

## EXPLOITATION

One of the most provocative and ideologically distinctive components of conventional Marxism is the charge that capitalists exploit workers. Traditionally, this charge has been linked to the labor theory of value and its corollary, the theory of surplus value. But the labor theory of value has been substantially discredited, leaving Marxists to choose between abandoning the charge of exploitation or finding a new foundation for it. Because the charge of exploitation is so provocative, the latter alternative would certainly seem to be preferable from the perspective of a defender of Marxism. However, the obstacles to grounding the charge of exploitation might well make the first alternative preferable, despite the fact that this would mean giving up much that is distinctive of the Marxist critique of capitalism. G.A. Cohen's attempt to ground the charge of exploitation, which is at once simple and innovative, illuminates these obstacles.

In a position developed in "The Labor Theory of Value and the Concept of Exploitation"<sup>1</sup> and refined in "More on Exploitation and the Labour Theory of Value,"<sup>2</sup> Cohen argues that the labor theory of value is not, in any case, the real basis for the Marxist charge of exploitation. Rather, the real basis is a "fairly obvious truth" that is superficially quite similar to the labor theory of value but is not beset by the same difficulties. Although the laborer does not produce (i.e., create) value, it is clear that he produces something: the product which has value. Further, Cohen argues, it is *only* the laborer who produces the product; the capitalist merely supplies capital. The activity of the capitalist is analogous to that of a person who lends another a knife so that the latter can cut something. This does not make the lender a *cutler* of any sort. Likewise, the capitalist's contribution to the process of production does not make him a producer of any sort.<sup>3</sup>

This "fairly obvious truth" is the basis for what Cohen calls the "Plain Argument" for the charge of exploitation:

- (17) The laborer is the only person who creates the product, that which has value.
- (11) The capitalist receives some of the value of the product.
- (18) The laborer receives less value than the value of what he creates, and

- (19) The capitalist receives some of the value of what the laborer creates.
- (10) The laborer is exploited by the capitalist.<sup>4</sup>

The crucial premise in this argument is (17); it replaces the labor theory of value—the theory that labor alone determines and/or creates value—with what Cohen thinks is a much more plausible claim.

On its face, however, the first premise of the Plain Argument seems no more plausible than the labor theory of value. There are a variety of contributions that the capitalist makes to the process of production—capital accumulation and risk bearing, for example. These activities, unlike entrepreneurial or management activities, are ones that the capitalist performs *just as a capitalist*. And they are essential features of any set of economic arrangements. Production, and especially modern industrial production, necessarily involves capital accumulation and risk bearing. Insofar as these are necessary components of the process of production, i.e., insofar as they are activities that someone must perform if production is to take place, it is far from obvious that the laborer is “the only person who creates the product.”

Cohen seems to have something like this concern in mind when he allows that the activities of the capitalist may be “productive” even though the capitalist is not a producer. To act productively, Cohen says, “it is enough that one does something which helps to bring it about that a thing is produced, and that does not entail participating in producing it.”<sup>5</sup> But I do not understand why Cohen thinks this distinction between producing and productive activity reinforces, rather than merely restates, the first premise of the Plain Argument. I will return to this point below.

Even if we accept the first premise, the Plain Argument is incomplete in other ways, a fact which Cohen himself recognizes. In “The Labor Theory of Value and the Concept of Exploitation,” he says the argument lacks a crucial normative premise to the effect that “under certain conditions, it is (unjust) exploitation to obtain something from someone without giving him anything in return,” and a characterization of pertinent features of capitalism “such as the fact that the laborer is *forced*, by his propertylessness, to work for the capitalist.”<sup>6</sup> In “More on Exploitation and the Labour Theory of Value,” he retracts this and argues that the case for exploitation rests on the moral status of private property:

If it is morally all right that capitalists do and workers do not own means of production, then capitalist profit is not the fruit of exploitation; and if the pre-contractual distributive position is morally wrong, then the case for exploitation is made. The question of exploitation therefore resolves itself into the question of the moral status of capitalist private property.<sup>7</sup>

If private property is morally illegitimate, then profit is exploitation, whether or not the laborer is *forced* to work for the capitalist.

What the Plain Argument does *not* require, according to Cohen, is a normative premise to the effect that the laborer is entitled to the full value of his product:

One more caveat. I do not suppose in the above paragraphs or anywhere else that the correct principle of reward is productive contribution. One can hold that the capitalist exploits the worker by appropriating part of the value of what the worker produces without holding that all of that value should go to the worker. One can affirm a principle of distribution according to need, and add that the capitalist exploits the worker because need is not the basis on which he receives part of the value of what the worker produces.<sup>8</sup>

Thus, the laborer is exploited by the capitalist whether or not the laborer is entitled to the full value of his product.

However, Cohen is wrong on both these counts. A premise to the effect that capitalist private property is morally illegitimate is not alone sufficient to complete the Plain Argument. What is required is precisely a principle of entitlement which implies that the worker is entitled to the full value of his product.

Consider, first, how a premise to the effect private property is morally illegitimate might strengthen the Plain Argument. It might lend some plausibility to the claim made in the first premise that only the laborer creates the product which has value. If the capitalist's control over the means of production is illegitimate, then we might say that his contribution to the process of production is superfluous. In a world that was more just than ours, he would not be able to make any contribution. Thus, we might conclude that he really makes no contribution at all or, at least, no morally relevant contribution. And this, in turn, might lead us to conclude that he has no legitimate claim on the value of the laborer's produce. If he does claim some of this value, he is exploiting the laborer.

But not even this much is certain. For Cohen explicitly denies that one has a claim to something simply because one creates it (whether the "it" be value or the product which has value).<sup>9</sup> Hence, Cohen cannot and explicitly does not argue that the laborer is entitled to all the value of the product because he has created the product. But this entails that one also could not argue that the capitalist is *not* entitled to any of the value of the product because he did create the product.

In other words, and this is my second point about the incompleteness of Cohen's Plain Argument, the charge of exploitation must be grounded in a principle of entitlement. Consider Cohen's claim that one can affirm a principle of distribution according to need and still maintain that the capitalist exploits the worker. The principle of need is sufficient to ground the charge of exploitation *only if* the capitalist's appropriation of some of the value of the product prevents *the laborer*

from satisfying his needs. This may not be the case and, in many modern capitalist societies, it usually is not. If anyone is exploited in such societies it is *the third party* whose needs are not met because some of the value of the laborer's product is transferred to the capitalist. And it is the fact that this third party's needs are not met, rather than the fact that need is not the basis on which the capitalist receives part of the value of what the laborer produces, that grounds the charge of exploitation.

Indeed, if Cohen is right about what a principle of distribution according to need entails, the laborer himself will often be vulnerable to a charge of exploitation. If the value of what the laborer produces is more than sufficient to meet his needs, he must distribute it to others who are in need or be guilty of exploitation. And similar remarks could be made about any other principle of distribution (or entitlement).

Cohen has simply failed to see that a specific charge of exploitation, i.e., the charge that a specific individual or class is exploited by another, entails more than just a maldistribution of value. If the charge that capitalists exploit workers is to be maintained, it is not enough that (1) capitalists appropriate from workers part of the value of something that the workers alone produce, and (2) capitalists are not entitled to this value. A third condition must be met: the putative victim of this appropriation, the worker, must be entitled to the value he does not get. Exploitation is, in other words, a maldistribution of value that results from the misuse of the exploited, rather than simply any maldistribution whatever.

This conclusion has rather important consequences for the Marxist critique of capitalism. Cohen may be correct to argue that the labor theory of value and the theory of surplus value are neither necessary nor sufficient to ground the charge that capitalists exploit workers. But the difficulties Cohen encounters illustrate an important point: that the logical connection between these theories and the charge of exploitation may well be less important than the psychological connections. If one believes that labor creates value (what Cohen calls the popular version of the labor theory of value) or that socially necessary labor determines value (what he calls the strict version), it is quite natural to view the relationship between the capitalist and the laborer as one of exploitation. For after all, what is the capitalist doing but growing fat off the sweat and toil of those who labor to give value to a recalcitrant material world? But if the source of value is something other than labor, the charge of exploitation is likely to lose much of its emotive force.

An even more important upshot is that Marxists may be forced to abandon the most distinctive and provocative component of their critique of capitalism. The labor theory of value is a persuasive and compelling ground for the charge that capitalists exploit workers even if it is not an adequate one. Cohen's attempt to ground this charge, and others like it, are likely to be neither. This would leave as the pri-

mary focus of the debate on the morality of capitalism questions of distributive justice and the moral status of private property. Some would applaud such a development. (I count myself among them because I think these are the sorts of questions on which the morality of capitalism turns.)

But a critique of capitalism that flowed primarily from consideration of these questions would not be distinctively Marxist. What is most distinctive of Marxism, and what has provided much of the intellectual impetus for its revolutionary manifestations, is the charge that capitalists exploit workers. If this charge cannot be maintained, then so much the worse for the Marxist social theory.

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1. G.A. Cohen, "The Labor Theory of Value and the Concept of Exploitation," *Philosophy and Public Affairs*, vol. 8 (Summer 1979), pp. 338-360.
2. G.A. Cohen, "More on Exploitation and the Labor Theory of Value," *Inquiry*, vol. 26 (1983), pp. 309-331.
3. Cohen, "The Labor Theory of Value," pp. 353-355.
4. *Ibid.*, p. 356. The numbers assigned to the premises reflect the order in which they are introduced in the text.
5. *Ibid.*, p. 355.
6. *Ibid.*, pp. 343, 360, note 24.
7. Cohen, "More on Exploitation," p. 316.
8. Cohen, "The Labor Theory of Value," p. 357, note 21.
9. *Ibid.*, pp. 356-358.