Exploitation is a complex and fascinating concept. It is probably foolhardy for me to attempt to explain this concept in a single lecture. My notes will be much more comprehensive, since in earlier years this topic took up three lectures, so you can read them and fill out your understanding – I will put them on the web. In any case, I think that the exposition about this concept in the readings is pretty clear.

The first part of this lecture explores the logic of the labor theory of value as a way of thinking about exploitation. I will then turn the conception of exploitation proposed in *Class Counts*, which shows how we can have a concept of exploitation without the LTV.

I. CLASSICAL MARXIST IDEAS ABOUT EXPLOITATION

1. LTV: Introduction

At the core of the traditional Marxist analysis of capitalism as an historically specific mode of production is a set of concepts generally referred to as the “labor theory of value” (LTV). Indeed, many Marxists even today insist that the LTV is the cornerstone of Marxism and that the general social and political theory of capitalism developed by Marx and later Marxists depends upon its validity. Many critics of Marxism agree with this judgment about the importance of the LTV for Marxist theory, but argue that the LTV is invalid and thus Marxist claims about class relations and exploitation grounded in the LTV can be dismissed out of hand. More recently a growing number of Marxists have argued that the LTV is not such a vital component of Marxism in general or even Marxist political economics in particular, and that, as a result, it can be dispensed with little theoretical cost.

Regardless of which of these arguments about the validity and ramifications of the labor theory of value one accepts, it remains the case that the concepts of the labor theory of value continue to be important in the idiom of Marxist discourse. Unless one understands the logic of these categories, it is very difficult to read a wide range of analyses in Marx’s own work and that of many contemporary Marxists. We will therefore devote several chapters to the elaboration of the conceptual elements in the labor theory of value even though the theoretical status of the theory itself is problematic.

In this discussion of the labor theory of value we will dissect one of the pivotal concepts in Marx’s analysis of capitalism: the concept of the “commodity”. Marx described the commodity as the “cell” of capitalist society, the most basic concept for decoding the overall logic and dynamics of capitalism. After defining the nature of commodities we will examine the problem of the exchange of commodities, with particular attention to the issue of labor time as the determinant of the ratios at which commodities are exchanged.
2. What is a Commodity?

When you go into a library to acquire books, you go to the place where the books you want are located, find the book or books that satisfy your needs, and check them out. That is all there is to it. You do not ask about its price; you take as many books as you need subject to the constraints of the library’s rules about how many books you can check out at the same time. These rules are designed to insure that everyone has relatively equal access to the books in the library (no one can hoard masses of books) while still allowing everyone to satisfy their needs.

When you go into a bookstore, you go to the place where the books you want are located and find the book or books that satisfy your needs. But that is not all there is to it: instead of checking out the books, you check out their price and the money you have available to buy books. You then ask yourself whether each book is “worth it” given other possible uses of your money and how much you want the book, and then, depending upon how all of these factors balance out, you either put the books back on the shelf or give the cashier money in exchange for them. There are no restrictions on how many books you can buy. If you have enough money, you can buy every book in the store. But to gain access to the books you have to exchange money for them.

In the bookstore, books are commodities; in the library, they are not. In the bookstore they are distributed according to the ability to buy books; in the library they are distributed according to need. The same physical entity -- a book -- is a commodity in the case of the bookstore, but simply a product that satisfies a human need in the library.

More formally, a commodity can be defined as a product which:

(1) satisfies some kind of human want, or what is often referred to as a “use-value”;

(2) is produced for exchange, rather than simply for its use (consumption) by the producers themselves, by the community or by a class which appropriates it; and

(3) is distributed through a market of some sort.

3. The social presuppositions of Commodity Production

Commodities are a socially specific way of producing and acquiring usevalues. As such there are certain general structural conditions that must be present in a society for commodity production to play an important role in social life. Among these social prerequisites are:

- a division of labor sufficiently developed to make production for exchange a rational activity;

- a market with sufficient scope and institutional stability that people can more or less count of being able to exchange the commodities which they produce;
a medium of exchange -- money -- which makes it possible for people to sell their commodities to general consumers rather than simply to those people from whom they want to purchase commodities. Without money, exchange must take the form of immediate barter which greatly restricts the possibility of commodity production.

These conditions have existed to a greater or lesser extent for millennia. Commodity production existed prior to capitalism and it exists in varying degrees in all post-capitalist societies as well. What makes capitalism distinctive in these terms is not the fact of commodity production, but the degree to which commodity production has penetrated all aspects of social life. Not only are virtually all areas of consumption satisfied through commodity production, but both means of production and labor power have become commodities. While there was commodity production in Feudal society, feudalism was also characterized by very severe restrictions on the buying and selling of land, the principle means of production in agrarian society, and on the labor market. The great achievement of the transition from feudalism to capitalism was the dissolution of both of these kinds of restrictions.

4. The exchange of commodities

Several concepts need to be defined in order to understand the nature of commodity exchange:

1. usevalue: the qualitative properties of a commodity which enable it to satisfy needs. All production involves usevalues.

2. exchange values: the relative magnitudes at which commodities exchange.

3. value: the intrinsic, embodied property of a commodity which governs the ratios at which it exchanges with other commodities: value governs or determines exchange value. Exchange value is an observable, empirical quantity; value is not. Value is an absolute magnitude or quantity; exchange value is relative magnitude.

Commodity exchange involves a certain puzzle: How can X units of commodity A = Y units commodity B? How can qualitatively heterogeneous usevalues be rendered equivalent in magnitude so that they can be exchanged as equals? Marx saw this as the central puzzle which any economic theory of exchange had to solve.

Marx’s answer is very clear: in order for qualitatively distinct usevalues to exchange in determinate proportions they must have some substance in common which makes them quantitatively commensurable. We can say that a certain number of eggs weighs the same as a certain number of paperclips because they share the common property of having mass. Similarly, to say that they exchange in a market in particular ratios implies that they must share some common property. This common property or substance is called “value”. The problem then becomes: what is the content of this value? What determines when it is large or small?
5. Labor time as the measure of value

The classical Marxist answer to the question “what determines value?” is that value is determined by labor, measured by duration, i.e. labor time. Or, to state the thesis somewhat more precisely: value is determined by the socially necessary direct and indirect labor time it takes to produce a commodity. Several terms in this definition need elaboration.

5.1 Socially necessary labor time

The expression “socially necessary” is added to this definition to deal with the problem that in actual economies some producers will be more efficient than others and thus the amount of time it takes to produce identical commodities will vary across producers. The commodities produced by a lazy or inefficient producer do not embody more value than those of efficient producers even though they took longer to produce. The excess time spent by the inefficient producer of a commodity is wasted time from the point of view of the exchange value of the commodity (although not necessarily wasted from the point of view of the utilities of the producers since they may be happier working at a slower pace). The labor value of a commodity is thus determined by the normal or average amount of labor it takes to produce it under existing social and technical conditions.

5.2 Direct & Indirect labor time

“Direct” labor time is the time used to produce the commodity itself. “Indirect” labor time is the time it takes to produce the raw materials and means of production that are used up in the production of the commodity and thus in a sense incorporated in it. The total value of a commodity is the sum of these two components and constitutes, in the labor theory of value, the common substance shared by all commodities which makes their exchange at determinate exchange value possible.

Labor time is certainly a candidate for a common substance which varies quantitatively across all commodities. Even commodities which are “plucked from nature” require time for finding, plucking and transporting to market. Because of this ubiquity of labor in the production of commodities Marx, like nearly all classical political economists of his era, felt that labor was the substance of value.

6. Objections

Two kinds of objections have been raised to this solution to the puzzle of exchange.

1. Subjectivist critique. First, and most critically, many neoclassical economists have always argued that the question itself is illegitimate, that there is no real puzzle to solve. There is no such thing as “the value of a commodity” which governs its exchange value. The ratios at which commodities exchange -- their exchange values -- are determined entirely by the subjective preferences of the actors engaged in the exchange, which determines how much they want
Subjectivist theories of value have generally been criticized by radical economists (even if they also criticize the LTV). Production involves real costs, the deployment of scarce resources, above all the deployment of scarce human resources (labor). In one way or another the “value” of a product is shaped by the amount of such scarce resources it embodies. While subjective preferences of actors may determine how much of a particular commodity is produced given its real costs of production (costs in terms of use of scarce resources), and while these costs may vary depending upon how much is produced (because of the returns to scale) it is the real costs of production that determine its exchange value.

2. Materialist Critique. One can reject such subjectivist theories of value and believe that the material costs of producing a commodity determines its equilibrium value and still not accept the claim that labor time is the sole measure of value. Many Marxists now accept some version of what is sometimes called the Sraffian critique of the labor theory of value in which the value of a commodity is determined in a more complex way by all material costs of production, not just the labor time embodied in the commodity.

The debates among Marxists over the labor theory of value have shown, I believe, that the classical formulations of the LTV are unsatisfactory. Except under very restrictive conditions, the LTV just does not hold. In a simple economy in which the capital-intensity of production (or what Marxists call the “organic composition of capital”) in every sector is the same, then (with a few other less important provisos) it can be shown that the socially necessary labor times it takes to produce commodities determines their exchange values. In more complex economies, however, this is not the case. While there have been defenses of the LTV in the face of these criticisms, and the technical complexity of both sides of the argument make it difficult for nonspecialists to make a reasoned first hand judgement on the issues, on balance I feel that the critics are probably correct.

If the LTV strictly holds only under such restrictive conditions, why should we study it at all? First, as I have said earlier, the LTV is an essential idiom for Marxist discussions of political economics and class theory, and thus it is necessary to learn the language regardless of one’s assessment of its theoretical conclusions. Secondly, from a strictly didactic point of view, the (over)simplifications of the LTV are particularly useful in showing how exploitation can occur in an exchange economy and how such exploitation is grounded in class relations. In any case, throughout most of the rest of our discussion I will take the LTV as a tolerable first approximation for understanding commodity relations.
7. Other concepts needed for the labor theory of value

7.1 Abstract vs. concrete labor.

This distinction is parallel to the distinction between exchange value and use value. Concrete labor refers to the qualitatively distinct useful kinds of laboring activities in which people engage -- tailoring, building, writing, etc. Abstract labor on the other hand refers to pure laboring duration, labor abstracted from its concrete qualities. Value is measured by abstract labor time, not concrete labor time.

The concept of abstract labor immediately raises the problem of how skilled labor should be treated in the labor theory of value (or more generally what is referred to as the problem of heterogeneous labor). This is one of the problems which has called into question the technical legitimacy of the LTV itself. One solution is to treat skilled labor as “complex labor” or “compound labor”. It takes labor time to produce skills. An hour of skilled labor thus transfers two components to the commodities it produces: (a) an hour of new abstract labor; (b) some amount of previously expended labor, expended in the production of the skills. This includes the training labor of the skilled worker, plus all of the other embodied “costs” of producing the skill - - the labor of instructors, the raw materials used in producing the skills, etc. Skilled labor would thus simply be a compound form of simple abstract labor.

7.2 Unabstractable Labor.

There is some labor which is, in a sense, unabstractable. The clearest case is the labor of an artist creating a unique masterpiece. The product, in this case, has a signature which retains its character as the product of a unique concrete labor. There is no mechanism to impose a socially necessary labor time equivalence on a Rembrandt; its value is determined by the subjective preferences of buyers of art. This is because, fundamentally, it is impossible to produce more Rembrandts in response to the high subjective value placed on it, and thus no mechanism to bring into line its market price and its embodied “value”. If all social production were like artist production, then value theory would have little relevance. What is crucial for the LTV (or any objectivist value theory) is the interchangability and reproducibility of the labor that goes into making the product. Labor is interchangable in the sense that one worker can be replaced by another, and it is reproducible in the sense that it is trainable.

Abstract labor must be understood as an historically variable concept. It does not apply to peasant subsistence communities in precapitalist societies nor to the internal subsistence production within families in capitalist societies. In both of these cases only concrete labor is performed. For labor time to be “abstract” there must be a mechanism that does the abstracting, and this only occurs within fully commodified relations. Only under such conditions is there a mechanism -- the regular, repeated exchange between commodities -- which regulates the exchange value of commodities according to the socially necessary labor time it takes to produce them.
7.3 **Exchange value, prices of production, market prices.**

When you go to a store to buy a commodity you observe empirical market prices. These are affected by all sorts of contingent factors: temporary shortages caused by fads which heighten the demand for a product or bad weather which reduces the supply, monopoly pricing, government regulation, etc. From the point of view of the LTV these are all random deviations from the relative prices specified by the theory.

The distinction between exchange values and prices of production, however, refers to systematic deviations (rather than contingent market-induced deviations). Exchange values are the relative labor values of commodities, determined by socially necessary direct and indirect labor times. “Prices of production” are the prices these commodities would have in the absence of all contingent market deviations. The two are not identical for a range of technical reasons bound up with the fact that different kinds of commodities are produced with very different levels of capital intensity. This is commonly referred to as the “transformation problem”, in which prices of production will be above exchange value in cases where capital intensive production occurs and below exchange value in cases where labor-intensive production occurs.

**Money.** Money is generally treated within the labor theory of value as a commodity which functions as the metric for all other commodities, or what is sometimes called the “universal equivalent”. In some discussions the backing of money by some physical commodity such as gold is treated as important for regulating the nominal relationship between money and exchange values; in other discussions this is not seen as essential.

8. **The process of exchange**

Marx organizes his discussion of capitalist commodity production by initially drawing a contrast between two logics of exchange: exchange within what is sometimes called “simple commodity production” and exchange within capitalist production. In the traditional exposition of this contrast, C is used to denote “commodities”, M to denote money and M’ a greater amount of money. In these terms, exchange in simple commodity production can be represented by C-M-C. Commodities are exchanged for money which is used to buy new commodities. Selling occurs in order to buy, i.e. to satisfy the needs of the seller. In capitalist commodity production, on the other hand, exchange takes the form of M-C-M’. Money is exchanged for commodities which are then sold to obtain a greater amount of money. Instead of selling in order to buy, buying occurs in order to sell.

This characterization of capitalist commodity exchange sets the stage for the key question that underlies classical Marxist political economics: where does the increase in M come from? The answer to this question takes us to the problem of surplus, profits and exploitation.

9. **Exploitation**

Marx considered his most profound contribution to political economics to be the elaboration of the distinction between labor power and labor. The distinction between these two made possible the discovery of “surplus value” as the source of profits in capitalism, and thus the precise specification of the mechanisms of capitalist exploitation. **Labor power** is, according to Marx, a
commodity sold by workers to capitalists -- their capacity to perform labor. Labor, on the other hand, is the actual activity of laboring. The decisive feature of capitalist exploitation, Marx argued, is that capitalists are able to force workers to labor more hours than is the equivalent value of their labor power, i.e. they create more value than is embodied in the commodities they buy with their wage. This provides the material basis for capitalist profits. Let us look at this argument in detail.

9.1 Where do Capitalist profits Come From?

There are several different possible answers to this question:

1. **Time preferences for current vs. future consumption.** The fact that there are people in a society who would rather abstain from present consumption in order to consume more in the future generates a rate of interest on savings. Profits then would constitute a return to abstinance from consumption and is determined by the pattern of subjective preferences, especially time preferences, in a society.

   The basic problem with such arguments, as radical economists have often argued, is that it conflates the explanation for why particular individuals are able to obtain profits from the explanation for why profits are obtainable by those individuals. That is: the higher the objectively determined profit rate, the more people there will be who are willing to forgo present consumption in order to obtain that “return” on their savings. The rate of profit therefore explains their savings behavior. But this saving behavior does not explain why there is a surplus available to be monetized in the form of profits in the first place. Time preferences may explain why given people save for a given rate of profit, but not why there is profits available to induce such saving.

2. **Profits come from the circulation of commodities.** This is the classical mercantilist view of profits: they come from buying cheap and selling dear. The difficulty with this kind of explanation, as Marx pointed out, is that while it can explain redistributions of the social surplus within a population, it cannot explain the existence of an aggregate surplus, since each person’s gain is another person’s loss.

3. **Profits are the monetized value of the surplus product.** In this view, capitalists obtain profits by being able to appropriate the surplus product produced by workers. The “surplus product” is the difference between the total social product and the amount needed to reproduce the labor force (i.e. the total consumption of workers) and reproduce the existing means of production. In the labor theory of value, the value of this surplus product -- or, as it is called “surplus value” -- is the difference between the value added to the social product by workers and the value of the commodities consumed by workers. This is the essential argument defended by Marx and, in one form or other, sustained even by most Marxist critics of the labor theory of value. The key to understanding this theory of profits is the distinction between labor power and labor.
9.2 Labor power

Labor power is a special kind of commodity: a commodity whose use is the performance of useful labor. Labor is actual laboring activity; labor power is the capacity to perform such labor. In the LTV, it is labor which creates value whereas it is labor power which is exchanged for a wage on the labor market.

There are two crucial social preconditions for labor power to be a commodity in this sense:

- the laborer must be free to sell the capacity to work, a “free wage labor” in contrast to a serf or slave;
- the laborer must be unable to sell the products of labor, i.e. he/she must be “freed” from direct access to the means of subsistence. Historically this implies the direct producer must be separated from the means of production.

Marx referred to these two conditions as the “double freedom” of the proletariat. The prehistory of capitalism is precisely the historical process through which these two conditions are created: a) the destruction of feudal bondage; and b) the dispossession of the direct producers from their means of production.

9.3 The value of labor Power

If labor power is a commodity, than it must have a “value” just like every other commodity. What is this value? The value of any commodity is the total socially necessary labor time it takes to produce the commodity. For labor power this is the socially necessary labor time it takes to produce and reproduce the laborer, that is the socially necessary labor time embodied in the commodities that make up the “subsistence” of the wage earner. In short, the value of labor power is the value of the commodities purchased with the wage.

In this specification of the value of labor time the most troublesome element is the definition of “subsistence”. Subsistence in the Marxist tradition is not merely the minimal level of consumption needed for biological or physical existence, but is generally defined by an historically and culturally defined level of living, which is itself a result of struggle. Marx referred to this as the historical and moral component of the wage. This is a most peculiar feature of labor power as a commodity, for its value is not definable by the technical conditions of production, but of necessity requires reference to class conflict.

9.4 Labor Power, Labor and Surplus Value

Marx insists that capitalists do not cheat workers within the logic of market exchanges: workers are paid the full value of the commodity they sell, labor power. Capitalists in general do not pay workers a wage below the value of labor power. Where then do profits come from?
Surplus value is produced, Marx argues, because capitalists can force workers to work for more hours than is embodied in the commodities which they purchase with their wages. The labor actually performed by workers is greater than the labor embodied in the commodities they consume. This appropriation of surplus labor is called “exploitation”. When it is converted into money through exchange it takes the form of profits.

Exploitation in capitalism, therefore, involves a specific interconnection between the process by which commodities are exchanged and the process by which they are produced: this is the distinctive mechanism of capitalist exploitation which distinguishes it from other forms of exploitation. And this mechanism of exploitation also solves the riddle of where profits come from in a system of exchange.

9.5 The rate of exploitation

It will be helpful at this point to introduce some simple notation commonly used in the discussions of the labor theory of value:

\[ P = \text{the total value of the social product.} \]

\[ C = \text{the value of the means of production and raw materials used up in production: this value is already embodied in the raw materials, means of production, etc. used up in production and is transferred to the new products in the course of production. This is equivalent to depreciation in normal capitalist accounting.} \]

\[ V+S = \text{the total amount of new value created} = \text{the total amount of new labor performed (L). Part of this total is returned to workers in the form of wages} = V \text{ (for variable capital) which are used to purchase the subsistence bundle of commodities. The remainder is surplus value,} S. \]

By these definitions \( P = C + L = C + V + S. \) That is, the total value of the social product equals the value of the constant capital transferred to the product plus the new value added to production by “living labor”.

Exploitation within the labor theory of value consists of the appropriation of surplus value from the workers who produce the social product. The rate of exploitation is generally defined as the ratio between between the part of the new labor performed in production that is appropriated by capitalists (\( S \)) and the part that is returned to workers in the form of wages (\( V \)):

\[ e = \frac{S}{V}. \]

The rate of profit can then be expressed in terms of the rate of exploitation by dividing the numerator and denominator in the profit equation by \( V \):

\[ r = \frac{S}{V} = \frac{e}{Q+1} \]

where \( Q \) -- often called the organic composition of capital -- is equal to \( C/V. \)
This formula for the rate of profit shows the crucial link between the rate of profit and the rate of exploitation: the higher the rate of exploitation, the higher the rate of profit, and thus the higher the maximum rate of accumulation. It is for this reason that Marxists generally describe capitalists as having a systematic interest in raising the rate of exploitation. This dependency of the rate of profit on the rate of exploitation provides the basic mechanism which links the problem of class struggle and the process of capital accumulation.

9.6 Absolute vs relative surplus value

If the total amount of labor performed \( L = S + V \) and the rate of exploitation is the ratio \( S/V \), then there are two basic ways that the rate of exploitation can be increased:

1. **Absolute surplus value**: This involves lengthening \( L \) while holding \( V \) constant. This typically takes the form of lengthening the working day without increasing wages. Since \( S = L - V \), this results in an increase the absolute amount of \( S \).

2. **Relative Surplus Value**: This consists of reducing \( V \) while holding \( L \) constant. The most important form of relative surplus value comes from reducing the costs of wage goods through enhanced productivity. If workers have a constant subsistence in physical terms (amount of food, clothing, etc.) but technical changes mean that these subsistence commodities can be produced with less embodied labor time, then \( V \) will decline. Because of relative surplus value, it is not always possible to simply assume that workers who have lower standards of living are necessarily more exploited -- the degree of exploitation depends upon the productivity of labor and not just on the standard of living in physical terms.

Historically, Marx and others have argued, the early phases of capitalist development are characterized by a heavy reliance on absolute surplus value. The working day is pushed nearly to its absolute biological maximum, thus maximizing the ratio of \( S/V \) for a given level of productivity. Gradually, both because of the success of working class resistance and because of technical changes, relative surplus value assumes greater importance, so that eventually the working day can even be reduced significantly without a decline in the rate of exploitation.
II. RETHINKING EXPLOITATION

1. Exploitation vs. Oppression: conceptual distinction

First: definition of material oppression:

Material welfare of A is at the expense of B → A materially oppresses B

Note: this is a critical concept: it implies the existence of an alternative in which B’s welfare is improved when A does not materially exploit B.

Is oppression also exploitatative? Two examples:

peasant & land example: if peasants are excluded from the land are they exploited?

unionization and unemployment example: if union rules exclude the unemployed from jobs, do unionized workers exploit unemployed workers?

Refinement: elaboration of a distinction between oppression & exploitation.

Let us define three conditions which might characterize the relationship between actors in an economic system

a) inverse interdependent welfare principle: the material welfare of group A causally depends upon the deprivations of group B (or welfare of one depends upon illfare of the other)

b) resource exclusion principle: underlying this causal relation is the exclusion of group B from access to some important economic resource. One can make this even a bit stronger by saying that this exclusion must in some meaningful sense be “unjust”. (This is to avoid situations such as poker, where the loser is excluded from access to the winnings).

c) effort appropriation principle: the mechanism by which exclusion from resources generates inverse interdependence of welfare involves the appropriation of labor effort performed by group B by group A.

nonexploitative oppression = (a) + (b) but not (c): material welfare of A is at the expense of B because of the way excludes B from access to resources --> causal linkage between my welfare and your deprivation

exploitation = oppression + appropriation of fruits of labor. The reason, at least in part, that I benefit at your expense is that I appropriate the fruits of your labors.
Note: this distinction can be applied to nonmaterial exploitation/oppression as well: Cultural oppression = the denial of resources for cultural expression; cultural exploitation = the appropriation of cultural products. Perhaps also sexual oppression/exploitation contrast? Consider the difference between the relationship between a male heterosexist and women vs their relationship to homosexual men.

2. Exploitation & oppression: key sociological issue: nature of power and dependency

*** KEY ISSUE: in exploitation the exploiter depends on the activity of the exploited. This dependency binds together exploiter and exploited in a way that is absent in simple oppression:

- genocide is a solution to conflicts generated by oppression: US vs South Africa re indigenous peoples
- ideology, class compromise, incorporation are solutions to conflicts generated by exploitation: even in Apartheid some level of consent is needed.
- the exploited have more power than the merely oppressed because they are needed

*Fundamental sociological insight about exploitation: exploitation is a form of oppression that gives real power to the exploited: they have levers of resistance and struggle absent from brute oppression. This makes exploitative relations complex, explosive, dynamic -- it is why around exploitation whole systems of domination and containment are elaborated.*

3. The moral bite of exploitation: The ability of A to exploit B depends upon B not having alternatives, upon B being deprived of resources. This means that A would opposed B becoming rich even if this took the form of manna from heaven -- i.e. even if B became rich without any redistribution from A, A would oppose the good fortune of B. Exploitation underwrites a meanness of spirit: not merely benefiting because of the suffering of others, but in a certain sense wanting them to suffer.

- STORY OF THE SHMOO
- Preference orderings for what happens to Manna from Heaven

**Rank Ordering of Preferences of Different Classes for the Distribution of Shmoos**

<table>
<thead>
<tr>
<th>Capitalist Class</th>
<th>Working Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Only Capitalists get shmoos</td>
<td>Everyone gets a shmoo</td>
</tr>
<tr>
<td>2 Destroy the Shmoos</td>
<td>Only Workers get shmoos</td>
</tr>
<tr>
<td>3 Everyone gets shmoos</td>
<td>Only Capitalists get shmoos</td>
</tr>
<tr>
<td>4 Only Workers get shmoos</td>
<td>Destroy the shmoo</td>
</tr>
</tbody>
</table>
4. A note on EXPLOITATION and ALIENATION:

Exploitation is closely tied to another concept in the Marxist tradition, “alienation”. We won’t discuss this now, but here is the gist of the difference: exploitation and alienation can be thought of as different effects of the same structure of production. The social relations of production generate exploitation via the ways in which they structure the material interests of actors; those same relations generate alienation via the ways in which they shape the lived experience of people within production (lived experiences of powerlessness, lack of control over one’s creativity, etc.).

5. Extensions of the contrast of oppression & exploitation:

5.1 Sexual oppression vs exploitation. In a heterosexist, male dominating society, one may be able to draw a contrast between sexual oppression of homosexuals vs sexual exploitation of women.

5.2 Cultural oppression vs exploitation: Treatment of Native American culture in 19th and early 20th century = cultural oppression. Perhaps today the treatment of indigenous cultures = exploitation: appropriation of the cultural products.

6. Roemer’s account of exploitation

Two tasks: 1) show inadequacies of certain presuppositions of traditional marxist views; 2) develop a general theory of exploitation.

6.1 Roemer’s First approach

Traditional Marxism: capitalist exploitation is intimately linked to labor markets. Roemer’s First task: demonstrating that labor transfers do not depend upon labor markets.

Simple example of unequal exchange: the peasant with low capital intensity has to work harder than the peasant with high intensity for the same consumption-leisure bundle; and the high intensity peasant works fewer hours by virtue of the exchange of commodities. (key issue = exploiter would be worse off if he/she killed the exploited and took over the exploited’s assets). Similar stories for labor market and credit market islands.
6.2 Roemer’s Second Approach

Second task: use of counterfactuals for testing exploitation-statuses. What is a counterfactual? = a thought experiment to test various claims about the existing world.

*Withdrawal rules* = formalization of a counterfactual.

Roemer’s test for *feudal* exploitation = withdraw with personal assets
Roemer’s test for *capitalist* exploitation = withdraw with per capita assets

Crucial substantive issue = there has to be a feasible nonexploitative alternative in order to call the existing arrangements exploitative = the critical aspect of the concept of class.

Important problem = what constraints on feasibility?

1) politically feasible: issue of ignoring transition costs.
2) motivationally feasible: issue of ignoring incentives problems
3) feasible given “human nature”?

Withdrawal rules are basically tests for economic oppression as defined above.

To test for “exploitation” these rules must be supplemented by claims about ability to appropriate the surplus:

**Question:** what mechanisms give individuals access to the surplus?

Strategy = different withdrawal rules define different material bases for exploitation.

This is called a “property relations” approach to exploitation and class because the withdrawal rules are all specified with respect to property rights.

6.3. Generalizing Roemer

Assets that can be differentially owned or controlled, the control of which give people access to the surplus:

1. labor power → feudalism. Note contrast with extra-economic coercion characterization
2. means of production → capitalism.
3. organization → statism
4. skills → socialism
6.4 Some general issues/problems:

1. Meaning of ownership, property rights for organization assets.

2. Claims about the relational character of the classes built around these resources: especially skills

3. Is this list exhaustive? Other candidates: information, reproduction/sexuality, job assets (van Parijs)

4. Why restriction to assets in material production: direct control over violence (state) as mechanism of exploitation/appropriation

5. The claim about exploitation itself: problem of distinguishing a) mechanisms which reduce one’s own exploitation, from b) mechanisms for exploiting others. Perhaps skills simply reduce capitalist exploitation = a skilled worker is able to retain part of the surplus he/she produces.
Appendix to Lecture 9

SUPPLEMENTARY NOTES ON THE CONCEPT OF EXPLOITATION

[Note: these more detailed notes were prepared for an earlier incarnation of this lecture, and do not exactly correspond to what I presented in class]

Perhaps the most distinctive property of Marxist concepts of class which differentiate them from various rivals is the link between “class” and “exploitation”. In this lecture we will try to develop a rigorous definition of exploitation and examine the relationship between exploitation so defined and class structure.

Traditionally, the Marxist concept of exploitation has been closely linked to the labor theory of value. In recent years, as we discussed earlier, the labor theory of value has come under considerable attack, and these attacks have called into question the concept of exploitation as well. I will argue that the concept of exploitation need not depend upon the labor theory of value as such and that it is therefore possible to sustain the distinctive Marxist concept of class even if the labor theory of value is abandoned.

What is Exploitation?

As stated in the last session, as a first approximation, exploitation can be defined as a situation in which the exploiter’s material interests are satisfied at the expense of the exploited’s or to state it slightly differently, the welfare of the exploiter causally depends upon the deprivations of the exploited. By this definition simple inequality does not necessarily indicate exploitation. Consider the example of two subsistence farmers on adjacent plots of land. One works hard, one is lazy. At the end of a production cycle was is materially better off than the other, but since there is no causal relationship between their welfares, this would not count as an instance of exploitation.

There are, however, certain problems with this preliminary definition. In particular, this definition does not consistently distinguish between a strictly redistributive problem and a real causal connection between the welfare of the exploiter and the exploited. For example, suppose that there is limited good land, and some subsistence farmers take all of the good land and prevent landless peasants from getting access to fertile land. The property-owning farmers’ welfare is at the expense of the landless, but would we want to say that they also exploit the landless? Or, to take another example, suppose workers organize to obtain job and wage security, which means that in a period of high unemployment employers are unable to lower their wages and hire more workers. There is a sense in which the welfare of the employed workers is at the expense of the deprivations of the unemployed, but again, do we want to say that unionized workers actually exploit the unemployed?

These difficulties can be overcome by modifying our initial definition. In the revised definition, exploitation must satisfy two criteria: (a) the exploiting group benefits at the expense of the exploited group, and (b) the exploiting group appropriates at least some of the fruits of the labor of the exploited group. With the addition of the second criterion, neither the landless...
peasant nor the unemployed are exploited. Criterion (a) alone defines what I call economic oppression -- imposing economic harm on someone else for one's own benefit. Exploitation, then is economic oppression + appropriation.

What is added by the second criterion? The key issue is that the second criterion establishes a powerful interdependency of exploiter and exploited: exploiters need the exploited, and generally -- as we shall see -- the exploited need the exploiters (because the exploiters own and control necessary conditions of production). Economic oppressors who are not also exploiters do not need the economically oppressed. The small farmers and the employed workers in the above examples would be happy for the landless peasants and the unemployed to simply disappear. Oppression is consistent with genocide -- eliminating the oppressed; exploitation is not.

This distinction between economic oppression and exploitation is illustrated by the difference between the white settler colonies of North America and Southern Africa. In North America, in general, European settlers economically oppressed the indigenous population but did not exploit them, whereas the white settler colony of South Africa, systematically exploited the black population. As a consequence, extermination of the native populations was the pervasive policy in North America whereas domination and control was the central objective in South Africa. The South African white exploiters need and depend upon black workers, whereas American white exploiters did not depend upon native Americans.

The source of the interdependency between exploiters and exploited is that the welfare of the exploiters causally depends upon the work and effort of the exploited, not just the misery of the exploited. And this dependency of exploiters on exploited means that systems of exploitation (unlike sheer oppression) almost invariably require at least some minimal consent by the exploited to their own exploitation. Human individuals always maintain some control over their own effort, over how hard and consistently they expend their physical and mental energies. Insofar as the material interests of exploiters depend upon such effort, those interests will be enhanced if the exploited minimally consent. Stable systems of exploitation will therefore tend to develop political and ideological mechanisms capable of eliciting this kind of cooperation.

The Traditional Marxist Account of Exploitation

Material exploitation comes in many forms. One of the central tasks of Marxist class theory is to construct structural typologies of such forms. The underlying theoretical motivation for this task is the claim that since class relations are systematically linked to mechanisms of exploitation, the key to understanding the differences between class structures lies in decoding the differences in mechanisms of exploitation.

How, then, can we distinguish different forms of exploitation? The traditional Marxist answer has been to draw a sharp distinction between exploitation based on extra-economic coercion, characteristic of precapitalist class systems, and purely economic exploitation, characteristic of capitalism. As the story is traditionally told, feudalism is the most important example of the former: surplus labor is appropriated from serfs by physically forcing them to work part of the time on the land of the lord or physically appropriating part of their produce. The surplus is transparent to all actors because it is overtly, coercively appropriated.
In capitalism, in contrast, exploitation is opaque. Wage-earners, work for a wage which is the result of a free market in labor power. The employers combine the labor power they purchase with machines and other means of production to produce goods which they then sell on the market. Out of the price of these goods they pay the workers, replace machines and raw materials and keep what is left over as a profit. All of these transactions occur at prices that are set by an impersonal, competitive market.

To all of the actors concerned, these exchanges have the appearance of being nonexploitative, of simply being the exchange of equals. How then can such a system be described as “exploitation”? The traditional answer Marxists have given has two principle elements: first, there is the claim derived from the labor theory of value that the exchange value of all commodities, including the labor power of the worker, is determined by the amount of socially necessary labor it takes to produce the commodity (see section 10 above); second, there is the claim that when workers sell their labor power on a labor market to capitalists for wages they are forced to perform more labor in the labor process than is contained in the value of their labor power (see section 11). The difference between the value produced by workers and the value of their labor power -- surplus value -- constitutes the basis of capitalist exploitation.

Criticisms of the Traditional Marxist Account

This characterization of capitalist exploitation has always been sharply criticized by non-Marxists, but recently it has come under considerable criticism by Marxists as well. The most familiar criticism concerns the labor theory of value which is not viewed by many as at best a problematic framework for understanding values, prices and profits, and thus it is precarious to use it as the basis for the concept of capitalist exploitation. This need not mean that surplus labor is not appropriated from workers by capitalists, but it does suggest that the labor theory of value is an unsatisfactory way of representing that appropriation.

A less familiar criticism concerns the institutional presuppositions of capitalist exploitation. In the traditional Marxist formulation, the separation of workers from the means of production and a genuine labor market are treated as the institutional preconditions for capitalist exploitation. The decisive mechanism for such exploitation is then located inside of the labor process of capitalist production, where workers are forced to produce more value than they consume. John Roemer, in his path-breaking book *A General Theory of Exploitation and Class*, has systematically challenged this account, arguing that exploitation can occur under conditions within which all of these conditions are violated.

Roemer builds his argument by concocting a number of formal models of economic systems in which one or more of the institutional conditions usually treated as essential for exploitation are missing. He then shows that exploitation -- transfers of surplus labor from one group to another -- can still occur. In particular, he examines two kinds of cases:

*Case #1:* Simple commodity producing society with the following conditions:

a) Everyone has sufficient assets to produce their means of subsistence, but some people have more assets than others, and different commodities are more efficiently produced with labor intensive vs. capital intensive technologies.
b) There is a market for commodities, but not for labor power (no labor market)

c) For simplicity, we assume that everyone wants to have the same standard of living and that everyone wants to work as little as possible to obtain that standard of living. (Other behavioral assumptions can be made and the results still hold, but this is the simplest form of the argument)

With these conditions, then it is possible to show that if the agents are rational -- i.e. they adopt optimal strategies under these conditions -- then the asset poor producers will be exploited by the asset-rich producers. And this is true even though there is no surplus product, no market in labor and everyone owns their own means of production! Why? Roemer provides the technical argument, but the intuitive basis is this: the prices of the commodities in this system reflect the socially average conditions of production, which means that the prices of commodities produced with capital-intensive technologies will be above the labor time it takes to produce them and the prices of commodities produced by labor-intensive commodities will be below the labor time it takes to produce them. This is what is called “unequal exchange” -- it means that the asset rich benefit from the poverty and effort of the asset poor. If the poor were to disappear, the rich would have to work longer hours to obtain the same standard of living.

Case #2: Commodity producing societies in which there are either labor markets or credit markets and in which the following conditions hold:

a) There are three kinds of people: people with sufficient assets that they need not work; people with some assets; people with no assets.

b) In one society there is a market in labor power; in the other there is a market in credit.

c) There are the same behavioral assumptions as in previous case.

Given these assumptions, individuals in each society will make basic economic decisions: in the labor market society, whether to sell one’s own labor, hire the labor of others or neither; in the credit market society, whether to borrow capital, lend capital or neither. These decisions define what kind of class positions people end up in. The analytical task in investigating these models is then to understand two relationships: first, between asset holdings (property rights) and class; and second, between asset holdings and labor transfers. Roemer’s most important general conclusion from this analysis is that these two relationships are isomorphic, that is, there is a one-to-one correspondence between the mapping of asset holdings into class positions and asset holdings into exploitation positions. This result he terms the Class-Exploitation Correspondence Principle (CECP). These correspondences are illustrated in the table on page #.

Roemer’s formal mathematical analysis of the relationship between property, class and exploitation has a number of powerful implications. First, while class and exploitation are tightly related, exploitation is not part of the definition of classes. The linkage between class location within the social relations of production and exploitation is a deduction rather than part of the definition of class itself. Second, the labor market is not the most fundamental mechanism for exploitation as such. The critical issue is the separation of workers from the means of production and thus the necessity for them to enter into some kind of exchange relation -- labor market or credit market -- with owners of the means of production. Finally, the labor process itself is not
part of the definition of class or exploitation: domination \textit{at the point of production} (in the labor process) is not central to the basic logic of the concepts.

This does not mean that domination in the labor process is empirically unimportant for understanding exploitation and class in actual capitalist societies. It could well be under given historical circumstances that the decisive issue for capitalists is control over the labor process as a way of insuring surplus extraction. The point is simply that such control is not logically entailed by the very definition of exploitation. This is a similar situation to Marx’s argument that in analyzing capitalist competition and its distributational effects it was legitimate to assume away fraud and cheating among capitalists, even if these were empirically important. Fraud and cheating could be assumed away because they were not logically necessary for understanding the mechanisms of competition. In the case of the labor process, to claim that we can ignore domination within the labor process in our logical analysis of the concept of exploitation implies that we can assume away “cheating” by workers -- i.e. not delivering the amount of work that they promise in the labor contract.

\textbf{Towards a General Theory of Exploitation}

Once the labor theory of value is rejected as the appropriate idiom for exploring the problem of exploitation, some kind of alternative strategy is needed. Roemer has proposed a strategy which uses various elements of mathematical game theory for testing the exploitative nature of various kinds of economic arrangements. While this device is not without its own problems, it does constitute a promising framework for developing a rigorous theory of exploitation.

The basic idea is as follows: imagine that we have two players, A and B, in an economic game. What does it mean to say that B exploits A in this particular game? Roemer argues that to say B exploits A implies that several conditions hold:

1. There must be some alternative game within which A would be better off. It makes no sense to say that A is exploited if under all conceivable alternatives A would be no better off.
2. B would be worse off if A withdrew from the initial game into the alternative game.
3. B would be worse off if it withdrew to this alternative under the same conditions as A.

These three conditions are meant to convey the basic idea that B exploits A when B’s welfare is at the expense of A’s welfare. The analytical strategy is then to construct different kinds of counterfactual alternatives as a test if this is so. (Note that in the terms of the second approximation definition of exploitation discussed above, the kinds of counterfactual tests proposed by Roemer only demonstrate economic \textit{oppression} rather than exploitation. All that is being tested is the fact of interdependency of interests, not the dependency of the exploiter on the effort of the exploited. To establish the claim that these oppressions are genuinely instances of exploitation, therefore, we have to look at the concrete social relations within which they take place for evidence of real appropriations of the fruits of labor).

Within this analytical strategy, different systems of exploitation can be defined with respect to the nature of the coalitions involved (the A and B in the game) and the nature of the
withdrawal rules to alternative games. Roemer uses this logic to define three types of exploitation: Feudal, Capitalist, Socialist.

**Feudal exploitation.** In feudalism, serfs own their own land and tools and, as the conventional story goes, they are coercively forced by the lord to hand over part of the surplus. The counterfactual alternative used to test for feudal exploitation, Roemer argues, is a withdrawal rule in which peasants leave the game of feudalism with their *personal* assets. If they did so, they would be better off, lords would be worse off, and lords would be worse off if they withdrew with the same conditions. To test whether or not a particular group of people is feudally exploited, therefore, we ask the following question: would the members of the group be better off and they compliment be worse off if they left the existing game with their personal assets.

**Capitalist Exploitation.** In contrast to feudal exploitation, capitalist exploitation is tested by a withdrawal rule in which a coalition withdraws with their *per capita* share of “alienable assets” (capital in the usual sense -- land, machines, raw materials) rather than simply their personal assets. In the alternative game, socialism, everyone has one “citizen-share” of the means of production. With this criterion, propertyless wage-earners (workers) are exploited by property-owning capitalists.

If one accepts these definitions of feudal and capitalist exploitation, then the traditional claim by neoclassical economists that there is no exploitation in capitalism becomes equivalent to the claim that feudal exploitation is absent in capitalism. Workers in capitalism are *not* feudally exploited since they would be worse off if they left the game of capitalism with their personal assets.

**Socialist Exploitation.** Socialist exploitation is the hardest to specify and the least fully elaborated in Roemer’s analysis. It is tested by the withdrawal rule of a coalition leaving the economic game with its per capita share of “*inalienable* assets” (skills, knowledge), rather than *alienable* assets. The alternative game, then, is “communism” in which distribution is according to need rather than according to ability.

This definition of socialist exploitation implies that ownership of skills/knowledge can be the basis for exploitation, i.e. for the appropriation of part of the surplus by skill-owners. The basic mechanism is that skill owners are able to obtain wages above the costs of acquiring their skills. This constitutes a “monopoly rent” component to the wage, a component which is both at the expense of unskilled workers and dependent upon their effort. In these terms credentialing becomes a particularly an important institutional mechanism for safeguarding skill-based exploitation. Credentials are what gives skill the property-like character that makes skill-exploitation possible.

**Extending Roemer’s Analysis**

One way of reformulating Roemer’s basic insight is as follows: Both exploitation and class relations are rooted in the way economic agents monopolize the control over different kinds of essential productive assets. The control over these assets generates two phenomena: 1) a structure of social relations linking those owning these assets to those who do not own them; 2) a pattern of transfers of labor and products -- the surplus -- from those who do not own the assets to those who do.
Roemer discusses two assets: alienable and inalienable assets (means of production and skills and/or knowledge). I want to extend his analysis by adding two more assets: labor power assets and what I will call organization assets.

**Labor power assets.** Instead of regarding feudal exploitation as extra-economic, feudal exploitation can be understood as exploitation based on the ownership of labor power assets. In classical feudalism, serfs and lords jointly own the labor power of the serf. Slavery, then is just the limiting case where the slaveowner has absolute property rights in the slave. When the lord insists that serfs work part of the week on his land, he is simply deploying productively an asset which he owns. When serfs flee the land for the city they are breaking the law because they are stealing property from the lord -- labor power. The appearance that this exploitation is founded in extra-economic coercion, therefore, comes from the particular nature of the productive asset that is the basis for exploitation. Just as extra-economic coercion is needed to prevent workers from stealing the property of capitalists, so it is needed to prevent serfs stealing the property of the lord, but since they are themselves the property of the lord, this means that coercion becomes much more closely tied to them as persons.

In these terms, the bourgeois revolutions can be viewed as radical revolutionary redistribution of property rights in labor power assets. Under conditions of “bourgeois freedom” every owns one unit.

**Organization assets.** Organization assets are based on the productive power of an interdependent complex division of labor. The control over the division of labor, or what is often called the work of “management” is thus the control over a productive asset. Managerial hierarchies the social form through which these assets are controlled in capitalism. The claim that these assets constitute the basis of exploitation implies that, by virtue of controlling the organizational resources of production, managers are in a position to appropriate part of the surplus produced by workers.

The monopolization of organizational assets, particularly when concentrated in a centralized state apparatus, constitutes the basis for class relations in state bureaucratic socialism. These are societies within which capitalist exploitation has been largely eliminated. Private ownership of the means of production is at best a marginal phenomenon. But the unequal distribution of control over organizational assets and the accompanying capacity to appropriate the surplus remain a central feature of these societies. Elimination of such exploitation requires a radical redistribution of these assets which in turn implies a fundamental democratization of organizational control.

Adding labor power assets and organization assets to the two assets included in Roemer’s analysis, we can generate a general typology of forms of exploitation and class relations. This typology is presented in the table on page # in *Classes*. It will provide the conceptual framework for developing a concept of class structure at a middle level of abstraction in the next lecture.

**Troublesome, enduring problems**

The reconceptualization of class and exploitation represented by this extension of Roemer’s property rights approach offers, I believe, the most coherent and powerful way of grounding these concepts. Nevertheless, it is not without its problems. As in most processes of complex
concept formation, every new innovation raises new problems, new difficulties to resolve. Ultimately these difficulties may provoke a new round of reconceptualization.

In terms of the concepts we have been discussing, four problems seem particularly pressing:

1. **The ownership of organization assets.** In the case of labor power, capital and skill assets there is a fairly clear sense in which one can describe these assets as “ownable”, and thus a clear meaning of property rights with respect to the asset in question. This is not the case for organization assets, and thus I have had to shift the language linking exploiters to this asset by talking about the “control” of the asset rather than its ownership.

   The shift from ownership to control creates a conceptual asymmetry in the logic of the class analysis built up around these asset-exploitation mechanisms. This may, of course, be mainly an aesthetic problem, making the concepts in question less tidy. But it may also signal that organization assets should not be included in the list on an equivalent standing with the other assets.

2. **The relational character of classes and skill exploitation.** The concept of class structure as we have been developing it involves the correspondence between two elements: a mechanism of material exploitation and a distinctive kind of social relation of production. Such a correspondence can be observed in a fairly straightforward manner in the case of three of the assets we have been discussing: lords and serfs are relationally defined with respect to exploitation based on ownership of labor power assets; capitalists and wage laborers are relationally defined with respect to exploitation based on ownership of capital assets; managers and workers are relationally defined with respect to exploitation based on organization assets. It is much more difficult to define an analogous social relation of production binding together skill exploiters and the unskilled exploited. In capitalism, both skilled and unskilled workers are in a determinate social relation to capitalists, but not to each other. This does not imply that skill exploitation itself does not exist, but it does call into question treating such exploitation as a distinctive basis for class relations as such. It might be the case, for example, that skill exploitation should be seen as the basis for distinguishing strata or fractions within classes, but not classes as such.

3. **The exhaustiveness of the list of assets.** The list of assets and associated exploitations we have been discussing bears a close correspondence to the classical typology of historical forms of society in historical materialism. Each of the assets in question have a claim to providing the central key for understanding a distinctive form of class society, and this could be a basis for closing the list: an exploitation asset could be admissible into the inventory of class-exploitations only if it also could constitute the material basis for distinguishing a “mode of production”.

   This strategy for closing the inventory of potential exploitation assets for class theory, however, presupposes that one have real confidence in the typology underlying historical materialism, and as I suggested in the earlier analysis of the theory of history, many Marxists today no longer accept this aspect of classical Marxism. If this typology of social forms is abandoned, then it is hard to see on what basis the inventory of assets could be closed. Several other assets, in fact, might potentially constitute the basis for distinctive kinds of class relations.
In particular, it is worth considering the following possibilities: information assets, biological reproductive assets and job assets.

**a. Information.** Many people have characterized the present period as the “age of information”. In a society within which information was a crucial force of production, conceivably control (or ownership) of information could constitute the basis for both exploitation and class. Information control is quite distinct from either organizational assets or skill/knowledge. Organizational assets imply a position of decisionmaking responsibility within a complex division of labor; knowledge or skill assets imply restriction on the supply of training available for develop particular kinds of labor power. It is possible to control information without having any organizational assets or skill assets. A simple example is the possession of a “secret” (from industrial espionage, for example) or “insider information” (on the stock market), which the possessor may not understand at all and yet realize that it is valuable. Control over information flows, therefore, could conceivably become a basis of exploitation and class quite distinct from any of the other assets we have been analyzing.

I do not think that such arguments are particularly persuasive. In general, the control over flows of information is so closely tied to either organization or skill (knowledge) assets that it seems unlikely that it constitutes an genuinely independent basis for exploitation and class. This does not mean that logically it could never become such a basis, but it does not seem to be such a basis in the world today.

**b. biological reproduction.** If Labor power is a force of production, then the means of production of labor power would also be a productive resource. The control over the means of production of labor power, or perhaps less formally, of “people”, could therefore be a basis for material exploitation and class relations. Many feminists, in fact, have argued precisely this: that the control over biological reproduction is indeed a mechanism through which men exploit women and should be treated as the basis for a gendered class relation. (For an elaboration of this kind of argument, see Gerda Lerner, *The Creation of Patriarchy*, Oxford University Press, 1985. It is also the basic argument in Shulameth Fierstone’s *The Dialectic of Sex*).

It is certainly possible that control over biological reproduction could constitute a basis for exploitation and class. I do not think, however, that in contemporary capitalist societies it is plausible to describe the complexities of gender relations in these terms. It is not clear that men as such own or control biological reproduction in the sense of being able to use and to dispose of this asset as they wish (in the way that they can use and dispose of their labor power as they wish). And it is not clear that the forms of domination linked to gender in contemporary capitalism are best theorized as class exploitation. We will discuss these issues in more depth in the section of Marxism and feminism.

**c. Job assets.** Philippe Van Parijs has argued in an essay called “A Revolution in Class Theory” in the journal *Politics & Society* that the deepest division of material interests in welfare capitalism is between secure job holders and the unemployed. He then characterizes secure employment as having an effective property rights in “job assets” and thus distinguishes between job-classes on the basis of their ownership of such assets.
Van Parijs’ arguments are interesting, and they do point to an important source of social cleavage in developed capitalist societies. I do not think, however, that this cleavage can properly be thought of as a class cleavage since job holders cannot be viewed as exploiting the unemployed. At most, as I argued earlier, a relation of economic oppression exists between the employed and unemployed, but not exploitation.

4. Nonproduction asset mechanisms of material exploitation. One of the restrictions on the concept of class that has been assumed throughout this analysis is that classes must be defined by social relations of production. It could be argued, however, that the critical element in the definition of classes is that they simply be relationally defined categories linked to a mechanism of exploitation, whatever that mechanism might be. In particular, exploitation can be based on the control of the means of repression, particularly the state, rather than the means of production.

The state is implicated in exploitation in two quite distinct ways. First, the state is the guarantor of property rights. In capitalism it uses its legal and coercive apparatus to protect capitalist property rights and thus make possible capitalist exploitation. But the state can also directly appropriate the surplus through taxation or other means. In such cases, one could argue, the control over the means of repression directly constitutes a mechanism of exploitation, and the controllers of these means of repression would accordingly constitute an exploiting class.

Why, then, should the admissible mechanisms of exploitation underlying the constitution of classes be restricted to mechanisms rooted in production? I do not have a fully adequate answer to this question, and perhaps it would be a useful conceptual move to expand the horizons of the class concept by including all possible mechanisms of material exploitation (whether or not the mechanisms themselves were linked to production). My fear is that opening up the concept of class in this way would dilute its theoretical coherence and explanatory power. Class struggles would no longer be primarily about reorganizations of economic structures as such, but about all possible social transformations with distributional effects. At this point I am not convinced that this would add anything to the explanatory power of the concept, and thus I resist this theoretical move.