Vampires, Werewolves, and Economic Exploitation

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Vampires, Werewolves, and Economic Exploitation

1

> Capital is dead labour, that, vampire-like, only lives by sucking living labour, and lives the more, the more it sucks.
>
> Karl Marx, *Capital,* Vol. I

One statement descriptive of Marx's views is as undisputed as it should be, namely, that Marx believed human beings are exploited under capitalism.[1] Whether Marx's belief is true is, of course, an issue which enjoys no such consensus. Indeed, it is a matter of contention (especially among Marxists) as to precisely how this belief is to be interpreted. After all, the claim that capitalism depends upon or implies exploitation is rather obviously ambiguous, and equally obvious is the fact that the ambiguity turns on the word "exploitation."

"Exploitation" is typically used to describe a relationship or set of relationships where some thing (object, ability or person) is exploited by some other animate thing—sometimes a machine or an animal, most frequently, a person. Simple cases of exploitative relationships are accurately described by sentences where "exploited" is substituted for by the phrase "taking advantage of," without a loss of meaning. Thus in the relevant cases where it is a person who does the exploiting, a person, P, exploits some thing (object, ability or other person), t, if, and only if, P takes advantage of t. More complex or precisely specified cases of exploitation—for example, economic exploitation—have simple exploitation as a necessary condition. To continue with a relevant example, then, some person or thing, t, is

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exploited economically by another person, *P*, if, and only if, *P* takes advantage of *t* and the nature of this advantage is economic, that is, economic gain for *P*. Just as simple exploitation is a necessary condition of economic exploitation, economic exploitation is a necessary condition of economic exploitation which is wrongful or unjust—that is, where the "taking advantage of" is (in some measure) immoral. Thus when "exploitation" or "economic exploitation" is used in a morally condemnatory sense, it has the descriptive or morally neutral sense as its foundation. Henceforth, an asterisk ("exploitation*") shall be used to designate uses of "exploitation" which are morally condemnatory; all other uses can be assumed to be morally neutral.[2]

From the above it follows that Marx believed that capitalism depends upon and, as shall be seen below, perpetuates a system of relationships where some persons, $P_1 \ldots P_n$, take advantage of other persons, $t_1 \ldots t_n$, for their (those designated by $P_1 \ldots P_n$) economic gain. Should such a set or system of relationships not exist in a society, then, independent of what one's theory of exploitation entails or whatever else might be said about that society, it cannot be described as capitalistic. However, even given that capitalism and economic exploitation are inextricably connected, it does not follow that capitalism is wrongful or unjust because of it. Economic exploitation of persons is, by definition, descriptive of relationships where persons enjoy gain by taking advantage of their fellows. But it is how—that is, the circumstances under which—this advantage is taken that determines whether economic exploitation* has occurred, and it is here—on the issue of the moral dimension of economic exploitation under capitalism—that interpretations of Marx part company. And the differences run deep, for not only is it contentious as to whether Marx believed there is economic exploitation* under capitalism (and, *ipso facto*, that capitalism is wrongful or unjust), it is also a matter of dispute as to whether Marx sincerely employs moral concepts at all.

2

> But in its blind unrestrainable passion, its were-wolf hunger for surplus-labour, capital oversteps not only the moral, but even the merely physical maximum bounds of the working day.
>
> *Capital*, Vol. I

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The degree of economic exploitation under capitalism can be described in language which is morally innocuous: "The rate of surplus-value is therefore an exact expression for the degree of exploitation of labour power by capital, or the labourer by the capitalist."[3] Similarly, the burglary rate in urban areas can be described as: "The number of unauthorized break-ins per 100,000 building units within city limits." Both statements are meaningful, both are useful; but since both are statements concerning only the *rate* (or degree) of the respective phenomena, neither constitutes a complete explanation of those phenomena.[4] Nor is it the case, if the arguments of this section are correct, that Marx's strictly economic analyses of the derivation of surplus value and its rate are sufficient to justify the identification of the rate of surplus value with the degree of economic exploitation of workers under capitalism. Thus, if the charge of economic exploitation under capitalism is to be sustained, some appeal must be made to arguments which go beyond purely economic analyses. This is not to suggest that Marx has no such arguments; indeed, as shall be shown in section 3 below, he has. Rather, the point (a point with which Marx agreed, although he frequently spoke as if he believed otherwise) is that extra-economic analyses are required to substantiate not only the charge of economic exploitation* under capitalism, but of economic exploitation as well.

While the degree of exploitation can be expressed in terms of the rate of surplus value and, as such, is morally innocuous, the rate of surplus value is derived by a ratio which has been considered to provide an insight into Marx's charge of economic exploitation under capitalism. To produce a product, certain means or conditions of production whose exchange values remain relatively constant are presupposed.[5] Since these means or conditions constitute the basis upon which any new value is to be produced, they are termed "constant capital."[6] "Variable capital," however, is that aspect of capital (whose value can be determined by the exchange value of human labor power) which can generate varying increases of value, such increases occurring when the value created by human labor exceeds the cost (in wages) of the labor power. Thus since the cost of constant capital is relatively constant—that is, even if it were to vary it would vary consistently—the amount of surplus value (which Marx calls the "absolute quantity of surplus value"[7]) is the increase of value produced in excess of the cost of constant capital depreciation

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plus the cost of variable capital. For Marx, then, insofar as surplus value is possible, it is a result of the laboring efforts of human beings.[8]

One would expect that to determine the rate of surplus value, one would calculate the ratio of the surplus value produced to the sum value of constant and variable capital; thus the rate of surplus value would be $\frac{s}{c+v}$. Admittedly, there is no mathematical point in entering the cost of constant capital into calculations determining the *amount* of surplus value; but to exclude this cost from a determination of the *rate* of surplus value would be to ignore flagrantly the expenditures of the capitalists; it would be a mathematical sleight-of-hand unworthy of the title. For Marx, however, the rate of surplus value is the ratio of surplus value produced to variable capital alone, $\frac{s}{v}$, and Marx did not believe his argument for this to be a matter of mathematical alchemy. It is Marx's view that "constant capital must be advanced in proper proportion" to function as:

> a sufficient supply to absorb the labour expended in the process of production. That supply once given, the material may rise or fall in value, or even be, as land and the sea, without any value in itself; but this will have no influence on the creation of value or on the variation in the quantity of value.[9]

Since the constant capital advanced by the capitalist is effectively irrelevant to the "creation of value," that is, of any new value which is produced, the source of new value must lie elsewhere—in variable capital. The investment in variable capital which is required to maintain (feed, clothe, shelter) the worker is thus a necessary condition of the realization of new value; but it is not sufficient. What is further required for the investment to be productive of new value is that the value of the worker's wage not exceed the value of the product produced. To view the matter temporally, the worker's wages remunerate for that period of labor time (which Marx calls "necessary" labor time[10]) during which the worker produces value equivalent to his wage. Insofar as a new value—surplus value—is produced, then, it is produced during that period of time (which Marx calls surplus labor-time[11]) for which the worker receives no remuneration whatsoever. Therefore, the rate of surplus value is, in fact, the ratio of its value to the value of variable capital alone—that is, $\frac{s}{v}$.

What is important about this argument, given the concern with economic exploitation, is its role *vis á vis* Marx's belief that any new

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value resulting from production is a result of human laboring activity which is not, appearances to the contrary notwithstanding, remunerated. The vampire provides a trap of dead labor (the constant capital resulting from past carnage) which the werewolf, hungering for surplus labor, baits with variable capital. Human labor consumes the bait, no doubt, but is mutilated in the process. Small wonder, then, that in noting Marx's argument for determining the rate of surplus value and his subsequent identification of that rate with the degree of exploitation, commentators are prompted to characterize Marx's analysis as having a moral dimension—of being "saturated" with "moral indignation."[12] However, there are reasons for thinking that Marx's argument concerning how surplus value is produced and how it is to be determined is, when taken alone, unacceptable as a basis to establish the fact of economic exploitation of workers—let alone economic exploitation* of workers.

Essential to the charge of economic exploitation of workers is that aspect of Marx's analysis which sees surplus value as resulting from labor time which is unremunerated. The charge of exploitation seems to rest firmly on the claim that laborers are, during that period when new value is produced, unpaid.[13] But how does it follow from Marx's analysis as recounted above that the worker is unpaid for that period during which surplus value is produced? The obvious response here is that the worker is unpaid in the sense in which he is unpaid for *some* of his work time—that is, his surplus labor time. This response plainly assumes that because the worker is paid an amount equivalent to only a percentage of the value he has produced, he is unpaid for that part of his labor time which would make up the difference between his wage and the total value produced. But this assumption is simply false. Whether a person is paid or unpaid for a given period of work time is not determined by how much the payment is, whether the payment is or is not a percentage of some other quantity, or, even, whether the payment is fair (indeed, what sense does it make to talk about an unfair payment if there is no payment?). Marx's dividing the work day into necessary and surplus labor time may well be an important heuristic device, but it is a mistake to believe that this device shows the worker to be literally unpaid for part of the work day. The worker may be paid less than is considered desirable (given some criterion thereof) for each moment he works but that does not show that he has not been paid for each and every one of those moments. Thus if

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economic exploitation of workers depends upon their being unpaid, and, if the claim that workers are unpaid is based on the above analysis *alone*, then the workers are not exploited economically.

It could be responded here that even if it is literally false that the worker is *un*paid on Marx's analysis, it is surely true that this analysis shows the worker to be *under*paid. Thus the charge would be that the worker is economically exploited because he is underpaid for his labor, and that, by means of this underpayment, the capitalist takes advantage of the worker for his (the capitalist's) gain. But this claim cannot be derived from Marx's economic analysis of surplus value or its rate as stated above. For there is nothing in this analysis which shows that the worker has any claim at all to the value he has produced. Since some such claim is presupposed by any charge of underpayment (and, I think, of being unpaid) Marx's strictly economic analysis of surplus value and its rate will not sustain such a charge.[14] Therefore, if economic exploitation of workers depends on being underpaid, and if the charge of underpayment is based upon the strictly economic analysis of surplus value and its rate *alone*, then workers are not exploited economically.

3

> The labourer therefore constantly produces material, objective wealth, but in the form of capital, of an alien power that dominates and exploits him; and the capitalist as constantly produces labour-power, but in the form of a subjective source of wealth, separated from the objects in and by which it can alone be realized; in short he produces the labourer, but as a wage-labourer. This incessant reproduction is the sine qua non of capitalist production.
>
> *Capital*, Vol. I

A. Marx knew the fact of economic exploitation to be an institutional or social fact in the fullest sense of the phrase. Just as burglaries cannot occur without the existence of quite specific institutions of ownership, economic exploitation of workers cannot occur without the existence of quite specific social and political (including legal) institutions which function in concert with quite specific economic institutions. Marx believed that explaining economic exploitation presupposes explaining its function in varying historical contexts.[15] An account of the derivation of surplus value and its rate establishes a

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necessary condition of exploitation but not a sufficient condition.[16] What is missing are additional social and political facts—additional institutional facts—which determine what Marx calls the *mode* of exploitation. If this is correct, as will now be argued, then accounting for economic exploitation entails explaining its mode as an institutional fact. Should there be justification for the fact that economic exploitation* occurs under capitalism, then there must be aspects of the social and political institutions which constitute the mode of exploitation which are of moral significance.

Recall that while any new value created in the process of production is in no part derived from constant capital, nonetheless constant capital is an indispensible condition of production. It is the investment in labor power—variable capital—which establishes the circumstances whereby any new value (value exceeding the cost of constant capital depreciation plus the cost of variable capital) is created. It is because the investment in labor power can generate a return in excess of its cost (in wages) that profits are possible, and, of course, it is the prospect of profits which motivates the variable capital investment. Since it is in the interest of the investor of variable capital—the capitalist—both to exact a return on his investment—that is, to reap profits—and to maintain the process whereby profits can be generated in the future, it is in the capitalist's interest to occupy and maintain occupancy of that precise institutional role which affords the control necessary to secure these interests.[17] Should the capitalist not occupy this role of control and thus not have the power which secures for himself both present profits and the prospect of future profits, then the investment in labor power will not be made and capital production will not exist. Thus the best reason for thinking that the capitalist does enjoy this social or institutional role of control is the fact that variable capital investments are in fact made by capitalists—that is, that capitalism does exist.

It makes no difference to the above account if Marx is wrong in thinking that any value which is created in production results from the labor congealed in the products produced—that is, it makes no difference if profits are explained by an appeal to some theory other than the labor theory of value.[18] So long as the continuing return of profits to the capitalist can be secured only if he enjoys control over constant capital (that is, the means of production), variable capital, and that which results from production (products), Marx's analysis of

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the power entailed by the role of the capitalist would remain essentially correct. This range of control is necessary (though it may not be sufficient) for the capitalist to function in his role in a capitalist society. And because the non-capitalist—the worker—cannot enjoy this role in a capitalist mode of production, his institutional role is defined by a virtual lack of control—a lack of control of the means of production, of any new value (or new products) created and, thus, of the investment capacity prerequisite to alter his role.[19]

The formal institutional relationship between labor and capital which properly delineates the respective roles of lack of control and control is ownership. Ownership or property (understood as a bundle or complex of legal rights of ownership and not the thing owned) is the legal manifestation of the institutional relationship of workers and capitalists.[20] And because the ownership or property rights of the capitalist are sanctioned and enforced by the state, the labor/capital relationship which is institutionally or socially defined as a fundamentally economic relationship, is in fact enforced politically. The political presuppositions and implications of the private, exclusionary ownership rights which the capitalists legally enjoy are significant in ways which go beyond the concern here. Yet it is mentioned for the double purpose of indicating the extent or degree to which the labor/capital relationship is embedded and edified by societies with capitalist modes of production, and to emphasize that the institutional role of the capitalist is a role of both legal and political control as sanctioned by the state. Thus for Marx, the capitalist enjoys a role of control which ranges over relationships which are at minimum economic and at maximum political.[21] The lack of control of workers with respect to the means of production, the value (of objects) produced, and of investment capacity is thus a phenomenon rooted in the economics of the capitalist mode of production, but which is pregnant with implications relevant to the social and political life of workers.[22]

Among these implications are reasons to take seriously the claim that economic exploitation does occur in capitalism. Since there is no question that capitalists generally enjoy economic gain as a result of production, the question of whether exploitation of workers occurs is a question of whether workers are taken advantage of. But what is it that counts as one's being taken advantage of by another, and, given such an account, how does Marx's analysis of the respective

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socioinstitutional roles (with their political sanction) entail that the worker is taken advantage of by capitalists?

The following should suffice as an answer to the first part of this question:

> A person or class of persons, t, is taken advantage of by another person or class of persons, P, if, and only if,
> (i) by using t or some thing or capacity of t's, P realizes some gain, g (P need not realize g for himself; g could be realized by P for another or others. Nor need P realize g directly, he may realize g via something of t's other than g);
> (ii) the realization of g by P is at t's expense—that is, this realization constitutes a loss to t. (Thus it is implied that t could have realized or retained g if it were not for P's use-relationship to t); and
> (iii) t would not yield g to P if t could avoid doing so.[23]

Now as to whether workers are taken advantage of by capitalists, given Marx's analysis of the labor/capital relationship, the answer seems to be plainly affirmative. The laboring capacity of workers is used (purchased) by the capitalists for the capitalists' gain. And even if it is denied that it is labor (even socially necessary labor) which creates the value of the product, condition (i) would still be met since the workers' laboring is a necessary condition for the production of the product. Condition (ii) is met because, were it not for the institutional fact (which constitutes the capitalists' use-relationship to the workers) of the capitalists' exclusionary property rights to the means of production and the product produced, workers could have realized or retained any available gain. For in a capitalist society, there are only two classes (capital and labor) and their relationship is essentially that of participants in a zero-sum game: any economic gain achieved by one will be a loss to the other. Finally, condition (iii) is met because it is reasonable to believe that since it is more desirable, *caeteris paribus,* to gain than it is not to gain (or to lose), it is reasonable to believe that workers would avoid allowing capitalists to gain at workers' expense if workers were capable of doing so. Now it might be responded here that condition (iii) is not met since it is a feature of Marx's analysis of the respective roles of capitalists and workers that workers *cannot* avoid allowing the capitalists the gains afforded by

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production. But this response would be mistaken. Condition (iii) is a hypothetical claim that can be true even when it is counter-factual. It does not assert or presuppose that workers as a class are free to avoid being exploited. Rather, it tells us only about workers' preferences, given that they know or believe (i) and (ii). It says that, if workers knew or believed (i) and (ii), then they would not want the gain in question to go to capitalists, and they would not yield that gain to capitalists if they could avoid doing so. Now since the process of production is an economic process, it follows from the above that workers are taken advantage of economically by capitalists and, therefore, that workers are exploited economically by capitalists.

Two points are worth making here. *First,* the argument offered above showing that workers are economically exploited by capitalists has the virtue of *not* presupposing that either the capitalists or the workers have some basic or inherent claim to whatever is created in production. The question of what counts as an adequate criterion of desert (or of distribution) is thus irrelevant to the issue of whether economic exploitation of workers occurs under capitalism.[24] And this seems appropriate, for we have seen that Marx believes economic exploitation under capitalism to be fundamentally a phenomenon of production, not of exchange or distribution. The absence of a criterion of desert or of distribution, then, should not be troublesome. Further, since the argument does not presuppose a criterion or presumption of desert, and given that some such criterion or presumption is presupposed by the charge of inadequate payment of workers by capitalists, the argument does not depend upon the charge that the economic exploitation of workers under capitalism is a function of the workers' being either unpaid or underpaid. Thus the objections raised to basing the charge of economic exploitation on the assertion of non-payment or underpayment (at the end of section 2) are irrelevant as criticisms.[25]

Second, this argument has the advantage of claiming that workers *as members of a class* are exploited economically and *not* that each and every member of that class will always be exploited economically—that is, that all workers are prisoners of their socioinstitutional roles. Thus it is an especially irrelevant objection to the above argument that some workers become capitalists (or even that some capitalists become workers) or that some workers are well paid. So long as it is economic exploitation under the capitalist mode of

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production that is at issue, some set of persons who are workers will be economically exploited by another set who are capitalists by virtue of the institutional roles which are constitutive of the capitalist mode of production. Thus the fact that some persons are capable or "free to" leave one socioinstitutional role for another, or that some persons avoid being exploited in their role as workers, does not vitiate the charge of economic exploitation under capitalism. And, as shall be seen below, understanding economic exploitation as descriptive of the relationship between classes of persons is crucial for establishing a case for economic exploitation* with which Marx would have been comfortable.

B. A reason for thinking that economic exploitation logically entails economic exploitation* is that if the former occurs, then a kind of coercion which is morally condemnatory occurs. The idea is that because economic exploitation constitutes an intentional and avoidable interference with human freedom, it is immoral. And, this inference is not entirely implausible for sometimes it is the case that when one person takes advantage of another for economic gain, this involves an avoidable and intentional interference with a person's freedom and as such is immoral. For example, when a thief succeeds in taking advantage of his victim, the thief does something immoral, in significant part, because he has unjustifiably interfered with his victim's freedom. But it is too quick to infer from this sort of case that economic takings of advantage by their very nature involve an intentional and avoidable interference with the freedom of individuals and are thus immoral.

Consider an actor who engages (financially) an agent because of the agent's knowledge, professional connections and demonstrated ability to obtain bookings. Assume that the actor cannot, for whatever reasons, serve as his own agent and remain a successful actor. Assume also that the financial arrangement between the actor and the agent is such that the agent receives a percentage of the actor's wage and thus, if the actor receives no wage, the agent receives no fee. Now the actor would prefer that the economic gain enjoyed by the agent remain in his (the actor's) own hands. If the actor could function as his own agent, he would; yet the actor cannot be his own agent and thus the agent takes economic advantage of the actor. It is fairly plain that this taking of advantage—this economic exploitation—is morally quite unlike the case of a thief and his victim. There is no obvious

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interference with the actor's freedom by the agent and thus there is no obvious immorality in the agent's economic exploitation of the actor. In fact, one is inclined to say that the actor's freedom has been preserved by the agent's doing what he has been engaged to do—that is, economically exploit the actor. After all, on one straightforward interpretation, the agent is only doing what the actor wishes. Thus there is no *logical* connection between economic exploitation and acts which are immoral (for example, economic exploitation*).

If economic exploitation does not entail economic exploitation*, then to show that economic exploitation of workers under capitalism is immoral would *seem* to involve giving reasons for thinking that the relationship between capitalists and workers is, in the morally relevant respects, identical to the relationship between thieves and their victims and thus quite unlike the relationship between agents and their actors. However, as shall be argued, the view that the relationship between capitalists and workers is a precise moral analogue to the relationship between thieves and their victims is mistaken. What will be pressed is the claim that insofar as Marx would have agreed that the relationship between capitalist and worker constitutes a case of economic exploitation*, he would find the thief/victim model of understanding economic exploitation* to be both inappropriate and misleading. To see why this is the case, it is crucial to consider more carefully Marx's conviction that the economic exploitation of workers by capitalists occurs within production itself.

Recall that for Marx the relationship between capitalists and workers presupposes the existence of quite specific socioinstitutional roles which are, in an important part, constitutive of the capitalist mode of production. Recall also that for Marx the continued existence of the capitalist mode of production presupposes the creation of surplus value by workers and its appropriation by capitalists. From these claims it follows that the capitalist/worker relationship presupposes the creation of surplus value by workers and its appropriation by capitalists. The institutional means which facilitates the creation and appropriation of surplus value is wage labor and thus wage labor is an indispensible condition both of the capitalist mode of production and the capitalist/worker relationship. Now Marx admits that since the capitalist/worker relationship is characterized by the exchange of wages for labor time, the relationship *appears* to be an exchange relationship and thus this exchange relationship *appears* to be a

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presupposition of the capitalist mode of production.[26] Hence the capitalist/worker relationship looks quite like the agent/actor relationship where free persons strike bargains for their perceived respective advantages. It would *appear,* then, that a charge of economic exploitation* would be justified only if there has been stealing or cheating—that is, if the agent receives a greater percentage of the actor's salary than had been agreed upon or, more relevantly, the capitalists pay lower wages than they have agreed to pay. There is no doubt that the wrongdoing can be located *within* an economy characterized by a capitalist mode of production; however, if there is economic exploitation*, it now *appears not* to be a result of that mode of production. Rather, it is a result of broken agreements—the sort of broken agreements which might occur in most any mature economy.

For Marx, not only are all these appearances false, but they spring from a misunderstanding of the proper sense in which the relationship between capitalists and workers might be characterized as economically exploitative*. The thief/victim model of economic exploitation* is a useful model when applied to cases where particular individuals cheat or steal from other individuals *and* where the socioinstitutional roles of the parties involved are essentially irrelevant to the institutional facts of cheating or stealing. But Marx's conviction is that the capitalist mode of production is economically exploitative precisely because of socioinstitutional roles—that is, the class affiliations of the persons involved. Thus the phrase "economic exploitation" in Marx is descriptive of a set of institutional relationships at a different level of generalization than when the phrase is used to describe what happens between thieves and their victims. To expand on what was stated earlier, it is workers *as members of the working class* who are economically exploited by capitalists *as members of the capitalist class* and this makes economic exploitation descriptive of relationships which are "qualitatively different" from the relationships of simple exchange between freely consenting individuals.[27] Economic exploitation in the capitalist mode of production is *class* exploitation and thus thief/victim or actor/agent models are inappropriate to it because these models are meaningfully applied to cases where the class affiliation of the involved parties is irrelevant to the fact of economic exploitation. And these models are misleading because their misapplication to class exploitation creates the false impression that the only kind of economic exploitation

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which is possible is that which occurs between isolated, autonomous individuals. Thus to speak of economic exploitation of one worker (or even one group of workers) by one capitalist is to misunderstand Marx's concept of economic exploitation and its application.

This reading of Marx can be substantiated by appealing to the way in which Marx denies that the relationship between capitalists and workers is one of exchange. When capitalists pay workers' salaries and do so *as* capitalists, they intend to pay only so much as would *not* interfere with the production of surplus value and profit. They do not behave as capitalists if they do otherwise. Similarly, when workers receive wages *as* workers, they receive only so much as is necessary to maintain them as workers, with what they produce generating value in excess of their wages; otherwise, they do not function as workers.[28] Because a capitalist is "capital" and because a worker is "labor," the former ". . . has to obtain more value than he gives . . . [and] . . . the exchange must be only *apparent*; i.e., must belong to an economic category other than exchange, or capital as capital and labour in opposition to it would be impossible."[29] Notice here that economic exploitation will occur because of the role of capitalists as "capital" and workers as "labor" and the institutional fact of economic exploitation presupposes and is dependent upon (as is not the case with thieves and their victims or agents and their clients) the institutional roles of capitalists and workers in capitalism. It is in this complete sense, then, that economic exploitation is to be understood as a phenomenon of production and not of exchange and it is on this understanding that a charge of economic exploitation* with which Marx would have been comfortable can be considered.

4.

> For the oppressed class to be able to emancipate itself it is necessary that the productive powers already acquired and the existing social relations should no longer be capable of existing side by side.
>
> *The Poverty of Philosophy*

As is well known, Marx believed that the social relations (especially the divisions of labor and class) concomitant with the capitalist mode of production can both inhibit and deny human freedom. The broad range of senses and cases in which human freedom is inhibited or

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denied under capitalism can be narrowed in a way which is directly relevant to the charge that economic exploitation* of workers qua labor occurs under capitalism. Since the economic exploitation of workers is to be understood as class exploitation, if it can be shown that the fact of membership in the economically exploited class involves a loss or denial of freedom, then the conditions necessary to sustain a *prima facie* charge of economic exploitation* will have been met—that is, economic exploitation in conjunction with a denial of freedom. Thus the first question to be considered is how it is on Marx's view that workers qua labor are deprived of, or denied freedom?

To put the answer generally, workers are unfree for Marx because as workers they are unable to become non-workers, that is, to abandon their class affiliation.[30] The point is not a matter of complaint that workers are unfree in the sense in which they are unfree to exploit others, for while this may be true on Marx's view, it obfuscates the point which is meant to be emphasized—namely, that workers as members of the working class are unfree in that they are unable to avoid functioning in the socioinstitutional role which makes their economic exploitation an inherent feature of capitalism. It may be recalled that the lack of control which defines the workers' role in the capital/labor relationship (as was noted earlier, a lack of control as manifested in a lack of ownership of the means of production, the objects produced, and investment capacity) is precisely that which affords the capitalists the role whereby economic exploitation of workers is possible. Thus insofar as labor cannot choose *not* to enter the wage-labor relationship with capital and still survive, labor perpetuates its subservient position in an economically exploitative relationship.

This general point is only the preface to the story of workers' unfreedom. While a multidimensional lack of control and options defines the workers' role, it is the fact that workers' labor can be expended only in that role which Marx sees as preeminently destructive of the workers' capacity to become free—that is, destructive so long as their efforts are the efforts of labor. The thinking behind this centers on Marx's view that insofar as workers do not control their own labor power, they do not and cannot control themselves. Labor power is a creative, autonomy-producing force whereby persons can determine the nature and direction of their own lives.[31] However,

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because the value or worth of labor power is relegated to a "predetermined exchange value" which, in turn, is established and directed not by workers themselves but by irrational market forces which generate and are generated by capital, workers remain "impoverished."[32] But impoverishment here is not simply economic impoverishment (though Marx would not deny this result), it is impoverishment of workers' autonomy where autonomy is understood, broadly, to be the ability to direct one's practical productive efforts oneself—that is, to be self-determining. Thus, since in selling their labor power in order to live, the worth and direction of that autonomy-producing force is not under workers' control, it follows that workers are unfree because of their socioinstitutional role in a capitalist society. For Marx, the tragic irony is that so long as workers must work to live, their creative, autonomy-producing powers nurture and sustain the monstrosities which keep them unfree. The fresh blood which could emancipate the victim quenches the vampire's thirst.

Since the capital/labor relationship is characterized by economic exploitation and workers in their exploited role as labor are denied both their freedom and their capacity to become free, then it would seem to follow that economic exploitation* of workers occurs in capitalist production. But this inference should be made with considerable care. For while it may be true that a denial of freedom constitutes a *prima facie* wrongdoing, it serves little purpose, on Marx's view, to refer to a state of affairs (or set of relationships) as morally condemnable if that state of affairs is unalterable or unavoidable. While Marx's views on this matter are complicated and cryptic (especially his view on whether something is immoral even if it serves no purpose to describe it as such), it appears that Marx maintained the position (a Marxist variant of the Kantian "ought not" implies "might not") that it serves little if any purpose to morally criticize some state of affairs if, at the time when such a criticism is to be offered, that state of affairs cannot be reasonably expected to be alterable or avoidable (where avoidable does not preclude terminable).[33] Thus just as it would serve little if any purpose to morally condemn a slave society as exploitative* if there were no good reason to believe the master/slave relationship was alterable or avoidable, it would serve little if any purpose to morally condemn the capital/labor relationship as being economically exploitative* if that relationship—or at least the unfreedom which accompanies the economic exploitation—

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shows no sign of being alterable or avoidable. Hence it will be appropriate to charge that the capital/labor relationship is economically exploitative* only at certain historical moments—namely, where and when it is reasonable to believe that the level of social, economic and political development is conducive to, or in the process of a diminution or termination of economic exploitation*.

With this in mind, it seems correct to charge that workers (labor) are economically exploited* by capitalists (capital), when, and only when, capital gains by intentionally taking an alterable or avoidable advantage of labor and in so doing inhibits or denies workers' freedom. And insofar as Marx believed that in the continued struggle by labor against the social forces of its domination workers have enjoyed and will continue to enjoy success, then not only is the charge of economic exploitation* well-founded, but the forces of its undoing are in motion.

Notes

1. The time and facilities necessary for writing this paper were made possible by a grant from the National Endowment for the Humanities. I am grateful for their support.
2. It is a matter of definition, then, that economic exploitation is logically separable from economic exploitation*. Of course it could be argued that as a matter of fact whenever the first occurs, the latter does as well. This view will be considered in section 3, B below.
3. Karl Marx, *Capital*, Vol. I, (New York: International Publishers Inc., 1967), p. 218.
4. This is not to say that both claims are irrelevant to complete explanations or that they might not function in a partial explanation of the relevant phenomena.
5. Compare Marx's discussion of the relative consistency of constant capital in *Capital,* Vol. I, pp. 209–11. For a detailed explication of the concept of value and capital (both variable and constant), see Ronald L. Meek, *Studies in the Labor Theory of Value,* (New York: Monthly Review Press, 1956) second edition, chapter five.
6. *Capital,* Vol. I, p. 216.
7. Ibid., pp. 215–6.
8. Since the intent here is to restate Marx and not to evaluate his analysis, I shall ignore criticisms of Marx which would involve the claim that the production of surplus value can not be accounted for by an appeal to the

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labor theory of value (or, even, that the labor theory of value is simply false). However, as shall be noted below, it is my view that even if such criticisms hold, this will not have an effect on a charge of economic exploitation (or economic exploitation*) under capitalism. Here I am in agreement with G. A. Cohen, "The Labor Theory of Value and the Concept of Exploitation," *Philosophy and Public Affairs,* 8 (1979): 338–60, who has argued that even if one abandons the labor theory of value and the analysis of surplus value and exploitation which is correlative with it, there is still room to claim that the capitalist gains the value "of what" the worker produces.

9. *Capital,* Vol. I, p. 215.
10. Ibid., p. 217.
11. Ibid.
12. Joan Robinson, *An Essay on Marxian Economics,* second edition, (London: The Macmillan Press, Ltd., 1966), p. 22.
13. Marx frequently claims that workers are "unpaid" and that their labor is "forced labor." See *The Economic and Philosophic Manuscripts of 1844,* ed., Dirk J. Struik, (New York: International Publishers, 1964), p. 111; *Grundrisse, Foundations of the Critique of Political Economy,* trans. by Martin Nicolaus, (New York: Vintage Books, 1973), p. 324; *Capital,* Vol. I, pp. 569–70. Marx's language has been retained by commentators. Compare M. C. Howard and J. E. King, *The Political Economy of Marx*, (London: Longman Group Ltd., 1975), p. 43.
14. It is being assumed here that neither cheating nor stealing has occurred—that is, that, in fact, the capitalist does pay the worker what he has agreed to pay. The issue of whether economic exploitation is to be understood as a kind of theft or cheating will be considered in section 3, below.
15. *Capital,* Vol. I, p. 217.
16. This and other relevant points are made by John E. Elliott, "Social and Institutional Dimensions of Marx's Theory of Capitalism,"*Review of Social Economy,* 37 (1979): 268.
17. *Capital,* Vol. I, pp. 152–3, *Grundrisse,* pp. 324–5.
18. Thus, I believe Cohen is correct ("The Labor Theory of Value and the Concept of Exploitation,") when he argues that the charge of economic exploitation of workers under capitalism can be sustained even if the labor theory of value is false. Compare also, M. C. Howard and J. E. King, *The Political Economy of Marx,* chapters 2, 5 and 8.
19. *Grundrisse,* pp. 508–9; *Capital,* Vol. I, pp. 714–5. For the relevance of this point to the alienation of workers under capitalism, see *The Economic and Philosophic Manuscripts of 1844,* pp. 116–9.
20. *The Economic and Philosophic Manuscripts of 1844,* p. 126; *Grundrisse,* pp. 295, and 151–5. See also John E. Elliott, "The *Grundrisse*

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as Social Theory: Link between Young Marx and Mature Marx," *Social Science Quarterly,* 59 (1978): 246–9.

21. *The Communist Manifesto* in *Karl Marx: Selected Writings,* ed. David McLellan (Oxford: Oxford University Press, 1977), pp. 231–4.
22. *Capital,* Vol. I, pp. 761–4.
23. Part of the force of "would" in this condition is epistemic. Thus if *t* were informed that his relationship to *P* is one which is accurately described by conditions (i) and (ii), he would try, insofar as he is capable, to avoid yielding *g* to *P*. However, this does not imply that *t* is not exploited if he is ignorant of the nature of the relationship between him and *P*. Knowing that one is exploited is neither necessary nor sufficient for being exploited.
24. This is not to be read as forestalling the possibility that some criterion of desert could be posited and defended and thus that *additional* grounds for economic exploitation could be generated. The only point here is that the absence of such grounds would not affect the fact of economic exploitation.
25. However, this is not to deny that if it were true that workers are unpaid or underpaid that economic exploitation would not exist. The truth of such a claim would simply bolster the conclusion that capitalists take economic advantage of workers.
26. *Grundrisse,* pp. 246–7 and 322.
27. Ibid., p. 275.
28. Ibid., pp. 303–4. See also *Capital,* Vol. I, pp. 577–8.
29. *Grundrisse*, p. 322, emphasis in the original; compare, 321–4.
30. Karl Marx and Frederick Engels, *The German Ideology, Collected Works*, (New York: International Publishers, 1976), Vol. 5, p. 79.
31. *Grundrisse,* p. 614.
32. Ibid., p. 307.
33. This is an implication of one way of understanding the remark in *The German Ideology,* that ". . . the communists do not preach *morality* at all . . . they do not put to people the moral demand love one another, do not be egoists, etc.; on the contrary, they are very well aware that egoism, just as much as selflessness, *is* in definite circumstances a necessary form of the self-assertion of individuals" (p. 247), and in the *Critique of the Gotha Programme* (New York: International Publishers, 1966) that "Right can never be higher than the economic structure of society and the cultural development thereby determined." I discuss the issue of Marx's varied applications of moral terms in my "Marx's Moral Skepticism," *Canadian Journal of Philosophy,* Supplementary Volume 7 (1981), which is entitled "Marx and Morality," eds. Kai Nielsen and Steven Patten.
34. It is, of course a matter of considerable controversy among Marxists as

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to what criteria were (or would be) applied by Marx to make judgments regarding the success of workers and whether Marx's criteria are acceptable. For a detailed discussion of these issues (among many more) see Hal Draper, *Karl Marx's Theory of Revolution,* Vol. I, *State and Bureaucracy* (1977), and Vol. 2, *The Politics of Social Classes* (1978) (New York: Monthly Review Press). See also Paul M. Sweezy, *The Theory of Capitalist Development,* (New York: Monthly Review Press, 1956) Part IV.

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