues that exploitation is taking unfair advantage, the final step in his egalitarian doctrine is to show that unfairness involves a level of involuntary disadvantage and thus the above definition changes to include this notion:

The labourer is exploited and the capitalist exploits if and only if the exchange in which they are engaged occurs against the background of an unjust distribution, that is a distribution involving involuntary disadvantage.⁶³

This is an important change because, even in the circumstance where, access to alienable resources is equal, inalienable resources such as intellect or cunning could be a differentiating factor that enables exploitative circumstance.⁶⁴ Therefore, what we can derive from this final definition presented is that A and B must be involved in a circumstance wherein A, through either alienable or inalienable resources, can take unfair advantage of B. This is how Cohen defines exploitation through egalitarian perspectives, that even in the circumstances of material equality, can occur due to factors such as birth luck.

⁶² Ibid., 153.

⁶³ Vrousalis, "G. A. Cohen on Exploitation," 156.

⁶⁴ Ibid., 156.

1.2.3: Morally Problematic Exploitation: Closing thoughts on Roemer and Cohen

Moving from Marx to Cohen and Roemer we are met with an ideological fork in the road: the Marxist absolute perspective or the Roemer egalitarian perspective. We can either choose the absolutism presented by Marx and accept that the only way out of exploitation is a true transition into communism. This path is one that classical or orthodox Marxists would take up and would adhere to the argument presented in section 1.1. Following this path would entail a new exploration into how a transition into communism would be made possible in modernity. I don't think this argument is tenable, and feasible alternatives to the system we currently live in would require a massive overhaul of how labor works. There would have to be a globalized equality of material wealth and an abundance of resources that would allow for equal distribution. Further, history has shown through both the Soviet and Chinese transitions into communism, that hastily developed communist economies can do more harm than good. The political climate of advanced capitalism lends itself to dealing with the problem on a more intimate level and for this reason I believe Cohen and Roemer's understanding of exploitation allows us to enter a more micro manageable level of workspace injustice instead of an entire economic overhaul. In rejecting the argument that exploitation is merely a forced extraction of surplus labor, Cohen and Roemer transition into a new system, a system that emphasizes not only labor as the problem, but the unjust background it exists on. Regardless of if that background is found in the capitalist mode of production or not can allow us a much more dynamic approach to taking on the problem that is exploitation. This new approach does not just target capitalism as an evil that must be done away with. It instead takes up a new question posed by both Roemer and Cohen, that being, is the exchange which occurs in capitalism that enables what we have defined as exploitation really that unjust? For this we must pose a moral question. If there is a feasible alternative to a system that enables an unfair exchange between exploiter and exploited, do we have a moral obligation to opt for that system instead of the system in place?

For Marx, the revolution that transitioned us away from the evils of capitalism required the proletariat to band together and form a coalition to form an alternative to capitalism. This alternative that would shake the very foundations of the economic structure of society. However, in the 150 years since Marx wrote these words and planted the seed of revolution, what we find

ourselves with is a splintered class system that is arguably more divided than the people in Marx's time. Cohen, in his most influential book briefly discusses the notion of equality. He states that classical Marxism failed to anticipate capitalist social evolution.⁶⁵ Instead of a harmonization of the proletariat, the working class of today is shattered into a plethora of groups with their own interests. Can we say that the farmer of today shares the same interest as the doctor or lawyer? What does garbage collector and dentist have to agree upon? While there are similarities, the unity needed for revolution falls victim to its utopic image. The dissonance caused by advanced capitalism and the evolution of a market based on capital has put laborers on ends with one another. As much as Marx understood the conditions of the worker at the time, I believe he failed to see the behemoth advanced capitalism would become and this is why the revolution of the past has become untenable. This is mostly due to the unsustainable state of the proletariat worker of the present day.⁶⁶

To return to Cohen on equality we see an emphasis being placed on moral advocacy, and a new demand for equality must occur in order for us to quell the problem that is exploitation.⁶⁷ Instead of understanding the worker as merely exploited, or acknowledging problems on a systematic level, we must understand the condition of any given worker and what enables the circumstances where they can be exploited. This new demand for equality coming from both Roemer and Cohen is meant to act as the last nail in the coffin that seals away old Marxists doctrine. With the sealing of this doctrine, the theory of exploitation gets put to the side and instead egalitarian perspectives and the demand for equality take its place. Roemer and Cohen both believe, even after developing these intricate definitions of exploitation that it is at best a secondary concept to distributive injustice and as such it is no longer worth discussing. But I say is this really the case? A crucial oversight that Cohen and Roemer both fail to take into account is that all of the work put forward towards understanding the flaws that exist within the study of exploitation try to address it as a primary evil. I beg the question here, even if it isn't a primary evil, even if it becomes secondary to distributive injustice, is it not worth thinking of a feasible alternative for workers who are victim of exploitative work circumstance. Workers who are trapped in a system where their vulnerable state is used as a tool to keep them in a setting where,

⁶⁵ Gerald Allan Cohen, *If You're an Egalitarian, How Come You're So Rich?* (Cambridge, MA: Harvard Univ. Press, 2001), 108.

⁶⁶ Cohen, *If You're an Egalitarian, How Come You're So Rich?* 109.

⁶⁷ *Ibid.*, 113.

against a background of injustice, they lack access to both social and fiscal mobility. Should we not understand the market mechanisms that exists in advanced capitalism and how these are problematic? What I propose in the conclusion of this section is we choose neither of the paths presented, instead we carve our own path taking from what Marx, Roemer and Cohen have discussed and understand what it truly means to be exploited in modernity and what feasible alternatives exist that can be proposed to take on the problem of exploitation head on.

1.3: Exploitation in Advanced Capitalism

The purpose of this first section is to not only diagnose the problem of exploitation in capitalism but to develop a stage wherein an argument for feasible alternates can be presented. As such, it is pivotal that we understand why the definitions presented prior to this section satisfy the first criteria but not the second. To do so I want to put forward three classifications for the definitions of exploitation we will be using in attempts to better situate our understanding of the concept for the remainder of this text. Marx's definition of exploitation should be understood as a *narrow* definition. I classify this as narrow because it captures, on its most fundamental level, what the problem of capitalism is, however due to this fundamental approach it remains limited hence the classification as narrow. From the Marxist perspective, exploitation is inescapable so long as there is differential ownership of the means of production and for this reason the only alternative would be communism. The narrow definition of exploitation presented lacks the possibility of changes within capitalism to render circumstances for the worker better and as such, lacks compelling options, as the only possible solution is a transition from the capitalist mode of production to communism. Cohen and Roemer's definitions act as what I call the *macro* definition of exploitation. The definitions presented capture exploitation in a system wide sense. In their definitions, the target is placed on the back of systematic injustice and hence the only solution is a redistribution of assets rendering access to alienable assets equal. While more compelling than the narrow definition, the macro definition again seems to be too grand. The only way out of exploitative circumstances is reworking an entire market wide system of distribution, and this poses problems for our feasible alternatives criteria. The final definition of exploitation that we should understand is one not yet discussed and it will be the subject of the remainder of section one. It is what I call the *micro* definition of exploitation as it aims to tackle exploitation on an intimate level. With the micro definitions we will be able to understand

exploitation from an agent to agent perceptive and as such, we can develop tools to alleviate instances of exploitation that are not tied to system wide problems. The key difference between the micro and both the narrow and macro definitions is that it operates within the limits of advanced capitalism and does not ask that the system change. While a change in the mode of production or system wide distributive adjustments would solve the problems presented, the key word that we must keep in mind is feasibility. Marx, Roemer and Cohen all put forward definitions of exploitation that capture real problems that exist in modern work circumstances but the alternatives that solve these issues lack feasibility in their possible solutions. As such, the remainder of the section will explore how we should understand exploitation with this micro perspective in mind.

1.3.1: Exploitation and Freedom

Prior to fully developing the micro perspective of exploitation, I believe there are still a few elements we can derive from thinkers who have further worked on the subject of exploitation. Vrousalis in a 2013 article takes up a new perspective on the topic of exploitation that yet again changes the discussion fundamentally. Vrousalis' definition incorporates elements that we have not yet seen in our discussion and I believe these elements are pivotal to developing the micro definition of exploitation. As such, let us begin by analysing Vrousalis' "general definition of exploitation":

A exploits B if and only if A and B are embedded in a systematic relationship in which A instrumentalizes B's vulnerability to extract a net benefit from B.⁶⁸

The first element that we see is the systematic relationship between A and B. This is reminiscent of the two definitions put forward prior, as Marx, Roemer and Cohen all situated exploitation's occurrence against a background of systematic relations. Further, the final element of extracting a net benefit could also be seen in Marx's form of surplus value and in Roemer and Cohen's form of unjust distribution resulting in one parties' benefit. The element of Vrousalis' definition that shifts the paradigm is the instrumentalization of B's vulnerability to extract the net benefit. What this acknowledges outright is that there is an imbalance in power where A, who is not

⁶⁸ Nicholas Vrousalis, "Exploitation, Vulnerability, and Social Domination," *Philosophy & Public Affairs* 41, no. 2 (2013), 132, <https://www.jstor.org/stable/42703848>.

vulnerable, instrumentalizes B's vulnerability in order to create a circumstance where A can net a variable level of benefit due to the circumstance B is in. This definition, contrary to the definitions presented prior, does not imply that the major contributing factor to both the instrumentalization and vulnerability of B is based on distributive issues. What this allows is an exploration into exploitation from a perspective that does not outright deem every transaction that occurs against the background of unjust distribution to be exploitative. What it requires instead is a power imbalance between A and B. As such, this gives us the ability to rethink solutions to the problem by not only understanding system wide problems of capitalist distribution to be the issue, but instead interrelation issues amongst agents embedded in a system that can render them vulnerable to exploitative circumstance. The final detail to extract from the definition presented is the omission of the notion of unfairness. In this definition I believe Vrousalis takes a justified move away from a loaded term that weighs down our understanding of exploitation. In moving away from unfairness and into the instrumentalization of one's vulnerability, we can ask the question of how someone is rendered vulnerable. This allows for a much more dynamic discourse, where we can discuss exploitation in a circumstance where unjust distribution might not be obviously apparent.

We should move forward keeping in mind an important element of exploitation that is implied but not mentioned in the definitions presented, that being the notion of freedom and its relationship to exploitation. I believe the context that we can isolate exploitation being a problem is whenever it can impede someone's freedom, and as such this caveat will be the grounds from which we differentiate ourselves from the authors we have discussed thus far. What Vrousalis' advances in exploitation allow us to understand is a fundamental change in how we isolate the root of the problem of exploitation. Marx, Roemer and Cohen understand a transactional element as being required, as exploitation is seen through an economic structure. When then does exploitation occur, if we remove the element of capital exchange? The element is obvious in Marx through the mathematic structure of exploitation and its tangibility when attached to surplus value. Roemer's attacks on exploitation clearly take the shape of an economic understanding of what renders someone exploited, emphasizing the relationality between exploiter and exploited and highlights how this relationship would change if one of the two were to be removed from the equation. By situating the problem of exploitation in the distribution of labor and not as a problem in and of itself, I believe Roemer fails to fundamentally take up the

problem of freedom and the question of power imposed by understanding exploitation.⁶⁹ What Vrousalis' emphasis on vulnerability and instrumentalization does, is allow us to shift the discussion from the capital transaction to a more interpersonal exchange of power. The utilization of vulnerability implies a different scale of power between the exploited and the exploiter and this asymmetry is rooted at the very core of capitalism. Targeting this imbalance of power allows us to do something that the other authors discussed cannot do due to the vast scope of their understanding of exploitation. Focusing on interpersonal relationships found within the workspace, we can understand the micro definition of exploitation suggested in the introduction of this section. For our purposes, we must understand exploitation as an interaction between two individuals, where one of the individuals holds power over another. In turn, this power position allows a given individual in this relationship to instrumentalize the vulnerability of another in order to exploit. In Vrousalis' text he ties the concept of domination to exploitation stating that the two are interconnected and that "I take a part of domination to be constituted by disrespectful (that is, degrading, or demeaning, or humiliating) power-overing".⁷⁰ Let us set aside for a moment the concept of disrespect as I believe it plays a role in exploitation but it is not the central concept I want to take from this passage. Instead let us employ the notion of *powering-over* to strengthen our understanding of exploitation as a relationship of power. Marx, Cohen and Roemer all implicitly have this in their definition but do not explicitly refer to exploitation as a relationship of power. In making exploitation and power fundamentally related, we can understand what limiting factors exploitation has on those who would be exploited. According to the macro and micro definitions presented, due to their economic structure, fail to understand circumstances that we would see as exploitative, for example:

A is stranded in the desert on the cusp of starvation. B, while enjoying a day off roading in his Mercedes Benz G wagon finds A. B realizes that A is starving and says in exchange for your eternal servitude I will rescue you. A is *forced* to accept B's offer in the face of starvation.

Where is the surplus labor? Where is the material inequality? A here is a victim of circumstance not inequality. It could very well be possible that A has his own G wagon at home, but due to

⁶⁹ Roemer, *Free to Lose: An Introduction to Marxist Economic Philosophy*, 57.

⁷⁰ Vrousalis, "Exploitation, Vulnerability, and Social Domination," 139.

circumstances, A is rendered vulnerable. Marx, Roemer and Cohen's definitions plainly fail at describing this as exploitation. If this is not a case of exploitation, I do not know what is. When we factor in the notion of powering over another then this becomes a case that is clearly exploitative and for that reason, we must reject all past definitions and move forward with an understanding of exploitation's ability to inhibit another's freedom.

1.3.2: But What Does This Have to do With Advanced Capitalism?

Let us now propose how we should understand exploitation for the remainder of this text:

A exploits B if and only if A and B are embedded in a systematic relationship, in which A holds a position of power over B, which enables them to instrumentalize B's vulnerability, and in doing so limits B's freedom in order to extract a net benefit.

While this definition borrows factors from past definitions, such as systematic relationships and the instrumentalization of another's vulnerability, what it brings into the discussion is an emphasis on freedom and asymmetrical power relations. This definition complies with the condition of the worker for Marx, but similarly to Cohen and Roemer, it detaches itself from the labor theory of value. Instead of focusing on the worker as a producer, the only importance is that the worker is working under someone. This introduces the notion that giving the worker power can reduce their overall level of exploitation. The definition presented keeps the modular nature of the scale of exploitation argued by Marx, but it gives us ways to understand workplaces that are better than others. This is important as the ethos of this project is not to enter a metaethical debate on if exploitation is wrong or to merely put forward a definition of exploitation for the sake of itself. Instead the goal of this project is to understand the struggle of the worker. What is it that makes the daily grind of a 9-5 so oppressive? It is here that I would like to transition our discussion from a strictly analytic understanding of exploitation into an empirical discussion. In concluding Section One, we have established the tools required to understand exploitation in its most modern form. Exploitation is a limit to one's freedom that systematically utilizes vulnerability in order to suppress and instrumentalize the worker in the process. The proletariat of the past has mutated and for this reason our understanding of exploitation must change as well. Elements such as social mobility and the control of someone's life both inside the workplace and outside the workplace must come to the forefront of our discussion and in order to do this, we must take an empirical turn to understand what exploitative

workplaces look like in actuality. Instead of trying to close the book on exploitation, I argue that we should take seriously the idea that exploitation is a problem that can be solved on a micro level and for that reason we must situate it in the workplace and not as a merely a system wide problem. Taking on the problem from within advanced capitalism and focusing on feasible options that can render workers less exploited is the path this project will follow. Strengthening workers freedoms solves the core problem of exploitation and removing their vulnerability answers the question of how we can alleviate exploitation. This leaves us however with the question of how exactly we can render workers less vulnerable from within advanced capitalism. In understanding exploitation in this way, we can argue that even within advanced capitalism there is a way to combat the problem of exploitation, that isn't a transition into communism or a guarantee of universalized material equality.

Section Two: Situating the Problem: Exploitation Within the Modern-Day Workspace

Moving forward in this project, it is important that we understand why our initial exploration into exploitation is so important. As we have seen, there is a rich history of how political philosophy has understood the term exploitation, however this section seeks to uproot the definition and apply an empiric lens to the topic. To do so, we will explore how the modern work circumstance for workers can become a space where through the cultivation of their vulnerability, they become part of a system that thrives on exploitation. The way in which we defined exploitation guarantees that capitalism can reproduce itself so long as there are workers that fall into the precarious situation B represents. We should ask ourselves then, how we ensure that B is not in the circumstance where A holds this power position and can exploit those who are vulnerable. Taking on capitalism in its entirety, would leave us with an insurmountable task as it pits us against the economic structure of modernity. In fact, I believe if we were to think of a system wide change, while the aims of this project would be noble, would never be feasible. How then should we continue forward? First and foremost, I believe we need to restrict the scope of our discussion. With the way workers are being treated in countries with the fastest growing GDP, a clear starting point would be countries like India or China where workers are undeniably exploited on a mass scale in order to achieve a never before seen level of economic growth. The problem with addressing exploitation in these countries is that often times the governmental structure in place allows for workers to be treated in a quasi slave-like matter with little to no recourse. While there might be solutions to this problem, these solutions are on a geopolitical scale that I believe should be discussed, but not in this project. It is easy as someone living in North America to point the finger at countries like China who are developing and say you treat your workers unfairly, you need to change this. But how often do we look at our own country's work politics and understand that even in countries that seem to be progressive on the front of social rights, workers are still being mistreated daily. What I propose in this section is that we understand workplace injustices that occur in Canadian society, and how they are perpetuated through power imbalances that render workers vulnerable.

Where section one of this project has aimed to introduced exploitation as a concept that sits at the heart of capitalism, what we must take up now is how this relationship exists in its modern form through an analysis of exploitation within advanced capitalism. In redefining exploitation and tailoring our definition to explicitly capture the asymmetric relation that exists between exploiter and exploited, what is left to do is situate that relationship in the modern work circumstance. What is paramount for the remainder of the project is to understand exploitation as a concept that concerns itself primarily with power inequality and as such, we must challenge the epistemic limits of what we consider the worker to be. In doing so, we unveil a tension between normative problems workers face and their ability to flourish in the modern day. This claim shapes the direction of how the following section will proceed as it allows us to ask two pertinent questions. The first of these questions addresses the possibility of eliminating exploitation and the second addresses the feasibility of this potential removal. Given that we have situated the problem of exploitation from within capitalism itself it would logically follow that the only proposed solutions should move us away from capitalism. This is an argument that has been maintained since the works of Marx, but as stated in section one, we will take up a new approach that does not follow the strict Marxist doctrine that demands a transition out of capitalism. Instead I aim to answer the two questions proposed by understanding why capitalism is an outdated system and what alternatives exists that keep at their forefront the elimination of exploitation. Further, in arguing that there are feasible alternatives to capitalism that exist on both large and small scales, it follows that we should want to move towards these systems not only from a freedom perspective, but also from a perspective that optimizes human flourishing.

Given that we have defined exploitation, in section two we must now situate ourselves within actual market mechanisms. We should promptly begin with understanding workplace dynamics in advanced capitalism. It is pivotal that we shift our focus from the analytic approach taken in section one and embark on an empirically driven pragmatic approach to the concept of work. As such, section 2.1 will present the notion of the workplace's quasi governmental structure and aid us in situating how exploitation is enabled by this structure. Section 2.2 will then explore how workers find themselves working for these corporate governments and develop our understanding of how these structures are formed. In section 2.3 we will take up an important question in the world of modern political philosophy, why not socialism? The section will include a juxtaposition of non-ideal capitalism and non-ideal socialism that form the basis of the

actualization of a system whose goal keeps in mind the reduction of exploitation while still focusing on developing a growing market. This discussion will lead us to understanding possibilities for market structures that enable alternatives for workers to gain back some of the power and freedom that has been taken from them in the development of capitalism.

2.1: Workplace Tyranny; the Struggle of the Superstore Clerk

It is undeniable that work is a fundamental part of everyday life. Whether it be going to school to develop skills to get a job or clocking in at your 9-5, modernity is as work centric as can be. There is a quasi fetishization of someone's status in capitalism, as we look at the person driving down the street in the newest BMW or in a tailored suit by Dior Homme as someone who is successful, someone who is free. The American dream is founded on this notion that this is attainable for everyone so long as you understand that, "It's not whether the glass is half empty or half full, it's who is pouring the water."⁷¹ Countless entrepreneurial guidebooks preach this "time is more valuable than money" or "work hard, play hard" mentality that could not be further from the reality of the everyday lived experience of your lower-middle class worker. While the above quotes from Dallas Maverick's owner, Mark Cuban, can represent the ideal of how capitalism should work, what I want to explore in this section is what the reality of working in advanced capitalism is. To accomplish this I believe utilizing a company like Wal-Mart, that is familiar to most, can create a succinct portrait of the problem of power imbalance that exists in advanced capitalism. To create a connection between exploitation and the structure of the workplace, we must first begin by describing what exactly this workplace is like. Once we do so, we can explore just how much power this workplace has over its constituents. This *power over* will be realized in discussing the power corporations like Wal-Mart have over their employee's choice to form a union. This section will act as a case study for an instance of power imbalance that is representative of the power most largescale corporations have in advanced capitalism.

2.1.1: Wal-Mart, an Overview

Each week, over 275 million customers and members visit our more than 11,300 stores under 58 banners in 27 countries and eCommerce websites. With fiscal year 2019

⁷¹ Mark Cuban, *How to Win at the Sport of Business: If I Can Do It, You Can Do It* (Diversion Books, 2011), <https://tinyurl.com/y7vy2on8>.

revenue of \$514.4 billion, Wal-Mart employs over 2.2 million associates worldwide.
 – Wal-Mart About Us.⁷²

To give a sense of scale to just how enormous Wal-Mart as a corporation is, its revenue alone from the 2019 fiscal year would place it just below Argentina as number 27 on the list of countries ranked by GDP.⁷³ Wal-Mart needs next to no introduction as almost everyone should be familiar with it. This claim can be made on empiric grounds as nearly 95% of American's shop at Wal-Mart at least once a year.⁷⁴ Wal-Mart is the single largest retail employer in the United States employing an entire 1% of the US workforce representing 1.4 million people.⁷⁵ Similarly, Wal-Mart is Canada's second largest retail employer just under Loblaws. Wal-Mart Canada operates just over 400 stores across the nation employing roughly 104,000 Canadians.⁷⁶ This makes up .54% of the Canadian workforce based on statistics from 2017.⁷⁷ This means that globally 2.2 million lives rely in the success of Wal-Mart to survive. Wal-Mart is a corporation that I believe embodies the American dream and its founder Sam Walton represents what every capitalist sees as a vision of success. Over the course of 50 years and starting in Rogers, Arkansas, Wal-Mart has transformed into a globally recognized entity that has more purchasing power than entire countries. However, this growth certainly comes at a cost. Wal-Mart's business model has always relied on attaining the best deal possible by focusing heavily on the bottom line.⁷⁸ This is not uncommon for businesses as maximizing profits is the goal of capitalism as an economic system. However, what occurs when the bottom line is focused on to a maximal level, quality of life for employees becomes an after thought to profit margins. Wal-Mart in the world of labor studies is synonymous with anti-union and anti-worker legislation. This section aims to show that in most cases Wal-Mart's practices skirt the line of legality and can be understood undeniably as exploitative.

While what I have said thus far might seem hyperbolic, it represents what companies can become in advanced capitalism. This opening paragraph is not the place to discourage the growth of

⁷² "About Us," Walmart, accessed January 9, 2020, <https://corporate.walmart.com/our-story>.

⁷³ "GDP Ranked by Country 2020," accessed April 29, 2020, <https://worldpopulationreview.com/countries/countries-by-gdp/>.

⁷⁴ "Where Consumers Spent in 2016," NPD, accessed January 10, 2020, <https://www.npd.com/wps/portal/npd/us/news/press-releases/2017/only-three-businesses-can-say-at-least-84-percent-of-us-consumers-spent-with-them-in-2016/>.

⁷⁵ Henry Blodget, "Walmart Employs 1% Of America. Should It Be Forced To Pay Its Employees More?," Business Insider, last modified September 20, 2010, <https://www.businessinsider.com/walmart-employees-pay>.

⁷⁶ "About Us," Walmart, accessed January 9, 2020, <https://corporate.walmart.com/our-story>.

⁷⁷ "Canada Labor Force Participation Rate," accessed January 8, 2020, <https://tradingeconomics.com/canada/labor-force-participation-rate>.

⁷⁸ John Dicker, "Union Blues at Wal-Mart," *Nation* 275, no. 2 (July 8, 2002), 6.

companies or to shut down entrepreneurial dreams, but its goal is to show just how much of a behemoth companies can become and how entwined they can be in the lives of everyday citizens. Wal-Mart represents a sense of retail omnipresence in modernity, it is, depending on circumstance, inescapable from both a consumer perspective but also an employment perspective. Unless you are making an active choice to not shop at Wal-Mart, you like 95% of Americans have probably shopped there and as the previous statistics have shown, if you're looking for a job and have no work experience, Wal-Mart is a place you would be thinking about. However, it is at this point that you might be asking the question of what this has to do with exploitation. With the amount of capital Wal-Mart generates, an enormous amount of power and control come along with it. While Wal-Mart might sit atop the Forbes Fortune 500 list for the past decade it does not have the same showing on Forbes' best employer list. To show this, I believe a case study on a particular store can elucidate why this is the case. Let us explore the situation at Wal-Mart's Jonquière location and how it has provided a quantifiable example of how the corporation is willing to exploit its employees and abuse their rights.

2.1.2 Wal-Mart's Penetration into the Canadian Market

In 1994, Wal-Mart began its second multinational venture into a market outside of the United States. Wal-Mart's entry into the Canadian market started strong with the acquisition of 122 Woolco stores that had a presence across various provinces.⁷⁹ An important note is that the 122 stores purchased excluded 22 Woolco locations, where 12 of those locations were in the downtown area of various cities which would cost Wal-Mart significantly more money and the remaining 10 were stores with active worker's unions.⁸⁰ Wal-Mart as a corporation is about as anti-union as you can get. Their business model requires low costs to provide the lowest prices and hence unionization is viewed in the eyes of Wal-Mart as something that drives up labor costs.⁸¹ What this leads to is increasingly toxic work environments that yield near 50% turn over rates in its associates.⁸² Wal-Mart has always been a corporation that prioritizes anti-union movements to maintain these sharp margins and maintain their status as the largest retailer in the world. This can be shown through a document reserved for managers called, *The Managers*

⁷⁹ Michael MacNeil, "Freedom of Association in a Free Enterprise System: Wal-Mart in Jonquière," *Canadian Labour & Employment Law Journal* 15, no. 3 (2009/10 2009), 497, <https://ssrn.com/abstract=1732612>.

⁸⁰ MacNeil, "Freedom of Association in a Free Enterprise System," 497

⁸¹ Ibid.

⁸² Anthony Bianco, "No Union, Please, We're Wal-Mart," *BusinessWeek*, no. 3971 (February 13, 2006), 80.

Toolbox, originally published in 1997, and upon reading the document it doesn't take long to realize that it acts as a guidebook to thwart any attempt at unionization from the onset.

“Open communication is the key to stopping a union organizing attempt before it ever gets started.”⁸³

“Wal-Mart must respond to this type of union activity immediately in an effort to stop card signing before the required 30% signatures have been obtained.”⁸⁴

At the time of publication of, *The Managers Toolbox*, Wal-Mart had a hotline to report any and all union activity in attempts to crush unions from rising before they could even take a foothold on a store. Documents like, *The Managers Toolbox* are worrisome from a labor rights perspective because they are latent with rhetoric and argumentation to convince workers that unions are not in their best interest. Wal-Mart has the power to convince its workers that they should not unionize and further, they can take up subversive tactics to discourage their workers from unionizing, as shown in the above quotes.

Let us return to Wal-Mart Canada. To understand the pressure Wal-Mart faced when entering the Canadian Market, I believe it is important to understand how the mindset of your average Canadian differs from Americans. I believe this can start with Canada's view on political legislation that emphasizes widespread social good through taxation. From the late 40's we can see that Canadians prioritized the universalization of systems that could better the lives of one another through standardized health care.⁸⁵ This would ultimately manifest in the 1966 Medical Care Act, which would provide universal healthcare to Canadians.⁸⁶ Further, if we turn to provinces like Quebec, the education system follows a similar mindset prioritizing policy that spreads out benefit to residents. This can be seen in the average cost difference of higher education in Quebec compared to the United States, as residents of Quebec are paying on average 1/10th of the cost. With this established it is no surprise that unionization rates in Canada are roughly three times higher than the United States.⁸⁷ Quebec averages 10% higher than the

⁸³ “Wal-Mart A Manager's Toolbox to Remaining Union Free,” Wal-Mart Stores, Inc. (1997), 5, <http://www.ufcw.ca/Theme/UFCW/files/ManagersToolbox.pdf>.

⁸⁴ “A Manager's Toolbox,” 12.

⁸⁵ “Canada's Health Care System,” Government of Canada, last modified September 17, 2019, <https://www.canada.ca/en/health-canada/services/health-care-system/reports-publications/health-care-system/canada.html>.

⁸⁶ “Canada's Health Care System.”

⁸⁷ Bianco, “No Union, Please, We're Wal-Mart,” 80.

Canadian national average for union presence at a staggering 40% and if you thought this would be an issue for Wal-Mart, you would be right.⁸⁸

2.1.3: Wal-Mart Jonquière

Employing 190 workers in a town of roughly 50,000, Wal-Mart opened its doors in Jonquière, Quebec in 2001. Union talks began fairly early in its history with murmurs beginning in 2002.⁸⁹ Jonquière's history is ripe with pro-union movements given that it is found in a region that is heavily industrialized with an emphasis on factory labor.⁹⁰ Jonquière is no stranger to worker revolts with incidents dating back to 1942 where workers on strike had to be subdued by the Canadian army.⁹¹ This history of workers fighting for their rights would be continued by the employees of Wal-Mart Jonquière for over a decade. The reason behind my selection of this story is simple. In Canada, the Canadian Charter of Rights and Freedom Section Two specifically allows workers to unionize through what is called freedom of association.⁹² In fact, section 12 through 15, are all quintessential parts of Quebec labor law that protect workers and encourage the right to unionize.⁹³ I want to specifically look at sections 14 and 15 which explicitly prohibit employers from punishing workers for union-based activity.⁹⁴ Section 14 reads as follows:

No employer nor any person acting for an employer or an employers association may refuse to employ any person because that person exercises a right arising from this Code, or endeavour by intimidation, discrimination or reprisals, threat of dismissal or other threat, or by the imposition of a sanction or by any other means, to compel an employee to refrain from or to cease exercising a right arising from this Code.⁹⁵

What we can derive from this is that in Canada, it is illegal for employers to punish workers for union-based activity. Yet still, workers in Jonquière were not protected from Wal-Mart's actions.

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Legislative Services Branch, "Consolidated Federal Laws of Canada, Access to Information Act," July 30, 2015, <https://laws-lois.justice.gc.ca/eng/const/page-15.html>.

⁹³ MacNeil, "Freedom of Association in a Free Enterprise System," 515-517.

⁹⁴ MacNeil, "Freedom of Association in a Free Enterprise System," 505.

⁹⁵ "Labour Code," accessed April 29, 2020, <http://legisquebec.gouv.qc.ca/en/showdoc/cs/C-27>.

Understanding the timeline for the Jonquière store is important to highlighting the issue we are trying to explore. As stated above, after its 2001 opening it began unionization attempts in 2002.⁹⁶ In 2004, the workers lost the vote to unionize 53 to 47, but after a mandatory 3 month wait period to reapply, the union succeeded in August 2004.⁹⁷ On February 9th 2005, the minister of labour appointed an arbitrator to negotiate the terms of the union with Wal-Mart management, and on the same day, Wal-Mart announced the store's closure.⁹⁸ In April 2005, the store closed its doors and 190 people who fought for their right to unionize lost to the power that Wal-Mart has. The reality that the workers at Wal-Mart Jonquière faced, embodies the power we give our employers in advanced capitalism. Workers were protected through legislation and through the Canadian Charter of Rights and Freedom's were able to unionize but Wal-Mart simply exerted its power to stop them. Even though Wal-Mart allowed the union to form, they could ultimately play the trump card to close the store citing lower profit due to the union impacting labor margins.

It is at this point we would assume that the store closure on Wal-Mart's part would be deemed unjust by the Canadian government and a clear violation of rights as workers are being abused by the power Wal-Mart has in the face of establishing a union. Section 14 cited above clearly indicates that employers cannot intimidate employees preventing them from unionizing. This is correct and the horror of this circumstance is in the eyes of the law because Wal-Mart did not intimidate employees as they merely closed the store. Workers were not stopped from unionizing, they instead paid the price after the union was formed and given that Wal-Mart operates in a market as a free enterprise, they cannot be stopped from closing their doors in the face of a union uprising.⁹⁹ What this would lead to is a 2009 ruling where the Supreme Court would rule that the workers Freedom of Association rights were not violated on the ground that Wal-Mart could choose to close its doors at any time given its status as a free enterprise so long as it has "good and sufficient" reason to close its doors.¹⁰⁰ It was only in a 2013 overturning that the Supreme Court would rule in favor of the employees under the reasoning that Wal-Mart changed the workers employment conditions by closing the store while still in negotiations with

⁹⁶ Bianco, "No Union, Please, We're Wal-Mart," 80.

⁹⁷ Ibid., 81.

⁹⁸ MacNeil, "Freedom of Association in a Free Enterprise System," 501.

⁹⁹ Ibid., 513.

¹⁰⁰ Ibid., 506.

the union.¹⁰¹

Even though the worker's have won the legal battle, can their situation really be described as a win? The wording of the ruling by the supreme court implies that if Wal-Mart had waited a few months into unionization to terminate everyone's employment and close the store there would have been no repercussions as there was "good and sufficient" cause to close the store due to the impact on profit projections. Everything about this situation needs to be a warning to workers in any state. In advanced capitalism, the power is in the hands of your employer. Even with the protections given by the Canadian Charter of Rights and Freedoms within a province that is as pro-worker as Quebec, Wal-Mart could still put profits before worker's rights. Wal-Mart is a sovereign nation that exists within the borders of any state that it operates in and even in the case that it does not comply with labor regulations, it has the economic power to close its doors and move with little to no negative impacts on itself. The closure of the Jonquière store in the long run saved Wal-Mart a good deal of trouble as it used the closure as a warning to any other stores that might think of unionizing. Jonquière's closing is a public execution and those being terminated act as a warning to other workers who might have a similar idea.

2.1.4: This Might Seem Bad but What Does this Have to do With Exploitation?

Wal-Mart Jonquière highlights a tension that exists in advanced capitalism that I believe gives credibility to our argument for exploitation. As a corporation, Wal-Mart mostly complied with Quebec labor laws and even though majority of their actions go against clear legislative texts that exist to protect workers, it ultimately took an appeal and a second ruling to favor with the workers who were being taken advantage of. I want to return us to my definition of exploitation present in the final portion of section one.

A exploits B, if and only if, A and B are embedded in a systematic relationship, in which A holds a position of power over B, which enables them to instrumentalize B's vulnerability, and in doing so limits B's freedom in order to extract a net benefit.

Wal-Mart and their workers are embedded in a systematic relationship. Wal-Mart holds a position of significant power over their workers. This power-over enabled Wal-Mart to close the

¹⁰¹ CBC News, "Supreme Court Sides with Quebec Unionized Wal-Mart Workers," CBC, June 27, 2014, <https://www.cbc.ca/news/canada/montreal/quebec-unionized-wal-mart-workers-win-supreme-court-victory-1.2689646>.

store and render workers jobless. The employees effected were indeed vulnerable as the original ruling against them undeniably proves and the workers right to form a union as given by the Canadian Charter of Rights and Freedoms was violated in order to extract a net benefit by Wal-Mart.

Wal-Mart's impeding of the union highlights the vulnerability workers have when working for large corporations. Forming a union signifies workers coming together and trying to establish equal terms and gaining bargaining power through collective action and Wal-Mart realizes this. In attempts to keep workers vulnerable it only makes sense that Wal-Mart does everything it can to shut union movements down as they act as the only way workers can try and fight not only for increased salary or better resources, but as a whole for more power. Wal-Mart's net benefit extraction is reduced significantly if workers gain a larger share of the power and I believe this justifies my definition of exploitation on two grounds. First, the grounds that the closure of the store in and of itself qualifies as an exploitative action capitalizing on the vulnerable legal status that workers have in the face of free enterprise. The net benefit extracted here for Wal-Mart is the ability to now show other stores, who might consider unionizing, the repercussions of their actions. This is true even in the face of the ruling against Wal-Mart in 2013 as the workers effected still lost their jobs and had to find work elsewhere. The second ground for exploitation in this circumstance is Wal-Mart's ability to coerce workers who are currently employed to not form unions in fear of repercussions. Even though this is highly illegal as we can see with section 14 of Quebec law, *The Managers Tool Box* shows that Wal-Mart leverages its power position over workers in order to prevent unionization and this is ultimately achieved through the systematic relationship created at the signing of a work contract. The work contract acts as the link between worker's status as vulnerable and the realization of Wal-Mart's power. What I want to highlight in both circumstances is that the workers choice to unionize is one of their only ways to vie for power when faced with injustices at the workplace. However, the current structure of corporations in advanced capitalism require this asymmetric set up in order to thrive and as we see with the case of Wal-Mart utilizing a tyrannical system that operates much like a dictatorial government guarantees that the power will always be in their hands. Even when it is shifting away, they ultimately hold all the cards in a world of free enterprise.

2.2: Private Government, an Asymmetric System that Enables Exploitation

One of the major reasons why I began this text with an emphasis on Marx is because he was one of the first people in the canon of modern philosophy to analyze the problems presented by the growth of capitalism. Marx realized that workers in an industrialized era were treated as the sum of what their labor could produce as profit and what this would lead to is a widened gap between worker and owner. This I argue, is the catalyst for the asymmetry of power that exists in capitalism that has been widening ever since the start of the industrial era. This was not always the aims of capitalism, as if we take the industrial revolution as the turning point in modern economic history, there is surely a conception of what the future of capitalism would be prior to the introduction of the factory. Elizabeth Anderson highlights this pre-industrial aspiration present in thinkers from Adam Smith to Thomas Paine. These two authors are key to our discussion as they form the basis for why capitalism as an economic system was perceived as something that would help the people instead of put them in a position of vulnerability. Paine for example believed that the current system of politics was not adequate and dedicated his work to the concept of equality with the aims of empowering the individual in the face of an overwhelmingly powerful system of government.¹⁰² Further, his vision of America was that of a republic of free individuals who saw each other as equals.¹⁰³ For early libertarian thinkers, America was a vision of pure potential, that could correct for the mistakes made in the development of European economies and privilege the individual as they “can solve nearly all of their problems on their own, without the state meddling in their affairs”.¹⁰⁴ This individualistic mentality formed the backbone of libertarian political philosophy and was carried forward by Smith who envisioned a system where free men operating in free markets would be independent artisans, merchants, or participants in small-scale manufacturing enterprises.¹⁰⁵ This bulk idea of self employment put forward by thinkers like Paine and Smith is what enabled the notion of free enterprise to flourish, but what is important to realize is in the world of actual economics, circumstances can take unpredictable turns. Anderson’s view deems this state of understanding capitalism as the market being “left”. What she means by this is important as it highlights a tension that formed at the very beginning of the transition into capitalism that focused on workers being able to break ties to both the state in the form of government and the system of

¹⁰² Elizabeth Anderson, *Private Government: How Employers Rule Our Lives (and Why We Don't Talk about It)* (Princeton University Press, 2017), 24.

¹⁰³ Anderson, *Private Government*, 24.

¹⁰⁴ *Ibid.*, 64.

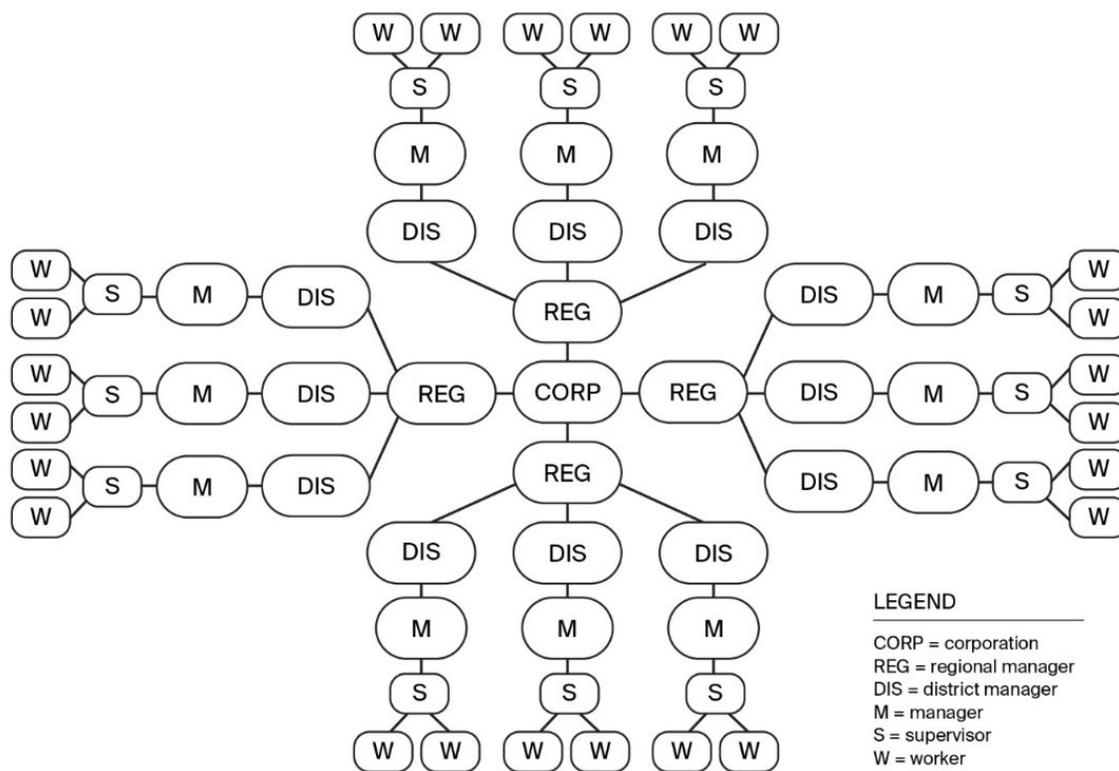
¹⁰⁵ *Ibid.*, ix.

lords that acted as their employers. This early left libertarian philosophy acts as egalitarian roots for ways to shape economic systems for everyone. Through a spirit of generational reciprocity, the owner would hand down ownership not based on capital gains but based on the master-apprentice relationship. However, as we have already explored with Marx, the industrial revolution changed the scope of capitalism and as Anderson aptly assesses, widened the gulf between employer and employee instead of mending it like Paine and Smith would have foresaw.¹⁰⁶ This widened gap that exists between employer and employee acts as one of the primary reasons for the asymmetric power imbalance that remains present and has grown in modern capitalism. In looking at the system proposed by both Paine and Smith, capitalism aimed to give workers a time-based access to the means of production. What this would enable is even though from the onset access would be limited to owners, eventually those owners would take up apprentices who would eventually have access to the means of production by becoming the owner of the business one day. The caveat of this system that has become clear if we follow the history of modern capitalism, is that these small scale businesses that employed ten or so people would eventually morph into the circumstance described by Wal-Mart Jonquière, where employer and employee are pitted against one another in pursuit of the lowest bottom line. With this idealized version of capitalism, I believe we should pose the question why this is pertinent to exploitation, and the remainder of this section will take up just that.

Taking a pragmatic approach to modern political philosophy enables us to work within the realm of non-ideal terms. Advanced capitalism is a far cry from the quasi utopic vision theorized by pre-industrial egalitarians. The current climate of economics acts as an interesting intersect to observe the problem of exploitation as due to the nature of work in modernity, exploitation has become a fundamental part of the work contract. While I am not denying exploitation's pertinence in the past, I believe market conditions of advanced capitalism have amplified the vulnerability of those who do not enter the market on an already strong economic footing. This is in part due to a problem of scale, as the larger economies get, the more they rely on exploitative work practices to grow thus becoming caught in a cycle that reproduces itself. If we move forward with the argument established in the first section that we cannot merely take what Marx said nor Roemer and Cohen, we must ask ourselves how this current system is

¹⁰⁶ Ibid., 33.

exploitative and if this is ultimately a problem. To answer this question, I believe we must begin unravelling the structure of work for the average person in the modern day. We have already explored the amount of power we give to our employers in the previous section; however I want to take this further and understand an individualized perspective on the notion of exploitation. To do so I believe understanding the structure of any given corporation is key to situate the worker. Given that we are primarily looking at lower income earners, this is pivotal to our discussion of exploitation as the modern structure of work embodies a hierarchal structure that reduces power as we move down the rungs of the corporate ladder. The diagram shown in figure 1 represents the power distribution of companies like Wal-Mart. This diagram illustrates what is called a hierarchical functional organizational structure that helps in understanding how Wal-Mart manages to exert high levels of control across all of its divisions.¹⁰⁷ This business structure emphasizes how power from the corporate level ripples through the rungs to lower tiers of work.



¹⁰⁷ Jessica Lombardo, "Walmart: Organizational Structure & Organizational Culture," *Panmore Institute* (blog), August 15, 2015, <http://panmore.com/walmart-organizational-structure-organizational-culture>.

Wal-Mart is not the only large corporation that employs this model, however, given our analysis of the company I believe we should continue using them as an example.

What we can derive from the diagram is that there is an explicit power structure that you are committing to whenever you sign a work contract. Your place in the diagram is determined by your position at the time of hiring and as such you are subsumed by status the moment you enter the workplace. The environment created by a hierarchical functional organizational structure is one that emphasizes positions of differing scales of power. This environment is what enables the conditions for workplace injustice as each individual member of the whole structure does not have the same power. In fact, as we move down each branch of the graph from upper management and downward, there is a significant loss of power. District managers do not enable nationwide change, instead they report to their regional manager who then reports to corporate who decides on the matter. As we move closer to the core of image one, power becomes more equally balanced. The opinions of upper management are discussed and worked on to determine what is best for a company and while input from the lower rungs may be taken into account, decision making is nestled in the core of corporate power structures. The more important factor to take away from this is that decisions made at the core of the tree trickle down and impact those at the bottom. The inverse is not true, however. Such is to say that there is an unequal relationship between impact of decisions made and who those decisions impact. Upper management can make a choice to put a heavy burden on workers, but workers do not have the power, within the corporate structure, to make decisions in the workplace that weigh heavily on upper management. Workers do have power in the form of unionization or collective bargaining by means of protest but as we see in the world of free enterprise, often companies maintain the upper hand. Workers at the bottom of the branches are limited by their systematic relationship to upper management and as a result lack the freedom to make impactful decisions outside of their decision to work for the company or to take their labor power elsewhere. I want to make clear here the hierarchal structure, while in this case enables vulnerability, is not ultimately the problem that renders work circumstances exploitative. What we must understand is that in operating businesses in such a way, all the power is given to the corporate decision makers and as such if those people who are placed in a position of power do not make choices that positively effect those without decision making power, then massive amounts of exploitation will ensue.

Hierarchy is not itself the problem, it is how that hierarchal structure can quickly turn into tyranny if not properly managed.

2.2.1: Who is Free in Free Enterprise?

In the opening of section 2.1, I alluded to those with the capital to afford luxuries as the freest. In concluding section 1, I also alluded to notions of freedom and I believe we should fully explore how the concept of freedom ties into corporate structure as this explicitly ties into who is exploited and why. To do so, we should borrow our understanding of the structure of corporate freedom from Anderson, given her deeply seated position at the forefront of understanding corporate injustice. As such, her model is already adapted to the diagram presented and is the primary reason why we are using her discourse on freedom over other authors in the canon of modern political philosophy. Anderson puts forward three types of freedoms: negative, positive, and republican, where the latter two are the concepts we are primarily interested in. Negative freedom represents a form freedom where no one is interfering with your actions.¹⁰⁸ This form of freedom is not pertinent to our discussion as in corporate structures there is almost always some kind of interference, be it stockholders or law imposing regulation on businesses. Positive freedom represents options within a set of resources presented to you.¹⁰⁹ Positive freedom is the type of freedom that represents worker's choice after signing a work contract. It begs the question what I can do once I have chosen to engage in this system. Republican freedom represents a relationship of domination between two or more agents, where the agent that is not being dominated possesses a higher level freedom.¹¹⁰ In a lawless state, a mercenary holds the utmost republican freedom as they can go around and do what they please, so long as they are the strongest mercenary, however law limits republican freedom by imposing repercussions for actions that go against the law. The diagram in figure 1 concerns itself with both positive and republican freedom as movement along the branches of the diagram represent both increases and decreases in certain freedoms. Corporations like Wal-Mart make it their explicit goal to reduce republican freedom as we move down the branches of the diagram and what this means is that workers at the bottom of the branch, even if they represent the most numerous segments, possess the least amount of republican freedom. Further, they have very limited positive freedom as their

¹⁰⁸ Anderson, *Private Government*, 45.

¹⁰⁹ *Ibid.*

¹¹⁰ *Ibid.*

choices both at work and outside of work are limited by the systematic relationship their work contract enables. Anderson calls what we are describing here “Private Government” and this structure of work is what deliberately weaponizes both exploitation and domination to subdue workers and perpetuate systemic injustices that make already vulnerable people even more vulnerable.

Anderson argues that there are two conditions that need to be met to be subjected to a private government. The first condition for subjugation to private government is that you are subordinate to authorities who can order you around and sanction you for not complying over some domain of your life.¹¹¹ The second condition is that authorities treat it as none of your business, with regards to what orders it issues or why it sanctions you.¹¹² These conditions are very general and can be applied to a variety of different systems that we face in the real world. Based on the conditions described we can even understand the modern system of schooling from elementary through university to be a private government. The wide applicability of these conditions is what strengthens Anderson’s argument for private government and lends well to the exploitative angle we are addressing in this section as there are a plethora of private governments that do not exploit their subjects. There is constantly a possibility to be exploited when found in a governmental system, this is why a perfect democracy allows subjects to be heard and not exploited even though they lack the power of elected officials in the governmental structure. What differs the systematic relationship of the workplace from a system like school is that students ultimately aim to exit the academic system and utilize the tools to move up in the world. While the student may be subject to a system of private government that can at times be strict, the temporal relevance of this is much less impactful on the life of the subject. Canada’s workforce comprises of a variety of people over the age of 16. These people will subject themselves to private governance until the age of 65 if we look at the average age of retirement. What we should focus on here is that private government itself is not a problem, instead it is possible abuses of power that arise when we enter into these private governments, especially at lower rungs on the corporate ladder. This follows the same line of reasoning when we argue for the possible injustices that occur in any given structure of hierarchy. My argument aims to show thus far that the problems present are not with the system itself, but instead the implementation

¹¹¹ Ibid., 44-45.

¹¹² Ibid., 45.

of the given system, not all hierarchies become tyrannies just as not all private governments utilize vulnerable subjects for a maximal net benefit. This is why the approach we are taking up aims not to tear down the system of capitalism as a whole, but instead seek alternatives or ways we can adjust for these potential pitfalls.

It is at this point that we should explore more profoundly the difference between what is understood as private and public government. This differentiation is important given that we are primarily situating our argument in democratic states that have laws that protect workers as we have already seen with the Jonquière case. What differentiates a private government from the state is the arbitrary power that they hold over their subjects.¹¹³ Generally, in democratic settings people who are voted for are elected into office and create legislation that represents the voter base. In an ideal democracy laws are made with the inhabitants of a given country in mind and as such their best interest is prioritized. There is a reciprocal relationship between those in power and who they govern. This is not necessarily the case for corporations, and I believe this can especially be seen with Wal-Mart. If the goal of democracy is to include those with the least power in legislative decision making through the means of representative voting, then the goal of corporations is to exclude the wishes of those at the bottom in order to pursue the best bottom line. This for Anderson embodies the problem found within private government as those at the bottom are excluded from making decisions and are subject to the arbitrary power of those at the top.¹¹⁴ The only thing that can rein in this power are state based sanctions but as we can see with Jonquière this is not enough to protect workers as the court ruling could not regain employment for workers, but merely compensate them for their losses.

The ownership of private property and the means of production enable owners to have massive amounts of both positive and republican freedom and this is not explicitly a bad thing, however, this is where we can begin to see where exploitation comes into the picture. If an employer chooses to maintain an authoritarian workplace, they can leverage their liberties and impose exploitative circumstances on their workers by means of the systematic relationship they hold with any given employee. Bringing this back to Marx, if we understand work not as something that is optional but required to survive, the workers must subject themselves to these

¹¹³ Ibid., 45.

¹¹⁴ Ibid., 45-46.

conditions if they are all that is available. Targeting companies like Wal-Mart, who have a notorious track record for workplace injustice might seem like the most obvious selection, however, I believe it is undeniably the most relevant selection due to the massive population they employ who often lack access to better jobs.

2.2.2: Pushing the Limits of What we Understand to be the Workplace

This relationship with work is fundamentally tied to worker's daily lives. This is why the 9-5 is so powerful, as it takes up a majority of our waking hours and as such is a fundamental part of who we are whether we like it or not. Anderson argues that the power these companies hold extends farther than just the workplace. Where you work is often embedded into your everyday life both on the clock and off. This is where I believe we can discuss the pertinence of the economic firm theory and why conglomerates and multinationals are the most likely to take advantage of their employees on and off the worksite. Let us shift the focus of our discussion to another corporation that is synonymous with workplace injustice: The Ford Motor Company. Ford has been at the forefront of capitalist growth, revolutionizing the way in which we understand work from the beginning of the 20th century. Ford was also at the forefront of blurring the line between our employers' power on and off the worksite. Wal-Mart showed us direct tools of control a company utilizes in order to actualize its power over its employees. Ford's tactics are much more subversive and for this reason I believe highlight the amount of power we give our employers. Ford in the early 20th century masked its choices as helpful to the workers through increase in worker benefits, but in reality, enabled new levels of domination that extended off the factory line. This can be seen through the establishing of the Ford Motor Companies Sociology Department. Ford, much like Wal-Mart, experienced an extreme turn over rate and needed a way to prevent more job loss. To make work more appealing, Ford more than doubled what workers would make from \$2.34 to a staggering \$5, however this augmentation came at a cost that would enable Ford not only to have power over you on the factory line, but also in your home.¹¹⁵ Ford's Sociology department penetrated employees' homes and not only verified if they were kept clean and tidy, but also monitored consumption of alcohol and made sure workers bathed properly, or else your newly acquired \$5 wage could be revoked.¹¹⁶ While

¹¹⁵Michael Ballaban, "When Henry Ford's Benevolent Secret Police Ruled His Workers," accessed April 29, 2020, <https://jalopnik.com/when-henry-fords-benevolent-secret-police-ruled-his-wo-1549625731>.

¹¹⁶ Anderson, *Private Government*, 49.

this practice is undeniably dated, it represents a level of power given to employers that is present not only in early 20th century developments of capitalism but all the way through to modernity. Employer health plans are often partially contingent on compliance with employer-imposed wellness programs which include but are not limited to diet, exercise and consumption regulations.¹¹⁷ While these conditions might not seem like huge impositions on one's freedom, what we need to understand is that they are the catalyst for your workplace to infiltrate into your personal life. It might start small, but as we have seen, workers can be reprimanded for attending union functions and a plethora of other activities outside of the workplace.

If we return to the economic side of the argument, hierarchal work structures ensure adequate distribution of resources and attaining of corporate goals. Ronald Coase's theory of the firm is based on this structure of hierarchal work and affirms the power given to those who can make decisions.¹¹⁸ The theory of the firm highlights a phenomenon in corporate structure where it is easy to issue a command from the top down, but bottom up there is almost no decision making power as the worker agrees to obey the will of the employer upon the signing of the work contract.¹¹⁹ The employment contract is something that I want to explore further here as it deeply ties into the hierarchal structure of the workplace. Anyone who signs a contract of any sort relinquishes a certain level of republican and positive freedom, this can apply to both work and non-work-based contracts. The nature of contracts means that there is an exchange where both parties trade off certain benefits in order to gain something from the other party. The work contract's fundamental elements have not changed much since Marx's criticisms as it still ties the worker down to any given employer that they choose to sell their labor power to. While workers may have gained more rights over time and work contracts might be more work favored, they still retain the fundamental contractual aspect that ties the sale of labor power to work. This contractual element of the work contract is not in and of itself the problem, but instead, what becomes the problem is how much of a trade off is happening between the parties involved. If we return to the pay increase Ford offered its workers in attempts to avoid a high turn over rate, Ford could afford to pay workers more, but in return took an immense amount of power away from them. Utilizing Ford as the example of power imbalances in contractual work, employers could

¹¹⁷ Ibid.

¹¹⁸ Ibid., 52.

¹¹⁹ Ibid.

now restrain republican freedoms of employees at home, however now tied to an incentivizing pay raise, Ford could exude corporate control over the at home life of the worker. The modern libertarian would argue that workers in this position are met with a choice, to either accept the constraints to their positive and republican freedom and take the pay raise, or as many other Ford employees have done in the past, quit. We should stress here the notion of quitting being a tool for workers in the libertarian argument for free enterprise, as the option to quit in the eyes of thinkers like John Tomasi, enables a maximum amount of freedom.¹²⁰ However, this begs the question of if workers are truly free to quit their jobs when they have bills to pay and require their jobs for income. Conversely, they could find another job, but this is often more difficult than it seems, therefore risk adverse workers will tend to stay in this position even if they are being taken advantage of. In the case of Ford's pay raise this is even more likely as workers not only are incentivized not to go because they would be forced to find employment elsewhere, but they are now being paid substantially more incentivizing them to commit to the asymmetric conditions of their new contract and relinquish their at home freedom. What is interesting about this phenomenon put forward here is that employers have bargaining power and can entice workers to commit to freedom restraining agreements that favor the employer. This is where the concept of private government is so important and can be tied into exploitation as the employer has managed not only to control the worker at work through labor contracts, but in their home as well. Firm theory shows that the worker at the bottom of the branch in diagram 1 has their freedoms revoked as they are not to be concerned with the decisions of the corporation. They are subjugated by the work contract they sign and are dominated by the choices their employer makes. What this leads to undeniably is the necessary conditions for exploitation in advanced capitalism and these tactics are based on taking advantage of those who lack options to find alternatives to the circumstances they are met with.

What should be noted here is the hierarchal structure of work itself is not the problem, as companies like Wal-Mart that employ millions of people obviously require some sort of direction from the top in order to function. However firm theory becomes shocking when we realize the amount of power removed from the worker when they are placed at the bottom of the private government that is corporate work. We should at this point draw on more comparison

¹²⁰ Ibid., 56-57.

between democratic society and the authoritarian tendencies that can emerge within the hierarchal structure of work. Political candidates who do not make good on their campaign promises have the potential of being voted out of office in a democratic setting. However, in a hierarchal work structure, workers might have some sway over their direct superiors in the way of complaints to that persons superior, but depending on which rung of the ladder someone in a position of power holds, workers have no power to remove someone from that position.¹²¹ The downward force of power in a firm-based schema of work can often not be redirected upwards and Wal-Mart Jonquière shows this phenomenon completely. Market societies thrive on this imbalance of power and as Wal-Mart shows, those who can take full advantage of the people are rewarded with massive growth and revenue dwarfing the GDP of countries. These companies under the guise of a free market penetrate all aspects of the worker's life and as a result of capitalist systems putting all of the power in the hands of those with the possession of the means of production, the workers are vulnerable to a system that dominates them and actively exploits their vulnerability to increase revenue. The work contract in and of itself binds the worker to conditions that while they may have agreed upon, force their hand and remove a great deal of both positive and republican freedom when they sit at the base of the hierarchal authoritarian structure of private government founded on exploitation.

2.3 Approaching the Crisis of our Time

Anderson's assessment of private government has given us a diagnostic tool to understand how we can marry the concepts of exploitation to the modern workplace. In advanced capitalism a majority of people must work and submit to the conditions of their labor contract. If they are in a less than ideal circumstance economically when entering the labor market, then their vulnerable economic state can be taken advantage of which can in turn become a circumstance of exploitation. Even if in a free market, workers have the choice of who they may sell their labor power to, this choice can be extremely restricted due to a weak negative freedom that comes with economic vulnerability. This weak negative freedom is transformed into a weak republican freedom that takes hold of workers through a dominating work contract. At this point in the project it is pivotal that we switch gears away from diagnosing the problem to attempting to understand solutions. As such I want to focus on a particular argument that exists in political

¹²¹ Ibid., 56.

philosophy that can shape our understanding of possible solutions for the problem of exploitation in capitalism. Both socialism and communism are topics that in an ideal world can function and provide an adequate alternative for capitalism, however, if we look to those who argue for the positive aspects of capitalism, they raise a valid point against these ideal theories. Thinkers like Jason Brennan open a dialogue that forces us to move away from the ideal terms that most economic systems function with and ask the question in non-ideal terms what economic system is desirable. The juxtaposition of non-ideal capitalism and non-ideal socialism will be the topic of this closing subsection and will act as both the end point of our discussion of exploitative work circumstances and the starting point of our discussion for solutions to the problems proposed. As such, this section will put ideas from G.A Cohen's text, *Why Not Socialism?* up against Brennan's response text, *Why Not Capitalism?* and form the basis of our discussion of non-ideal socialism and non-ideal capitalism.

2.3.1: A Realistic Discussion of Desirable Economic Systems

Positioning socialism as a solution for the problems of capitalism is by no means an underrepresented perspective in the world of political philosophy. Marx and Engels undeniably sparked a revolution in the world of both politics in economics by addressing capitalism as the core issue with modern society. The fundamentals of their argument reverberate through a plethora of thinkers and as such I want to highlight a text that does not immediately come to mind when we think of the canon of political philosophy. "Why Socialism?" is a 1949 text written by Albert Einstein on the topic of what he deems "the crisis of our time".¹²² In his text, Einstein argues that capitalism has negative impacts on a plethora of systems ranging from education to labor, and that we should consider socialism as a solution to these problems. While Einstein admits to not being an expert in the domain of politics or economics, I believe what he does is show us that the problem of capitalism is one that is far reaching and towers over society as a whole. Einstein posits that the crisis of our time is in part due to humanity never exiting the "predatory phase" of human development.¹²³ The markets predatory nature is what leads ultimately to the crippling of the individual within society which Einstein considers the worst evil of capitalism.¹²⁴ The core of this argument has already been discussed thus far in this

¹²² Albert Einstein, "Why Socialism?" *Monthly Review*, May 1, 2009, <https://monthlyreview.org/2009/05/01/why-socialism/>.

¹²³ Einstein "Why Socialism."

¹²⁴ Ibid.

project as section 2 has shown the relationship between employer and employee as one that is based on exploitation. Capitalism thrives and rewards predatory nature. Wal-Mart is not the behemoth that it is in the retail world because it treats its workers fairly. It finds weaknesses that it can utilize to bolster its bottom-line mentality and the cycle of predation continues. The quasi unchecked power corporations have in a marketplace that is driven by free enterprise is what allows this cycle to reproduce itself and as such we must rethink the market mechanisms of today's society. We are no longer in a state of early economic development and if we take Marx's views on the development of economic history we should understand capitalism as a stepping stone in human development, one that is needed for us to move into the next mode of production and that at its core aims to alleviate the exploitative nature of capitalism. Cohen highlights in his book, *Why Not Socialism*, the notion that socialism is humanity's attempt to overcome this predatory phase and deal with the crisis of our time.¹²⁵ He ends his book stating that our attempts to do so thus far have failed, but this does not give us a reason to stop trying to find a solution. This solution-based approach is what we should keep at the heart of the discussion to come and reevaluate how we should think of market relations and ways to minimize the exploitation of the individual in society.

This project has from the onset sought to highlight the injustices of capitalist work environments. We can understand this project as an interpretation of how workplaces can become oppressive and restrictive to those who might not have a choice to quit. I have emphasized the difference between slaves who have no choice other than to work for their master and the common worker of modernity who is told that in a world of free enterprise their labor power can be sold to any entity of their choosing. Modern political rhetoric, especially in heavily capitalist countries like the United States, have maintained the utopic envisionment birthed by Paine and Smith but have warped its application. While Paine and Smith advocated for a system of selling one's labor power, the caveat of their system hinged on long term ownership goals for those working. The early egalitarian philosophy of thinkers mentioned put forward an ideology wherein equality, while not immediate in the sense of variance in total sums of ownership, was something that could be achieved over time, and more importantly if the proper amount of labor was put in. This thinking leaned heavily on two concepts that are key

¹²⁵ G.A Cohen, *Why Not Socialism?* (Princeton University Press: 2009), 82.

when developing how we should guide our understanding of equality, those being community and reciprocity. What Paine and Smith at the core of their respective philosophies argue for is an equality of opportunity, a chance to attain what those you might find yourself working for have attained. The ability to choose is a theme that I argue is pivotal for a system that minimizes the exploitation of workers and giving more people the opportunity to do so should be at the forefront of solutions to the problems proposed.

It would be impossible to discuss Cohen's text without introducing the concept he begins the book with, that being, camping. The camping trip in and of itself acts as the largest part of contention for most critiques of the book who attack its idealistic nature and small scale. In summation, the camping trip aims to show that on a small scale there is a system that functions with the key socialist principles of equality and community. The most important point of this trip is that there are feasible alternatives, namely capitalist schema, that *can* function but are inferior to the socialist plans of the trip.¹²⁶ Cohen utilizes this example as a jumping point into larger discussions of economic management and the failures of what he calls market socialist systems of the past. As alluded to in the opening paragraph of this section. Cohen sees socialism as a way to exit the predatory phase of humanity that has been perpetuated by capitalism and what I argue in this section is the principles established by Cohen allow us to think of feasible systems that explicitly target the exploitative structure of private governments discussed thus far.

Cohen's camping trip captures three elements that lend to its ideal form of socialism. The first element is that the scale is small and there are only a handful of people that must do tasks and share resources. The second element is that there is at the bare minimum material subsistence present on the trip, as campers have both the supplies needed to camp and the ability to use nature for more resources. The third element is the communal reciprocity of the trip, as Cohen explicitly states, "there is no hierarchy among us; our common aim is that each of us should have a good time, doing, so far as possible, the things that he or she likes best".¹²⁷ Being guided by communal reciprocity, the campers aim to share their resources as best they can. These three elements showcase the ideal nature of the trip and Cohen has set the trip up where the schema lends itself perfectly to socialist division of resources and labor. No one, aside from

¹²⁶ Cohen, *Why Not Socialism?* 10-11.

¹²⁷ *Ibid.*, 3.

maybe the CEO of Wal-Mart, would consider turning the trip into a capitalist venture where we now turn our ability to fish into a means to generate a profit from our camping buddies. Cohen explicitly highlights how people that would do this, go against the spirit of the trip and as such would likely be shamed by their fellow campers. This is again at its core, possible because of the small scale of the trip and the heavy influence of communal reciprocity. Critics of this set up are right for challenging Cohen on the ideality of this circumstance, but I believe their haste leads them to miss the most important question with a system like this. That question being, what elements from this ideal sphere can we envision entering the non-ideal world. I believe we should delve deeper into the world of actual politics to understand the implications of these ideal terms and see how they can pose a problem for our discussion, however this will be more profoundly taken up in section 3.

Using empirical data when discussing socialism is something that can be seen as a double edge knife. As Jason Brennan is quick to point out in the opening of his book, *Why Not Capitalism?* socialism has a plethora of monumental failures in the form of power-hungry regimes and the death of thousands.¹²⁸ Brennan is not wrong by any means, but I would argue that this is an extremely weak attack on the potentiality that is adapting markets towards more socialist goals. The reason why I believe this problem is intrinsically philosophic is that capitalists and socialists alike can throw numbers of casualties at each other without ever getting to a solution. The empiric side of the argument should act as a basis for how we want to correct the problems of the past and move forward into a better future. Here I should state the view I would like to argue moving forward in this text. Both capitalism and socialism in their ideal forms represent systems that can work perfectly and provide for everyone. Both capitalism and socialism have morally compelling virtues that can be argued for. Both capitalism and socialism in practical implementation have failed in various regards. Socialists can argue that capitalism is a system built on fear and greed and capitalists can argue that socialism is a system that is built on unrealistic ideals of community and a willingness to help the other that just doesn't exist.

What I will argue here and in the concluding section of the text is a system that needs a little bit of both sides to be better. My goal here is to utilize our definition of exploitation to isolate elements in the definition to better understand why in modernity people can be exploited.

¹²⁸ Jason Brennan, *Why Not Capitalism?* (New York: Routledge, 2014), 1-5.

I believe exploitation, unless we enter a perfectly communist state, will always exist. I believe the structure of nearly any work circumstance will always promote some form or another of exploitation. Upon reading this, you might think that this concession puts in jeopardy the relevance of this project, but instead I believe it contributes to the revival of the discussion of exploitation discussed in the first section of this text. I believe exploitation is at its core intrinsically connected to nearly any labor related position. Exploitation is tied to the very core of the sale of labor power and I believe the answer to the problem of advanced capitalism cannot entirely do away with labor relations as they are. While I do believe that a system of pure socialism is the most morally compelling, society has shown time and time again that we have not yet ascertained criteria needed to reach that system and as such the solution to the problem should be found elsewhere. What I propose in evaluating both non-ideal socialism and capitalism is that we understand a joint system that compels us morally to minimize exploitation. This is a system that I believe to be both desirable, but also much more feasible than looking at the camping trip as the model for what society should be.

My argument then is as follows, if we take exploitation to be a serious problem that is tied to asymmetric power relations between employer and worker in capitalism, then we ought to find an alternative that minimizes exploitation if not outright eliminating it. This alternative must be both desirable and feasible, however it is pivotal that we account for the complex market mechanisms that allow society to function. As such I believe we should explore what advantages are presented by libertarian thinkers about capitalism and evaluate how we can incorporate these into a system that diminishes overall exploitability of those who are economically vulnerable. With this in mind we should understand why Brennan chooses to argue for capitalism as not only an economic system but one that is morally defensible even though we have highlighted a plethora of injustices the system enables due to its asymmetric make up.

Is market society intrinsically repugnant? This question posed by Brennan in an article released prior to his above-mentioned book allows us to move our discussion further into the makeup of market society.¹²⁹ I have put a good deal of pressure on the notion of the free market being a core issue that allows private corporations to gain insurmountable levels of power and

¹²⁹ Jason Brennan, "Is Market Society Intrinsically Repugnant?" *Journal of Business Ethics* 112, no. 2 (January 1, 2013), 271, <https://doi.org/10.1007/s10551-012-1248-z>.

ultimately form private governments. To provide a direct answer to Brennan's question, I believe market society itself is not intrinsically repugnant, but if power is left unchecked then people can take advantage of the market and turn it into something repugnant. What I mean by this is market society has allowed us countless medical, educational, and overall advantages that it cannot be seen as something that is purely bad. In a post-industrialized world, it is undeniable that quality of life has increased on average. This is of course to say that there are certain areas of the world that have been absolutely destroyed by abuse of resources, be it natural or labor. However, again that is a topic for another project. If we look at Canadian society particularly, we have managed to develop in such a way that a majority of Canadians can have a much better life than say your average peasant in pre-industrial England. This of course brings into question what we understand to be a better life, but from an objective, empiric standpoint things like life expectancy, living conditions and education are all better. This is undeniably due to favorable market circumstances and further in Canada, our more progressive political views tend to put forward programs that promote social benefit such as the aforementioned healthcare system. However, it is also market society that enables corporations like Wal-Mart to on a whim, close a store putting 190 people out of work. Market society, much like the hierarchy presented in section 2.2 is not intrinsically problematic, instead what is problematic is the fact that power is put in the hands of individuals who can choose to abuse those with less power to obtain market success. Brennan similar to other libertarian thinkers like John Tomasi put forward an image of market society where workers hold similar freedom to independent contractors and can negotiate labor contracts at will.¹³⁰ But the reality is, in market society if someone needs to work to feed their family they will concede a good amount of freedom to do so and often times this comes in the form of working for a corporation that exploits you. This fact moves away from the realm of speculation and into reality when you begin to explore the turnover rate of companies like Wal-Mart and Amazon that cannot keep employees due to poor work condition. However, in a free market these employees need to work and as such will subject themselves to these work conditions. Libertarians argue that being able to exit a job at any time is the ultimate freedom of market society. If you do not like your job, take your labor power else where, because you as the worker are the one in control. This argument has been present since Marx and represents such a poor reflection of market society. Leaving a job requires a plethora of factors to even be possible

¹³⁰ John Tomasi, *Free Market Fairness* (Princeton: Princeton University Press, 2013), 81.

for a majority of adults in Canada. Systems like Social Assistance and Social Solidarity here in Canada allow for those who lose their job to have a buffer and gain income at a reduced rate, but again these incentives go against the structure of market society. Systems like these are meant to provide a buffer to allow Canadians to meet a bare level of subsistence, not flourish. To flourish and obtain the freedom that is choosing how you devote your time and capital, you have to adapt to markets and be someone who can participate in the game that is advanced capitalism.

What I believe grounds the solution to the problem that is advanced capitalism is a greater social awareness to the problem that is exploitation. Socialist systems of the past have failed on a large scale because of their drastic shift out of the norms of market society. What I propose then is a deeper understanding of what makes a good capitalist system good, and the short answer to that question is socialist principles of equality. As I mentioned this conclusion will act as more of a bridge into the full discussion of alternatives to capitalism, however the major take away I want to highlight from discussing both Cohen and Brennan's work is that instead of asking why not socialism and why not capitalism, we should be asking why not the best of both worlds. The strongest tool philosophy has is its ability to detach itself from the difficult world of actual politics and ask the question, what can we do to realize principles that appear to only exist in ideality? However, it is key that we do not take the ideality of socialist principles and put them up against reality of capitalism and say how much better socialism is. As such, what we should do is utilize Cohen's principles of egalitarian justice realized in the camping trip and go a step further and ask how they can ever be realized outside of a small circumstance. I believe upon further discussion into the topic we will see that there are a plethora of ways we can incorporate elements of socialism into current capitalist systems in order to correct for the power imbalances that currently exist and enable exploitation. What I propose here is a deeper understanding of the relationship between corporation, government and private individual and realize that there needs to be a balancing of power between these three entities because as it stands corporations hold too much power over private individuals. Capitalism, for all of its repugnancy, has allowed the world to develop into what it is today and I believe we should not throw the proverbial baby out with the bathwater, but instead be more charitable to what good can come out of our current economic system. This will ultimately allow us to understand the converse of this question, that being what should be targeted as the core problems

with the system that ultimately allow workplaces to become tyrannical and what solutions we can propose to better the life of an average person in market society.

I want to conclude this section with a quote from Brennan that summarizes what this section has accomplished and highlights where we are going next. Brennan says while attacking Cohen's approach to presenting socialism as an alternative system to capitalism is that:

If one really wanted to know what motivates people in market society, one would have to leave one's armchair in All Souls College and do genuine social scientific research. One might ask: In the real world does capitalism encourage predation, greed, fear, poverty, power-grabbing and other nasty behavior more so than other kinds of economic systems? What sort of behavior does socialism encourage? These are empirical questions. They cannot be settled by conceptual analysis or by imagining camping trips. The only way to answer these questions is go and check, to conduct historical, sociological, and psychological research on what exposure to markets does to people, and what happens when markets are replaced by something else. If capitalism turns out to encourage bad behaviors and bad attitudes, it is to that extent bad.¹³¹

In this section I have explored empirical research about the problems caused by capitalism and tied this into conceptual work on the formation of private governments. I have shown how this poses a problem for individuals' freedom in market society and highlight how those who are the most economically vulnerable can be economically exploited. While imagining small scale, resource rich camping trips might not get us answers on how to change the current market circumstances, like most thought experiments, it merely guides us towards thinking about the problem in a different way. It begs the question of what a system that functions with reciprocity at its core would look like. Taking up Brennan's challenge, the next section of this project will conclude by looking at what socialist markets would look like. Considering what propositions have been made by other philosophers, we will explore ways in which we can reduce

¹³¹ Brennan, "Is Market Society Intrinsicly Repugnant? 278.

exploitation through a manipulation of market mechanisms to favor those who have historically been unfavored by capitalism.

Section Three: Solving the Problem of Exploitation in Advanced Capitalism

The foundation for the problems presented in the project thus far are primarily grounded on the asymmetric nature of capitalism. From the very onset of our discussion, we targeted the problem of exploitation being rooted in A owning something and using this ownership and position of power over B to exploit them. In section one, we carved out a definition of exploitation that encompasses what it means for someone to be exploited in a work-based scenario. We also discussed the difference between immediate access to resources being the limiting factor that contributes to exploitation in advanced capitalism. Section two used this logic to break down the schema of advanced capitalism and using empiric grounds, through the example of Wal-Mart Jonquière, we saw how much power employers have in advanced capitalism. We also explored how structurally, capitalism is not intrinsically the problem, but instead it is the unchecked distribution of power offered by free enterprise coupled with a legal system that often favors corporations that enables capitalism to become something that is repugnant. What is left then for this section is to explore solutions to the problem of exploitation from within advanced capitalism. Similarly to how we did not settle for Marx's views of exploitation on the grounds of his solutions being too narrow, and how we moved past Roemer and Cohen on the grounds of being infeasible, our challenge now is to think of solutions to the problem that not only correct for the injustices that exist in advanced capitalism but feasible ways these solutions can be implemented.

As such, section three will focus on two distinct pathways that offer solutions to the problem of exploitation. The first pathway emphasizes monetary forms of distributive injustice and will put forward the question of why workers find themselves in these exploitative circumstances. Utilizing the work of Joseph Carens as a basis, 3.1 will primarily address questions of wage and distributive taxation. This will form the basis of our understanding of the current system of economic exploitation and will lead us to ultimately unveiling what I believe is a bigger issue for workers in advanced capitalism. This bigger issue will act as the second pathway we explore, and it takes the form of power imbalances in advanced capitalist

workspaces. Section 3.2 will then take up the problems of workplace injustice outlined in our discussion of private government and understand how we can introduce systems that empower and ultimately render workers less vulnerable. This will be done through Erik Olin Wright's work on his concept of "real utopias" and will act as the main resolution of this project. Section 3.3 will conclude our discussion of solutions and will allow us to have a clear picture of not only what workplace exploitation is, but how we can feasibly better circumstances for workers who are being exploited by a system that captures them in a cycle of vulnerability.

3.1: The Abilities/Needs Principle

In a higher phase of communist society, after the enslaving subordination of the individual to the division of labor, and therewith also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly – only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!¹³²

The above quote from Karl Marx's 1875 text, the *Critique of the Gotha Program*, captures a basis for how we should understand the solution to the problem of advanced capitalism. Working within the framework of material history he shows that the society that comes after capitalism holds at its core a symbiotic relationship between work and life, wherein one does not dominate the other like that in advanced capitalism. Work on this text has put forward substantial discussion especially in understanding how exactly Marx saw post-capitalist society, and more specifically, labour in a post-capitalist world. What will act as the specific focus for this section will be the final sentence in the above quote which has been dubbed in recent years the Abilities/Needs Principle.¹³³ While the principle has become popularized in more recent egalitarian thought, a 2003 text by Joseph Carens brought this text to the attention of Analytic Marxism, and as such it will be the text we explore. Carens' work on the Abilities/Needs

¹³²Karl Marx, Friedrich Engels and Robert C. Tucker, ed., *The Marx-Engels Reader*, 2d ed (New York: Norton, 1978), 531.

¹³³ Pablo Gilabert, "The Socialist Principle 'From Each According To Their Abilities, To Each According To Their Needs,'" *Journal of Social Philosophy* 46, no. 2 (2015): 197, <https://philpapers.org/archive/GILTSP.pdf>.

Principle fits into our discussion as his approach aims to take up capitalism from well within and understand the underpinnings of a system that utilizes exploitation to benefit some while making others suffer. As such, we should first begin with a brief explanation of what exactly the principle entails by breaking it down into its two main components, “from each according to their abilities” and “to each according to their needs.”

Carens begins by discussing the notion of needs and more specifically juxtaposing basic needs and needs once we move past “bare subsistence”.¹³⁴ Once basic needs like food, shelter and clothing are met we quickly move into the domain of secondary needs like leisure and entertainment.¹³⁵ The notion of a need is one that is quite contentious and extremely difficult to outline in an objective way once we move past a level of bare subsistence and it is the goal of neither myself nor Carens to determine an exhaustive notion of what the concept of a need is. However, even without this exhaustive definition we can still understand the diversity that comes with the notion of a need. For example, someone who is perfectly healthy requires less intensive healthcare than someone who suffers from a chronic illness.¹³⁶ This is where we can begin to understand a notion that aids us in understanding solutions to the problem of advanced capitalism from within capitalism, that being equity. If we look to Canada’s Medicare system yet again, its approach to an equal provision of care opts for an equity-based approach rather than a system of pure equality. This is fundamental to our discussion as each person has a different set of needs that must be met. This is where we can now move away from the notion of needs into a discussion of abilities.

Carens’ focus in discussing the abilities portion of the principle is to address an incentive problem that exists in most models of socialist distribution. Libertarian rhetoric often targets the distributive nature of socialism as an enabler for laziness and bad actors. People would not use their abilities to work and as such, leech off a system that gives them a blanket provision of needs. This is doubly problematic as it not only means that people are not working in accordance to their abilities, but they are also taking from those who are working and as a result forcing the system to abuse those who do choose to work. In response to this, Carens posits a moral duty that

¹³⁴ Joseph H. Carens, “An Interpretation and Defense of the Socialist Principle of Distribution,” *Social Philosophy and Policy* 20, no. 1 (2003): 146-147, <https://doi.org/10.1017/s0265052503201072>.

¹³⁵ Carens, “An Interpretation and Defense,” 146.

¹³⁶ *Ibid.*, 147.

comes with the Abilities/Needs Principle that states that people have a moral obligation to continue working even if the reward structure associated with capitalism changes.¹³⁷

Theoretically, if everyone adheres to this duty then we could have productivity levels similar to those found in capitalism and motivation and incentives are no longer a problem for socialism.¹³⁸

If we look back to the above cited passage from Marx, even he assumes that work is still a fundamental part of life once we enter in the socialist means of production. This however is where I begin to get skeptical and want to divert from Carens while maintaining his general aims with the Abilities/Needs Principle which is to steer distribution towards an end that manages to account for needs “without harming the economy.”¹³⁹

Carens proposes a system of taxation that due to the moral obligation to work, allows post-tax income to be determined by needs and not by the same meritocracy we see currently in capitalism. He juxtaposes doctors that work in Canada in a public healthcare system and doctors that work in America, a private healthcare system, and states that there are strong normative powers that influence the choice of where people work regardless of the compensatory aspect of pay. To clarify this, Carens’ argument highlights that even though a doctor in Canada makes less income due to the public nature of the system, all of our doctors do not go south of the border as there is more to work than just income in Carens’ eyes. This approach highlights what Carens claims is a social ethos that would motivate an equality in pay that would, through taxation, allow for basic needs to be met for everyone in a given society. Carens emphasizes that labour is more than just a paycheck for most. If we look to careers like teaching, we can see that although there is a heavy education requirement to teach and the pay scale is not the highest, many people are drawn to teaching for non-compensatory elements of satisfaction. While this is true in both cases of doctors and teachers, I believe Carens’ model is problematic when scaling the amount of motivation people will have regarding an equalization of pay. The social ethos posited by Carens makes a weak claim to moral power being a sufficient motive for social distribution. My question here becomes, if we are currently in an economic system that utilizes coercive regulation in order to mandate distributive income through taxes and both individuals and corporations still attempt to evade these taxes, even with serious repercussions, could a social

¹³⁷ Ibid., 149.

¹³⁸ Ibid., 149-150.

¹³⁹ Ibid., 154.

ethos really ever arise from within advanced capitalism itself? Further, there is a second issue that arises when we take this approach to solving the problem of advanced capitalism through monetary means alone. Carens wants to ensure that everyone is working, and everyone's needs are met according to their abilities to work, however it does nothing to ensure that from within the system of work that injustices do not occur. Let us explore these two criticisms beginning with the question of a social ethos bringing an end to the greed of capitalism.

Section two in and of itself should be enough for us to doubt Carens' claim that a social ethos would be enough to motivate the equalization of post-tax income. What we see in capitalism is a clear abuse of systems that can benefit large corporations at the cost of individual workers. Taxation is a topic that is paramount to any discussion of distributive justice and it is mired deep in the problem of advanced capitalism. If a system of distributive taxation is Carens' grounds for a provision of needs for citizens, we should look to actual systems of global tax to realize just how flawed the system is. Peter Dietsch's work in his 2015 book, *Catching Capital* highlights how taxation is a system that as it stands has a plethora of problems regarding regulation. At the time of writing, Dietsch states that there is roughly 21-31 trillion dollars being kept in tax havens globally and that this money, while infringing of tax evasion laws, can be held with little to no repercussion.¹⁴⁰ This is due to a system of global tax competition that allows individuals and corporations to store their money in countries outside of their own and avoid high taxation rates.¹⁴¹ In citing Dietsch's work on taxation, my primary aim is to show that even in a system where there is coercive power that can be used to incur consequence on corporations for not paying taxes, there are still ways for them to avoid paying those taxes out. Carens' system requires that there be a global tax reform as even if there are some individuals willing to have equalized post-tax income, would this social ethos be sufficient to correct for issues present in the current systems of tax competition? In order for Carens' system to work, this social ethos would have to be all encompassing or else bad actors would slowly pick apart the system. The only way I can see Carens' system functioning is through a slow transition into higher taxation; however we now return to a problem of incentive. Let us return to the example of doctors. A Canadian general practitioner on average makes roughly 184,000 CAD¹⁴² a year while an

¹⁴⁰ Peter Dietsch, *Catching Capital: The Ethics of Tax Competition* (New York, NY: Oxford University Press, 2015), 196.

¹⁴¹ Dietsch, *Catching Capital*, 2-3.

¹⁴² "General Practitioner Salaries in Canada," Indeed, accessed June 10, 2020, <https://ca.indeed.com/salaries/general-practitioner-salaries>.

American doctor makes roughly 260,000 CAD, according to data from Indeed.¹⁴³ While this difference is quite large, what is important to note is that both of these salaries are well above average salaries in both countries. The median after tax income of Canadian families is roughly 48,000 CAD according to statistics in 2018.¹⁴⁴ If we were to use Carens' model and understand that everyone would make the same post tax income regardless of job this would increase the average income while reducing the income of high salary earners. It would be imaginable that a system that emphasizes needs would reduce the doctors six figure income to something much more reasonable like 70,000\$. While there is a massive income difference between American and Canadian doctors, they both have something in common: they make much more than minimum wage. If this were to change, could we guarantee that we still have a motivation structure in place that makes doctors want to go through enough schooling to be doctors? While this would limit the amount of money massive corporations make, I do not see this social ethos being enough to keep people motivated to work, especially work towards high skill necessary jobs.

This equalized form of post-tax income is not the only suggestion Carens makes regarding taxation. I believe he makes a much stronger claim briefly in his text that does not bring with it the same issue I have presented. Carens posits that there could be a system that targets pay discrepancy between high income and low-income earners changing the current ratio of roughly 20:1 down to something more reasonable like 5:1.¹⁴⁵ This would make it so that high income earners could still receive compensatory benefits that correspond to the job that they do, while not dwarfing the income of lower income earners. This issue would call for stricter taxation but still does not provide an answer to the problems put forward by tax competition, instead it remains overly ideal by merely speculating that this social ethos would be enough to overcome a massive problem in economics. Further, there still remains a key issue with taking on the problem of exploitation from a strictly monetary perspective. What is key to understand with Carens' approach to the Abilities/Needs Principle is that taking on the problem of capitalism by providing capital does not address the fundamental issues that are built into labor

¹⁴³ "General Practitioner Salary in United States," Indeed, accessed June 10, 2020, <https://www.indeed.com/career/general-practitioner/salaries>.

¹⁴⁴ "Income of Individuals by Age Group, Sex and Income Source, Canada, Provinces and Selected Census Metropolitan Areas," Statistics Canada, last modified July 21, 2020, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110023901>.

¹⁴⁵ Carens, "An Interpretation and Defense," 162-163.

itself. I have chosen Carens' text because it provides a compelling case for alternatives to capitalism that keep at its heart labor, as everyone still needs to work. This is in line with Marxist doctrine in regard to the fact that labor will continue regardless of the mode of production society has developed into. What Carens' system corrects for is an ability to provide blanket needs for people regardless of their misfortune. The most fundamental take away from the Abilities/Needs Principle is that labor produced in correlation to the maximum that one is able to produce should be able to cover basic needs. This is not the case in capitalism as companies like Wal-Mart pay their employees so little that they are one of the largest corporations with employees requiring government aid while still working.¹⁴⁶ I do believe that Carens' approach is one that presents a compelling moral argument for the equalization of income. Carens' system would allow for basic needs to be met regardless of one's ability to work and as such would allow significant increases in freedom for those who are vulnerable to economic exploitation. However, I believe the system presented is still flawed as it fails to change the workers situation when inside a private government.

Exploitation at its very core is not something that can be solved through monetary means alone and it is crucial to understanding why Carens' approach is flawed. I believe approaching solutions to problems in capitalism by means of supplemental capital would only serve to put a bandage on the problem instead of outright solving it. This is due to an inherent system of power imbalance embedded within capitalism that renders monetary fixes insufficient to take up the asymmetric power relations that are at the root of exploitation itself. Systems of redistribution that only focus on income discrepancy and seek to balance out these discrepancies still leaves power in the hands of those who are most capable of exploiting. This is not to say that systems of redistribution are not helpful in rectifying the problems of capitalism, as workers, especially those who are exploited by their employer, are often found at the bottom of the corporate ladder and as a result would benefit from supplemental capital. However, supplemental capital alone cannot correct for the problems from within corporate structure. This then renders monetary solutions a possible answer to a problem of unequal pay distribution that can render life for the worker better, but it does not give sufficient grounds to take up the problem of exploitation

¹⁴⁶ "Report: Walmart Workers Cost Taxpayers \$6.2 Billion In Public Assistance," Forbes, last modified April 15, 2014, <https://www.forbes.com/sites/clareoconnor/2014/04/15/report-walmart-workers-cost-taxpayers-6-2-billion-in-public-assistance/#23b3e6fe720b>.

alone. That said, I want to have a brief discussion of a topic that emphasizes systems of redistribution and has been at the heart of socialist dialogue since Marx, as to understand the inherent problem with relationship between monetary solutions and exploitation.

Universal basic income is a concept embedded in the discussion of analytic Marxism and it is often positioned as a solution to income inequality. It is a system that focuses on a blanket provision of income to satisfy needs, regardless of employment status, thus giving workers a stream of income that is independent of their employer, which in turn lessens their economic dependency on their employer. This is the most appealing part of a system of basic income as it now creates a circumstance where workers can leave if they are being unfairly treated. With a system of universal basic income, we can realistically assess Tomasi's claim that workers are ultimately free in capitalism, as now they have an income stream that is independent of their job which makes quitting an option. This then enables them to quit their job without putting themselves into economic peril. However, I believe basic income, while being a system that should continue being developed by economists, does not eliminate the primary aim of this project: exploitation from within labor circumstances.

The first issue is that there is an underlying problem of implementation with basic income. Unlike most theoretic solutions, we have empiric data regarding basic income that shows it is still in its early development stages. In 2016, there was a basic income pilot that was developed in Ontario to effect three cities with high levels of poverty.¹⁴⁷ The plans intended three-year structure was put into a "compassionate wind down" after only 100 days citing issues of scale.¹⁴⁸ The reason why I highlight underlying issues of feasibility is that we have yet to fully develop an economic system of taxation that can redistribute tax dollars in such a way that can account for a universalized system of basic income that can persist indefinitely. This is not to say that this pilot program's failure is enough to dismiss basic income as it provided crucial aid to some of Ontario's most vulnerable people. Local news reports of people being saved from being put on the street or people being able to attend school when they had to previously work a dead-end job, are all proof that basic income can reduce the burden on those who are economically

¹⁴⁷ "Ontario Basic Income Pilot," Ontario.ca, last modified April 8, 2019, <https://www.ontario.ca/page/ontario-basic-income-pilot>.

¹⁴⁸ "Ontario's Government for the People Announces Compassionate Wind Down of Basic Income Research Project," news.ontario.ca, last modified August 31, 2018, <https://news.ontario.ca/mcys/en/2018/08/ontarios-government-for-the-people-announces-compassionate-wind-down-of-basic-income-research-projec.html>.

vulnerable.¹⁴⁹ However, what I argue here is that basic income is a higher tier solution due to the lack of a socio-economic framework required to support this system. Basic income is yet again a socialist system that struggles to last long enough to show how it can be a feasible solution to the problem of vulnerability in advanced capitalism. This brings us to the second issue with basic income and the reason why thinking of other alternatives that do not primarily concern themselves with the provision of capital are more feasible.

I want to draw our attention to another issue that highlights specifically why the issue of exploitation is one that is grounded in power and cannot be solved by mere compensation. For example, worker's movements in both Canada and the U.S have been advocating for an increased minimum wage for well over the past decade, called the Fight for 15.¹⁵⁰ While this movement fights for workers rights in general, its primary aim is to address and combat the low minimum wage. If basic income shows issues with widespread stable implementation, fighting for an increased minimum wage shows how if we leave power in the hands of employer's, exploitation will continue. Fighting for minimum wage increases is yet another way to gain a compensatory advantage for those who are the most vulnerable. However, if we look to Ontario yet again, we can see problems with increasing minimum wage. To give a specific example, Tim Horton workers fought to get their wages increased from \$13 an hour to \$15 an hour over the course of two years.¹⁵¹ While this pay increase can be seen as a victory for workers, what followed it is why I believe power is the core issue with workplace exploitation. Tim Hortons, following in the footsteps of companies like Wal-Mart, conceded the pay increase, however they presented workers with a new clause where they would no longer get paid 15-minute breaks.¹⁵² This meant that instead of being paid a full nine hours for one shift, they would now be paid close to eight hours, effectively negating the pay increase. This mirrors the closure of Wal-Mart Jonquière and shows how employers, especially large corporations who are in control of the negotiations at work, will always find a way to render pro-worker legislation mute. This is due to a model of corporate profit that requires a rebalancing when profit is put at risk. Wal-Mart cited a loss of revenue due to the unionization of workers and from a legislative perspective, they were

¹⁴⁹ "'It's given Me Opportunities' Thunder Bay Basic Income Recipient Says of Soon-to-Be-Scrapped Pilot," CBC News, last modified February 4, 2019, <https://www.cbc.ca/news/canada/thunder-bay/basic-income-ending-thunder-bay-1.5004111>.

¹⁵⁰ Fight for 15, accessed May 29, 2020, <https://fightfor15.org/>.

¹⁵¹ Aaron Saltzman, "Multiple Tim Hortons Franchises, Other Ontario Businesses Cut Pay, Benefits," CBC News, last modified January 5, 2018, <https://www.cbc.ca/news/business/tim-hortons-heirs-minimum-wage-wynne-ontario-1.4472878>.

¹⁵² Saltzman, "Multiple Tim Hortons Franchises, Other Ontario Businesses Cut Pay, Benefits," CBC News.

not in the wrong for closing the store. If we increase the minimum wage while corporations are still in control of the work contract, giving little to no negotiation power to the worker, they can always find a way to take advantage of the situation to protect the bottom line. Without legislation that protects workers from corporate recourse, there is no way that monetary compensation will provide the worker with any more freedom. In fact, I would argue that higher income means more dependency on employers. If we revisit the Ford model from the early 60s, we can see that increasing wages increases dependency on employers and renders the worker in an even more vulnerable situation as they now must concede their increased income if they are being exploited. This is why we must target exploitation from within the given structure of work, as these two solutions discussed solve the problem of accounting for workers needs, however if the structure of work itself does not change, the cycle will continue regardless of how much workers are compensated.

To return to the Abilities/Needs Principle I believe it positions us to understand a solution that can be possible, however it does not directly deal with the problem of exploitation. Given the current market schema of advanced capitalism, Carens' system, while attempting to understand labor as something that is mandatory even once we move past capitalism, fails to account for how we can make labor better for the worker while transitioning. By positioning a social ethos without exploring a rigid system that allows this ethos to arise, Carens' attempt to get beyond capitalism's predatory phase fails to account for the complex market mechanisms and the gap that separates capitalism and socialism. That said, Carens presents a relevant contribution to the socialist discourse through the Abilities/Needs Principle. What Carens has done here, through his inspiration by Marx, is understand that labor is something that should be accounted for in a post-capitalist world. More importantly however, he solidifies the fact that labor is something that should be used to fulfil needs and once we move into a form of society where needs can be met, those who do not fit into the normative standards of work in capitalism, will not be further punished. Carens' approach to the Abilities/Needs Principle gives us an outline as to what work should provide for the worker, however, it does not answer the question of how to render work situations for the worker better, thus only giving us half of the answer we are looking for. Carens' notion of a social ethos being the determining factor for change in capitalism only accounts for people who already have socialist tendencies. The scale of change Carens asks for, begs the question of how a system of equalized post-tax income could be

implemented on a larger scale. His non-coercive approach, from our standpoint in advanced capitalism is unrealistic, especially when we currently have a system of repercussion for those who go against established forms of redistribution. I believe a system of reform, starting first and foremost from within work itself is required in order for change to happen. While I believe the gradual adoption of this social ethos is key to moving society forward, we need a solution that can tackle the immediacy of the problem of advanced capitalism. We should then transition into solutions that can make a difference directly for workers from within work circumstances. Let us explore then, how to make work in advanced capitalism less exploitative.

3.2 Workplace Democracies: Feasible Solutions to Exploitation

As we come to the conclusion of this project it is time to finally put forward what I believe are adequate solutions for the problems discussed thus far. It is pivotal that we understand that a problem as deeply seeded as exploitation has two approaches to solutions. The direct approach would be to say, that the only way to eliminate exploitation is by eliminating the employer-employee relationship within capitalism, i.e. the Marx-Roemer-Cohen approach. However, I believe there is a more nuanced way to understanding solutions by means of a gradual transition into a structure that erodes the massive amounts of power that an employer holds over the worker. While I believe both solutions posit ends to exploitation, the second option is one that is more realizable from within advanced capitalism, as without completely demolishing the market mechanism of society, we can approach the issue of exploitation from a perspective of gradual diminishment into a world where the workplace transitions from its private governmental structure of tyranny, into a democratic space where power is distributed more evenly, thus rendering the worker less vulnerable.

As we have seen throughout this project, exploitation is a topic that is deeply embedded into the modern capitalist schema and because of that it is integrally tied to the notion of wage labor. So long as wage labor exists there will always be exploitation, and thus solutions to the problem of exploitation so long as the capitalist schema is present must focus on the redistribution of power and a gradual integration of socialist principles to work in tandem with the capitalist structure. As stated above, the elimination of capitalism outright eliminates the problem of exploitation, but this isn't a feasible option as history has shown that transitions out of capitalism that occur too soon tend to fail. The cycle of predation alluded to by Einstein is

what needs to be addressed in order to rectify the perpetuating nature of capitalism and to do so we must think of solutions from within the structure itself to allow for a gradual transition into a system that reduces the inclination towards predatory behavior. Therefore, we must start with understanding power dynamics within work in capitalism as they form the basis for the predatory relationship between people and as such, dismantling exploitation moves us forward in our aims of addressing the greater problem of capitalism itself.

3.2.1: Real Utopias: Understanding the Bridge Between Socialism and Capitalism

How then do we address exploitation if it is so deeply tied to work in modernity? To truly address the core issue of exploitation, I believe we must turn our sights to what enables it to occur from the onset: asymmetric power relations between employer and employee. My solution then for exploitation, while not outright eliminating it in the sense that the only way to outright eliminate exploitation is through a transition out of capitalism, is to address the asymmetric power relation present that makes workers so vulnerable. In doing so, we strengthen the workers position from within the workplace power structure rendering them less vulnerable and less exploitable as a result. What I believe is necessary then, when understanding what I claim to be solutions to the problem of exploitation in advanced capitalism is that in gradually making labor less exploitative, we erode the power structure that has enabled capitalism to exploit workers from its very onset. Understanding solutions in this regard make it so that we can form a bridge between where we are now, and where we want to be with regards to a system that gradually diminishes exploitation. If this leads to the ultimate goal of the eradication of capitalism following Marx's theory of history, is yet to be determined and I believe this is a subject that can and should be taken up in future works, however the scope of this project is limited to understanding the ways in which we can address the problem from the current climate of advanced capitalism and as such it is a stepping stone in understanding a system that changes capitalism from within it. The major criticism presented in section one on Roemer and Cohen served to show that exploitation is a problem that, while not outright being able to eliminate the grand injustices of capitalism, is an issue that is important on two grounds. The first ground is that there are ways in which we can change the work schema of modern capitalism by reducing exploitation and rendering work circumstances better for those who are exploited. The second ground is that these configurations are much more feasible to achieve than an entire system-wide

change. We need to think of solutions to capitalism as a slow process and movement towards more social systems instead of an outright transition into a system where the solution yields an outright end of capitalism. If Carens' solution aided workers outside of work through compensatory and social benefit based on needs, our solution aims to address the structure of work as a private government that we explored in section two, thus putting forward solutions from within the problem of capitalism itself.

If we reference the diagram of workplace power structures in section two, we can isolate that the issue with companies like Wal-Mart, is that decision-making power aggregates at the top of the corporate ladder leaving workers who are at the bottom powerless in comparison. The goal of labor unions is to balance out this power and get involved with upper level decision-making to protect workers from choices that are out of their hands. In order to achieve this, unions gain power through solidarity in efforts to better work circumstances, however as we saw with the case of Wal-Mart Jonquière, large corporations have the power to block the formation of unions thus keeping workers vulnerable and ultimately at the ready to be exploited. Exploitation of wage laborers keeps margins low for employers and profits high and from a legislative perspective, as we saw from the ruling regarding Wal-Mart Jonquière, reduced profits are a sufficient cause for stores to close leaving workers jobless. It is undeniable that unionization and improving work circumstances for laborers reduces overall profit for corporations and as such is seen as economically undesirable. However, it has been proven, in part by the Ford model, giving workers advantages can curb factors such as high turn over rates and low productivity. Why then can we not approach this problem from a capitalist perspective, emphasizing the mutual benefit of both employer and employee through increases in productivity and better worker circumstances.

The solution I am proposing is not a new radical communist perspective about the abolition of wage and equalization of income across any job, instead I want to approach solutions as I have approached the problem of exploitation throughout this project, by means of empirical research. I have been no stranger to the work of analytic Marxist's on the topic of exploitation throughout this project and what I propose is we use one final member of the group to ground our solution. Erik Olin Wright was a contemporary of both Cohen and Roemer and brought sociological insight into the philosophic discussion of problems in capitalism. Wright's 2010

book titled, *Envisioning Real Utopias*, captures the mentality in which I want to approach solutions to workplace injustice. Where Carens posits abstract solutions through unproven systems, Wright looks at what he deems “real utopia”, which are considered alternatives to existing structures of power based on existing practices.¹⁵³

It is much easier to talk about concrete ways of tinkering with existing arrangements than it is to formulate plausible radical reconstructions. Marx was right that detailed blueprints of alternative designs are often pointless exercises in fantasy.¹⁵⁴

It has always perplexed me how my fellow anti-capitalist colleagues seem to gloss over the wealth of data procured by capitalism and dart forward, skipping over the mandatory step of history that is capitalism. They hastily make the mistake that Marx warns against. In skipping over capitalism, we end up with the longstanding Soviet, Cuban and Chinese failures of communism that libertarians like Brennan gladly throw back in the face of progressive liberal thinking. Instead what we must do to solve the problem of advanced capitalism is think within the system’s parameters. If capitalism is to be run like a private government, there should be democratic rules set in place to protect the denizens of a workplace dictatorship. What is interesting about the power dynamic of the modern work circumstance is that there are three important players in the workplace. First and in the most control over the work circumstance is the employer, second then is the vulnerable worker, and third is the state which is often seen as detached from direct workplace governance. The state in advanced capitalism sets the rules for employers to follow. The state outlines the ways in which workers should be treated and establishes bare minimums for the employer to stand by. From that point forward, the state becomes a legislative mediator between employer and employee. If we look to situations like Wal-Mart Jonquière, the state can reinforce systemic oppression of workers due to the nature of the legal system, especially in heavily capitalist states. However, this is not the case everywhere in the world. If we look to chapter 11 of Wright’s book, he focuses on what he calls a symbiotic transformation out of capitalism.¹⁵⁵ The transformation is symbiotic in the sense that it focuses not on eliminating the structure of work but rendering it more socialist through the incorporation of workers into the decision-making process. In the spirit of real utopias, he looks to countries

¹⁵³ Erik Olin Wright, *Envisioning Real Utopias* (London: Verso, 2010), x.

¹⁵⁴ Wright, *Envisioning Real Utopias*, x.

¹⁵⁵ *Ibid.*, 337.

that have state-based systems that help enable workers to have much more power in the workplace.

What I propose then is that we think of solutions to capitalism along the lines of the Canadian healthcare system. While Canada is very much a capitalist country, our healthcare system is based on socialist ideology and enables widespread benefit for Canadians. If we cannot take down advanced capitalism outright, we should think of solutions that function within its limits. If the Canadian healthcare system is an example of a socialist system bettering society from within a capitalist framework, then we should look at other systems that exist within capitalism that render circumstances better for the general populace. The system we will explore is codetermination, which directly responds to the injustices of private government and is one that answers the question of how we can democratize the inherently tyrannical power structure of corporations in advanced capitalism. Codetermination is not a new concept by any means as we can see early forms of it arising from the mid 19th century.¹⁵⁶ What is codetermination then and how can it solve the problems presented thus far?

Returning to Wright's concept of a symbiotic transformation, he isolates three areas of class struggle which need to be developed in order to achieve this transformation. The first area is that of exchange and primarily deals with the labor market itself, the second area is that of production and it focuses on problems within firm-based labor relations and finally the third area is politics which concern themselves with state level decision-making.¹⁵⁷ For our purposes, the most important area of class struggle to address is that of production, as that is where exploitation occurs primarily. The primary issue that renders mute most change within the sphere of production is that there is an inherent cost for employers to render work circumstances better for workers. Therefore, what needs to be put forward is a reasonable argument that has room both for the profit seeking capitalist and the worker. We may now return to codetermination, specifically the German system of codetermination as it does exactly this. Wolfgang Streeck, a German economist, describes Germany's strain of codetermination as something that does not merely pose a problem for enterprises but also offers a solution.¹⁵⁸ Codetermination is a system that mandates enterprises that have over 2000 employees to have half of the board of directors

¹⁵⁶ "Oxford University Act 1854," [legislation.gov.uk](https://www.legislation.gov.uk), accessed July 13, 2020, <https://www.legislation.gov.uk/ukpga/Vict/17-18/81/contents>.

¹⁵⁷ Wright, *Envisioning Real Utopias*, 342-344.

¹⁵⁸ *Ibid.*, 348-349.

being represented by actual workers within the company.¹⁵⁹ The caveat is that these workers are democratically elected by other workers strengthening representation of workers within the decision-making process. This completely changes the model explored in section two's diagram and allows worker's a way to penetrate into the upper ladder rungs and have their voices heard. Streeck's work on the topic of codetermination highlights that while there may be an initial cost to the corporation in establishing a system of codetermination, these costs are accounted for through increases in productivity and without major loses in efficiency.¹⁶⁰ Streeck describes the system as a "mutual incorporation of capital and labor by which labor internalizes the interests of capital just as capital internalizes those of labor," meaning the work council becomes integrated through this split system of share holder and worker and the problems across the spectrum of the workplace are represented.¹⁶¹ Instead of maintaining an adversarial relationship, the dynamic of management is shifted and it becomes something that focuses on compromising between employer and employee as both of their interests are now combined. Recent studies surrounding codetermination affirm that there is a wealth of social benefit that comes from the system and that this benefit does not come at a very high cost for corporations to implement.¹⁶²

Codetermination is a system that is important to our discussion as we can see that it has a real impact on the workers that take part in the system. Workers now have a means of access to key corporate data through integration into supervisory boards and have a say in their own affairs due to the democratic nature of the system.¹⁶³ If we look to the private government structure like that of Wal-Mart Jonquière, one of their strongest tools to suppress the workers is withholding information on decision making. If codetermination was a system that existed in Canada at the time, the entire circumstance surrounding Jonquière would have been different. What we should discuss here is why the system of codetermination works so well to balance out the asymmetric nature of advanced capitalism? When first looking at the layout of the system, the obvious answer is that workers have a voice and that due to democratically electing representatives their interests can now be represented at a corporate level. While this is true, codetermination's power against exploitation comes from another factor, and that factor has to do with state power. If

¹⁵⁹ Felix R. FitzRoy and Kornelius Kraft, "Economic Effects of Codetermination," *The Scandinavian Journal of Economics* 95, no. 3 (1993): 367, <https://doi.org/10.2307/3440362>.

¹⁶⁰ Wright, *Envisioning Real Utopias*, 348.

¹⁶¹ *Ibid.*, 349.

¹⁶² FitzRoy and Kraft, "Economic Effects of Codetermination," 374.

¹⁶³ *Ibid.*, 367.

exploitation is a direct result of asymmetric power relations, then we must take it on from a power perspective and the German government precisely does that by employing coercive force on corporations in saying that they must have a board of directors that follows the rules of codetermination.

If we look to union movements in Canada, we can see that corporations will always hold the upper hand due to the legislative grey space that comes with the question of worker's rights. Codetermination acts as a quasi-forced implementation of a worker's union through the election of workers as representatives on the board of directors. If we think fundamentally about who is represented in a board of directors for a company like Wal-Mart and we ask ourselves the question, what is prioritized, profit or the good of the worker, based on the formation of the board and its executive and stock holder based model then the answer is very clearly profit. This is proven by the cases presented thus far. Wal-Mart focuses on the bottom line and the company grows. However, if we were to oust half of the board and add in democratically elected workers then would interests of the board not change? While this is unproven, I believe if we follow the system outlined in Germany, I would be inclined to say that it could. But what makes this change from the onset possible? It is coercive power of the state and their ability to force the hand of corporations to implement systems like codetermination. The inherent weakness and subsequent failure of the union movements surrounding Wal-Mart Jonquière are almost entirely due to the lack of state support for the union and the worker. If a system of codetermination was in place where the state already has sided with the worker insofar as allowing them to be represented, then the situation would have played out differently. This is not to say that the store would have remained opened, but at least the workers voices would have been heard instead of having all the power in the hands of Wal-Mart's profit chasing board.

While I do not think codetermination ends our discussion of exploitation, what I believe it does do is move the conversation forward in understanding ways in which we can change the labor system from within labor itself. Wright states that a system like codetermination is one that is focused on social empowerment and through his notion of symbiotic transformation we can understand a stable way to change the system that we are so accustomed to.¹⁶⁴ What Wright calls for is "class compromise" where both capital and labor concede some freedoms in order to create

¹⁶⁴ Wright, *Envisioning Real Utopias*, 337-338.

a better system.¹⁶⁵ If we were to implement a system of codetermination into the Canadian workspace, we would expect a drop in profits for large corporations and more work for workers due to the involved nature of the system. These are burdens for both sides, however, we see the system of codetermination having positive impacts for corporations and laborers through increased human resource development and internal flexibility for the former, and an increase in social benefits for the latter.¹⁶⁶ If we again compare a system like codetermination to the tax structure of Quebec, we can understand this notion of compromise quantifiably. Income tax in Quebec is undeniably high when comparing it to the rest of the provinces in Canada.¹⁶⁷ However, we feel the benefit of these taxes through our access to systems like lower tuition rates and Medicare. There is trade-off present here, but as a democratic society we have deemed this trade-off worth it. When it comes to the world of free enterprise however, I believe the only way for laborers to gain momentum in advanced capitalism is through the backing of state power.

State power is what enables systems of codetermination to function and as such I believe through a union of state and laborer, the enormous asymmetry of power that forms a gulf between employer and employee can be filled. Giving the worker more power is the only way for exploitation to be diminished in advanced capitalism. Juxtaposing a system of codetermination against a system of basic income, I believe we can understand why this is true with regards to exploitation. If a worker is given basic income and are still required to work, then they are still subject to the private government that is their workplace. If a system of codetermination is implemented then, even if there is no basic income structure in place, exploitation begins to diminish through the strengthening of the worker through solidarity. This system of codetermination is fundamentally different to worker's unions as while they both implement similar tools through solidarity, codetermination is state backed and thus has more leverage against corporate power structures. An ideal world would have both systems of basic income and codetermination to strengthen the worker's situation both at work and outside of work, however I believe if we are to return to Wright and focus on the "real" aspect of his project, systems of codetermination fit into the system of advanced capitalism by still allowing employers to govern work circumstances, but the amount of power they hold is substantially

¹⁶⁵ Ibid., 338.

¹⁶⁶ FitzRoy and Kraft, "Economic Effects of Codetermination," 374-375.

¹⁶⁷ "9.2.5 Provincial and Territorial Income Tax," Government of Canada, last modified April 20, 2020, <https://www.canada.ca/en/financial-consumer-agency/services/financial-toolkit/taxes-quebec/taxes-quebec-2/6.html>.

reduced and redistributed to the worker. I believe codetermination puts forward a way for us to understand a workplace schema that functions within advanced capitalism. It is a system that not only better the work circumstance for the worker, but it maintains valued economic factors such as productivity and efficiency, that must be retained if we are to entice the capitalist and truly form a symbiotic transformation. Codetermination, like the Canadian healthcare system, makes capitalism better by ways of socialism and that for me is the goal of this very project.

Concluding Thoughts

In concluding this project, I believe we should look back to the shared views of Roemer and Cohen on the topic of exploitation. Their texts sought to end the discussion on the topic of exploitation as there were far greater concerns when addressing problems in capitalism. Specifically, Roemer argues that questions of inequality always supersede the problem of exploitation and for that reason we should set our sights on inequality as the primary evil of advanced capitalism. However, I believe this project has shown that exploitation is an issue that can be solved within advanced capitalism prior to addressing the complex issue of widespread inequality. While I agree with Roemer and Cohen that capitalism is latent with a plethora of issues that require solving, I believe exploitation is a part of the puzzle that can act as a starting point to take on one of the primary evils established by Marx. The capitalist mode of production is one that is all encompassing and in advanced capitalist society it is difficult to point to a catch-all solution that would deal with the issues created by capitalism. Therefore, this project's solution pinpoints a specific area, namely labor, that is ripe with potential change that can be developed into the bridge that finally breaks the cycle of predation. The employer-employee relationship is at its core built on a basis of predation and in addressing exploitation as the root cause and positing solutions to asymmetric power relations, we can begin to see ways to break the cycle.

We should revisit our definition of exploitation once more in closing this project to understand fully the ways in which we can begin to mount an attack on the problem of exploitation from within the system that perpetuates it.

A exploits B if and only if A and B are embedded in a systematic relationship, in which A holds a position of power over B, which enables them to instrumentalize B's vulnerability, and in doing so limits B's freedom in order to extract a net benefit.

The worker's place at the bottom of the ladder inside a private government is what forms the basis of their systematic relationship. From the very onset of the labor contract, the worker concedes their position of power through the commitment of the sale of their labor power. In advanced capitalism, your employer takes advantage of their position of power that is based on

the implicit asymmetry of capitalism. The capital/labor relationship in advanced capitalism perpetuates itself through the instrumentalization of the worker's inability to subsist without employment and because of that, workers will commit themselves to exploitative circumstances due to limitations on their freedoms outside of work.

This definition is not merely conceptual as our exploration of empiric data shows how the modern work circumstances takes advantage of these factors to limit worker's power. The issue of private government put forward by Anderson, showcases how labor relations in modernity come from a place of power over another within a system that operates with next to no limitations. Capitalism and private governments are not inherently bad, however. The issues with their structure come from a company's ability to access massive reserves in decision-making power. In discussing Anderson's views on private government, I believe the element that is most important to our discussion of exploitation is this structure of power that can at any time turn against the worker. Workers can be exploited based on their position in the corporate structure and due to the exploiters being the ones that organize the structure itself, the worker's vulnerability and subsequent instrumentalization perpetuates itself. This is why I believe it is paramount that we understand the problem of exploitation as something that arises through an asymmetric relationship that is formed by corporations existing in a state of unchecked power that is enabled by free enterprise.

Section one of this project outlined what it means to be exploited through abstract definitions, using Holmstrom, Roemer, Cohen and Vrousalis, ultimately forming the groundwork for our definition of exploitation. Section two connects the abstract understanding to empiric corporate structures and in doing so, I believe we breathe new life into the discussion surrounding exploitation. If we look at corporate structure and ask the question of how they make decisions, we can see that workers are often times left nearly powerless due to the power corporations have within the capitalist market. Our case study of Wal-Mart Jonquière allowed us to understand both the power structure found within large corporations, but also showcased how state legislative systems favor these corporations adding to their enormous amounts of power. The worker is not only at the bottom of the corporate ladder, but they are not favored in the eyes of legislative systems due to the intertwining of state and enterprise in advanced capitalism. This is where I believe we should turn our attention to our future endeavors in moving the thread of

history forward and away from capitalism. The solidarity of workers is not enough to thwart the power of corporations as so long as legislative and regulatory power does not mandate forms of protection for workers, corporations will have the upper hand in negotiations. For this reason, I believe government backed systems of codetermination act as a way for us to understand solutions to the problem of exploitation, as if we return to our definition we see that work councils formed in systems of codetermination balance out the power distributed between A and B. Giving workers power in the workplace is the only way to truly deal with the problem of exploitation as we have outlined it.

A system of codetermination allows for the worker to penetrate the upper levels of the outlined corporate structure and is a way for us to exit the predatory phase of the workplace. In a system of codetermination, the aims of both the employer and employee can begin to meld together and finally give power to the worker who, since signing the work contract, has been at the whim of their employer. Movement towards systems of codetermination should be positioned as the next step for advanced capitalist countries that already favor socialist policies. This is why I believe a country like Canada, who has already attempted to implement systems of basic income and has a long-standing system of universal health care, can begin to think of challenging the power structure of the workplace. This, however, is where the unification of philosophy and actual politics must occur. We must use the tools we have developed since the time of Marx to understand how we can render the system better in a progressive manner. Concluding this project in the height of the global Covid-19 pandemic, provides an odd glimmer of hope for progressive changes in the world of capitalism as we know it. From workers who now have the choice to work from home,¹⁶⁸ to almost every capitalist country providing widespread stimulus packages to their citizens, I believe there is a chance we can finally break the cycle of predation Einstein sought to escape.¹⁶⁹ Through the massive amount of development we have achieved in capitalism, I believe we can utilize the best of capitalist systems and the best of socialist systems to take on the evils of capital and I truly believe this begins by understanding how a system like

¹⁶⁸ Don Campbell, "COVID-19: U of T Experts on Whether Working from Home Will Become the 'New Normal,'" University of Toronto News, accessed July 21, 2020, <https://www.utoronto.ca/news/covid-19-u-t-experts-whether-working-home-will-become-new-normal>.

¹⁶⁹ Juliana Kaplan "14 countries that are paying their workers during quarantine — and how they compare to America's \$1,200 stimulus checks," Business Insider, last modified May 8, 2020, <https://www.businessinsider.com/countries-offering-direct-payments-or-basic-income-in-corona-crisis-2020-4#in-australia-over-6-million-low-income-earners-will-receive-750-cash-payments-13>.

exploitation can be addressed from within the circumstance that perpetuates it. There must be widespread collaboration amongst capitalists and socialists to understand the ways in which we can create a system of compromise that can better work for the many. Like Marx says as his closing thesis on Feuerbach, the aims of philosophy are not just to interpret the world, but to change it, and I believe this project serves as a guide for just that.¹⁷⁰

¹⁷⁰ Marx, Tucker, and Engels, eds., *The Marx-Engels Reader*, 145.

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