Marx’s critique of capitalism

1. **Alienation**
   - Separation of things which ought not to be separated
   - Domination of the producer by her product

2. **Exploitation**

3. **Domination**
Overview

1. Marx against morality
2. Exploitation in general
3. Four theories of capitalist exploitation
   a) The fraud paradigm
   b) The coercion paradigm
   c) The distribution paradigm
   d) The vulnerability paradigm
4. Summing-up
Moral relativism?

‘To speak of natural justice here is nonsense. The justice of transactions which go on between agents of production rests on the fact that these transactions arise out of the production relations as their natural consequences. The juristic forms in which these economic transactions appear ... [are] mere forms, [so cannot] determine this content. They only express it. This content is just [gerecht] whenever it corresponds to the mode of production, is adequate to it. It is unjust [ungerecht] whenever it contradicts it. Slavery, on the basis of the capitalist mode of production, is unjust; so is cheating on the quality of commodities.’

– Marx, Capital, vol. 3, ch. 21, pp. 460-61
### Allen Wood on Moral v. nonmoral goods

<table>
<thead>
<tr>
<th></th>
<th>Can moral and nonmoral goods conflict?</th>
<th>Can nonmoral goods be more fundamental than moral goods?</th>
<th>Can nonmoral goods override moral goods?</th>
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<tbody>
<tr>
<td><strong>KANT</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>J. S. MILL</strong></td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>MARX</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
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**Q:** is there a coherent/robust distinction between ‘moral’ and ‘nonmoral’ goods?
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4. Summing-up
Exploitation in general

Three distinctions

1. Pejorative v. non-pejorative
2. Narrow (exploiting a weakness) v. broad (exploiting a person)
3. Economic v. non-economic

Provisional definition

- Necessary condition = unequal exchange
- Sufficient conditions = unequal exchange + ???

Labour v. labour power

a) The exchange value of the commodity ‘labour power’ itself
b) The exchange value of commodities produced by labour
‘On the one hand the daily sustenance of labour-power costs only half a day’s labour, while on the other hand the very same labour-power ... can work ... during a whole day, and consequently the value which [it] creates is double what the capitalist pays for ... ; this circumstance is a piece of good luck for the buyer, but by no means an injustice [Unrecht] towards the seller.’

– Marx, Capital, vol. 1, ch. 7, p. 301
Exploitation in capitalism

- **Absolute surplus value (lengthen work time)**
  - NL = 12
  - SL = 5

- **Relative surplus value (increase productivity)**
  - NL = 7
  - SL = 5
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‘The whole produce of labour’

‘The labourer must ... live, though the exorbitant claims of capital allow him only a bare subsistence.... The capitalist must give the labourers this sum, ... but he will never give, and never has given, more ... I take it for granted ... that the whole produce of labour ought to belong to the labourer ... [J]ustice [means] allow[ing] labour to possess and enjoy the whole of its produce.’

– Thomas Hodgskin, Labour Defended Against the Claims of Capital (1825)
‘The sphere of circulation or commodity exchange, within whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity ... are determined only by their own free will. ... Equality, because ... they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage.’

– Marx, *Capital*, vol. 1, ch. 6, p. 280
Exploitation in general

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4. Summing-up
'The profits of capitalists, then, according to Marx's theory, are generated by surplus, unpaid and forced labor, the product of which the producers do not control. This is exploitation as Marx uses the term.'

– Holmstrom, ‘Exploitation’, p. 358
The coercion paradigm

**Definition**
- A exploits B iff A extracts an unreciprocated transfer from B through B’s performing forced labour

**Objections**
1. Coercion paradigm is insufficient
   - Forced unreciprocated transfer without exploitation
   - e.g. intergenerational investment, intragenerational welfare
2. Coercion is unnecessary
   - Consensual exploitation
   - i.e. unreciprocated transfer without force
‘according to the [coercion-based] definition, there will be exploitation in any society in which investment takes place for a greater future produce ... and in any society in which those unable to work, or to work productively, are subsidized by the labor of others.’

– Nozick, Anarchy, State and Utopia, p. 253
‘A flow of value ... constitutes exploitation ... regardless ... of whether or not that situation precisely forces the worker to sell his labour to the capitalist.’

– Cohen, History, Labour and Freedom, p. 234
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4. Summing-up
Distribution

‘A flow of value ... constitutes exploitation only if the contract it fulfils arises out of an unfair bargaining situation, and regardless, moreover, of whether or not that situation precisely forces the worker to sell his labour to the capitalist. ... [T]he crucial question for exploitation concerns the justice of the distribution of the means of production.’

– Cohen, History, Labour and Freedom, p. 234
The distribution paradigm

**Definition**
- A exploits B iff A extracts an unreciprocated transfer from B against a background of unjust distribution

**Objections**
1. Exploitation is derivative/irrelevant, (mal)distribution is fundamental
   - Should focus on stocks, not flows
2. Maldistribution is unnecessary
   - Exploitation without unjust background distribution
Exploitation:
- ‘irrelevant’
- a ‘circuitous route’
- ‘an unnecessary detour’
- a ‘misconceived’ theory
- ‘does not provide a proper model or account of Marxian moral sentiments’

– Roemer, ‘Should Marxists be Interested in Exploitation?’, pp. 32, 39, 53, 62
‘I believe capitalism is unjust ... because of sharply unequal ownership of the means of production ... [but] this inequality is not necessarily coextensive with the transfer of surplus value from workers to capitalists, and therefore it is inappropriate to ground an equality-based morality on the technical measure of exploitation.’

– Roemer, ‘Should Marxists be Interested in Exploitation?’, p. 33
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4. Summing-up
The vulnerability paradigm

Definition

A exploits B iff A extracts an unreciprocated transfer from B by instrumentalizing (i.e. “treating as a means”) B’s economic vulnerability, which is a form of domination

Objections

1. Exploitation ≠ domination
   a) Exploitation = non-dispositional + punctual
      ➢ Actively taking advantage of any vulnerability
   b) Domination = dispositional + durative
      ➢ Being able to take advantage of systemic vulnerability
The vulnerability paradigm

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Objections

1. Exploitation ≠ domination
2. Exploitation is derivative, domination is fundamental
   ➢ Should focus on …
     a) domination (reproducing systematic vulnerability)
     NOT b) exploitation (taking advantage of some vulnerability)
Vulnerability + domination

‘exploitation is a form of domination, that is, domination for self-enrichment ... the self-enriching instrumentalization of another’s vulnerability’

Reproducing vulnerability

‘The production of surplus-value, or the making of profits, is the absolute law of [the capitalist] mode of production. Labour-power can be sold only to the extent that it preserves and maintains the means of production as capital, reproduces its own value as capital, and provides a source of additional capital in the shape of unpaid labour. The conditions of its sale, whether more or less favourable to the worker, include therefore the necessity of its constant resale ... Wages ... imply by their very nature that the worker will always provide a certain quantity of unpaid labour. ... [A]t the best of times an increase in wages means only a quantitative reduction in the amount of unpaid labour the worker has to supply. This reduction can never go so far as to threaten the system itself.’

– Marx, Capital, vol. 1, ch. 25, pp. 769-70
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4. Summing-up
Marx’s critique of capitalism

1. **Alienation**
   - Separation of things which ought not to be separated
   - Domination of the producer by her product

2. **Exploitation**
   - Unreciprocated flow that is ...
     - **EITHER** a) ... normatively fundamental
       (grounded in fraud, force, maldistribution, or instrumentalisation)
     - **OR** b) ... normatively derivative
       (because primacy lies with maldistribution, or domination)

3. **Domination**
## Looking ahead

<table>
<thead>
<tr>
<th>Week</th>
<th>Chapters in <em>Capital</em></th>
<th>Pages in Penguin edn.</th>
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<tr>
<td>Week 2: History</td>
<td>Part 8 (chs. 26-33)</td>
<td>873-943 (= 70pp.)</td>
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<tr>
<td>Week 3: Ideology</td>
<td>Chs. 1-2</td>
<td>125-188 (= 63pp.)</td>
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<td>Week 4: Alienation</td>
<td>Chs. 3-7</td>
<td>188-307 (= 119pp.)</td>
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<td>Week 5: Exploitation</td>
<td>Chs. 8-12</td>
<td>307-429 (= 122pp.)</td>
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<td>Week 6: Domination</td>
<td>Chs. 13-15</td>
<td>429-643 (= 214pp.)</td>
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<td>Week 7: Liberalism</td>
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<td>Week 8: Feminism</td>
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</table>
References

- Allen Wood, *Karl Marx* (Routledge, 2nd edn. 2004), chs. 9, 10 and 16