

London School of Economics & Political Science  
Department of Government  
2021-2022

GV4H5 Capitalism and Social Justice  
Lent Term 2022

Course instructor: Dr Sarah Goff ([s.goff@lse.ac.uk](mailto:s.goff@lse.ac.uk))  
Office hours: to be announced

Availability: This course is available on the MSc in Political Theory. This course is available with permission as an outside option to students on other programmes where regulations permit. The course is capped at 1 group. The deadline for applications is 10:00 on Wednesday 22 September 2021. You will be informed of the outcome by 10:00 on Friday 24 September 2021.

### **Course content**

This course aims to analyze the concept of social justice, examine which economic system might best achieve it, and consider the implications for the organization of work. The positions to be assessed span the political spectrum, including the classical liberalism of F. A. Hayek, the modern liberalism of John Rawls, Robert Nozick's libertarianism, and interpretations and defenses of Karl Marx. Topics likely to be addressed include contemporary debates about exploitation, domination in work and the labour market, working hours and their implications for rights to leisure, dignity and recognition in work, and the role of business ethics in unjust societies.

### **Teaching**

This course provides a seminar totalling 20 hours in the LT. This year, some or all of this teaching will be delivered through a combination of online and on-campus seminars. There will be a reading week in LT Week 6.

### **Formative coursework**

Students will submit a short formative essay (up to 1500 words) and will be given feedback on this before submitting their assessed coursework.

### **Assessment**

Essay (100%, 4000 words). Question prompts will be provided by the instructor.

Course outline:

- Week 1: Introduction
- Week 2: The rules of the market
- Week 3: Economic efficiency and business ethics
- Week 4: Property rights and economic liberties

Week 5: Marxist critiques of private property  
Week 6: Reading week (no class meetings, formative essays due)  
Week 7: Distributive justice in contemporary liberal theory  
Week 8: Contemporary debates about exploitation  
Week 9: Domination in work and the labor market  
Week 10: Working hours and unemployment  
Week 11: Dignity and recognition in work

## **Course Readings:**

### **Week 1: Introduction**

Social justice is about what people owe to one another in virtue of their membership in a society, specifically, what individuals *claim* from one another as their *right*. This week introduces the distinction between procedural justice and substantive justice. F.A. Hayek argues against substantive justice (what he calls ‘social’ or distributive justice), in favor of rules and the ‘spontaneous’ order of the market. In addition, this seminar introduces the main features of capitalism: efficiency, private property, and hierarchical firms.

#### Essential reading

F.A. Hayek, Chapter 9: ‘“Social” or Distributive Justice’ in *Law, Legislation, and Liberty* (ed. Paul Kelly) (2013), first published in *The Mirage of Social Justice* (1976).  
Elizabeth Anderson, ‘How bosses are (literally) like dictators’ (2017)  
(<https://www.vox.com/the-big-idea/2017/7/17/15973478/bosses-dictators-workplace-rights-free-markets-unions>)

#### Background reading

John Rawls, *Theory of Justice* (1971), parts 1-4 in Chapter 1: Justice as Fairness (pp. 3-19)  
Andrew Lister, ‘The Mirage of Social Justice: Hayek Against (and For) Rawls’ *Critical Review: A Journal of Politics and Society* (2013)

### **Week 2: The rules of the market**

Hayek supported the ‘spontaneous order’ of the market in part because it serves general ends, rather than the particular aims of any person whose interests are elevated in priority over the aims of other people. The other major reason for his support for capitalist markets is that they are not intentionally controlled, falling beyond the epistemic capacities of any rational agent to even understand, and thus do not threaten freedom in the same way. In discussion, we’ll consider Hayek’s arguments against government interference in the rules of the market and whether this is consistent with his support for minimal provision of social welfare.

#### Essential Reading

F.A. Hayek, ‘Chapter 10: The Market Order or Catallaxy’, in *Law, Legislation, and Liberty*.  
Adam Tebble, ‘Hayek and Social Justice: a Critique,’ *Critical Review of International Social and Political Philosophy* (2009)

#### Background Reading

Leonard Read, 'I, Pencil' *The Freeman*, 1958

F.A. Hayek, Chapter 7: General Welfare and Particular Purposes in *Law, Legislation, and Liberty*.

F.A. Hayek, Competition as a Discovery Procedure (1968), published in translation in 2002 in the *Quarterly Journal of Austrian Economics* (Vol. 2, Issue 3) pp. 9-23

F. A. Hayek, 'Postscript: Why I am not a conservative' in *The Constitution of Liberty* (1960).

Samuel Freeman, 'Capitalism in the Classical and High Liberal Traditions,' *Social Philosophy and Policy*, 28 (2) (2011) pp.19–55.

Chandran Kukathas, Chapter 3: 'Individualism and Social Theory' and Chapter 4: 'The Theory of Liberty' and in *Hayek and Modern Liberalism* (1989)

### **Week 3: Economic efficiency and business ethics**

Joseph Heath argues that efficiency is the justification for capitalist markets, while noting it is not uncommon to have 'market failures.' This week considers the value of efficiency. We will consider a criticism from Abraham Singer that the concern about the functioning of the market should be with its 'justice failures.' We will discuss their shared view that businesses have duties to prevent these failures, beyond the duties of the state or society as a whole.

#### Essential Reading

Joseph Heath, 'Efficiency as the Implicit Morality of the Market' in *Morality, Competition, and the Firm* (2014)

Abraham Singer, 'Justice Failure: Efficiency and Equality in Business Ethics' *Journal of Business Ethics* (2018)

#### Background Reading

John Maynard Keynes, 'Economic Possibilities for our Grandchildren' in *the Collected Writings of John Maynard Keynes Volume 9: Essays in Persuasion* (eds. Elizabeth Johnson and Donald Moggridge) (2012)

R. H. Coase, 'The Nature of the Firm' *Economica* (1937)

Joseph Heath, 'On the very idea of a just wage' *Erasmus Journal of Philosophy & Economics* (2018)

Abraham Singer, *The Form of the Firm: A Normative Political Theory of the Corporation* (2018)

Milton Friedman, 'The Social Responsibility of Business is to Increase Its Profits' *New York Times* (September 13, 1970)

### **Week 4: Property rights and economic liberties**

Following from last week's consideration of efficiency, this week considers property rights, another main feature of capitalism. In addition to Nozick's classic libertarian text, we will consider the view that the poor have important economic liberties of entrepreneurship that are often violated. Together, these arguments put forward two justifications for economic liberties/property rights: they are necessary for autonomy and for furthering important interests.

#### Essential Reading

Robert Nozick, Chapter 7, Section 1 in *Anarchy, State, and Utopia* (1974)

Jahel Queralt, 'Protecting the Entrepreneurial Poor: a Human Rights Approach' *Politics, Philosophy & Economics* (2019)

### Background Reading

John Tomasi, 'Democratic Legitimacy and Economic Liberty', *Social Philosophy and Policy*, 29 (1) (2011), pp. 50–80.

John Tomasi, *Free Market Fairness* (2012)

Carole Pateman, 'Self Ownership and Property in the Person: A Tale of Two Concepts,' *The Journal of Political Philosophy* 10 (2002): 20-53.

Jesse von Platz, 'Are economic liberties basic rights?' *Politics, Philosophy & Economics* (2014)

## **Week 5: Marxist critiques of private property**

We take up an important Marxist line of criticism against capitalist markets, regarding their process rather than their distributional outcomes. Capitalist markets are exploitative because they involve a process of theft, or 'expropriation', of surplus labor (with respect to production or exchange). G.A. Cohen engages with Nozick's argument on behalf of this Marxist critique about process. We will also consider a recent effort to criticize capitalist markets for their inequalities in power, which includes a proposal for 'predistribution' to better shape the interactions among market actors.

### Essential Reading

G.A. Cohen 'Marxism and Contemporary Political Philosophy, or: Why Nozick Exercises Some Marxists More than He Does Any Egalitarian Liberals', *Canadian Journal of Philosophy Supplementary Volume* 16 (1990): 363-87. Also in Cohen (1995) *Self-ownership, Freedom, and Equality*

Martin O'Neill, 'Power, Predistribution, and Social Justice' *Philosophy* (2019)

### Background Reading

G.A. Cohen, 'Robert Nozick and Wilt Chamberlain: How Patterns Preserve Liberty', *Erkenntnis* 11 (1977): 121-39. Also in Cohen (1995) *Self-ownership, Freedom, and Equality*. Cambridge: Cambridge University Press.

G.A. Cohen, *Why Not Socialism?* (2009)

John Roemer, 'Socialism Revisited' *Philosophy and Public Affairs* (2017)

Nicolas Vrousalis, 'Exploitation, Vulnerability, and Social Domination' *Philosophy and Public Affairs* (2013)

Nicolas Vrousalis, 'Socialism Unrevised: A Reply to Roemer on Marx, Exploitation, Solidarity, Worker Control' *Philosophy and Public Affairs* (2021)

Nicholas Vrousalis, 'The Capitalist Cage: Structural Domination and Collective Agency in the Market' *Journal of Applied Philosophy* (2020)

## **Week 6: Reading week (no class meetings, formative essays due)**

## **Week 7: Distributive justice in contemporary liberal theory**

John Rawls is well known for his 'difference principle', but his theory of justice assigns a secondary role to distributional justice. Before a reasonable person should be concerned for

his society to maximally improve the condition of the least well off, Rawls thinks the reasonable person would have a priority of concern for liberty and for the principle of equality of opportunity. We will evaluate Rawls' arguments for this hierarchy, and consider what is meant to be a friendly amendment to Rawls' view about the difference principle. Samuel Arnold argues that it should be understood to include more all-purpose resources, such as intelligence and virtuosity; he argues that these primary goods are at stake in work and not presently provided in a society's employment hierarchy.

### Essential Reading

John Rawls, *Theory of Justice* (1971), parts 1-4, 11-17 across Chapters 1 and 2 (pp. 52-93)  
Samuel Arnold, 'The Difference Principle at Work,' *Journal of Political Philosophy*, 20 (1) (2011) pp. 94–118.

### Background Reading

Nien-he Hsieh, 'Justice at Work: Arguing for Property-Owning Democracy,' *Journal of Social Philosophy* (2009).  
Martin O'Neill, 'Three Rawlsian routes towards economic democracy' *Revue de Philosophie Economique* (2008)  
Nicholas Vrousalis, 'Workplace Democracy Implies Economic Democracy' *Journal of Social Philosophy* (2019)  
Thomas Ferretti, 'A liberal egalitarian perspective on the platform economy' *Journal of Social Philosophy* (2020)

## **Week 8: Contemporary debates about exploitation**

This week returns to and further develops the ideas from week four and week five, regarding fair process, and the background conditions of entitlements, and the role of individual choice in economic transactions. While we depart from explicitly Marxist ideas of exploitation, we will consider what of these ideas remains in contemporary debates about gendered forms of exploitation and sweatshop labor.

### Essential Reading

Mirjam Muller, 'Emotional Labour: A Case of Gender-Specific Exploitation,' *Critical Review of International Social and Political Philosophy* (2019)  
Matthew Zwolinski, 'Sweatshops, choice, and exploitation,' *Business Ethics Quarterly*, 17(4), (2007) pp. 689–727.

### Background Reading

Sarah Goff, 'How to Trade Fairly in an Unjust Society: The Problem of Gender Discrimination in the Labor Market' *Social Theory and Practice* Volume 42, Issue 3 (July 2016), pp. 555-580  
Jeremy Snyder, 'Needs Exploitation,' *Ethical Theory and Moral Practice*, 11(4) (2008) pp. 389–405.  
Pablo Gilibert, 'Exploitation, Solidarity, and Dignity' *Journal of Social Philosophy* (2019)

## **Week 9: Domination in work and the labour market**

This week we address the role of hierarchical firms, the final entry in our list of the main features of capitalism. As we saw in the introductory week of the course, Elizabeth Anderson argues that employers can act like dictators. We take up Robert Taylor's proposal that the best way to address domination in work is to address market failures in labor markets, particularly to make it easier for workers to exit bad working conditions and enter into better employment contracts. With a better kind of market order, the logic is that workers will not be subject to the arbitrary will of their particular employers.

### Essential Reading

Elizabeth Anderson, Chapter 2: 'Private Government' in *Private Government: How Employers Rule Our Lives (and why we don't talk about it)* (2017)  
Robert S. Taylor, Chapter 3: 'Market' in *Exit Left: Markets and Mobility in Republican Thought* (2017)

### Background Reading

Philip Pettit, 'Freedom in the market' *Politics, Philosophy & Economics* (2007)  
Alan Thomas, *Republic of Equals* (2017)  
Alex Gourevitch, 'Labor and Republican Liberty' *Constellations* (2011)  
Alex Gourevitch, 'Labor Republicanism and the Transformation of Work' *Political Theory* (2013)  
Nien-he Hsieh, 'Republican Justice and Workplace Republicanism' *Social Theory and Practice* (2005)  
Inigo Gonzalez-Ricoy, 'The Republican Case for Workplace Democracy' *Social Theory and Practice* (2014)

## **Week 10: Working hours and unemployment**

During the pandemic, many workers have experienced significant changes in their working hours and employment status. While some workers have taken on extended hours (often while working from home) and extra burdens from staff shortages, others have become unemployed or more precarious in their employment. This week we consider work as a distributional problem, with Julie Rose arguing that there are rights to leisure and Tom Parr arguing for efforts to reduce and more equitably share the costs of unemployment.

### Essential Reading

Julie L. Rose, Chapter 4: 'The Claim to Free Time' in *Free Time* (2016)  
Tom Parr, 'Automation, Unemployment, and Taxation' *Social Theory & Practice* (2021).

### Background Reading

Lucas Stanczyk, 'Free Time and Economic Class,' *Law, Ethics, and Philosophy* (2017)  
Jeppe Von Platz, 'Free Time, Freedom, and Fairness,' *Law, Ethics, and Philosophy* (2017)  
Kristi Olson, 'Our Choices, Our Wage Gap?' *Philosophical Topics* (2012)  
Philippe Van Parijs, *Real Freedom for All: What (if Anything) Can Justify Capitalism?* (1995)

## **Week 11: Dignity and recognition in work**

In the final week of the course, we consider the social meaning of work and working conditions. We take up the argument that low wages have expressive meaning about the worth of the workers, and the argument that workers should enjoy dignity in their work and esteem for their social contributions. In this discussion, I aim to briefly return to our first week's analysis of Hayek and his rejection of social justice, in favor of the abstract and unintentional processes of capitalist markets.

#### Essential Reading

Ned Dobos, 'Exploitation, Working Poverty, and the Expressive Power of Wages' *Journal of Applied Philosophy* (2018)

Timo Jutten, 'Dignity, Esteem, and Social Contribution: A Recognition-Theoretical View' *Journal of Political Philosophy* (2017)

#### Background Reading

Pablo Gilabert, 'Dignity at Work' in *Philosophical Foundations of Labour Law* (eds. Hugh Collins, Gillian Lester, and Virginia Mantouvalou) (2018)

Onni Hirvonen and Keith Breen, 'Recognitive arguments for workplace democracy' *Constellations* (2020)

F.A. Hayek, Chapter 11: 'The Discipline of Abstract Rules and the Emotions of the Tribal Society' in *Law, Legislation, and Liberty* (ed. Paul Kelly) (2013), first published in *The Mirage of Social Justice* (1976).