**Workplace Subjection: A Basic Structural Problem**

Abstract

It is widely believed that most workers today are subject to the authority of their bosses. But why? According to the standard view, this subjection is due to the fact that workers are directed by their bosses on pain of sanctions. This article proposes an alternative account, which I argue necessitates reorienting theorizing about workplace justice. First, I argue that the standard view fails to explain what makes workplace subjection morally troubling. I do so by pitting it against a reconstructed libertarian vision, according to which managerial authority is a benign form of division of labor but is not subordinating. Second, in response to the libertarian challenge, I offer an alternative ‘two-tier’ account, on which workplace subjection is *jointly* constituted by the authority relations inside the firm *and* the structural conditions outside the firm that leave most workers with no reasonable alternative to employment. Justifying workplace subjection, then, is not merely about justifying intra-firm managerial authority. It also calls for a justification of the basic structure that imposes employment upon the non-independently-wealthy. Yet, the appropriate response to this justificatory problem does not consist in reduction of “exit costs” but identification of a *justifiable form* of subjection at work. Any acceptable theory of workplace governance must be *nested* within such a broader theory of a just system of social cooperation, taking account of the decision-making at the level of the state, not just of the firm, and organization of investment in the capital market, not just the commodity or labor market.

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1. **Introduction**

Are workers subject to authority in the workplace?[[1]](#footnote-2) On this, libertarians and liberal egalitarians are thought to disagree. But what is the disagreement about? While the disagreement is often believed to be about the presence of authority in the firm, I argue that this is a mistake. Both libertarians and liberal egalitarians *ought to agree* that the firm by nature involves authority. The question is whether workers are subjected to authority in a problematic way that triggers a demand of justice for reform, as egalitarians have argued. To this, libertarians (ought to) say that there is nothing inherentlyproblematic about the mere existence of authority. Moreover, they may plausibly argue that, given the 21st-century welfare-state institutions, the situation of workers does not amount to a state of problematic subjection. Against this reconstructed libertarian argument, liberal egalitarians do not have a successful case. Or so I argue in Section II.

In order to demonstrate the nature of workplace subjection, we need to account for the fact that the workplace is embedded in a specific type of society-wide arrangement, namely, an arrangement where most people are compelled to choose employment. (Most, but not all: the wealthy can choose their own adventure.) On my ‘two-tier’ account, workplace subjection consists in not only of authority relations within the workplace but also of the fact that most workers lack a reasonable alternative to employment. The lack of reasonable alternative is sometimes thought to *trivially* follow from private property or its unequal distribution, mostly by leftists. I disagree. Theorists of workplace justice must take seriously the possibility of self-employment, institutions of credit, social welfare institutions, and opportunities for human capital development.[[2]](#footnote-3) An empirically grounded proof must be given to show why*,* despite these facts,most workers are compelled to work for a boss. Section III undertakes this proof by detailing institutional constraints that persons face in pursuing their important interests in economic cooperation.

Contrary to recent attempts to delimit the problem of subjection at work to firm governance[[3]](#footnote-4), the two-tier account helps us see that it raises justificatory challenges distinct from what justifies intra-firm authority or its scope limitation. The basic structural arrangement that forces some people, but not all, to work under others’ authority must be independently justified.[[4]](#footnote-5) Yet, contrary to certain left-radical approaches[[5]](#footnote-6), I argue that the appropriate response to this justificatory problem does not consist in reduction of “exit costs,” and not simply because they are ineliminable. Because a just society requires some forms of authority-mediated economic cooperation, the task is not necessarily to eliminate subjection at work but to identify a *justifiable form* of subjection. A theory of the just workplace must be nested within such theory. We end on a middle path between standard liberal-egalitarian and some left-radical approaches. This analysis of workplace justice centers the role of the state, capital, class, and the social purpose of labor. At the same time, we maintain sensitivity to justifiable constraints on individual access to resources and institutional realities that are not easily reduced to privateness or inequality of property.

1. **Is Managerial Authority Subordinating?**

Liberal egalitarian authors have argued that workers today are subjected to authority in their workplace. This state of subjection is taken to be of morally problematic nature such that justice requires reconstitution of the workplace authority into a democratic, republican, or German-stuyle ‘co-determining’ form.[[6]](#footnote-7) *[should I cite all the works here? But they increase the word count like crazy.]* But what does workplace subjection actually consist in? What facts ground the moral urgency of justifying and reforming this state of subjection? While these questions are seldom posed directly, there is a certain standard answer implicit in the literature, familiar from the arguments based on the analogy between the state and the firm.[[7]](#footnote-8) This view holds that workers are subjected to managerial authority by virtue of the fact that managers “issue commands backed by sanctions.”[[8]](#footnote-9) According to this received egalitarian view, their disagreement with libertarians consists in whether this presence of managerial authority is acknowledged. The libertarian view, perceived as claiming that authority is absent in the firm, is then dismissed as merely exhibiting “resistance to recognizing … reality” since there seems to be no denying that managers direct and sanction workers.[[9]](#footnote-10)

However, libertarian and economic theorists of the firm have long acknowledged the authority-based character of the firm. In Ronald Coase’s classic formulation of economic theory of the firm, the firm organizes production not through the price mechanism but through orders and directives. “If a workman moves from department Γ to department X, he does not go because of a change in relative prices, but because he is ordered to do so.”[[10]](#footnote-11) The firm exists, Coase argues, because it is too costly to use the price mechanism to discover prices, negotiate, and conclude separate contracts at every turn in the productive process. The need to reduce transaction costs explains the nature of the employment contract: negotiation is replaced by having one person, “the employee,” obey another person’s directives for a certain period. This theory, Coase believes, explains the legal form of the employment relationship, that is, the ‘master-servant’ relation. Its essentials include the master’s “right to control the servant’s work,” such as the right “to tell the servant when to work … and when not to work, and what work to do and how to do it.”[[11]](#footnote-12) On Coase’s view, the workplace inherently involves authority.

Subsequent economic theory of the firm might seem to deny the presence of authority in the firm. According to an influential view articulated by Armen Alchian and Harold Demsetz, it is a “delusion” to “see the firm characterized by the power to settle issues by fiat, by authority, or by disciplinary action superior to that available in the conventional market.”[[12]](#footnote-13) They even seem to suggest that managerial supervision is merely a *metaphor*: “[t]o speak of managing, directing or assigning workers to various tasks is a deceptive way of noting that the employer continually is involved in renegotiation of the contracts on terms that must be acceptable to both parties.”

Alchian and Demsetz are commonly interpreted as proposing an “authority-free, purely contractual” theory of the firm, entirely distinct from the Coasian ‘authority-based’ theory.[[13]](#footnote-14) But this is a mistake. Managerial authority is *integral* to their theory of the firm. They argue that what marks the firm as a distinct form of organization is a “team use” of inputs, which gives rise to “the metering problem,” or the problem of how to measure each employee’s productivity, apportion rewards, and issue directives.[[14]](#footnote-15) Since each employee’s productivity cannot be observed directly and separately, the best available proxy is to observe individual employees’ behavior, but this is still costly and imperfect. Accordingly, the team faces a continual risk of shirking. For example, when an employee secretly takes longer breaks, the cost is spread out across all members, while the benefits are concentrated on that employee. This structure threatens to give rise to suboptimal productive outcomes. The firm emerges as the solution to this problem. In particular, a person comes to “specialize as a monitor to check the input performance of [other] team members … measuring output performance, apportioning rewards, observing the input behavior of inputs [that is, team members] … and giving assignments or instructions in what to do and how to do it.” [[15]](#footnote-16) Moreover, in order “to discipline team members and reduce shirking,” the monitor must have the power to terminate or revise contracts. This description of the monitor’s role and power—directing, monitoring, disciplining, and apportioning rewards and sanctions—is straightforwardly a description of managerial authority. Alchian and Demsetz explicitly affirm the indispensability of managerial authority to what they see as the purpose of the firm: “Managing or examining the ways to which inputs are used in team production is a method of metering the marginal productivity of individual inputs to the team’s output.”[[16]](#footnote-17)

One may be tempted to dismiss the sum of these claims as inconsistent, as Elizabeth Anderson does, for instance.[[17]](#footnote-18) However, we see that there need not be any inconsistency by distinguishing two senses in which people can stand in an authority relation to others. Consider relations of authority we see between instructor and student, traffic controller and traffic user, or dance team leader and team member. In these relationships, one party has the right to make discretionary decisions about what the other party will do, when, and how, while the other party is expected to follow. Authority in these contexts can be understood as an instance of role differentiation, or of a social division of labor, which enables the coordination and instruction necessary to achieve the purpose of the team process in question. Let us call these instances of ‘operational authority.’ And yet, the existence of operational authority as such does not imply that any team member has been *subjected* to it in a morally problematic way that prompts requirements of justice for reconstitution of the authority. Receivers of directives, rewards, and sanctions are not subordinates in the morally charged sense *merely* in virtue of this status. After all, the instructor of my daily yoga class can monitor me and direct me to pose in a certain way, at a certain time, at a certain pace. She can also sanction me by demoting me to a lower-level class, or refuse to let me attend her class if I disobey her class rules. However, these facts do not imply that there is a problematic relation of authority between us in need of justice-mandated reform.

It turns out, however, that managerial authority can be understood in precisely this way. In any complex scheme of cooperative production, participants cannot feasibly resort to arms-length transactions for every individual action. Successful production requires a position whose incumbent makes real-time discretionary decisions, which other members of the team are expected to follow. Indeed, the role differentiation between the manager and the rank-and-file worker is an omnipresent feature of any large-scale joint production necessary for modern society. How could thousands of workers cooperate to operate steel mills, airports, railroads, or shipyards without any one of them occupying the position of real-time decision-maker who issues directives?

This conceptual distinction makes possible a charitable interpretation of the famous claim by Alchian and Demsetz that “‘authoritarian,’ ‘dictational,’ or ‘fiat’ attributes [are] irrelevant to the conception of the firm.”[[18]](#footnote-19) On this interpretation, the shirking and metering problem generates a need for having some form of operational authority, but it does not require anyone to be *subordinated* to it in a morally loaded sense. To claim otherwise, they might add, would be like saying that *merely* because the leader of your after-school dance crew directs your move, you are subject to her authority in the same, morally problematic way that workers are subject to managers’ authority.

To be clear, the conceptual distinction in itself does not make actually existing firms free from problematic subordination. However, the institutions of the contemporary liberal welfare state give us reason to take their view seriously. Present-day workers, unlike many of their nineteenth-century predecessors, have the freedom to exit any *particular* job as well as employment *as a category*. Here I say a person is free to perform an action when she would not be prevented from doing so by relevant parties (such as the police) were she to try to do so. Contemporary workers are free to exit any given workplace, instantly and continually, precisely in this sense: should they quit their job and forget their employment contract, they will not be prevented from doing so. This is because modern courts generally refuse to grant ‘specific performance’ for breaches of employment contracts. No state official will coerce them to return to the assembly line or to their cubicle. And, unlike nineteenth-century slaveholders, their employers are also explicitly forbidden from doing so. Moreover, contemporary workers are free to stay away from employment *altogether* in that they would not be prevented from remaining unemployed if they chose to do so. This point, often overlooked by critics of capitalism, can be appreciated by considering the vagrancy laws enacted in southern states after the U.S. Civil War. These laws subjected unemployed homeless individuals to state-enforced labor for very low pay. Those recaptured after running away were subject to punishment in the form of uncompensated labor while wearing balls and chains.[[19]](#footnote-20) Today, by contrast, no armed force points guns at the unemployed. Neither the employer nor the state is a thug, at least in a well-ordered welfare-state capitalist society. Finally, while theorists of workplace justice point out that workers need to earn a livelihood, this defense is not enough. Employment is not the only way to earn a living: every worker is legally permitted to become self-employed, and financial institutions of credit are available for those without immediate capital. Moreover, most societies have moved past laissez-faire capitalism, and persons can now rely on some public welfare provisions. These further facts, together with freedom to exit employment as a category as well as any given job, make it difficult to insist that workers are forced to work for a boss, absent further argumentation.

Do liberal egalitarians have a good response? Elizabeth Anderson puts forward an attempt to address the libertarian challenge. Anderson’s primary response is that the freedom of exit does not guarantee the absence of authority: claiming that “whenever individuals are free to exit a relationship, authority cannot exist within it” is “like saying that Mussolini was not a dictator because Italians could emigrate,” she argues.[[20]](#footnote-21) Here, Anderson rightly makes the negative claim that the freedom of exit does *not* show that no one is objectionably subject to authority. However, this negative claim entails only that subjection can coexist with freedom of exit.[[21]](#footnote-22) By itself, it does not show that any worker isindeedsubject to managerial authority, or why. It does not identify the social facts in virtue of which workers are objectionably subject to managers’ authority.

Her positive argument proceeds by identifying two conditions for “private government.”[[22]](#footnote-23) The first condition, which I will call ‘the government condition,’ is said to hold “wherever some have the authority to issue orders to others, backed by sanctions, in one or more domains of life.” The second condition, ‘the privacy condition,’ holds that government is private when an authority treats its decisions as “none of the business” of its subordinates. In Anderson’s formulation,

You are subject to private government whenever (1) you are subordinate to authorities who can order you around and sanction you for not complying over some domain of your life, and (2) the authorities treat it as none of your business, across a wide range of cases, what orders it issues or why it sanctions you.[[23]](#footnote-24)

Notice how quickly this definition moves from the idea of being “ordered around” and “sanctioned” to the idea of being “subject” or “subordinate” to the authority. However, this leap produces a counterintuitive diagnosis. Consider the following example.

*Master and Grass-Counters*. A group of people create an organization in which an individual called the ‘Master’ assigns daily grass-counting tasks to the members. The Master decides who counts the blades of grass on which area of land, of what size, when, and how. The Master sanctions members who fail to complete their task by his right to “demote [them], reduce their [land], assign them inconvenient hours or too many or too few hours, assign them more dangerous, dirty, menial, or grueling tasks” such as counting blades on muddy land, “increase their pace” of counting, “set them up to fail,” or, at worst, expulsion from the organization.[[24]](#footnote-25) The Master treats his decision as none of the members’ business. Despite the situation, out of pure fascination, I join and remain in the organization. There is nothing that keeps me in this organization other than the entertainment I derive from grass-counting.

In this scenario, the Master is an authority who orders me around and can sanction me for not complying over some domain of my life. Moreover, I receive no explanation, no say, and no accountability in respect of the Master’s decisions, satisfying the conditions for private government. Yet does my situation constitute problematic subjection of the kind that workers suffer in the modern economy? Am I a subordinate of the Master, and for exactly the same reason that workers are the subordinates of their managers? The answer is “no.” To be clear, this is not to suggest that there is nothing morally undesirable in the grass-counting organization. The point is that the one-tier accounts offer an inaccurate diagnosis of the problem. On their view, the justificatory demand raised by workers in a modern capitalist economy is of the same nature as that raised by the grass counters.

A defender of Anderson’s theory might deny this counter-intuitive result by saying the grass-counters are not “subordinate” to the Master and thus do not meet the first, government condition. However, this response only raises the following question: what makes employment relationships, but not other relationships, a case of subordination? To answer this question, we need a substantive account of what subordination consists in. Anderson’s theory does not offer one.

Anderson may say that the subjecting feature lies in the *arbitrariness* of managerial interventions or the *abuse* of the authority. Indeed, her complaint against the “dictatorial government” of the workplace targets the “sweeping scope” of managerial interventions in the off-duty, private lives of workers, beyond what is justifiable by efficiency considerations. These interventions include punishing workers for “their choice of sexual partner, political candidate, or Facebook postings.”[[25]](#footnote-26) Such cases rightly highlight the outrageous scope of managerial authority in an employment-at-will regime. However, this complaint against the ‘abuse’ of managerial authority does not offer a principled explanation of when workers are subject to authority and why. After all, employees are subject to their employers’ authority even under the just-cause employment regimes of Japan—known for extreme rates of ‘overwork death’—or South Korea—with high rates of fatalities from occupational incidents. While arbitrariness may explain the additional injustice visited upon American workers, it cannot be what workplace subjection *consists in*.

1. **A Two-Tier Account**

Surely, one might think at this point, employment is different from grass-counting. It implicates different kinds of interests, and participation is not so optional. I agree. We need to build in those concerns as constitutive elements to account for the moral urgency of workplace subjection. I suggest that (most) workers are subject to authority of their employers by virtue of the *joint* truth of the following two propositions.

1. *Managerial Authority*. Workers are issued orders by the employer, on pain of sanctions.
2. *Compulsion to Employment.* (Most) workers have no reasonable alternative to employment.

By a ‘reasonable alternative,’ I mean an alternative that a person is free to pursue and that does not threaten her important interests.[[26]](#footnote-27) If a person lacks a reasonable alternative to X, I will say that a person is forced to do X or is under the compulsion to X.[[27]](#footnote-28)

We may call this a ‘two-tier’ account of workplace subjection in contrast to the standard ‘one-tier’ account. (I explain the difference between the two-tier account and the appeal to ‘exit costs’ in Section IV.) The claim of lack of reasonable alternative has been invoked by radical republican accounts of worker domination[[28]](#footnote-29) and it is believed by many leftists to trivially follow from unequal distribution of property. Echoing the worry that these involve an “underdefended appeal” to compulsion of employment, I rather believe that the claim requires substantive proof in light of complex empirical realities of work.[[29]](#footnote-30) These include self-employment, credit, social welfare, as well as opportunities for human capital formation, which questions a uniformly proletarianized view of workers. Adequate proof of *why* most are *nonetheless* compelled to work for a firm necessitates a wide-scope, institutionally detailed investigation. This section undertakes that investigation, and thereby prepares the ground for reorienting the normative project of workplace justice towards the basic structure (Section IV).

*A. Interests in Consumption and the Politics of the Welfare State*

In market societies, most necessities are offered only in exchange for money. The poor are not free to access those necessities: were they to grab a bag of potatoes and run without payment, they would be stopped by the police.[[30]](#footnote-31) Most (but not all) people enter society without independent wealth with which to secure reliable access to necessities for their lifetime. They have four options: charity, social welfare, self-employment and employment.

Charity, as it depends on the will of wealthy individuals, is unreliable as a means of securing a livelihood over a lifetime but also subjects the beneficiaries to the benefactors’ will. In modern welfare-state capitalism, social welfare is a better option. The very point of social welfare, it is often thought, is provision of acceptable standards of living regardless of one’s occupational status, securing ‘social citizenship’ through ‘decommodification of labor.’[[31]](#footnote-32)

The usual complaint targets the *amount* of support provided. While I fully agree with the concern, in focusing on the amount, we miss an opportunity to articulate exactly *in virtue of what* the welfare state falls short of removing compulsion to employment or of ‘decommodification’. This question helps us see the structural limits of the welfare state, rooted in enduring conditions of political institutions themselves.

Begin by noting that welfare provisions often presuppose and are tied to employment. A significant part of social welfare support, especially in the United States, takes the form of state sponsoring of *employment-based* private benefits via tax breaks, credits, and subsidies. Globally as well, scholars of social welfare have demonstrated how employment-dependent private benefits (“occupational welfare”) and special tax favors (“fiscal welfare”) are integral to modern welfare regimes, with direct state assistance being merely the tip of the “iceberg of social welfare.”[[32]](#footnote-33) Even direct provision by the state is often conditional on work. For example, you can be disqualified *forever* as a recipient of the Supplemental Nutrition Assistance Program (SNAP)—otherwise known as “food stamps”—and Temporary Assistance for Needy Families (TANF) if you fail to meet the work requirements more than once. Unemployment benefits too require for eligibility that you must have been working for a certain period and have lost employment “through no fault of your own.” Thus, quitting your job makes you ineligible.

One might think that this is a merely contingent defect of a yet-to-be-perfected welfare state. This reaction underestimates the fact that welfare states are dynamic institutions that continuously evolve as a result of political contestation. Even where they are presently absent, they stand to be introduced subject to vicissitudes of political struggles. Insofar as the instability of work requirement is a standing feature of the political landscape, citizens cannot reasonably plan their lives on a non-employment option. The Scandinavian welfare states are no exception in their vulnerability to political vicissitudes. Since the 1990s, under the pressure of neoliberal austerity, not only have they privatized their welfare services but also have changed the goal and structure of their social spending. Their social policy aims not so much at decommodification for universal social citizenship but at integration into the labor market and human capital development, increasingly tying benefit entitlements to labor market participation.[[33]](#footnote-34)

This retrenchment, well documented in empirical scholarship on the politics of the welfare state, has been shaped by the structure of political institutions. For one, notice that constitutional democracies by their political structure insulate certain matters such as basic liberties from the vicissitudes of partisan politics. The right to non-employment-dependent welfare does not enjoy immunity from political contestation. Additionally, the political structure determines the capacity of policy to adapt to social changes. For example, the decentralized and fragmented political structure of the United States with multiple veto points is widely held responsible for privileging organized business interests in welfare state politics and the failure to enact or update national social programs in response to rising precarity.[[34]](#footnote-35)

Thus, the presence of the welfare state as such does not secure a reasonable alternative to employment. Yet, to understand the reasons why, we must look beyond the amount of assistance. Whether the welfare state provides relief from compulsion to employment is also determined by the substantive character of welfare policy, which restlessly evolves subject to political struggles. Importantly, the roots of political instability surrounding the welfare state go as deep as the structure of the political institutions itself.

*B. Interests in Production and the Firm as the Primary Institutional Context*

One might wonder if the problem can be solved by enshrining in the constitution, say, a basic right to unconditional, genuinely livable, universal basic income (UBI). Apart from the justifiability of such a scheme (Section IV-D), the proposal neglects that we not only have interests in consuming already-produced goods and services, but they also have interests in developing and deploying their productive capacities. These interests admit of several different understandings.[[35]](#footnote-36) Persons may want to gain social recognition as contributing members of society. A contribution can be valued independently of others’ perceptions as well, whether because it is a moral duty,[[36]](#footnote-37) because it engages all-purpose internal resources for pursuing one’s conception of a good life,[[37]](#footnote-38) or because it involves pursuit of excellence. When these interests are realized simultaneously in an interconnected manner—such as when a person through her excellence contributes to the satisfaction of another’s needs, resulting in mutual recognition—it can instantiate the ideal of unalienated labor.[[38]](#footnote-39) These understandings of productive interests are compatible and are often all appropriate when a person cares about their job, so I will not assume any particular understanding in what follows.

Productive interests require both access to *productive resources* and access to *networks of co-producers*. Yet, for the non-independently-wealthy, employment is effectively the only institutionalized context of production in which they can adequately access them.

To develop and use our productive capacities, we need things to work on, tools to work with, and a place to work. In a capitalist economy, where productive assets are privately owned, access can only be obtained by buying or renting. The non-wealthy are generally not free to access the resources they need: a cook would be prevented from occupying a kitchen if he did not pay rent. In addition, to flourish as a person with specific skills and abilities, one needs a community of teachers and peers. Here, the need for networks goes beyond the boundary of a single occupation. In a society with an extensive division of labor, most production spans across multiple trades and industries. How could a pilot thrive without engineers, technicians, air traffic controllers, and attendants? To thrive as a producer, then, we need reliable channels of communication and coordination with other workers in different trades and industries. Specifically, we need a status that entitles us to their time, energy, and effort exactly when we need them. One shortcut is to have all the producers’ services at my disposal by paying them. However, this essentially means setting up my own productive enterprise, which, for reasons to be articulated shortly, is not a feasible option for the non-independently-wealthy (Section III-C). Their only option is to occupy a position in the industrial network as an employee in a relevant firm. Not only do firms have control rights over productive assets, but they have established patterns of coordination within and across neighboring divisions of labor, which an individual producer cannot achieve on her own.

Workers who have developed ‘human capital’ and thus not standardly considered to be ‘working-class’ also need access to productive resources and networks, and as such, depend on employment. Consider ‘high-skilled’ labor or ‘professionals’ such as engineers, architects, or lawyers. They are often considered to have easy “exit options,” and some of them are legally classified as independent contractors (despite often working under their superiors’ authority). However, their dependence on the firm as an established institution of production is no less significant than that of non-professionals insofar as their productive interests are concerned. ‘High-skilled’ workers often require specialized, high-cost, capital-intensive resources. For example, expertise in biochemistry holds little value without access to a laboratory, a high-tech production facility, or networks with other experts. It is difficult to imagine how one might acquire access to these resources and networks without being employed by a firm in the biotech industry or a similarly well-funded institution. To be clear, this is not to say that professionals are forced into employment to the same degree as non-professional workers. The point is that their high skill or human capital is not a magic bullet that eliminates the compulsion towards employment.

*C. On Self-employment*

At this point one may and should ask why ‘being your own boss’ is not a reasonable alternative. This objection from self-employment has surprisingly received little attention, likely due to the ‘corporatist paradigm’ that equates work with employment.[[39]](#footnote-40) Some dismiss self-employment as an anachronistic ideal on the grounds that large-scale collective production has become a necessity.[[40]](#footnote-41) However, the fact that society cannot be run entirely by self-employed businesses does not entail that self-employment cannot be a reasonable *option* for producers. Others point out that self-employment fares worse in terms of welfare or implicates more “cumbersome financial barriers” than employment.[[41]](#footnote-42) But the fact that one option is less convenient or welfare-promoting than another does not mean that it is an *unreasonable* alternative. Thus, contrary to the prevailing assumption in the literature, the option of self-employment as a reasonable alternative merits careful analysis.

Is self-employment an option that workers are free to take without endangering their important interests? First, begin by noting that self-employment is not just cumbersome but an option that many are *unfree* to take: If one were to try to set up a business without prior accumulated wealth, she would be prevented from doing so. Empirical research finds uncontroversial that the availability of capital is a prime barrier to self-employment, with the probability of self-employment shown to positively depend upon prior receipt of inheritance or gift.[[42]](#footnote-43) Of course, lack of inheritance does not immediately preclude self-employment. There are three options: accumulation of labor income, equity financing, or bank loans. They all fall short of securing reasonable alternatives.

Insofar as accumulated labor income is a prerequisite of self-employment, self-employment *presupposes* employment. To say that workers are not forced to work in a firm because they can open a business by saving their wages is to say that you’re not forced to choose A (employment) because you can choose B (self-employment) when, in fact, B requires A. It is then hard to see why the option of self-employment would extinguish the compulsion to employment. Meanwhile, equity financing is unreliable. You cannot *expect* to have an angel investor; venture capital is not available due to its extreme selectivity.[[43]](#footnote-44) No less importantly, once you relinquish equity, you would have the capital managers co-own the business. This significantly compromises the sense in which you have ‘no boss above.’

Thus, loans become pivotal. However, many are not free to take out a loan. Small-business loans are often conditioned on personal and business credit as well as expected wage income and prior accumulated wealth. Even small-business loans *from a federal agency* commonly require collateral and an (unlimited) personal guarantee.[[44]](#footnote-45) Furthermore, discrimination abounds in the credit market. Minority-owned firms are less likely to even apply for a loan for fear of denial; when they apply, they suffer substantially higher rates of denial; in successful cases, higher interest rates.[[45]](#footnote-46) Even then, most self-owned businesses fail, when defaulting on a loan can have far-reaching, unacceptable consequence.[[46]](#footnote-47) Not only are you subject to legal actions including wage garnishment or bank account levies, but a damaged credit score can endanger renting housing, finding a job, and securing basic utilities, and opportunities for any future loan.[[47]](#footnote-48) Liability to such significant, wide-ranging threats to important interests makes loan-backed self-employment hardly a reasonable alternative.

These considerations give us reason to think that the option of self-employment is rather asymmetrically granted economic freedom, at least in our society. Yet, there are additional concerns that make us further question whether, even in an ideal society with wider access to credit, self-employment can be considered a genuine alternative to employment. Even for the small population with selective access to capital, their individual freedom to pursue self-employment is *conditional* on others’ staying in employment. In other words, self-employment is an option that producers are not *collectively* free to pursue. [[48]](#footnote-49) Except for one-person businesses, self-employment often takes the form of sole proprietorship (or partnership) that hires other people as employees. Put another way, these firms are instances of self-employment only from the owner’s perspective. The dependence on others’ employment extends beyond a single firm; a freelance architect cannot work without a construction firm. The most basic infrastructure—such as energy and transportation—requires large-scale, capital-intensive production. The individual freedom of self-employment is made possible by the submission to authority by many others in their working lives.

In sum, most people who do not inherit wealth are not free to start a business under the current institutions of capital and credit; those who are granted the asymmetrical freedom then face high risks of insolvency and serious consequences on their living conditions; and even the select freedom from workplace authority is made possible by others’ submission to workplace authority. Given these conditions, self-employment is not a reasonable alternative to employment.

**V. The Normative Project Reoriented: Towards a Just Basic Structure**

With the predominance of one-tier accounts, workplace subjection has been primarily perceived as a problem of the intra-firm asymmetry between the boss and the employee. ~~Indeed, a recent account explicitly argues that domination at work is an intra-firm problem of corporate governance and that it is mistaken to trace it to the labor market or capital ownership.[[49]](#footnote-50)~~ [maybe there is no need to repeat this given footnote 2 on p.1?] However, once we detail the social facts in virtue of which intra-firm division of labor gains its morally problematic character, we cannot but see that workplace subjection is constituted by the overarching social arrangement, from politics of the welfare state to financial institutions of credit and capital. Accordingly, my account reorients our normative inquiry towards the wider scheme of socioeconomic and political cooperation beyond the boundary of the firm—that is, towards a just basic structure. This section clarifies and illustrates this alternative normative approach.

*A. State Power and the Nature of the Difficulty of Exit*

It is helpful to start by distinguishing how the proposed two-tier account differs from one-tier accounts that appeal to the costliness of exit. For instance, Dahl makes this appeal when he gives the following response to an objection to the firm-state analogy: “is not ‘exit’ (or exile) often so costly, in every sense, that membership is for all practical purposes compulsory?”[[50]](#footnote-51) Others appeal to sunk costs such as investments in firm-specific human capital, networks of coworkers and customers, and psychological costs of quitting a job tied to self-respect.[[51]](#footnote-52) Besides the narrow focus on exiting a specific firm rather than employment as a category, these arguments face the following objection by Jan Narveson:

If a firm doesn’t like the way you do your job, can it send men with guns who will put you in prison if you don’t do it the way the boss says? Well, no. … Note that the only reasons adduced for this conclusion [of the state-firm analogy] are comparisons of *the relative ease* with which people may voluntarily leave. Authorization to use force, it seems, has nothing to do with it. One might wonder whether Dahl would also argue that marriage is involuntary — since, after all, aren't marriages often very difficult to leave, too?[[52]](#footnote-53)

To be clear, this is not to suggest that the use of state power is necessary for raising a normative concern about an authority relationship.[[53]](#footnote-54) The point is that an analysis of workplace subjection fails to accurately represent the normative nature of the problem to the extent that it does not account for the constitutive role of state power. The two-tier account effectively addresses this challenge by articulating not only the degree but the nature of the difficulty of exit, which results from state-enforced restrictions on freedom. The state is permitted to ‘send men with guns’ in various subjection-constituting moments of the economy such as money-mediated access to necessities, work requirements for public welfare, debt enforcement, and access to productive assets. One-tier theorists, having noted that intra-firm commands are not enforced by the state, sought alternative grounds on which to vindicate their concerns. But by focusing on an individual employer’s authority, they overlooked the crucial fact that the society-wide scheme that subjects the employment-dependent *is* enforced by state power in its standard sense. By contrast, beyond how state authority *resembles* firm authority, the two-tier account highlights how state authority *imposes* firm authority.

*B. Justification of What?*

Part of the subject matter of workplace subjection on the two-tier account is the scheme of *de facto* mandatory employment for the non-independently-wealthy. Major political and socioeconomic institutions fit together into a scheme that leaves them with no reasonable alternative to employment. Workplace subjection, then, is not best understood simply as a problem of intra-firm relational asymmetry. It is also a problem of *basic structural restriction on freedom.* It is important to note that not all state-enforced institutional arrangements with their constitutive restrictions are ipso facto unjust. However, they do present a justificatory challenge, which, if unmet, renders them unjust. In our case, we need a good answer to the following question.

*1. Justification of Subjection.* What justifies subjection to authority in the workplace?

One-tier accounts often conflate this question with the following one.

*2. Justification of Managerial Authority.* Why—for what reasons—should some people have the right to issue directives to others in the workplace?

Interpreting the first question as the second, one-tier theorists respond to the latter by appealing to efficiency benefits. For example, when Anderson considers the possibility of “ending subjection to [workplace] government altogether,” she dismisses it on the grounds that such an approach “cannot preserve the productive advantages of large-scale production.” Such advantages, she argues, require “incompletely specified authority over groups of workers,” that is, managerial authority.[[54]](#footnote-55) In this instance, workplace subjection is equated with any work relation involving managerial authority.

By contrast, the two-tier account registers *Justification of Subjection* as a distinct question, namely

*3. Justification of Subjection as Imposed Employment.* What justifies a social arrangement that leaves (some but not all) people no reasonable alternative but to work under others’ authority?

This question raises a justificatory demand over and above *Justification of Managerial Authority*. The fact that some people must play the role of a manager in our productive cooperation does not by itself justify forcing individuals to submit to managerial authority.

The discrepancy between the two justificatory questions can also be elucidated by considering a longstanding socialist ideal, namely, *unforced* large-scale productive cooperation. By that I mean a scheme of large-scale productive cooperation that is authority-mediated yet no one is forced to join. Suppose enough people nonetheless participate in authority-mediated team production for other reasons, and this is well-grounded common knowledge. In this scenario, while members of society use authority as a coordination mechanism, no one would be problematically subjected to authority at work. If such an economic structure was feasible without compromising other demands of justice, we would then have a good answer to *Justification of Managerial Authority,* but not to *Justification of* *Imposed Employment*. In other words, it is possible to have good reason to organize productive cooperation via managerial authority *without* having good reason to force people to submit to the authority. One-tier accounts fail to register this possibility. Anderson’s dismissal of the ideal of putting an end to workplace subjection altogether on the ground that managerial authority is required for efficient large-scale production, again, exhibits this neglect. By contrast, on the two-tier account, the compulsion towards employment is as constitutive of workplace subjection as the internal structure of the firm. As we respond to the problem of workplace subjection, the account therefore guides us to identify and eliminate unjustifiable restrictions on freedom.

*C. How to Justify and the Problem of Class*

A part of the task, then, involves identifying which constraints among those that compel the employment-dependent are unjustifiable. The answer will depend on the purpose of imposing employment, that is, the answer to *Justification of Subjection as Imposed Employment*. While I cannot fully argue for this claim here, the justifying purpose cannot be, for example, simply a higher GDP or unqualified Pareto efficiency. It is hardly a good reason to impose employment upon you that it would contribute to the efficient production of entertaining widgets or luxury bags. The justifying purpose must be adequately qualified along the lines of, say, the provision of goods and services that meet needs and demands of social importance. If the justifying purpose is so qualified, then conditioning public assistance on taking whatever job is available, when the job serves no socially important need, would be an unjustifiable constraint, for instance.

Not only the purpose but also the manner of imposition matters. A constraint with an apparently justifying purpose can be rendered unjustifiable if it is imposed in an unjustifiable manner. For example, the fact that use of state force can be justified does not entail that a racially discriminatory use of state force is justified. The question for us arises from the fact that compulsion to employment, constitutive of subjection, is *asymmetrically* imposed on persons depending on their position in the socioeconomic structure. Thus, for instance, a billionaire’s son who chooses to be a low-rank employee because he wants to experience working-class life is not subject to his boss’s authority on my account. Once we see that not everyone who works for a firm is automatically equally subject to authority, the following questions arise. What justifies subjecting only some people, but not others, to authority at work? Is a difference in wealth a good justification? To justify workplace subjection in our world, one must justify not only the intra-firm asymmetry between the boss and the employee, both of whom may be employment-dependent at the end of the day. The extra-firm asymmetry between the employment-dependent and the independently wealthy must also be justified. In this regard, the two-tier account broaches the topic of *class*, which has been surprisingly sidelined in debates on workplace justice.[[55]](#footnote-56) [LP thinks this might be unfair—should I weaken this?]

*D. Justifiable Constraints and a Nested Theory of the Just Workplace*

Yet the two-tier account does not recommend the elimination of all constraints, but not because “wholly costless exit is impracticable anyway.”[[56]](#footnote-57) It is because some constraints are *justifiable*, at least under certain circumstances. For example, it may be justifiable to require, out of fairness, that an entrepreneur who relies on public financing share some financial responsibility when the business fails. More generally, it is an open question whether, when all justifiable constraints are put in place and no demands of justice are left unmet, a universal guarantee of a reasonable non-employment alternative would be feasible. We have some reason to think that it would not be. The provision of reasonable non-employment alternatives itself—such as a genuinely livable UBI or heavy subsidies for self-employed businesses—would likely require the sustained participation of a large workforce in authority-coordinated team production schemes.[[57]](#footnote-58) If so, we may justifiably bind each other by productive obligations as a condition of receipt of a livable basic income, assuming the obligations are fairly imposed and serve non-trivial social needs. Under these conditions, we may have a good answer to *Justification of Subjection* *as Imposed Employment* assuming that it is otherwise justifiably arranged.The task, then, would not be to put an end to subjection at work altogether but to identify a justifiable form of subjection at work. If my arguments are sound, then such a form would consist in a just system of social cooperation.

A theory of the just workplace must be nested within this theory of a just system of social cooperation. That is, the broader theory of justice must inform the admissibility and strength of grounds for justification of a given form of workplace governance. And this holistic assessment is to be done in light of the specific place of the workplace in the broader scheme of political and socioeconomic cooperation. For illustration, consider how the two-tier account reframes the debate about investor-elected versus worker-elected management. Insofar as workplace participation is imposed on the workers via basic structural restriction as I argued, the justificatory grounds for a decision-making arrangement within the workplace would be governed similarly stringently to the justificatory grounds for a basic structural arrangement. For example, insofar as merely higher GDP is insufficient to justify the imposition of basic structural restriction of freedom on a fellow citizen, we should similarly question the justificatory power of efficiency considerations for investor-elected management that issues unilateral directives to workers.

The case for worker-elected management will also be more complicated. The strength and admissibility of a given consideration should be evaluated in light of how important it is to secure workers’ procedural and substantive interests *at the level of the workplace*.[[58]](#footnote-59) The presence of other venues for procedural participation may limit the strength of the argument for worker-elected management from procedural interests. Workers’ substantive interests, some may think, can be adequately secured outside the firm through redistributive policy. The two-tier account takes these considerations seriously as it approaches a theory of the just workplace as a nested theory. However, they must be evaluated in light of the broader socioeconomic and political arrangement. One may question whether workers’ procedural interests can in fact be adequately secured outside the workplace given the ways in which the managerial authority and long working hours severely limit most workers’ political participation. No less important, to the extent that the employers and the independently wealthy have asymmetrical power in law- and policymaking at the level of the state, we should question whether formal political participation secures workers’ procedural interests as well as whether state-mediated redistribution can be counted upon as means for justice in substantive interests.[[59]](#footnote-60) This line of inquiry may show that worker-elected management is indeed a demand of justice as it makes an irreplaceable contribution to overarching social equality.

The normative project reoriented as a nested theory is more complicated than one-tier accounts, but rightly and helpfully so. Not only does it guide the evaluation of the admissibility and strength of justificatory grounds for workplace governance regimes, but it also directs our attention to essential matters thus far disconnected from workplace justice. For one, issues typically characterized as distributive justice, such as expansion of credit access, must be considered as measures to address the relational subordination in the firm by mitigating (unjustifiable) constraints that compel employment.[[60]](#footnote-61) Second, the reoriented normative project urges philosophers of work to bring capitalback in, both within and beyond the firm.[[61]](#footnote-62) The justifiable and stable form of workplace governance will depend on how investment is organized. For example, worker-elected management, even if instituted, may fail to serve its purpose when it is constrained to cater to investors’ interests. Moreover, insofar as the just form of workplace governance depends on how the basic structure secures workers’ procedural and substantive interests, capital-based investor power in law- and policymaking within the state is just as important as shareholder power within the corporate board. Our inquiry into the just workplace must be embedded in a comprehensive framework that encompasses the capital market as well as the labor and commodity market, the state as well as the firm.

**VI. Conclusion**

According to the standard view, employees are problematically subject to authority in the workplace because managers issue directives on pain of sanctions. I argued that we should reject the standard view as it misrepresents the disagreement with libertarians as well as the justificatory problems of workplace subjection. Even the nexus-of-contract theory of the firm, once properly interpreted, forces libertarians to recognize authority relations in the firm. The point of disagreement concerns whether authority-based team production is in fact subordinating. A reconstructed libertarian position that admits the presence of authority but denies its subordinating character should be taken seriously for two reasons. First, authority relations, understood as coordination-enabling role differentiation, do not conceptually entail problematic relations of subordination. Second, in practice, the liberal welfare state’s institutional protection of freedom to exit any particular job and even employment as a category, coupled with social welfare provisions and the option of self-employment, makes it hard to insist that workers become subordinates merely by participating in employment, without further investigation.

To explain the moral urgency of workplace subjection, I argued, we must account for how employment is *imposed* by way of institutional constraints on the pursuit of important interests in economic cooperation. Such a restriction on freedom, while not necessarily unjust, raises an urgent justificatory demand. This justificatory demand for imposed employment is not adequately met by the generic justification of managerial authority. It requires an assessment of various employment-imposing constraints, which may or may not be justifiable. As part of this inquiry, we must also question whether class-based asymmetrical restrictions on freedom are justifiable. Yet, we cannot simply aim at reduction of ‘exit costs’ but rather at identification of a justifiable form of subjection at work, including justifiable constraints on individual access to resources. To pose these questions is to inquire into the justice of structuring overarching relations of social cooperation across wide-ranging domains. Anyone troubled by workplace subjection is invited to, and must, join this holistic project.

1. I will use ‘workers’ to refer to employees unless otherwise noted. This is not to imply that work outside formal employment is free from subjection but only that it calls for separate analysis. I will also use ‘employers’, ‘managers’, and ‘bosses’ interchangeably, and likewise with ‘the firm’ and ‘the workplace.’ [↑](#footnote-ref-2)
2. See Jahel Queralt, “The Goods (and Bads) of Self-Employment,” *Journal of Political Philosophy* 31, no. 3 (2023), 271-93 for critique of the neglect of self-employment in the literature on justice at work. [↑](#footnote-ref-3)
3. Harrison Frye, “Domination at Work: Resisting the Radical Diagnosis,” *British Journal of Political Science* (2023): 1–16. [↑](#footnote-ref-4)
4. Here I draw upon John Rawls’s concept of the basic structure of society, defined as “the way in which the main political and social institutions of society fit together into one system of social cooperation, and the way they assign basic rights and duties and regulate the division of advantages that arises from social cooperation over time.” John Rawls, *Justice as Fairness: A Restatement* (Cambridge: Harvard University Press, 2001), 10. [↑](#footnote-ref-5)
5. Robert S. Taylor, *Exit Left: Markets and Mobility in Republican Thought* (Oxford: Oxford University Press, 2017). [↑](#footnote-ref-6)
6. In what follows, I will use ‘subjection’ to refer to such morally problematic relation of subjection, excluding morally neutral usages of ‘subjection.’ [↑](#footnote-ref-7)
7. For defense of the claim that the firm is relevantly like the state and therefore is subject to the similar normative requirements, Robert A. Dahl, *A Preface to Economic Democracy* (Berkeley Los Angeles: University of California press, 1985); Joshua Cohen, “The Economic Basis of Deliberative Democracy,” *Social Philosophy and Policy* 6, no. 2 (1989): 25–50; Christopher McMahon, *Authority and Democracy: A General Theory of Government and Management* (Princeton: Princeton University Press, 1994); Iñigo González-Ricoy, “Firms, States, and Democracy: A Qualified Defense of the Parallel Case Argument,” *Law, Ethics, and Philosophy* 2 (2014): 32–57; “The Republican Case for Workplace Democracy:,” *Social Theory and Practice* 40, no. 2 (2014): 232–54; and “Little Republics: Authority and the Political Nature of the Firm,” *Philosophy & Public Affairs* 50, no. 1 (2022): 90–120; Hélène Landemore and Isabelle Ferreras, “In Defense of Workplace Democracy: Towards a Justification of the Firm–State Analogy,” *Political Theory* 44, no. 1 (2016): 53–81; Elizabeth Anderson, *Private Government: How Employers Rule Our Lives (and Why We Don’t Talk about It)* (Princeton; Oxford: Princeton University Press, 2017). Jeffrey Moriarty, “On the Relevance of Political Philosophy to Business Ethics,” *Business Ethics Quarterly* 15 (3) (2005): 519-34 similarly argues that the difference is merely one of degree. [↑](#footnote-ref-8)
8. González-Ricoy, “Little Republics,” *Philosophy & Public Affairs* 50, no. 1 (2022), p. 92. [↑](#footnote-ref-9)
9. Anderson, *Private Government*, 54. [↑](#footnote-ref-10)
10. R. H. Coase, “The Nature of the Firm,” *Economica* 4, no. 16 (1937), 387. [↑](#footnote-ref-11)
11. Ibid., 404. [↑](#footnote-ref-12)
12. Citations in this paragraph are from Armen Alchian and Harold Demsetz, “Production, Information Costs, and Economic Organization,” *The American Economic Review* 62, no. 5 (1972): 777-8. [↑](#footnote-ref-13)
13. González-Ricoy, “Little Republics,” 94-8; Hsieh, “Justice in Production”, 88. [↑](#footnote-ref-14)
14. They use “meter” to mean both to measure and to apportion. See their footnote 1, 778. [↑](#footnote-ref-15)
15. Ibid., 781. [↑](#footnote-ref-16)
16. Ibid., 782. [↑](#footnote-ref-17)
17. Consider for example Elizabeth Anderson’s treatment: “Alchian and Demsetz cannot bear the full authoritarian implications of recognizing the boundary between the market and the firm, even in a paper devoted to explaining it” (Anderson, *Private Government*, 56). My observations suggest that this charge misses its target. Alchian and Demsetz do acknowledge that there is a difference between intra-firm interaction and ordinary market transactions. The question is whether their explanation for this difference can be sustained without “authoritarian implications.” My reconstruction of their view suggests that, at least so far, the answer is “yes.” [↑](#footnote-ref-18)
18. Alchian and Demsetz, “Production, Information Costs, and Economic Organization,” 783. [↑](#footnote-ref-19)
19. Brent Tarter, “Vagrancy Act of 1866,” *Encyclopedia Virginia* (2022), https://encyclopediavirginia.org/entries/vagrancy-act-of-1866. [↑](#footnote-ref-20)
20. Ibid., 55. [↑](#footnote-ref-21)
21. In simplified formal terms, Anderson’s claim can be represented as ~ ∀x (x is free to exit כ ~ (x is subjected)). This is equivalent to ∃x (x is free to exit & x is subjected). [↑](#footnote-ref-22)
22. Ibid., 42-3. [↑](#footnote-ref-23)
23. Ibid., 44-5. [↑](#footnote-ref-24)
24. The quotes are from Anderson’s list of managerial sanctions on *Private Government*, 55. [↑](#footnote-ref-25)
25. *Private Government*, 52. [↑](#footnote-ref-26)
26. I continue to use ‘freedom’ in the minimal sense: A person is ‘unfree’ to perform an action if she would be prevented from doing so by relevant parties were she to try to do so. [↑](#footnote-ref-27)
27. This usage of ‘force’ and ‘alternative’ follows G. A. Cohen, “Are Disadvantaged Workers who Take Hazardous Jobs Forced to Take Hazardous Jobs?” in *History, Labour, and Freedom: Themes from Marx* (Oxford: Oxford University Press, 1988). [↑](#footnote-ref-28)
28. Alex Gourevitch, “Labor Republicanism and the Transformation of Work,” *Political Theory* 41, no. 4 (2013): 591–617. [↑](#footnote-ref-29)
29. Tom O’Shea, “Are Workers Dominated?,” *Journal of Ethics and Social Philosophy* 16, no. 1 (2019), p. 18. [↑](#footnote-ref-30)
30. See G. A. Cohen, “Freedom and Money,” in *On the Currency of Egalitarian Justice, and Other Essays in Political Philosophy* (Princeton University Press, 2011), 166–92, where he argues that to lack money in money society is to be liable to interference and thus to be *unfree* rather than simply being unable to utilize their freedom. [↑](#footnote-ref-31)
31. Gøsta Esping-Andersen, *Politics against Markets: The Social Democratic Road to Power* (Princeton, NJ: Princeton Univ. Press, 1988). [↑](#footnote-ref-32)
32. Richard M. Titmuss, *Essays on the Welfare State* (renewed ed.), (Policy Press, 2018); Jacob S Hacker, *The Divided Welfare State: The Battle over Public and Private Social Benefits in the United States*, 1st ed. (Cambridge University Press, 2002). [↑](#footnote-ref-33)
33. On the reorientation of social policy towards ‘social investment’ or ‘activation’, Bruno Palier and Colin Hay, “The Reconfiguration of the Welfare State in Europe,” in *Reconfiguring European States in Crisis*, ed. Desmond King and Patrick Le Galès (Oxford University Press, 2017), 331–50. See also Julian L. Garritzmann, Bruno Palier, and Silja Häusermann, eds., *The World Politics of Social Investment*, International Policy Exchange Series (New York, NY: Oxford University Press, 2022). [↑](#footnote-ref-34)
34. Jacob S. Hacker, “Privatizing Risk without Privatizing the Welfare State: The Hidden Politics of Social Policy Retrenchment in the United States,” *American Political Science Review* 98, no. 2 (2004); Jacob S. Hacker, Alexander Hertel-Fernandez, Paul Pierson, and Kathleen Thelen, “The American Political Economy: A Framework and Agenda for Research,” in *The American Political Economy*, ed. Jacob S. Hacker et al., 1st ed. (Cambridge University Press, 2021), 15-23. [↑](#footnote-ref-35)
35. Anca Gheaus and Lisa Herzog, “The Goods of Work (Other Than Money!),” *Journal of Social Philosophy* 47, no. 1 (2016): 70–89. [↑](#footnote-ref-36)
36. Stuart White, *The Civic Minimum: On the Rights and Obligations of Economic Relationship*, Oxford Political Theory (Oxford University Press, 2003); Lucas Stanczyk, “Productive Justice: Productive Justice,” *Philosophy & Public Affairs* 40, no. 2 (2012): 144–64. [↑](#footnote-ref-37)
37. Samuel Arnold, “The Difference Principle at Work,” *Journal of Political Philosophy* 20, no. 1 (2012): 94–118. [↑](#footnote-ref-38)
38. Jan Kandiyali, “The Importance of Others: Marx on Unalienated Production,” *Ethics* 130, no. 4 (2020): 555–87. [↑](#footnote-ref-39)
39. Queralt, “Goods (and Bads) of Self-Employment.” [↑](#footnote-ref-40)
40. Anderson, *Private Government*, 64. [↑](#footnote-ref-41)
41. González-Ricoy, “Little Republics,” 105. [↑](#footnote-ref-42)
42. D. G. Blanchflower and A.J. Oswald, “What makes an entrepreneur?”, *Journal of Labor Economics*, January, 16(1) (1998): 26-60; A.E. Burke, F.R. Fitzroy and M.A. Nolan, “Self-employment wealth and job creation: the roles of gender, non-pecuniary motivation and entrepreneurial ability”, *Small Business Economics,* 19 (2002): 255–270; Holtz-Eakin, D., Joulfaian, D., and H.S. Rosen, “Entrepreneurial decisions and liquidity constraints”, *Journal of Political Economy,* 102 (1994): 53-75. [↑](#footnote-ref-43)
43. Less than 0.1 percent of startups in the United States receive venture capital. Darek Klonowski and Silas Lee, “Venture Capital as a Source of Entrepreneurial Finance,” in *De Gruyter Handbook of Entrepreneurial Finance*, ed. David Lingelbach (De Gruyter, 2022), 171-94. [↑](#footnote-ref-44)
44. U.S. Small Business Administration, a federal agency for small businesses that offers a relatively low interest rate, requires “unlimited personal guaranty”—to back the loan in full if the business defaults—and for greater loans, collateral too. https://www.sba.gov/document/sba-form-148-unconditional-guarantee (Last Access Jan 19, 2023). [↑](#footnote-ref-45)
45. David G. Blanchflower, Phillip B. Levine, David J. Zimmerman, “Discrimination in the Small-Business Credit Market,” *The Review of Economics and Statistics* 85 no. 4 (2003): 930–943. [↑](#footnote-ref-46)
46. See U.S. Bureau of Labor Statistics, “Survival of private sector establishments by opening year” <https://www.bls.gov/bdm/us_age_naics_00_table7.txt>. [↑](#footnote-ref-47)
47. Compare the limited liability attached to investing in an incorporated business. [↑](#footnote-ref-48)
48. Cohen, “The Structure of Proletarian Unfreedom.” [↑](#footnote-ref-49)
49. Frye, “Domination at Work.” [↑](#footnote-ref-50)
50. Dahl, “A Preface to Economic Democracy,” 114-5. [↑](#footnote-ref-51)
51. Hsieh, “Rawlsian Justice and Workplace Republicanism,” 128-9; González-Ricoy, “The Republican Case for Workplace Democracy,” 240; Breen, “Freedom, Republicanism, and Workplace Democracy,” 477. [↑](#footnote-ref-52)
52. Narveson, “Democracy and Economic Rights,” 53. [↑](#footnote-ref-53)
53. For why it is not necessary, see González-Ricoy, “Little Republics,” 102-3. [↑](#footnote-ref-54)
54. See *Private Government*, 64. Note that when Anderson questions the justificatory power of the economic theory of the firm, her critique objects only to “the sweeping *scope* of employers’ authority over workers in the United States,” but not to the employment-imposing social arrangement (*Private Government*, 50, 52, 64). [↑](#footnote-ref-55)
55. Exceptions are Gourevitch, “Labor Republicanism,” and *From Slavery to Cooperative Commonwealth*; Arnold, “Capitalism, Class Conflict, and Domination”; Stanczyk, “Marginal Liberalism”; Vrousalis, *Exploitation as Domination*. [↑](#footnote-ref-56)
56. González‐Ricoy, “Little Republics,” 108. [↑](#footnote-ref-57)
57. Moreover, certain demands of justice—such as nutritious food, education, healthcare, a fair and efficient administrative system—may well have similar requirements of large-scale team production, which may put further pressure to channel large labor contribution into firms. [↑](#footnote-ref-58)
58. Here I assume that both procedural and substantive interests are relevant to such justification. [↑](#footnote-ref-59)
59. On the importance of organized interests, see Jacob S. Hacker and Paul Pierson, “Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States,” *Politics & Society* 38, no. 2 (2010): 152–204. On the limits of redistribution, see Thomas Blanchet, Lucas Chancel, and Amory Gethin, “Why Is Europe More Equal than the United States?,” *American Economic Journal: Applied Economics* 14, no. 4 (2022): 480–518. For a philosophical analysis of predistribution, see Martin O’Neill, “Power, Predistribution, and Social Justice,” *Philosophy* 95, no. 1 (2020): 63–91. [↑](#footnote-ref-60)
60. Marco Meyer, “The Right to Credit,” *Journal of Political Philosophy* 26, no. 3 (2018): 304–26. [↑](#footnote-ref-61)
61. It is notable that Elizabeth Anderson’s discussion of ‘private government’ in the workplace makes no reference to shareholder or capital. [↑](#footnote-ref-62)