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More on Coercive
Wage Offers:
A Reply to Alexander

Alexander challenges my “Coercive Wage Offers”¹ on two counts. He insists, first, that the dispute over the freedom or unfreedom of capitalist wage offers has no intrinsic moral significance and should give way to the dispute over the justice of property distribution under capitalism; and, second, that the morally neutral account of coercive offers I defend is defective. The most powerful way to argue for the more general challenge would be to demonstrate that *no* morally neutral account of coercive wage offers is possible. This may in fact be Alexander’s view of the matter—I think I detect in his remarks some sympathy for what he calls the “wrongful exploitation” analysis of coercive offers—but he does not pursue this line here, concentrating instead on pressing some objections against my particular morally neutral account.

In “Coercive Wage Offers” I suggested that capitalist *P*’s wage offer to worker *Q* counts as coercive if and only if: (1) an alternative preproposal situation that *Q* would strongly prefer to the actual one and to the proposal situation in which *P* has placed him is technologically and economically feasible when the offer is made, and (2) *P* (perhaps with the cooperation of others) prevents *Q* from having this alternative preproposal situation (pp. 144–45). Alexander insists, however, that this analysis “is either vulnerable to a *reductio ad absurdum* or reduces to a moral analysis after all,” for it has the absurd implication “that *every offer*, whether in a capitalist or a socialist system, is coercive because there is always a strongly preferred preproposal situation which the offeror (along with others) actively prevents from obtaining, namely a situation in which the offeree possesses all the society’s wealth!” (pp. 161–62. Italics in the original). I re-

1. *Philosophy & Public Affairs* 10, no. 2 (Spring 1981): 121–45.

ply that there are two elements in my account which cut off absurd implications like this, though I must concede that neither received enough discussion in “Coercive Wage Offers.” Let me try to redress that failure of emphasis here by considering the *exploitiveness* of coercive offers and by saying something more about the *prevention* condition.

In “Coercive Wage Offers” I was so eager to insist that coercion goes beyond exploitation that I did not note explicitly that coercion generally and perhaps always at least incorporates exploitation. Coming up with a fully adequate account of exploitation is difficult, but it seems to involve at least the following: *P* exploits *Q* only if the exchange of *x* for *y* gives *P* *much more* than his minimum transfer price, that is, the lowest price which would persuade him to give up his *x* for *Q*’s *y*, whereas *Q* gets *hardly more* than his minimum transfer price.² I am not sure whether exploitiveness itself is a necessary condition for the coerciveness of an offer or whether it plays only an indirect role, via other features of the morally neutral account, but I am reasonably certain that the less exploitive an offer, the less coercive it is. Let me explain.

In “Coercive Wage Offers” I focused on *Q*’s relative preferences among the actual preproposal situation, the actual proposal situation, and some alternative preproposal situation. I kept in the background *alternative proposals* *P* might make because I wanted to bring out the difference between coercion and exploitation, but I did not see at the time how the existence of alternative proposals might affect *Q*’s preference for alternative preproposal situations. The explanation is simple. As the terms of *P*’s offers improve, so do their expected utilities.³ (I assume that the probabilities associated with these offers are uniform and relatively high.) But as these expected utilities increase, the less likely it is that will there be any alternative preproposal situation with an expected utility high enough to make *Q* strongly prefer trying to get it over staying in the proposal situation. It is important to keep in mind that the relevant bases of comparison are not the *actual* utility of *Q*’s enjoying the terms of the offer versus the actual utility of his being in the alternative preproposal situation, but rather the *expected* utilities of his enjoying the first and

2. See “Coercive Wage Offers,” p. 125, note 7.

3. In “Coercive Wage Offers” when I formulated the analysis in terms of which preproposal situation *Q* strongly *prefers*, rather than in terms of which is *better* for him in some objective sense, I did not intend to be taking a theoretical stand on which formulation is superior. The same is true here.

his *trying to produce* the second. And I am assuming that the probability of Q's succeeding in his efforts to get a considerably better preproposal situation are sufficiently low to give him pause, especially as the terms of P's offer improve. In sum, the less exploitive the capitalist wage offer, the less likely that there will be a *sufficiently promising* path of escape from capitalist wage bargains, whether it be an escape into the petty bourgeoisie, a workers' cooperative, a socialist society, or into possession of all society's wealth, the alternative preproposal situation which figures in Alexander's *reductio*.

A prevention condition does the rest of the work in cutting off this *reductio*. Alexander implicitly recognizes that I construe the relevant idea of prevention more narrowly than I might. In the second, exploitive, island case capitalist B would, no doubt, actively prevent the abandoned and vulnerable Q from trying to seize B's factory by force, but for purposes of assessing the coerciveness of B's offer I do not count this as the relevant kind of prevention. Contrast the case with a variant in which Q listens to B's offer and then, rather than accepting it or attempting to seize the means of production, sets about building a boat (out of unheld material on the beach), which he intends to sail back to the mainland and the better jobs. But B intervenes by having his henchmen smash the half-finished boat, thereby preventing Q from acting on his own to get into the strongly preferred preproposal situation. (Another variant: Anticipating that Q will attempt an escape, B quickly acquires all the unheld boat-building material on the island.) Unlike some other morally neutral accounts of free and unfree economic relations,⁴ my analysis incorporates the stronger prevention condition. It must be the case that P does more than merely prevent Q *from taking from P* resources necessary for securing Q's strongly preferred preproposal situation; P must prevent Q *from acting on his own* (or with the help of others) *to produce or procure* the strongly preferred preproposal situation.⁵

One reason for this stronger condition is dialectical: the stronger the

4. See, for example, G. A. Cohen, "Capitalism, Freedom and the Proletariat," in *The Idea of Freedom*, ed. Alan Ryan (Oxford: Oxford University Press, 1979), pp. 12–13; and Ernest Loevinsohn, "Liberty and the Redistribution of Property," *Philosophy & Public Affairs* 6, no. 3 (Spring 1977): 229–331.

5. Within the class of acts of preventing in the strong sense we might further distinguish between cases where P is liable for Q's being in the actual preproposal situation in the first place (the island capitalist who kidnaps Q) and cases where P prevents Q from leaving on his own (the island capitalist who destroys Q's boat).

notion of prevention employed in the account of coercive wage offers, the harder it will be to demonstrate that an economic relationship is coercive; and the harder this demonstration, the more conviction it will bear if successfully brought off. Another reason is that this analysis enables us to be more sensitive to degrees of culpability and responsibility. If we lump together cases where: (1) *P* does not give some resource to *Q*; (2) he prevents *Q* from taking it from him; and (3) *P* prevents *Q* from trying to produce it on his own, we will not be in a position to base moral distinction on these nonmoral features of the relationships, *if* such moral distinctions exist. In "Coercive Wage Offers" I concede that the differences among (1), (2), and (3) may turn out not to be morally relevant (p. 135). Here I stress that we cannot even conduct the inquiry if we fail to take note of the differences.

After quickly dismissing (as problematic or as morally nonneutral) two possible ways of drawing the distinction between preventing in the relevantly strong sense, on the one hand, and merely not giving and preventing from taking, on the other, Alexander places this sufficient condition for the former at my disposal: "*P* prevents *Q* from obtaining a given preproposal situation if *Q* would have obtained that situation in a world without *P* whereas *P* merely does not produce *Q*'s preferred preproposal situation if *Q* could not obtain it in the absence of *P*" (p. 163). Aside from the fact that Alexander erroneously takes this to be coextensive with the distinction between humanly produced and natural resources,⁶ this is pretty close to what I had in mind, with two qualifications.

First, note that where *P* has a monopoly over some scarce resource, whether natural or humanly produced, the only way *at time t* for him to prevent *Q* from having it, and thus from having *Q*'s strongly preferred preproposal situation, is for him either to refrain at *t* from giving it to *Q* or to prevent *Q* at *t* from taking it. But this means that under conditions of monopoly the distinction I have been so eager to build into my analysis collapses. Is there any way to save it and with it the distinction between coercive and exploitive monopolies? One which comes to mind is to place constraints on *how P came to be a monopolist before t*, so that *P* prevents *Q* from obtaining some scarce resource on his own only if *P acted before t* to acquire all of the resource. If, on the other hand, *P* enjoys a natural

6. It is an error because where *P* has a "natural" monopoly over some natural resource, he merely refrains from providing *Q* with it or prevents *Q* from taking it. For more on this point, see the next paragraph.

monopoly (suppose that all but *P*'s holdings in the resource were destroyed before *t*), then *P* merely refrains from giving or merely prevents *Q* from taking, and is thus merely an exploiter. Note that this way of handling monopolies entails that *P*'s offer is also merely exploitive if he has become a monopolist by being *given* all of the resource (*contra* Alexander, p. 163).

Second, it is well that Alexander offers this as just a sufficient condition of preventing in the relevant sense because it does not cover the following kind of case. Suppose that *P* is planning to divest himself of a factory he himself built, but changes his mind upon learning that the prospective buyer represents a group of workers (including *Q*) who have hitherto sold their labor power, but now wish to run their own factory as a workers' cooperative. (*P* refuses to sell to this group because he wants to discourage the emergence of a cooperative movement which might provide workers with a route of escape from the vulnerability of capitalist relations of production.)⁷ I want to claim that *P*'s refusal to sell is a case of preventing *Q* and the other workers from having their strongly preferred alternative preproposal situation, not just a case of his not giving it to them or producing it for them even though the resource would not have existed if *P* had not existed. Thus I would include in the category of strongly preventing cases where: *P* refuses to make an exchange which would enable *Q* to try to obtain his strongly preferred preproposal situation *and which P would have made in the normal course of events*.⁸ Where this condition is satisfied, I would say that *P*'s offer is coercive, not merely exploitive.

To those who might think that this is an *ad hoc* extension of the notion of preventing, I would reply that the notion of *killing* (as opposed to letting die) has a similar feature. Withholding some normal course of treatment, say feeding, from an infant where this results in its death is an instance of killing an infant, not just of letting one die.⁹

With these two qualifications, I accept something like Alexander's construal of my prevention condition, and I suggest that this stronger notion

7. I do not discount the riskiness of such ventures. See my remarks above about the expected utilities attached to various escape routes.

8. I am still not certain whether there ought to be some reference to *P*'s intentions in departing from the normally expected course of events. For an earlier expression of vacillation on this point, see "Coercive Wage Offers," pp. 137–38.

9. See Bonnie Steinbock, "The Intentional Termination of Life," in *Killing and Letting Die*, ed. Bonnie Steinbock (Englewood Cliffs: Prentice-Hall, 1980), p. 73.

of prevention; conjoined with the observation above about the exploitive aspect of coercive offers, serves to cut off the *reductio* Alexander wishes to press against my morally neutral account. It is certainly true, as he suggests, that “scarce natural resources must be allocated under both capitalism and socialism, thus (through the enforcement by society of the allocation) actively preventing everyone from obtaining his strongly preferred situation of possessing all the natural resources” (pp. 163–64). But it does not follow from my account that this state of affairs establishes all (or even most) wage offers under capitalism and socialism as coercive, for the two reasons just outlined. First, this is the wrong baseline: putting the question of prevention to one side, it is unlikely that the *expected* utility of any individual’s trying to obtain all of the natural resources is high enough to constitute this course of action as a strongly preferred alternative preproposal situation. And second, my prevention condition goes beyond the social enforcement of a social allocation which prevents individuals or groups from taking from others: the idea is that the coercer prevents the coerced from acting on his (or their) own to create or procure the strongly preferred preproposal situation.

Even if I have succeeded in taking the teeth out of Alexander’s criticism, there is still more to be said about coercive economic relationships, much more than I can hope to say here, so I will end this reply with two brief observations. First, without empirical investigation it is hard to say whether there would turn out to be more economic coercion under capitalist than under socialist relations of production. But even if it turned out that there were pervasive coercion under each, and even if the amounts were roughly equal, it would not follow that there is no point in pursuing the debate over the coerciveness, as opposed to the justice, of these economic systems. In suggesting otherwise (pp. 162, 164) Alexander can be faulted for not appreciating the dialectical context in which this traditional debate has been conducted. Supporters of *capitalism* are the ones who have claimed the clear superiority of their favored economic system on the score of preserving liberty. Supporters of *socialism* have tried to rebut this claim by arguing that capitalism involves at least as much limitation on economic liberty.¹⁰ Given this dialectical context, supporters of socialism will have accomplished a lot if they could establish

10. The best recent version of this rebuttal I know is by G. A. Cohen in “Capitalism, Freedom and the Proletariat.” Note that Cohen employs the weaker notion of prevention. Given that I employ the stronger notion, I would have a harder time rebutting the claim.

a rough equality in the amounts of coerciveness involved in the two economic systems. But to pursue the question requires that we have in hand an adequate concept of coercion, thus giving at least this much rationale to the project of those who have tried to work out a morally neutral account of coercive economic relationships. (I myself believe that the whole issue has more significance than is conferred upon it within this narrow dialectical context, but the most I argue here is that it has at least this much.)

Second, I myself can be faulted for placing the emphasis in “Coercive Wage Offers” so exclusively on coercive *agents* and for not acknowledging sufficiently the importance of coercive *circumstances*. To be sure, I do note that “the person facing nonhuman obstacles is, for all practical purposes, as unfree as one facing human obstacles” (p. 134), but I should also have acknowledged that, for purposes of assessing the coerciveness of an economic system, it is perhaps just as important to work out truth conditions for “Under the system, Q is forced to accept the wage offer” as it is for “Agent *P* forces or coerces Q to accept the wage offer.”¹¹ It is possible that under a given economic system certain individuals might be forced by circumstance to accept wage offers even though there are no assignable agents (not even collective agents) who do the coercing. A complete account of coercive economic relations should do more than just note this in passing.¹²

11. There are at least three distinct morally neutral accounts of coercive economic offers in the literature, differing mainly with respect to the inclusion or strength of a prevention condition. As noted, Cohen and Loewinson defend accounts which differ from my own in the strength of this condition. In a forthcoming study of the limits of legal sanctions Joel Feinberg defends an account of coercive offers which contains no prevention condition. It should be noted that when the focus is shifted from coercive agents to coercive circumstances, the differences among these three approaches fade in importance.

12. I would like to thank G. A. Cohen and Joel Feinberg for allowing me to read unpublished material, which has helped me to clarify my own views on this topic.