Exploitation

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The notion of exploitation is prominent in political discourse and policy debates. It is central in analyses of labour relations, especially focusing on the weakest segments of the labour force including women and children (ILO 2017a,b). It features in controversies on surrogate motherhood (Wood 1995; Wertheimer 1996), and on drug-testing and the price of life-saving drugs, especially in developing countries.

The concept of exploitation is also central in the politics of the Left. The 2007 programme of the German Social Democratic Party begins with a call for a society "free from poverty, exploitation, and fear" (SPD 2007: 3), and ending exploitation in the workplace is also one of the commitments in the 2017 manifesto of the UK Labour party (Labour 2017: 28). Further, the global economic order and international exchanges are often considered to be exploitative. In a recent interview with Reuters, for example, Pope Frances declared that "We must invest in Africa, but invest in an orderly way and create employment, not go there to exploit it" (Pullella 2018).

Yet, while it is extensively discussed in popular and political contexts, the concept of exploitation has received far less attention in the contemporary economic literature. After intense debates in the 1960s and 1970s, and the seminal contributions by John Roemer in the early 1980s (Roemer 1982, 1988), there has been very little systematic analysis of exploitative relations in economics, and virtually none focusing on its *normative* dimension beyond fraudulent transactions. The disparity with the vast literature on inequality, for example, is staggering.

There are two reasons that may explain the relative neglect of exploitation in the economic literature, and the paucity of contributions at the intersection of economics and philosophy on this topic in the last four decades, despite its clear relevance in the political arena and in policy

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debates; one is superficial, the other more substantive. At a superficial level, the concept of exploitation has often been associated with Marxian economics and with the so-called 'labour theory of value', which is widely considered to be irremediably flawed.

At a deeper, conceptual level, outside of openly fraudulent transactions, the distinctive normative relevance of exploitation is not immediately obvious from the perspective of standard economic theory. Mutually advantageous transactions undertaken by consenting adults are definitionally Pareto-improving, and so is an allocation reached via a sequence of such transactions. To be sure, a sequence of Pareto-improving transactions may result in significant inequalities in income, and more generally well-being, which are likely due, at least in a competitive setting, to unequal initial endowments. But, if you think that these initial inequalities are morally relevant, the concept of exploitation appears redundant.

This is indeed the conclusion that Roemer reached in his analysis of Marxian exploitation, arguing that Marxian exploitation theory, "directs our moral inquiry into why an unequal distribution of privately owned productive assets should constitute injustice" (Roemer 1989: 391) and its essential normative content is interpreted as requiring "an egalitarian distribution of resources in the external world" (Roemer 1994: 3). Such concern for asset inequalities is, according to Roemer, the *only* legacy of Marxian exploitation theory, which is "a domicile that we need no longer maintain: it has provided a home for raising a vigorous family, who now must move on" (Roemer 1985: 33) .

The six papers collected in this special issue all challenge the received view and, in different ways and from rather distinct theoretical perspectives, argue that the concept of exploitation can be defined in a logically rigorous and empirically relevant way, and it incorporates a distinctive wrong, which cannot be reduced to mere inequalities in welfare or resources *per se*.

First of all, all of the theoretical approaches considered in this collection are consistent with, or based upon, standard accounts of prices and distribution, and develop theories of exploitation that are based on empirically measurable magnitudes. As Yoshihara and Veneziani's article shows, even in the Marxian theory of exploitation, labour is at most the exploitation numéraire, the unit of account used to identify exploitative relations, and exploitation status can be identified without reference to the labour theory of value.

Second, all of the theoretical approaches analysed in this special issue construe exploitation as a distinctive moral wrong which may taint even Pareto-improving economic exchanges. The fact that economic transactions take place between consenting and fully informed adults does not imply that they are morally unobjectionable, and they may be wrongful in addition to, and in some cases even independent of, any inequalities they produce.

In entitlement approaches like those analysed in Moreno-Ternero and Ju's article as well as Steiner's contribution to this issue, the moral standing of an economic transaction hinges upon the full history of economic acts leading to the present. Historical entitlement approaches specify criteria of just original acquisition, and of just transfer of resources that define a set of individual property rights. In this perspective, mutually beneficial transactions between fully consenting and informed adults may still be exploitative if they are tainted by past right violations.

Marxian approaches, such as the contributions to this issue by Skillman, also emphasise the importance of *historical* wrongs in generating the significant asset inequalities that characterise capitalist economies. Consider, for example, Marx's account of the "robbery and plunder" that characterised the so-called primitive accumulation of capital in chapter 31 of *Capital* volume I (1867). However, as Vrousalis's article makes clear, for Marxists, the primary normative relevance of differential ownership of productive assets lies in the effect it has on *current* economic interactions. This effect goes beyond the fact that asset inequalities lead to income inequalities via factor pricing in competitive markets. Asset inequalities affect the structure of economic interactions by affecting the options available to agents: asset-poor agents have fewer options and may end up accepting certain exchanges, or certain terms of exchange, only because of a lack of acceptable alternatives. In this perspective, too, mutually beneficial transactions between fully consenting and informed adults may be still exploitative.

Aside from their common claim that the concept of exploitation remains relevant, the papers collected in this special issue analyse rather different approaches to exploitation theory. They provide different definitions of exploitation, different accounts of what makes exploitation wrong, and, as Ferguson and Ostmann's article shows, different accounts of how we should respond to cases of exploitation. The variety of theoretical and methodological approaches analysed in this special issue shows that topic is a fertile and important research area.

The papers have been originally presented at two interdisciplinary workshops organised at the School of Economics and Finance, Queen Mary University of London in 2014 and 2015, and have then been thoroughly revised after intense discussions and comments. Indeed, they are best read together, as they represent a valuable and ongoing dialogue at the intersection of economics and political philosophy.

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