Introduction

There are two alternative approaches to the theory of capitalist exploitation: normative or descriptive. The former aims to prove that capitalism is unjust because it is based on the extraction of surplus value from labour power; the latter seeks to explain the social process through which surplus value is produced.

The normative approach postulates some universal principles of justice so that capitalism may be examined to reveal the illegitimacy of surplus value. Various socialist thinkers, more or less implicitly, assume Locke’s axiom of self-ownership. This posits that, by natural law, a free individual is the owner of herself, her talents and abilities, and therefore of the fruits of their use. If another person appropriates these fruits without the consent of the legitimate owner, unjust exploitation occurs.

The Ricardian socialist, Thomas Hodgskin (1825, 83), uses this principle to condemn capitalism. He asserts that “the labour of a man’s body and the work of his hands are to be considered as exclusively his own. I take it for granted, therefore, […] that the whole produce of labour ought to belong to the labourer”. In a natural system, each commodity is exchanged at its “natural or necessary price”, which is determined by “the whole quantity of labour nature requires from man [to] produce any commodity” (1827, 219). Natural prices yield no profits and workers earn the entire value they produce. But under a regime of capitalist private property workers are paid a wage and commodities exchanged at “social prices” granting a profit. “Whatever quantity of labour may be requisite to produce any commodity, the labourer must always, in the present state of society, give a great deal more labour to acquire and possess it than is requisite to buy it from nature. Natural
price thus increased to the labourer, is social price” (1827, 220). Profits are unjust because social prices violate natural law.

In my opinion, Marxists must reject the self-ownership axiom, chiefly because it is politically distasteful. In fact, it can be used to condemn communism as a form of exploitation of the talented by untalented people and to censure progressive redistribution policies as a form of mistreatment of the richest individuals. Not by chance, Nozick (1974) furtively uses it to justify extreme right-wing policies. Moreover, the axiom is self-contradictory. Among the various theoretical problems, the following is decisive. A full property right over a thing entails the right to sell it. Therefore, a person entitled to self-ownership should have the right to sell herself as a slave. In this way, an ethical principle that seems to imply a condemnation of slavery can be used to justify it, as done by Nozick (1974, 331).

Although Marx never says that the extraction of surplus value is unjust on account of any universal principle of justice, there are some grounds for a normative interpretation of his theory of exploitation. To start with, the young-Hegelian philosopher believes that “the criticism of religion ends with the teaching that man is the highest being for man, hence with the categorical imperative to overthrow all relations in which man is a debased, enslaved, forsaken, despicable being” (Marx 1975a, 182). And even the mature economist exhibits a certain moral indignation when he declares that exploitation is “robbery”, “embezzlement”, “looting”, “fraud” or “theft” (Geras 1985).

Moreover, although he does not like natural law philosophies, sometimes he seems to assume the self-ownership axiom. For instance, he states that a worker is the “untrammelled owner of his capacity for labour, i.e. of his person” (Marx 1996, 178). In a capitalist system, workers sell the use of their labour power. This use generates flows of abstract labour, a substance with the capacity to create value. Workers are paid a normal wage, which is lower than the quantity of abstract labour they supply in the production process. The difference is surplus value, a

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1 Arneson (1991) and Cohen (1995) expose all the weaknesses of the self-ownership axiom. See Philmore (alias David Ellerman) (1982) for an ironic critique. Instead of the self-ownership axiom, socialist reformers should adopt the rule Arrow (1973, 248) defines asset egalitarianism: “all the assets of society, including personal skills, are available as a common pool for whatever distribution justice calls for”.

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form of surplus labour; a value created by workers but appropriated by capitalists. And this looks like the moral criticism of exploitation developed by Hodgskin.

Finally, Marx gives the impression of believing that the allocation and distribution criterion prevailing in the non-exploitative system of final communism, “from each according to his ability, to each according to his needs”, is an utmost principle of justice. Of course, one can take this criterion as a descriptive proposition, and contend that Marx argues that it will actually apply in communism, but not that it ought to apply (Screpanti 2013). Yet a normative reading seems to be equally defensible, if somewhat embarrassing.²

On the grounds of these and other clues, several philosophers have interpreted Marx’s theory in normative terms.³ Some of them resort to a Kantian notion of morality. One exemplar is Graeber (2013, 223–6), who argues that, according to Marx, capitalism is “perverse”. This is because the use of labour to create value distorts “human values”, produces a fetishist deformation of social relations, a commodification of labour, a mortification of the workers’ creativity and, ultimately, a breach of the categorical imperative: capitalists try to use workers only as means. Another interesting example is provided by Petrucciani (2012), who proposes a moral philosophy of exploitation by reinterpreting Marx in the light of Rawls’ theory of justice, which combines Kantian and utilitarian principles of morality.

Other interpretations of Marx’s theory as a moral critique of the abuses of capitalism rely on the influences he was subject to during his young-Hegelian and Feuerbachian period. In this view, some principles of justice are supposed to be immanent in History, which is seen as a progression of the species-being toward self-consciousness. History has a sense because it has a potential moral subject, humankind. Capitalism is abusive as it alienates the subject, deforms his natural needs and expropriates the produce of his labour.

² Embarrassing, because it is consistent with a moral justification of communism founded not on natural law, but on no less than divine law. In fact, the original postulation of the communist distribution criterion appears in the Bible (Acts 2: 44–5).
Coming to modern economics, many scholars acquainted with Marx\textsuperscript{4} have proposed refined theories of exploitation in terms of unequal exchange or undue disadvantage. These are defined as situations in which an economic agent receives something whose value is lower than what she gives in exchange or what she deserves. Injustice may spring from improper welfare or income losses, unreciprocated product flows, or the unequal distribution of asset endowments. These authors rarely trace the moral principles they adopt to judge exploitation as unjust, but they seem to assume the Aristotelian-Thomist axioms of commutative and distributive justice. Commutative justice requires that in a transaction between two individuals, neither party obtain any benefit in excess of what they give in exchange. Distributive justice prescribes the obligation to reward everyone proportionally according to their own worth. This notion is rather extensive in its possible applications. The object to be given may be power, honours, goods and so on. The “worth” yardstick might also have different facets: nobility of birth, wealth, citizenship, merit.

The problem with the two axioms is that they are not well founded as universal principles of justice. Why should workers be rewarded in accordance with their worth and why should the exchange of their labour power be an equal exchange? Because they are the owners of themselves? Or should we believe that the two axioms are implied by a natural law justification of private property in general (White 1956, 34, 40)? Marx’s answer is stark: commutative and distributive justice (although he does not use these terms) are “bourgeois rights” rather than expressions of a universal moral law. He comes across the notion of “distributive justice” in the works of Pierre-Joseph Proudhon, whom he sarcastically scorns, in \textit{The Misery of Philosophy}, as a dreamer of “eternal justice”. In the same book, Marx (1976b, 142–4) scoffs at John F. Bray’s ideal of equal exchange: “One hour of Peter’s labour exchanges for one hour of Paul’s labour: That is Mr. Bray’s fundamental axiom […]. Mr. Bray turns the \textit{illusion} of the respectable bourgeois into an \textit{ideal} he would like to attain […]. Mr. Bray does not see that this egalitarian

\footnotesize{\textsuperscript{4} For instance, Roemer (1982; 1994), Bowles and Gintis (1988; 1990), Roemer and Silvestre (1993), Wright (2000), Yoshihara and Veneziani (2009), Veneziani and Yoshihara (2015), Hahnel (2019). One of the first thinkers who developed such a kind of approach was the Ricardian socialist John Francis Bray (1839).}
relation, this corrective ideal that he would like to apply to the world, is itself nothing but the reflection of the actual world.”

Marx is so convinced that commutative and distributive justice are not universal moral principles, that he thinks they remain bourgeois rights even when they are implemented in the first phase of communism:

as far as the distribution of the [means of consumption] among the individual producers is concerned, the same principle prevails as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form. Hence, equal right here is still in principle bourgeois right [...]. This equal right is still constantly encumbered by a bourgeois limitation. The right of the producers is proportional to the labour they supply, the equality consists in the fact that measurement is made with an equal standard, labour (1989d, 86).

Then, Marx tries to account for capitalist exploitation by assuming that equal exchange prevails in a competitive market. He argues that capitalists extort surplus labour in the production process, while the circulation process is regulated by a “law of value” ensuring that “exchange is between equivalents, an equal quantity of labour for an equal quantity of labour” (Marx 1989a, 213).

If we could ask Marx to take a position on the normative theory of exploitation, I am sure he would answer that he is not interested in a moral condemnation of the abuses of capitalism (Weeks 2010). The moral philosophy he had espoused in his youth is explicitly criticised by Marx himself. In his Marginal Notes on Wagner (1989c), he declares that capitalist appropriation of surplus value has to be considered “just” on the grounds of the legal rules of the capitalist mode of production. By these rules, which are to be taken into account to explain capitalist exploitation, “surplus value rightfully belongs to the capitalist and not to the worker” (558). Marx makes it clear that his “analytic method” does not start from “man”, a moral subject, but from a historically determined social system.

Hussain (2015) convincingly criticises the young-Hegelian interpretation by arguing that the materialist Marx refuses all humanist doctrines of history as a process ruled by a holistic subject. He also refuses all doctrines of the universal essence of man, the naturalness of his needs and of his productive exchange with nature. This criticism is important because it exposes the naturalism and the essentialism of
some humanist and moralist readings of Marx’s theory of exploitation (Scritti 2007; 2011a).

Marx is adamant in declaring that the “just” wage in a capitalist system is that determined in the labour market. And on many occasions, he criticises the socialist doctrines based on universal principles of justice, which—in the Critique of the Gotha Program—he defines “dogmas”, “verbal rubbish” and “ideological trash”. Marx’s Hegelian heritage plays a crucial role in justifying his “realist” approach. He makes the most of Hegel’s notion of Sittlichkeit (customary ethical life) as a negation of Moralität. The latter is based on abstract and rational principles of justice, as in Kant. Marx’s opinion is that universal moral norms do not exist, since all moral axioms are posited by philosophers or “utopian socialists” and reflect their preferences. Sittlichkeit, instead, is the expression of the conventional rules prevailing in certain cultures. Customary ethical norms do exist, but are historically contingent. They provide practical justifications for the sentiments determining social action.

Such a vision induces Marx to adopt a descriptive approach to ethical as well as political and economic problems, and in particular, a descriptive approach to the theory of exploitation. The production of profits in a capitalist system is a real, objective fact. Its understanding in term of workers’ exploitation is a subjective practice, the practice whereby a social subject, an organised group of revolutionary workers, forms its own class consciousness. Such an understanding does not follow from an a-priori philosophical position. It stems from real processes involving the identification of class interests. It is not univocal, and is affected by class struggle on the ideological front. And although it is socially shaped, in the sense that individuals belonging to different classes are predisposed to accept alternative ethical beliefs, it does not spring deterministically from class structure. No social position can prevent a labourer from believing she is a free commodity seller rather

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5 Weirdly, Sittlichkeit, according to Hegel, is also a dialectical synthesis of Moralität and Recht. Hegel reintroduces a normative approach to morality when he interprets History as a dialectical process ruled and finalised by Rationality.

than a subjugated and exploited wagrker, or to think that profits are the just reward of the capitalists’ contribution to production.

Summing up, there is a fundamental ambivalence in Marx’s theory of exploitation, as this has both a normative and a descriptive connotation, although the latter is prevalent. It involves two approaches that are incompatible with each other, and requires the interpreter to make an unequivocal choice between them.

My personal choice endorses the descriptive approach, and sees the above-mentioned moralist propositions as simply expressing sentiments typical of a worker’s point of view, as interpreted by Marx. Do not forget that besides being a social scientist, he is also the General Secretary of the International Workingmen’s Association, i.e. the leader and spokesman of a revolutionary organization of workers. He is therefore entitled to construe their sentiments, claims and goals, and help bring them to fruition.

A descriptive approach to Sittlichkeit implies a sort of ethical relativism, and one could read Marx’s scientific analysis of capitalism as being based on a method that resembles hermeneutics. Science is not socially neutral: it is impregnated with interpretations, and these are expressions of class interests. As Ricardo develops his science adopting a bourgeois stance, Marx (1989e, 520) embraces a proletarian standpoint: the method of “scientific socialism” consists in “confining its scientific investigations to the knowledge of the social movement created by the people itself”.

Yet, having established that Marx’s theory proper is descriptive, not all problems are solved. There are scholars who think that, skipping any ethical judgment, a descriptive approach to exploitation should simply aim to demonstrate its existence. The proposition that surplus value is created by unpaid labour does not provide proof because it is an axiom. To be precise, it is equivalent to the axiom that posits that value is created by abstract labour. Evidence to provide proof would show that behind abstract labour there is concrete labour, which produces the use values of commodities; that only a part of commodities is consumed by the producers; and that another part is consumed by social classes that did not contribute to production, e.g. rentiers, speculators and capitalists.

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In this demonstration, exploitation emerges from the fact that workers supply a certain amount of necessary labour to produce the value of their subsistence goods and a certain amount of surplus labour to produce the value of the exploiters’ consumer goods. Workers enjoy the use values of the former goods, whilst exploiters enjoy the use values of the latter. Notice that, in such reasoning, commodities must be consumer goods, for exploitation is defined in terms of welfare distribution. Investments represent a use of current output that contributes to increasing future consumption. Since we wish to avoid any ethical judgment, we raise no question about who is the legitimate owner of surplus value and who has the legitimate power to decide on investments. We only consider the effects of income distribution and investment decisions on the goods consumed by the workers and the exploiters, in both the present and the future. If all consumption accrues to the workers, there is no exploitation.

Then, imagine a system of “pure capitalism” in which the workers consume their entire wages and the capitalists invest their entire earnings. In this case, necessary labour produces the workers’ current consumption and surplus labour serves to increase their future consumption. There is no exploitation, because all final products go to the workers, sooner or later.\(^8\)

In fact, consider the case of a socialist economy in which the minister of production, as an agent of the workers, decides to earmark a part of the current output and invest it. The managers of socialist enterprises are paid a salary for their organizational activity. There is no difference from the case of a capitalist system in which the “functioning capitalists” are paid a “wage of management” (Marx 1998, chapter 23; Screpanti 1998), and in which all “profit of enterprise” exceeding this wage is invested.

In the long run, investment activity may further the escalation of real wages and grant “a constant growth of the mass of the labourers means of subsistence” (Marx 1996, 523). Actually, “a noticeable increase in wages presupposes a rapid growth of productive capital. The rapid

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growth of productive capital brings about an equally rapid growth of wealth, luxury, social wants, social enjoyments” (1977, 216).

This means that reinvested surplus value is not misuse from the point of view of the workers’ welfare, and that exploitation boils down to the consumption capitalists enjoy in excess of their wages of management. A Saint-Simonian notion of exploitation applies in this approach: there is exploitation whenever some idle classes enjoy goods they did not contribute to producing. It is not by chance that the “working” or “industrial” class, according to Saint-Simon, includes the entrepreneurs.

Marx’s view is different: all surplus value is a result of exploitation, independently of how it is spent. In a capitalist system, there is exploitation even if all profits are spent under the urge to “accumulate, accumulate!” What really matters is the identification of the social subject who controls surplus labour: “transformation of profit into capital is no more than employing a portion of excess labour to form new, additional means of production. That this takes place in the shape of a transformation of profit into capital signifies merely that it is the capitalist rather than the labourer who has surplus labour at his disposal” (Marx 1998, 836–7).

Those who control the production process take the production decisions, regulate the exertion of labour activity and decide the expenditure of surplus value. In a socialist system, a part of the output can be saved, but its control is assigned to the workers, and there is no exploitation; in a capitalist system, control of surplus value pertains to the capitalists and there is exploitation.

In any case, Marx the scientist does not aim to demonstrate the existence of exploitation. He endeavours to explain it, and does so by bringing to light its social footing. He seeks to account for how surplus value is extracted within the legal and ethical system typical of capitalism and on the grounds of its institutions and social relations.

The gist of the explanation is as follows. Abstract labour is the labour time a worker spends in a capitalist production process. The capitalist dominates this process because the worker has entered into a contract of subordinate employment. The worker “freely” accepts this contract.
She is not a slave; she is a legal entity endowed with freedom of contract. However, normal wages do not enable her to save the income she could use to earn a living autonomously. Therefore, the worker’s legal freedom is spoiled by the permanent state of need that compels her to accept wage labour. In other words, the worker is not free not to accept the employment relationship (Laibman 2015, 22; Yoshihara 2017, 633). Subsequently, her real freedom to choose is cancelled out in the labour process, in which she is subject to the capitalist’s power (Screpanti 2011b). This is the core of capitalist exploitation: the employer’s power compels the worker to produce commodities whose value is greater than her wage, and that same power grants control of the product of labour activity.

The problem is that, probably due to the fundamental ambivalence concerning the descriptive/normative attitude, Marx expounds his theory without resolving certain ambiguities when dealing with abstract labour, exchange value and the use of labour power. This book seeks to disentangle them.

In chapter 1, I present the pars destruens of my interpretation. Abstract labour is a logical category defined via an intellectual process of abstraction from the characteristics of concrete labour. On the other hand, Marx also sees it as a real thing and often treats it as a natural force that creates value. This is a sort of metaphysics of value creation, expressed with a metaphor taken from the labour process: an “expenditure of human brains, nerves, muscles”, which, however, are aspects of concrete labour. A series of inconsistencies ensues, that impair the labour theory of value. Besides the vices of essentialism and naturalism, the thorniest problem is caused by the fact that labour values are variables of a purely technological nature, as they only depend on the technical coefficients of production. Not by chance, Marx defines them as manifestations of a productive force operating in a system of “commodity production in general” rather than as expressions of capitalist social relations.

In chapter 2, I develop the pars construens of my interpretation, and argue that most of such inconsistencies can be disposed of, provided that the concept of abstract labour is interpreted in the light of what Marx writes in the Economic Manuscript of 1861–63 and in Results of the Direct Production Process. In these works, he expounds the notions of “subordination” and “subsumption” and opens a new path to the theory
of the employment relationship. The former notion is defined as the subjection of the worker to the capitalist, that is, the worker’s obligation to execute labour activity under the command of the employer. The latter is meant as the appropriation of labour’s productive power by capital, that is, the manifestation of labour capacities as attributes of capital. Here, Marx considers “irrational” the idea that a worker is a commodity seller. Instead, he characterises the employment contract as an agreement establishing a relationship of subordination. He puts forward, far in advance of the modern theory of relational contracts, the notion of the employment contract as an institution that generates an authority relationship. In this view, abstract labour is indeed a real abstraction, but one that emerges from a social relation, not from a natural substance: it is the labour time a wageworker spends in a production process under the command of a capitalist.

In chapter 3, I focus on exploitation and argue that it is carried out through the capitalist control of the labour process. Moreover, I show that labour values do not play any role in determining the production of surplus value and that a theory of value only serves as an instrument of measurement. On the one hand, Marx explains the production of surplus value by investigating the management of the labour process under formal and real subsumption. On the other hand, he does so by examining the vicissitudes of class struggle within and outside the factories. Class struggle plays a decisive role in determining the dynamics of labour productivity and wages — in other words, the rate of surplus value.

In chapter 4, I try to bring to light the fundamental reason why the labour theory of value is problematic. The reason is deeper than what emerges in the transformation problem. It is not so much that a uniform profit rate prevails with production prices, but rather that a profit rate exists. In fact, labour values are determined independently of profits. They hold in a non-capitalist economy and are therefore unsuitable for measuring surplus value. Fortunately, the theory of exploitation does not depend on the labour theory of value and can be expounded by resorting to production prices.

Almost all Marxists have now accepted this truth. Most of them have been convinced by a “new interpretation” which has been able to translate the value of net output into an amount of living labour and the
rate of surplus value into a ratio between unpaid and paid labour. What produced such a result is the use of labour productivity as a numeraire. Another way to measure exploitation in labour units is to normalise prices with the wage, thus defining them as labour commanded. I expound these arguments in chapter 5, but not before bringing to light two paradoxes that emerge when values are determined in embodied labour. One concerns the inability of labour values to account for technical change in a capitalist economy; the other is caused by Marx’s definition of equal exchange.