

## **PHD THESIS SUMMARY: Defining Exploitation**

ULYSSE LOJKINE

*PhD in Philosophy, October 2023*

*Université Paris-Nanterre*

While we are witnessing a resurgence in criticism of capitalist exploitation in the political sphere today, philosophers and economists approach the topic rarely and not without suspicion. For a long time, this research was dominated by the classical Marxist conception of exploitation. That is, the employer exploits the wage-earner by appropriating a share of the labor she provides. But this conception gradually receded due to an overall change in the ideological atmosphere, but also because of the technical debates of the 1970s and 1980s, led in particular by the analytical Marxism school, which cast doubt on the very possibility of measuring the flow of surplus labor. ‘Dialectical’ and ‘structuralist’ Marxists always rejected these criticisms, but failed to propose an operational definition that could lead to concrete analyses. The moral philosophy of exploitation came to the fore in the same period, but often confined itself to the study of individual choices, foregoing analysis of social structures. The aim of this thesis is to defend the possibility of a rigorous discourse on capitalist exploitation applicable to the contemporary economy. This project is inspired by both analytical and continental Marxism and seeks to reconcile them, without shying away from amending Marx's theory where this is fruitful. I first explore the positive (part I), then the normative aspects (part II) of these debates.

In part I of this thesis, chapter 1 first recalls the debates on the classical Marxist approach of measuring exploitation as surplus labor, based on the gap between the flows of labor contributed and labor commanded. Measurement of surplus labor in that sense is possible (Okishio 1963), but is overly sensitive to the choice of one among several equally plausible established conventions for the comparison of heterogeneous types of labor: if every hour of work is counted the same, well-paid workers (either in a national or in an international sense) will be exploiters, whereas if the wage is accepted as a proxy for labor complexity, wage income can never be categorized as exploitative. One way to interpret this

indeterminacy is that there is an irreducibly normative element at work in these conventions, implicitly determining how much inequality is admissible in a non-exploitative society. This leads me to follow Roemer (1982)'s counterfactual approach: exploitation analysis should be based on a socialist counterfactual; those who would gain from these counterfactual institutions compared to extant ones are exploited, those who would lose are exploiters.

The quantitative question of how to measure exploitation is followed in chapter 2 by the qualitative search for the institutions in which relations of exploitation exist. The key Marxist claim in this regard is that exploitation happens primarily in the sphere of production and not in the sphere of circulation, i.e., through wage rather than other market relations. I dispute that claim theoretically and empirically, insisting on the historical and contemporary importance, under capitalism, of two phenomena: on the one hand, direct exploitation of households through non-wage market transactions, such as household credit and home rental; on the other hand, indirect chains of exploitation mediated by multiple relations, especially when a worker is wage-exploited by a small employer who is in turn subordinated to a more powerful exploitative agent through commercial, rentier or financial relations (Lichtenstein 2012). This leads me to reject the idea that the understanding of exploitation should be grounded in the analysis of economic relations and modes of production. I argue that the latter concepts should be replaced with relations and modes of *coordination*, a mode of coordination being characterized by distinct relations of coordination at various scales. In the case of capitalism, this entails hierarchical coordination inside the firm and market coordination between firms, but it can also include many intermediate forms such as incentive-based management within the firm and asymmetric supply networks between firms.

In chapter 3, emphasis on the importance of large-scale indirect market interdependency allows me to shed some light on another topic: the relation between exploitation and power. In classical Marxist theory, capitalist exploitation is related to power on two levels: its *direct* means are 'despotism' inside the firm, and its *structural* condition of possibility is the 'mute compulsion' to work generated by the wage dependency of the proletarians (Mau 2023). But there is a competing neoclassical account, based on the intuition of competitive discipline. That is to say, on the labor market as in any other market, competition limits arbitrary power,

so that in the limit case of perfect competition, power relations are eliminated. I argue that a step toward solving the contradiction between the two approaches can be made by formal power analysis. I take inspiration from an idea in voting theory—that of power as decisiveness—and generalize it to contexts with strategic interactions, so that an agent has power over an outcome if it is sensitive to variations in the agent’s preferences, allowing for the other agents to strategically adapt to that variation (Lojkine 2022). This allows me to uncover monopoly power as only one component of economic power in markets, while also tracking the unequal distribution of power in competitive markets that stems from the unequal distribution of wealth.

These conceptual shifts have normative consequences (part II). Indeed, as I recall in chapter 4, the primacy of production over circulation was key in Marx and Engels’ theory of communism: because the endogenous transformation of capitalist production would give rise to communist social relations conceived as direct, immediate, and transparent power of society over itself and over things, there was no need for evaluating alternative institutions according to explicitly normative principles. But once this primacy is abandoned (as advocated in part I), it becomes clear that the abolition of exploitation cannot be achieved by a mere removal of capitalist relations. It can only result from a reconfiguration of the mode of coordination, and this reconfiguration must be the object of a normative debate, in accordance with the counterfactual reformulation of exploitation adopted in chapter 1.

If history cannot settle normative questions, can the experience of the exploited? This has often been assumed by some Marxists. Chapter 5 takes on that idea by emphasizing that the raw experience of the exploited is restricted to the local scale, and hence is unable to apprehend the exploitation relation as a whole. This is especially the case when that relation spreads across multiple levels as in the examples mentioned above. I illustrate this point by a study of the French ‘*Socialisme ou barbarie*’ group, which aimed to base both its exploitation analysis and its political horizon on ‘proletarian experience’ (Lefort [1952] 2013), but ended either reproducing from within a privileged role for the intellectual in charge of economic and political questions beyond the scale of the factory, or slipping into a purely immanent, non-political description of workers’ lives (Lojkine 2023). Hence, as much as the critique of exploitation has to be anchored in experience, it is not reducible to it. This raises

the question of the need for other kinds of coordinating institutions, beyond just economic ones. They should be political institutions that have the task of elaborating on the scattered experiences and aspirations of the exploited into a common normative horizon.

The thesis outlines and defends this updated and amended version of the Marxist theory of capitalist exploitation. If we accept it, then two questions should take center stage in Marxist scholarship: on the one hand, the historical and theoretical study of the various economic coordination relations and their properties in terms of exploitation and domination; on the other, the study of progressive political institutions as coordinating institutions for the aspirations of the oppressed.

## REFERENCES

- Lefort, Claude. 1952. "Proletarian experience." Translated by S. Hastings-King, *Viewpoint* 3, 2013.
- Lichtenstein, Nelson. 2012. "The Return of Merchant Capitalism." *International Labor and Working-Class History* 81: 8-27.
- Lojkine, Ulysse. 2022. "A general power index." SSRN Working Paper No. 4114584.
- Lojkine, Ulysse. 2023. "La portée politique de l'expérience prolétarienne" Working Paper.
- Mau, Soren. 2023. *Mute Compulsion. A Marxist Theory of the Economic Power of Capital*. London, Verso.
- Okishio, Nobuo. 1963. "A Mathematical Note on Marxian Theorems", *Weltwirtschaftliches Archiv* 91: 287-299.
- Roemer, John E. 1982. *A General Theory of Exploitation and Class*. Cambridge, MA: Harvard University Press.

**Ulysse Lojkine** obtained his PhD in philosophy from the Université Paris-Nanterre in October 2023, where he is currently a Lecturer (Ater) in economics. He conducts research about exploitation and power, in theoretical and empirical economics, in the history of economic thought, and in philosophy.

Contact e-mail: <ulysse.lojkine@gmail.com>