

# Needs Exploitation

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**Abstract** Sweatshop labor is often cited as an example of the worst and most pervasive form of exploitation today, yet understanding what is meant by the charge has proven surprisingly difficult for philosophers. I develop an account of what I call “Needs Exploitation,” grounded in a specification of the duty of beneficence. In the case of sweatshop labor, I argue that employers face a duty to extend to employees a wage sufficient to meet their basic needs. This duty is limited by the degree of the employees’ dependence on the employer for basic needs and a reasonability standard where the employer may remain within a range of well-being between deficiency and luxury.

**Keywords** Exploitation · Sweatshop labor

## 1 Introduction

Sweatshop labor is often held up as an example of exploitation. In its most troubling forms, sweatshop labor can include forced (Varley 1998; Bernsetin 2000) and child (Lopez-Calva 2001) labor, sexual abuse (Varley 1998), and withholding of wages (Bearak 2001). The wrongfulness of these abuses is easy to grasp, involving as they do coercion, manipulation, and outright harm to workers. But the moral status of the long hours and low wages of sweatshop labor apart from these wrongs has proven more difficult for philosophers to grasp.

The buying power of large, Western retailers, in conjunction with local economic conditions, keep the wage levels of sweatshop workers low. The jobs that are available are monotonous, dehumanizing, and often dangerous. Take, for example, the experience of Wang Chenghua, a worker in a box factory in China:

Wang Chenghua learned to work like a metronome. He slipped strips of metal under a mechanical hammer with his right hand, then swept molded parts into a pile with his left. He did this once a second for a 10-hour shift, minus a half-hour lunch....“The

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work is so boring it is almost impossible to keep your mind on it,” Mr. Wang recalled one recent afternoon while resting on a dirty cot in his crowded hospital room. “But if you let your mind wander for just a second, it’s over” (Kahn 2003, p. A3).

In Mr. Wang’s case, his error in forgetting that he was but one piece of the machinery surrounding him resulted in the loss of several fingers; but, even without this loss, he would earn at best cents a day for his long hours of labor.

Yet would-be workers line up for low-wage labor, desperate for the improvement in their lives that these jobs will provide.<sup>1</sup> Given this situation, some philosophers have argued that purchasing goods from sweatshops can be seen as a virtue since these purchases presumably spur greater hiring of those persons most desperate for sweatshop jobs. The argument is simple: “A worker chooses a particular job because she prefers it to her next-best alternative. To us, a low-paying job in Honduras or in Los Angeles’s garment district seems horrible, but for many adults and children, it’s the best choice they have. You don’t make someone better off by taking away the best of her bad options” (Henderson 1996, p. 2). By this logic, anti-sweatshop protesters who advocate shutting down factories paying low wages are dangerously misguided. Therefore, “anyone who cares about fighting poverty should campaign in favor of sweatshops, demanding that companies set up factories in Africa. If Africa could establish a clothing export industry, that would fight poverty far more effectively than any foreign aid program” (Kristoff 2006, p. A21).<sup>2</sup>

There seems to be a tension between decrying the terrible nature of much of sweatshop labor and appreciating the need, even desperation, of many workers for these jobs. Overly broad charges that sweatshop labor is impermissible and exploitative will underemphasize the benefit and relative desirability of these jobs. On the other hand, focusing on the benefit conferred by these jobs seems to give insufficient weight to the moral importance of the dehumanizing form that these jobs can take. While the voluntary nature of this work helps it to avoid certain harms, an account of sweatshop labor should take seriously that sweatshop labor is still one of a very bad range of options for workers.

In this article, I argue that what I call Needs Exploitation is able to make sense of the claim that sweatshop labor can be exploitative while taking seriously the voluntariness of the interactions and potential benefit for workers. This form of exploitation is derived from a specification of the duty of beneficence, where that duty takes a perfect, strict form. The goal of access to the conditions of a decent minimum of welfare for humans—in this case, a wage akin to a ‘living wage’—will create a range of obligations toward meeting that goal. Needs Exploitation takes place when an exploiter gains advantage from an exploitee while disregarding shortfalls in the basic needs of the exploitee which the exploiter has a duty to meet. As I develop it, however, Needs Exploitation is particularly sensitive to morally nonideal conditions. In the context of sweatshop labor, external constraints such as the demand to maintain competitive labor costs will often make fully reaching this goal impractical. In my account of Needs Exploitation, progress toward the goal of a decent minimum that falls short of reaching that goal can be allowed under certain nonideal conditions.

Some mutually beneficial and voluntary interactions are morally wrong, then, even as actions that fall short of the goal of a decent minimum can be permissible. In the second

<sup>1</sup> I will use the term ‘sweatshop’ labor to describe very low-wage labor as this term is typically used both by proponents and critics of low-wage labor. However, nothing morally is meant to hinge on the use of ‘sweatshop’ labor rather than ‘low-wage’ labor.

<sup>2</sup> See also Kristoff and WuDunn (2000) and Krugman (1997).

section of this article, I set aside other understandings of exploitation as missing the special character of the moral wrong in sweatshop cases. I then proceed in the third and fourth sections to describe Needs Exploitation in more detail, with special attention to the ways in which morally nonideal conditions shape the duties of employers to employees. I respond to an objection against my account of exploitation in the sixth section.

## 2 Sweatshop Labor and the Charge of Exploitation

Many philosophers have reflected at length on the notion of exploitation. Here I consider whether their insights are helpful in the case of sweatshop labor. I will mention, in particular, accounts of exploitation as a form of unfairness and an affront to human dignity. These accounts serve as counterweights to moral libertarianism, which holds that the voluntariness of an act shields it from worries of immorality.

One common understanding of exploitation focuses on the *unfairness* of the interaction, particularly the unfair distribution of the benefits created through the interaction. Chris Meyers, for example, gives an account of exploitation in sweatshops where “benefiting can be wrong because it involves unfairly taking advantage of others (or their situation), benefiting from their misfortune, and benefiting disproportionately to their contribution” (2004, p. 324). In some cases, a person is vulnerable to such an extent that the stronger party may demand most anything from her in exchange for an essential good or service. For Meyers, demanding too much in these situations is an instance of exploitation.

Meyers draws an analogy between exploitation in rescue situations and exploitation by multi-national enterprises (MNEs). Just as I would exploit a person stranded in the desert by demanding that I be allowed to sodomize her in exchange for a lift into town (Meyers’ example), MNEs exploit their desperate workers by demanding labor in exchange for very low wages. The analogy between these cases is not meant to rest on a failure in the duty to rescue; MNEs do not have a duty to rescue every poor person in the world in need of well-paying employment. Rather, Meyers claims that each case is “wrong because it is taking advantage of their desperate situation and benefiting disproportionately from their labor. In short, it is exploitation, not harm or failure to benefit” (2004, p. 327). By some standard (which Meyers does not provide), the wages in sweatshops are excessively low and the hours worked excessively high, creating disproportionate gain for MNEs.

While Meyers is able to give voice to the common intuition that MNEs profit unfairly when compared to the benefits gained by unskilled laborers in sweatshops, more would need to be said about the standard of proportionality for measuring fairness. It is not self-evident why disproportionate benefit is a matter of moral concern, particularly when we consider that well-off persons might benefit disproportionately from one another without raising the same concerns of exploitation.<sup>3</sup> Moreover, individuals in desperate situations will often benefit disproportionately when compared to their rescuers, at least by some measures. The stranded woman in Meyers’ example preserves her life at the cost of having a sexual act preformed on her. The woman’s willingness to make this exchange indicates

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<sup>3</sup> Consider that Tim Tycoon might sell an artwork to Bill Billionaire without having it appraised because Tim cannot be bothered to take the time to ascertain its exact value. If Bill benefits disproportionately from the exchange, it does not seem that he exploits Tim, at least not in the same sense that some sweatshop workers are said to be exploited. This case raises the possibility that it is the desperate situation of the workers alone, and not the fairness of the exchange, that motivates concerns of exploitation.

that she values her life a great deal more than she disvalues being made an object of sexual gratification. Similarly, the long lines that form in front of many sweatshops might indicate that these workers put great value on the benefits extended by this work, particularly as it might mean the difference between life and death for these workers.

We can consider a more detailed understanding of exploitation as a form of unfairness in order to see if the concerns about Meyers' account can be addressed. A significant source of unfairness is found in deviations from the market norm, in which one party can take unfair advantage of a breakdown in the functioning of the market. For example, Alan Wertheimer (1996) writes that, when conducting transactions in conditions where the market is not functioning ideally, the stronger party should allow a hypothetical fair market price—the price that a well-informed and unpressured seller would give to a well-informed and unpressured buyer in a competitive market—to determine his asking price.<sup>4</sup> While this hypothetical market price might still not represent a 'just price' in some broader sense of the term, "the competitive market price is a price at which neither party takes *special* unfair advantage of particular defects in the other party's decision-making capacity or special vulnerabilities in the other party's situation" (1996, p. 232). By imagining a more competitive market, one can neutralize any special vulnerability and then charge a competitive price with a clear conscience. We can call exploitation that violates this requirement 'fairness exploitation'.

The trouble with this version of exploitation, for present purposes, is that even extremely low wages will very often be non-exploitative by its standards. Given prevailing trends of labor supply and demand, the market equilibrium point yields very low wages for low-skill labor even in the absence of informational or time pressure distortions. This outcome can simply be a matter of chance, where a large supply of labor dictates against high wage levels in a fair market. But in many cases, wage levels may be affected by a range of background or historical injustices, from trade laws that favor the Developed World to a history of colonialism to aggressive wars. Each of these injustices can depress labor prices in the Developing World, affecting the market price to which "well-informed and unpressured" parties will agree. Whatever the cause, that an exchange is fair in the eyes of the market in no way guarantees that the resulting distribution of benefits will not leave one party without a decent minimum of well-being. Wertheimer's fairness standard will miss these background factors and, more importantly, will miss the intuition that wage levels that fall below a decent minimum—whether "fair" or not—are morally problematic.

This concern need not be the end of the story for Wertheimer's general approach, however. The strategy of adhering to a hypothetical fair market aims to remove the vulnerability of market failures that makes some potentially exploitative interactions possible. We might generalize this strategy, using hypothetical fair interactions as a baseline for removing all worries of exploitation. The aim of this strategy would not be to ensure competitive markets as a means of eliminating exploitation, but rather to eliminate all special vulnerabilities in order to achieve the same end. Whereas the market-based approaches to fairness exploitation ask us only to imagine away imperfections in the market, this wider conception of fairness would ask us to imagine a fully fair or fully just world, by some standard of fairness or justice. Those injustices that have resulted in sweatshop workers being treated unfairly and receiving a lesser distribution of global resources than they ought to could be imagined away to create a 'hypothetical fair world price' rather than hypothetical fair market price.

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<sup>4</sup> David Miller (1987) develops a similar account of exploitation.

Leaving aside the critical and difficult question of what sort of vulnerabilities and unequal treatment should be candidates for elimination under this strategy, it is clear that this approach demands too much of employers (whereas the hypothetical market price stands in danger of demanding too little).<sup>5</sup> The generalized strategy would ask employers to imagine away all of the global injustices that have made their employees poorly educated, largely unskilled, and generally ripe for exploitation, and then set a fair price according to the price that would be reached in this imagined world. If the employer attempts this process he will encounter at least two serious problems.

First, it isn't entirely clear what a world free of the kinds of injustices that make sweatshop workers ripe for exploitation would look like. A sweatshop worker might previously have lived the life of a subsistence farmer and been denied opportunities to develop other, more marketable skills and to explore other forms of life. The causes of this situation are likely to be diverse and not always clear. Farm subsidies in the developed world, international trade regimes, a history of colonization, and the local oppression of women—just to name a few causes—might all contribute to the worker's situation. These conditions all have subtle global effects and in many cases there is controversy as to what exactly their effects are. Therefore, the generalized strategy appears to make exceptionally strong epistemological demands if it requires employers to (1) determine the conditions leading to their employees' particular vulnerabilities; (2) imagine what wages and conditions their employees could demand if these conditions did not obtain; and (3) meet these hypothetical demands in order to achieve a fair distribution of the social surplus.

Second, even if employers are capable of imagining away the many conditions that make their workers particularly vulnerable to exploitation, the resulting moral demands would be extremely strong. If a particular worker were given the wider array of opportunities and resources that, arguably, would be available to her in a fully just world, it is unlikely that she would be willing to engage in fairly monotonous and unrewarding factory labor for anything less than an exceptionally high wage and in particularly enjoyable working conditions. These very high demands will often be impractical, however, in the actual, unfair world in which we live. While I agree that an acceptable theory of exploitation will make some kinds of interactions out of bounds, it would be a troubling result if it declared all or most practical interactions with persons made vulnerable by unjust conditions immoral while placing an enormous burden on employers for rectifying global injustices. The problem with the generalized strategy, then, is that it fails to treat sufficiently seriously the fact that the interactions in question are both voluntary and mutually beneficial. These conditions make it important that some such interactions be allowed, given the benefit they create, even if they are possible only because of unjust background conditions.

Another common account of exploitation is more promising. It looks to the concept of respect for persons, rather than fairness. We might call this kind of exploitation 'dignity exploitation' given its emphasis on Kantian notions of respect for persons based on human dignity. Under this view, the range of options available to a person may be critical to determining when an interaction is exploitative. When a person's range of choices are

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<sup>5</sup> It is for this reason that Wertheimer is resistant to including background injustices in a hypothetical fair market price. As he puts it, "citizens will find themselves in situations in which they can strike agreements that will produce mutual gains. The parties to such transactions may understand that even though some fare less well than others by the appropriate principles of social justice, it is unreasonable to expect the better-off party to repair those background conditions by adjusting the terms of a particular transaction" (Wertheimer 1996, p. 234).

constrained to starving to death or working at a non-living wage, for example, then it is difficult to see how that person has been given a meaningful choice, particularly when the terms of the contract are set by the market (leaving the potential employee only with the ‘option’ of exit and starvation) rather than by the voice and active input of the employee.<sup>6</sup> Onora O’Neill (1985) argues in this vein that the intentions of some employers in situations where they fail to offer decent wages may not appear coercive. Yet, when employers engage in an economic system that allows such ‘unrefusable offers’, they risk acting on coercive or deceptive maxims, masking the terrible quality of the choices available to employees. When we look to the maxims present in the capitalist economic system, the “underlying principle of capitalist employment, whatever that may be, might be judged to use some as means or to fail to treat them as persons, even where individuals’ intentions fail in neither way” (1985, p. 274). The employer who refuses to offer a living wage, then, potentially wrongfully takes advantage of his employees.

Helpful as the move to respect may be, dignity-based theories of exploitation are often problematic. O’Neill, for instance, seems to stretch the notion of coercion too far, missing the moral importance of how sweatshop interactions can be perfectly rational and meaningfully voluntary, at least when compared to a standard understanding of coercion. If, instead, we put aside worries about the language of coercion and focus on the more classical notion that such employment terms treat employees as a “mere means” to the employer’s ends, vagueness looms. Loose talk of failures of respect will not, alone, do much to illuminate the wrongness of exploitation. That is, calling exploitation an indignity to workers or a failure of respect does little to explain why employers, particularly, have strong duties to their employees, or why a particular wage level is owed to one’s employees.<sup>7</sup>

Furthermore, as applied by Kantians (perhaps influenced by Kant’s own tendencies towards absolutism), accounts of dignity exploitation tend toward a worrisome idealization of the duties of employers. Denis Arnold and Norman Bowie (2003), for example, argue on Kantian grounds that a decent minimum for workers requires at the very least a living wage for workers—that is, a wage that allows workers to rise above the local poverty level and to meet their food and ‘non-food’ needs, including shelter, transportation, health care, and a minimal education. They interpret a living wage for employees as a perfect obligation, where doing anything less than to meet this requirement is to fail to respect employees as ends in themselves.

But a strict requirement of this kind gives credence to the moral libertarian’s charge that those condemning sweatshop labor insufficiently stress the benefits created by these jobs, and the costs that can accompany mandating a living wage. Imagine a sweatshop case where granting a living wage will hamper the development of the local community over the long term by reducing its comparative advantage in labor costs. Arnold and Bowie would sanction proceeding with the employment at a living wage level despite the negative effect that employment will have on the other members of the local community. These indirect consequences, though foreseeable, they maintain, are not the responsibility of the employer and thus should not affect the permissibility of the interaction. If the employer is bothered by the consequences of her action and wishes to pursue interactions that will not have these effects, she must abandon any hope of employing workers in the developing community, or

<sup>6</sup> Calculating a living wage is difficult, but not impossible. The Workers Rights Consortium (2008), for example, has developed country specific living wage calculations, including access to basic levels of nutrition, housing, energy, clothing, health care, education, potable water, child care, transportation, and savings.

<sup>7</sup> Ruth Sample (2003) uses this language in her account of exploitation.

at least doing so in a manner that respects them as ends in themselves. Even if the employee wishes voluntarily to enter into an interaction at the market rate and would greatly prefer it to no interaction at all, under this account the employer is forbidden from engaging in such an interaction.

I want to argue that progress can be made toward understanding charges of exploitation in sweatshop labor if we turn to a different variation of dignity exploitation that shares its philosophical roots while attempting to avoid the mistakes of the aforementioned approaches. A wide variety of moral theories can agree that others' basic needs exert some sort of claim on us; we face, as Kant might put it, a duty of beneficence in addition to other duties of non-interference. I want to argue that a proper understanding of this duty—often considered to be a broad and imperfect one—in fact helps to ground and specify a set of constraints, over and above the constraints against coercion and manipulation, that wealthy employers face when setting the terms of transactions.

### 3 Needs Exploitation

The goal of a decent minimum of well-being for all persons is based on a core intuition that we all should have access to the basic goods necessary to live a distinctly human life. This notion of a distinctly human life views humans not merely as driven by inclination, but as capable of forming and acting on a conception of the good life. In order to form a conception of the good life, human animals will need support in a variety of dimensions of well-being, including, to name a few, bodily support, minimal education, and freedom from subordination. In general, we will appropriately value a distinctly human life for all when we understand humans as not merely animals but human animals with the potential to endorse ends beyond those of immediate use to survival or those proposed by instinct. Actions that fail to respect this kind of life in others will not value humans appropriately. While moral libertarians will not be able to endorse the constraint placed on our actions by the goal of a decent minimum for all humans, a great many other approaches will endorse some form of imperfect duty of aid, charity, or beneficence with this goal in mind.

What are the basic needs of a distinctly human life, then? There will certainly be disagreement in the details, but a broad consensus can focus on the common biological and psychological characteristics of human persons. Thomas Hill, for example, notes that at the center of a rational, human life is the idea of a life over which one has a meaningful degree of control. Without the goods necessary for such a life, the circumstances into which a person is born can constrain her capacity to choose her own ends. As Hill says, persons

[m]ight be severely confined in the choices they could make by widespread poverty, disease, overpopulation, and absence of technology and culture. Even if it is no one's fault, when one has to labor in the fields all day to survive, one has little opportunity to live *as* a rational person controlling his life. The choice to labor may be perfectly rational, of course; but it may be almost the only rational choice one has a chance to make. Harsh conditions also restrict the range of morally permissible choices: one cannot do philosophy if one must mine coal to feed one's children. Opportunities to live an ideally rational life may be further restricted by pointless role-expectations, conformist attitudes, and the lack of what Mill called "experiments in living." And even though one may be able to select from many brands of soup and cosmetics, if communal values are lost in a capitalistic society then more significant options are effectively closed (1991, p. 36).

Human persons are to be understood as embedded within environments that can constrain their opportunities to act as rational choosers of ends. No matter what conditions we might be born into, all human beings will share this basic vulnerability and a set of basic needs by virtue of being human.<sup>8</sup>

Ordinarily, the basic needs of others guide an imperfect duty to help them to achieve the decent minimum for living a distinctly human life. Given the imperfect form of this duty, individuals will have considerable leeway in determining when and where to direct their resources toward supporting this decent minimum. But, when we enter into a relationship of use with a particular person who has such deficits in her well-being, the general duty of beneficence, I want to argue, takes on a more specific shape.

Consider Bill, a billionaire industrialist. Like the rest of us, Bill has a general duty to aid the poor of the world; he should contribute to charitable causes and support efforts to better the conditions of others. He runs a company manufacturing widgets in the Developing World. Bill's relationship with his workers allows him to earn profits sufficient to support a life of great luxury for himself. Furthermore, Bill pays his employees very little, consistently using the bargaining advantage created by a high local labor supply to keep his employees' wages very low. In this case, Bill responds inappropriately to the desperation of these particular persons, treating them as mere instruments of profitability. While the global poor may depend on many for general aid, Bill gains from the labor of these persons in a way that privileges the attainment of additional riches over the alleviation of their misery. Bill, in short, seems to elevate his own desire for luxuries over the basic needs of his employees.

The perfect form of the duty of beneficence relies, I am claiming, on connections to particular others through our roles and relationships, where a general disregard for the needs of humanity becomes a disregard for the needs of particular others. This disregard can take the form of a use of another as a mere means, where a particular person's needs are disregarded in preference to an overriding concern with the benefit to oneself that can be derived from one's interaction with her. In this way, the general duty to support the basic needs of others becomes more concrete through a process of specification, such that the once general duty is now owed, with specific content, to particular others.

In the case of employment relationships, in short, employers do not simply have an imperfect duty to help some of their employees to achieve a decent minimum some of the time; rather, employers are required to cede as much of their benefit from the interaction to their employees as is reasonably possible toward the end of the employees achieving a decent minimum standard of living.

<sup>8</sup> For some well developed lists of basic needs, goods, or capabilities see, for example, Martha Nussbaum (2000) and Madison Powers and Ruth Faden (2006). Two methods of justifying a list of basic needs are dominant in the literature. First, our basic needs might be a matter of objective truth, based on the nature of human beings. Barbara Herman, for example, discusses 'true needs' in Kant's work, based on the centrality of rationality to humans. As she puts it, "a person's true needs are those which must be met if he is to function (or continue to function) as a rational, end-seeking agent..." (1984, p. 597). Second, the content of our basic needs might be established through a consensus among people with differing conceptions of the good life. Martha Nussbaum (2000), for example, justifies her capabilities list through an overlapping consensus and Nancy Fraser (1989) stresses the importance of dialogue for resolving conflict regarding needs. Thomas Scanlon (1975) discusses both justifications for determining the urgency or importance of preferences. In terms of the content of a list of dimensions of and needs for well-being, it is not clear that these two approaches will differ greatly, and I am agnostic as to which mechanism should be used. For general discussion of the moral demands created by basic needs, see Gillian Brock (1998), Garrett Thomson (1987), and Soran Reader (2005).



But what does “reasonably possible” mean? Just how demanding are the duties employers face? If the duty under consideration here required that all employment interactions fulfill every basic need an employee might have, it would be a very strong duty indeed—requiring, apparently, that I provide health insurance, a pension plan, continuing education benefits, and a bus voucher to a neighborhood kid I hire to wash my car. We can limit the degree to which an interaction must benefit another by certain measures of what it is reasonable to expect from the relationship.

The first measure relevant to determining reasonability, I would like to argue, is the prospective dependence of person B on A for some need X. By ‘dependence’ I do not mean that A is the sole means of support for B in X, but rather that, through the relationship, X would expect to receive all or part of its support, and B expects that, if A did not provide this support, these needs would not be met. This dependence will be determined in large part by the kind and duration of the relationship within its contextual setting. For example, Carl might provide for all of Diana’s material needs through the relationship (e.g. Carl is a full-time employer where the state provides no support), share provision with others (e.g. Carl is a part-time employer), or provide no direct provision (e.g. Carl is an employer where the state meets all basic needs through corporate taxes). This restriction follows from the specification of the general duty of support for basic needs to some particular other person. The degree to which this specification makes a person responsible for another’s well-being will be determined by the degree to which the relationship marks a dependence of one person on another.

There is a wide literature discussing what factors within relationships determine degrees of dependence and specify the duty of beneficence. For example, Soran Reader (2003) focuses on ‘real connections’ between people, which can be made up of presence, biology, history, practices and shared activities, shared environment, institutions, and shared projects. The ethics of care generally advocates a “heightened degree of attentiveness to those present in our moral lives” (Miller 2005, p. 156). Eva Kittay speaks of “responsibilities to others with whom I stand in specific relations” as defined by dependency and situated within a practice (1999, p. 28). Jeremy Waldron (2003) shifts attention away from antecedent relationships and practices, instead focusing on the ways in which proximity generates special relationships and responsibilities. Proximity is of moral relevance, Waldron argues, because it creates the concrete recognition of the needs of another as well as the recognition of her standing as a moral subject.

Without ignoring the significant disagreements between these accounts, they do signal areas of consensus among ‘partialist’ ethical theories. These theories all maintain that connections and dependencies justify the partial treatment of those with whom we are in relationships. Specifically, they agree that longer and more intimate relationships generate greater demands on one’s own resources for the care of and concern for these other persons. This point explains why a one-off employment relationship will tend to create lighter demands on employers than part-time employment. In turn, part-time employment will tend to create lighter demands than full-time work in which all of the employees’ basic needs are expected to be met through the relationship. Similarly, the relatively impersonal connection typically created between employer and employee will tend to create lighter demands than deeply intimate and ongoing relationships like those between parent and child or spouses. Whereas an employer need not necessarily concern herself with the emotional wellbeing and needs of her employees, these more intimate relationships generate a wider range of demands for support. Context will be crucial in each case when determining the precise specification of the duty of beneficence.

It is also important to note that the prospective dependence will be determined, in part, by role norms, and that those norms can be suspect. If my society says that I should be able to rely on my wife to provide all my dinners and a clean house, I may *feel* dependent on her to do so; such norms, though, are arguably deeply suspect. Whatever my expectations of her, she would not exploit me by failing to meet my every need in these areas. The baseline for determining when Needs Exploitation takes place, then, will be restricted by the normatively adjusted prospective dependence of B on A for X.

But even if we constrain the duty of employers to meet the basic needs of employees based on the employer's role, external constraints on the employer's actions can still make meeting this goal in its entirety difficult or impossible. In particular, employers in the global marketplace may not be able to raise labor costs while remaining competitive, or may be able to do so only by sacrificing profits to the extent of reducing their own well-being below levels of flourishing we may regard as reasonable—sacrificing important aspects of their own well-being rather than their superfluous riches. Thus, we can further limit the duty of employers by reference to a limit of how much we can reasonably ask A to sacrifice in ceding the gains from an interaction to B. I would like to argue that A should be permitted to retain the means to live a flourishing life. This requirement does not demand that A cede benefits to B to a point that drops A below the threshold of well-being for a given dimension of flourishing; more than that, it does not require A to cede all benefits down to that threshold. Rather, the various dimensions of well-being will admit of degrees between a deficit, flourishing, and excess, and A is required only to cede those shares of gain that would fund her access to the last.

Put another way, at the upper end of flourishing, a threshold point will mark the distinction between flourishing and excess or luxury, while at the lower end a threshold point will mark the distinction between flourishing and deficiency or poverty. What counts as a luxury is, of course, a matter that is the subject of much debate. Just as different philosophical camps will tie the threshold point for *deficiency* to different theories—the metaphysical nature of humans, a consensus among persons with differing conceptions of the good life, and the like—the same is true for determining the threshold point for *luxury*. And as with claims about the threshold for deficiency, my aim here is not to enter into the debate of details, important as it is in its own right; rather, my point is to urge that the category is a key one, and that consensus will likely emerge around its more dramatic instances. At some point, goods that gild rather than facilitate a rational, human life will fall into the category of opulence; adding to one's own well-being at the expense of others attaining their basic needs is inconsistent with an appropriate regard for others as moral equals. Below this threshold for luxury, flourishing in one's own life, understood as living within the range between poverty and luxury rather than hovering always just beyond the point of poverty, is instrumentally valuable toward understanding the needs of others and value of flourishing in their own lives. Through experiencing and *enjoying* a flourishing human life, a life with the freedom and space in which to conduct experiments in how to live and what to value, one gains not only the fortitude to carry out the work of extending the means to live such a life to others, but also the means fully to appreciate the worth of such a life for all.<sup>9</sup> Whatever the line between flourishing and luxury, we can unite in the

<sup>9</sup> As Barbara Herman puts it, "Enjoyment is not a kind of minimum wage to keep moral workers happy so that they won't go on strike. The thought is rather that unless one is willing and to some degree able to enjoy life, one cannot appreciate and so correctly evaluate the range of human concerns. One will not make wise judgments about either one's own needs as an agent, or about the happiness of others" (2002, p. 242).

concern that many employers attain luxuries to the point of opulence while their employees wallow in conditions of mere subsistence. An expensive dinner for prospective clients might reasonably fit within the demands of competitiveness, but gold-plated sinks are much less likely to do so.<sup>10</sup>

While I have used examples of individual factory owners and managers in order to simplify my discussion, it is important to note that large MNEs will spread connections between armies of employees, managers, and shareholders spread across large bureaucratic structures. Organizational complexity will dilute the moral force of relationships, reducing the duration and frequency of contact with employees and diminishing the power to set wages and determine working conditions. In these cases, weaker relationships of dependency will coincide with less specification of the duty of beneficence for many members of the MNE.<sup>11</sup> But on aggregate, the actions of individuals spread throughout the structure of a very large MNE can have a significant impact on the welfare and working conditions of employees. Even these weaker responsibilities must be taken seriously given the importance of the actions of individual managers and small shareholders on the whole.<sup>12</sup>

An additional worry created by this diffusion of connections is that the wealth created by MNEs will be diffused as well. If so, the profits of publicly owned MNEs will be spread amongst a myriad of managers, employees, and stock owners, many or most of whom will fall below the threshold point of luxury. Individuals that do not achieve luxurious wealth will not have a perfect duty of beneficence to aid the MNE's workers, and therefore would not count as exploiting them on my account. Meanwhile, the relatively few beneficiaries of privately owned companies would be more likely to face the requirement of a perfect duty of beneficence given the concentration of wealth in fewer hands. Large, publicly held MNEs would therefore have an advantage over single-owner companies that seek to avoid exploiting their workers as the MNEs would have to direct a lower proportion of their profits to workers in order to avoid charges of exploitation. This advantage would allow non-exploitative MNEs to displace privately held companies, resulting in lower, though still non-exploitative wages, for workers.<sup>13</sup>

There are several possible responses to this concern. First, while smaller stockholders and middle managers in MNEs may not break the barrier into luxury, the duty not to exploit workers is not a complete description of the moral duties of these individuals. Individuals who benefit from unjust social institutions may have a forward-looking, 'political' responsibility to reform these institutions.<sup>14</sup> Even managers and stockholders who do not

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<sup>10</sup> Of course, the purchase of gold-plated sinks may be important to the flourishing of the manufacturers of these sinks and their employees. One can imagine cases where the purchase of luxuries might be justified as the best means of pursuing the goal of minimal flourishing for all. A 'trickle-down' justification of luxuries, however, would depend on the dubious claim that purchasing these goods is a more efficient means of promoting flourishing than direct benefits to one's own employees or indirect giving, such as a donation to a need-based scholarship fund.

<sup>11</sup> Notable exceptions will include members of the boards of MNEs and large shareholders.

<sup>12</sup> Shareholder responsibility movements have focused on harnessing the power of small investors to force votes on resolutions requiring more socially responsible conduct from recalcitrant MNE boards. See, for example, G. Jeffrey MacDonald (2006).

<sup>13</sup> My thanks to an anonymous reviewer for raising this objection.

<sup>14</sup> Iris Young (2004) argues that the responsibility to bring about just social institutions is determined by factors of connection, power, and privilege. If so, the many individuals connected to MNEs will all have a responsibility to bring about just institutions in the future.

cross the line into luxury might have a duty to work toward changes in domestic regulations and global trade laws that leave many workers below a decent minimum for living a flourishing human life.

Second, even though large, publicly held MNEs will distribute wealth over large groups of people, they will tend to generate more income than smaller, privately held companies; therefore, they will have more money to distribute in the first place. It is not clear that the greater diffusion of profits in large MNEs will coincide with a lower proportion of individuals crossing the threshold into luxury. More importantly, those persons within MNEs with the greatest influence over the company's policies—notably the largest shareholders and members of the board of directors—will tend to receive the highest proportions of profits and income from the MNE. This factor reduces the practical distinction between the conduct of non-exploitative, privately run companies and large, publicly held MNEs. Even if privately owned companies are displaced by larger MNEs, there is little reason to think that this shift would represent a weakening in the duty of beneficence directed toward workers. In fact, given the greater profits generated for the most powerful members of these companies, there is some reason to think that the demands of beneficence may be greater for these individuals.

#### 4 Exploitation in a Messy World

In the preceding section I have argued that employers may not finance opulence, at least, at the cost of subsistence wages for their workers. But now consider Debbie, a manufacturer of low-end widgets. The jobs in her factory require few skills, local unemployment is endemic, and the local government provides little in the way of social services. In this case, there is a great deal of downward pressure on the wage that Debbie's employees can demand in the local market. Nonetheless, Debbie wishes genuinely to give her employees a living wage.<sup>15</sup> Sadly for Debbie—and certainly for her employees—market forces dictate that she cannot raise her employees' wages at all, much less to a level consistent with a decent minimum for living a distinctly human life. Debbie produces widgets in a particular niche of the market where the priority is placed on price above all else. Moreover, she has a number of competitors in the field, all drawing from a similar labor pool and employing similar widget-producing technology. The margins of profit in this field are very slim and an increase in her labor costs would destroy the viability of Debbie's business, throwing her employees back into the labor pool and to the whims of less scrupulous employers. Debbie is saddened by this constraint on her actions. She sighs. She loses sleep. But in the end, it seems, she cannot viably raise her wages.

In this case, I want to argue, offering a living wage is not required. The reasonability standard, that is, is also governed by practical limitations on A's enterprise, such as competitiveness. Since a business may not be able to offer the morally ideal wage to its employees while remaining competitive with other businesses, the baseline will not require that these businesses choose between solvency and moral innocence. The justification for

<sup>15</sup> We can imagine, moreover, that Debbie is acting in a community where employees depend on their employers for all of their basic material needs.

this flexibility is that, when external constraints limit one's ability to meet the ideal baseline for treatment of others, progress toward the ideal is morally acceptable.<sup>16</sup>

But, this does not mean that Debbie's duties toward her employees are at an end. There may well be other, lower cost, high benefit possibilities open to Debbie that would help rectify her employees' material deficiencies while remaining consistent with the market constraints facing her. Nike, for example, has instituted after hours education and microenterprise loan programs for employees (Hartman and Wokutch 2003). Adidas-Saloman has developed the Health, Safety, and Environment program which focuses on developing improved safety measures for workers, including improved fire escape routes, better access to first aid, safer use of hazardous materials, and changes in training for the use of potentially dangerous machinery (Hartman et al. 2003). By offering subsidized, healthy food to employees, Levi Strauss has been able to use its buying power to improve the nutrition levels of employees more efficiently than by merely increasing individual wage levels (Radin 2003). In each of these cases, employers can be flexible in their non-wage benefits, increasing employee well-being more efficiently than could be achieved through wage increases of comparable cost.

Debbie might also help create new markets for her goods. She can do this first by targeting consumers (informally, or in partnership with other producers) who are willing to pay additional money for assurances that workers have earned a living wage. For example, proposals have been made for developing a universal corporate code of conduct, for certifying compliance with this code, and then for labeling products as compliant with this code (Moran 2002). More generally, Debbie may advocate for institutional reforms and greater employment regulation in order to alter the market realities that can make offering a living wage to her employees impractical. These actions serve Debbie's self-interest as requirements for higher wages and better working conditions on a national or global level would lighten the burden placed on her by attempting to raise wages when other employers are more than happy to exploit their workers. Advocacy can also serve to discharge other moral obligations related to but distinct from Needs Exploitation. As discussed earlier, Iris Young (2004) argues that we all have a forward looking, 'political responsibility' to rectify the unjust social institutions from which we benefit. This political responsibility is strongest for those individuals directly connected to unjust institutions and in positions of power to bring about change, as is the case with Debbie.

Given these clarifications, I can now give a more detailed statement of Needs Exploitation. The harm of Needs Exploitation can be measured against a normative baseline: While A might make B better off through an interaction when compared to a baseline of no interaction at all, A harms B when compared to the normative baseline of what is owed by A to B. The relevant baseline in these cases for what A owes to B is that A cede to B: (1) as much as is reasonably possible of the zero-sum gain from the interaction

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<sup>16</sup> Christine Korsgaard justifies a similar move by arguing that ideal Kantian ethical theory can be interpreted as a two-level theory so as to cope with the nonideal world. When we enter into a situation in which obedience to the Formula of Humanity would generate very bad consequences from the perspective of treating persons as ends, we can deviate from its demands. In these cases, the Formula of Humanity can be abandoned because it is not appropriate for nonideal conditions. However, it can still guide our conduct as "[i]t defines the goal toward which we are working, and if we can generate priority rules we will know which features of it are most important. It gives us guidance about which of the measures we may take is the least objectionable" (1986, p. 347). Tamar Schapiro (2003, 2006) argues also that in nonideal circumstances, where non-compliance by others dissolves a practice into what she calls a sham practice, actions will become particularly goal oriented.

up until B reaches a threshold in some dimension of well-being X, where the criteria of reasonability allow that: (a) A may retain levels of well-being between the limits of deficiency and luxury; and (b) the goal of a decent minimum for all persons allows for deviations from the ideal forms of moral duties under non-ideal conditions; and (2) to the extent that B normatively adjusted prospectively depends on A for X.

## 5 The Non-worseness Claim

Before concluding, I would like to consider an objection against my account of exploitation. Alan Wertheimer (1996, pp. 289–293) considers what he calls the non-worseness claim (NWC) as an objection to his account of exploitation. The NWC creates a worry for Needs Exploitation as well, and accounts of mutually beneficial exploitation generally. The NWC claims that an interaction Y between A and B cannot be morally worse than no interaction at all if Y makes both A and B better off when compared to a baseline of no interaction. Matthew Zwolinski specifically uses the NWC to deny that mutually beneficial exploitation could justify interference with the opportunity for sweatshop employment as “it would be odd to blame MNEs for helping *some* when we blame individuals less (or not at all) for helping *none*” (2007, p. 708). In short, the NWC denies the possibility that a mutually beneficial exploitative interaction can be morally worse than no interaction at all.

It is easy to see how the NWC, if true, creates a problem for my account of exploitation in the context of sweatshop labor. Consider the potential interaction between would-be Developing World workers and a would-be Western employer Sam. Sam is happy to open a factory in the Developing World and hire a number of workers at the going market rate for low-skill labor. This transaction would provide a sizable profit to Sam and improve the prospects of each of his workers. However, Sam is informed that a large number of people in his community consider that the market wage he would pay to his employees is far too low. If he proceeds with the transaction, he will be accused of exploiting his workers, shunned by certain friends, and perhaps face a boycott of his products. Sam does not want to face these consequences, but also does not wish to pay his workers a living wage or investigate the range of non-wage benefits he might provide his workers. Instead, he invests his capital in a different enterprise in his own country. This investment produces a lower yield for Sam, and his would-be employees in the Developing World do not gain the advantage of employment in his factory. Each is made worse off when compared to the exploitative interaction. Yet, by refraining from the interaction altogether, Sam is immune to charges of exploitation and can take the profit from his investment without worry of moral condemnation from others. The intuition in this case is that it is odd to say that it is morally better for Sam to refrain from a mutually beneficial interaction than to take on a role that will benefit a group of deeply impoverished persons.<sup>17</sup>

Two responses to the NWC are available under my account. First, I can simply deny that the NWC claim is true, at least as it is stated by Wertheimer. As I am proposing a deontological account of exploitation, I can deny that the moral value of an action should

<sup>17</sup> Similarly, a manager might hire only workers who are easier to raise to the level of a decent minimum of well-being—for example, infertile or childless workers, and workers with fewer dependencies generally. As with the NWC, here the manager seeks to avoid charges of exploitation by opting out of a mutually beneficial relationship with those workers most in need. My thanks to an anonymous reviewer for this example.

be measured solely by its consequences. We need not always act as utility maximizers, and the relationships that we form with others can create new duties or engage general duties in new ways. Just as it can be morally better for me to sit on my couch than to manipulate a friend into doing something that will be beneficial to him, it can be morally better for me to refrain from engaging in an exploitative interaction than to employ someone at subsistence wages when higher wages are possible.

I believe this first response is right, but I think it can be made more palatable. The problem with the intuition that drives the NWC is that it takes too short a view of our actions. That a would-be sweatshop employer chooses not to employ the neediest persons in the Developing World may or may not be part of a wider, morally problematic attitude toward others. We can imagine three would-be employers, Quinton, Ricardo, and Samir. All three can provide a living wage for employees in the Developing World, but only if their profits from the interaction are reduced. Quinton decides to invest his capital elsewhere, Ricardo pays his employees the market rate (just above subsistence), and Samir pays his employees a living wage. Under my account, only Ricardo has exploited his employees, and this exploitative act is a moral wrong. However, it is not clear from the few details given here whose attitude toward others is more morally problematic. Samir, insofar as he offers a living wage to his employees because of the importance of a flourishing human life for all, seems morally the clear winner. But, we can imagine that Ricardo seeks to employ persons in the Developing World out of a genuine interest in the benefit this employment will generate, though he still places his own interest in pursuing his conception of the good life over the capacity of his employees to form such a conception. Let's further suppose that Quinton, on the other hand, stays at home because he does not wish to be accused of exploitation, hopes to maximize his profits, and doesn't really like interacting with persons of a different skin color anyway. If the attitudes of Quinton and Ricardo are given expression through a set of actions, then it would be reasonable to conclude that Quinton's attitudes toward others are morally worse than Ricardo's, though Samir's attitude is morally superior to both.<sup>18</sup>

## 6 Conclusion

Is sweatshop labor exploitative? What we do know is that the mere fact that the work is voluntary and beneficial does not entitle us to a negative answer to this question. An employer with an income level that goes well beyond the upper threshold for living a reasonably flourishing life expresses a morally problematic valuation of his employees by continuing to press for wage caps in the interest of yet greater benefits for himself. In these cases, a relationship can be morally problematic, as the interests of one party are given nearly exclusive weight over even the basic needs of others.

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<sup>18</sup> Ruth Sample takes a similar position when defending her intuition that mutually beneficial exploitation can be morally worse than neglect. She holds that "a person who systematically avoids an interaction because it would not be profitable enough, or even because it might be costly, may not have actually adopted a maxim of beneficence. It will not always be clear when one has. Even if we see the obligation to refrain from exploitation as a perfect, exceptionless duty (rather than a duty of beneficence), this leaves the question of our duties of beneficence untouched. A person who systematically avoids such interactions—who is determined to get the best deal or not interact at all—can hardly be said to take such a duty seriously" (2003, p. 72). Given that I see needs exploitation as tied to a perfect duty of beneficence, Sample's point might be changed to hold that even if one sees the duty of beneficence in needs exploitation as perfect, we still must consider whether the imperfect form of that duty is being discharged through the person's other actions.

Employers have an obligation to offer the means for living a minimally decent human life for their full-time employees when it is reasonable to do so. When external factors limit the employer's ability to cede the benefits of an interaction to employees consistent with a living wage while remaining competitive, conditions are nonideal. In these cases, an employer must pursue as many lower cost options for improving employee welfare as are reasonable. Even employment at non-living wage rates, then, can be non-exploitative. By offering a wage or pursuing other steps (recall the case of Debbie the widget maker) greater than that which both persons would voluntarily arrive at in the open market, the employer can express the importance of a minimally decent human life for all, particularly if she is aware of the results of abandoning these persons to set their wages on the open market. Should the employer offer a wage that allows as much progress toward this goal as is reasonable—understood as allowing the employer to retain the means for living a flourishing life short of luxuries and to maintain the competitiveness of her company—she promotes access to a threshold level of the goods necessary for living a minimally decent human life over the long term.

My account of Needs Exploitation vindicates the intuition that sweatshop labor, among other interactions with persons with deficits in their well-being, can be exploitative. Even when these relationships are voluntary and mutually beneficial, we should consider the basic needs of employees that employers can meet, even when the market does not require that they be met.

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