

## IS CAPITALISM CORRUPT?

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*Abstract: In one broad construal, corruption consists of deriving benefit from power over others in morally objectionable ways. The charge that capitalism is corrupt is usefully understood as a claim that modern capitalist economies inevitably and pervasively generate corrupt gains, in this sense, through conduct that does not transgress capitalist norms for individuals' economic conduct. Modern capitalism has two features that would figure prominently in such an indictment: gains from the inferior bargaining power of most workers and gains from the superior political influence of those in the best economic situations. The taint of corruption should be reduced by political measures that move capitalist commerce toward Adam Smith's commercial ideal of gains from exchanging help for help and that show appreciation of the equal importance of everyone's presumed desire to have a life shaped by directives that he or she willingly accepts. Through such measures, capitalism could, in principle, become non-corrupt. In practice, unequal political influence will prevent this. Ending the corruptness of capitalism is an unattainable yet productive goal of reform.*

KEY WORDS: Adam Smith, bargaining power, capitalism, corruption, exploitation, political equality, political influence

Is capitalism corrupt? At least two familiar charges might be part of an indictment on these grounds. The labor market under capitalism is sometimes criticized as pervasively exploitive, benefiting capitalist employers and burdening those they hire on account of employers' superior bargaining power. When people attack the political system as "rigged," they often have in mind superior political influence of the rich that sustains and magnifies their wealth; despite hopes for regulation of campaign contributions, it is by no means clear that this rigging can, in fact, be avoided under capitalism. This essay is an attempt to make this indictment more precise and to assess its validity and importance.

I will start by spelling out and justifying a construal of the charge, "Capitalism is corrupt," in which the basic allegation is the morally objectionable pervasive derivation of gains from power over others. Then, I will develop a moral indictment of capitalism as corrupt, in this sense, on account of unequal bargaining power and unequal political influence. I hope to show that it is hard for a capitalist society to avoid conviction under this indictment, and that this difficulty has a substantial impact on the pursuit of justice. Removing the taint of corruption requires a strenuous and distinctive process of reform, increasing the power and political influence of workers and advancing their well-being for distinctive moral reasons.

### I. A SENSE OF "CORRUPTION"

The morally objectionable derivation of benefit from power over others is part of the paradigms of corruption, of clear illustrations of conduct that is strictly and literally corrupt. Fraudsters prey on their victims by taking advantage of their weaknesses in information. For years, Bernie Madoff got rich by cultivating others' ignorance of what he knew: the origins in a Ponzi scheme of high returns from his investment fund. The cop who starts to write a traffic ticket, casts a meaningful glance at the motorist, and rubs his thumb against his forefinger in the traditional mute proposal seeks to illegitimately derive a benefit from the power of his office. So does the town councilperson who lets a developer know that she will support a zoning variance in exchange for a campaign contribution.

In these paradigms of corruption, the process of gain from superior power is not just morally illegitimate, but illegal. But the charge seems appropriate when the process breaks no law. If a U.S. Senator routinely supports legislation proposed by lobbyists for an industry in his state and would not if he did not expect large campaign contributions that would not otherwise be forthcoming, most of us would regard him as corrupt without inquiry as to whether a law is broken. Admittedly, he violates a norm current in his society as to how the authority of his office should be exercised. But moral illegitimacy alone seems a plausible basis for a charge of corruption. When a husband benefits from abundant services from his wife because she cannot make a decent living and continue a loving relation with their children if she leaves the marriage, their conduct and her limited options may fit current social norms very well, but his luxuriating might well be characterized as corrupt.

Perhaps the husband is corrupt only in an extended sense, a metaphorical usage derived from strict and literal instances which are characterized by violation of laws or conventional norms and other features as well. Still, the further extension extrapolates morally central features of the core cases in a distinctive moral criticism. The prime examples, such as the fraudster, cop, and councilperson, are not primarily immoral because they violate laws or conventional norms. Such trespasses can be morally trivial, even, occasionally, admirable. Moreover, moral criticism of their conduct as corrupt derives from their process of gain, not (as other moral criticism does) from its foreseen or intended outcomes. If Madoff had confined his fraud to rich people whose lives would not be significantly worsened by the loss of their investments in his fund and had donated the gains to worthy charities, he would still have been a fraudster and his conduct would have been just as tainted by corruption. The central target of moral condemnation in the prime examples is a process in which material gain is derived from superior power. From now on, I will apply the term "corruption" in the perhaps extended sense of morally objectionable processes of that kind. While the resemblance to the paradigm cases motivates the

broad usage, it will be vitally important to keep in mind that moral objectionability cannot be safely assumed, as in the paradigms, but must be established.

Further specification is needed to tailor the charge that capitalism is corrupt to fit its subject. By “capitalism,” I mean a form of economy in which production and distribution are largely the activity of enterprises owned by individuals (including joint owners), enterprises competing for profit from what they sell and largely relying on labor contracts with employees as the basis for the personal efforts producing their profits. Economic and political life in a society with such an economy could, in principle, take many forms, and people respond to capitalist opportunities in many ways. This makes it challenging to develop a morally useful indictment of capitalism as corrupt, which would illuminate non-obvious truths about moral limitations.

The claim that a capitalist economy provides opportunities for corruption that people often put to use is obviously and uninterestingly true. Of course, markets in investments can be sites of fraud. The claim that every imaginable capitalist economy includes corrupt capitalist activities is uninterestingly false. In a charming part of his critique of Jerry Cohen’s *Why Not Socialism?*, Jason Brennan asks the reader to consider the loveable capitalist economic life of Mickey Mouse Clubhouse Village.<sup>1</sup> While the Disney vignettes to which he alludes do not very carefully explore working conditions and wages in Clarabelle’s Moo Muffin factory or the process in which the workers agree to them, it is certainly imaginable that the dominant role of her firm and other labor-buying, profit-pursuing firms makes the village economy capitalist in my sense and that life in the village is untainted by corruption in my sense.

Putting to one side imaginative fantasies and, also, excursions into the past that may shed no light on current realities, the charge that capitalism is corrupt is most usefully construed as concerned with capitalist economies as they are now. The charge, then, is, more precisely, a charge against modern capitalism. I will generally leave the adjective implicit.

A useful construal of the moral indictment requires two additional specifications. First, there is the question of what ways of gaining from others’ inferior power are relevant. The crucial choice, here, turns on the norms governing the condemnation. People engaged in capitalist conduct all seek fellow-transactors who adhere to conventional norms of individual conduct which they want to be backed up by laws. (Even the fraudster needs an economy sustained by such laws to provide the fruits he plucks by his violations.) The frequent violation of these norms of honesty, contract fulfillment and the like would be depressing testimony to human crookedness. But critics who charge that capitalism is itself corrupt are

<sup>1</sup> See Jason Brennan, *Why Not Capitalism?* (New York: Routledge, 2014), 23–25.

rarely charging that lots of businesspeople are crooks. Since the goal is to assess an economic system, rather than the moral fiber of those taking part in the system, it is best to put violation of conventional capitalist commercial norms of individual conduct to one side as playing no direct and fundamental role in the allegation of corruption. Incorporating this proviso, the charge that capitalism in a modern country is corrupt could be construed as follows.

The derivation of gains from others' inferior power, apart from gains due to violation of conventional capitalist norms of individual conduct, is common and important for the lives of most people, has this currency on account of capitalist economic activity fitting those norms and its consequences, and the extent of its prevalence is morally objectionable.

Second, there is the question of how possibilities of change should be taken into account in a morally revealing charge that modern capitalism is corrupt. Even if all countries with capitalist economies currently have the characteristic I have just described, it might be misleading to claim that modern capitalism itself is corrupt. For suppose that the corruption can be removed without rendering an economy noncapitalist. Then the moral fault might lie in the citizens and political leaders of the country, but not in capitalism itself. On the other hand, if political processes inevitably sustained by capitalism preclude the reforms, then the onus shifts to capitalism. Also, the assessment of the charge of corruption must take account of inevitable adverse consequences of reducing the gains from superior economic power. If changes significantly reducing their extent would have inevitable adverse consequences that make them undesirable, then the charge describes, at most, a morally relevant but morally overridden consideration.

One way of taking account of these complexities—my way in this essay—is through complex questioning of a central moral indictment. The moral indictment is the charge that all modern capitalist countries are inevitably corrupt due to their capitalism—in the sense described above. In evaluating the indictment, one should ask whether and how a modern capitalist country could become not guilty, while remaining capitalist, even if all are currently guilty as charged. Scrutinizing changes that would reduce the extent of gains from superior power, one should ask whether they are desirable and whether they are politically feasible under capitalism. My arguments will support the following preliminary answers to these questions. Modern capitalism is currently corrupt. The corruption could, in principle, be ended through desirable political changes that reduce working people's inferiority in bargaining power and political power. Inevitably, inferior political power will prevent full attainment of this goal. Still, the aspiration to make capitalism not corrupt is a distinctive, productive source of moral progress.

## II. EXPLOITATION AND UNEQUAL BARGAINING POWER

Those who regard capitalism as corrupt have often based their indictment on the charge that the process in which labor is bought and sold is typically exploitive and have looked to Marx's writings as the classic exposé. There is much to be said for that charge, but not on the basis of what Marx wrote. When he uses the term carefully, exploitation is the derivation from the employment of workers of surplus value, that is, the value of what is sold from their output over and above the sum of the value of depleted material input (raw materials and machinery deteriorated through wear-and-tear) and the value of what must be provided to workers to fulfill the needs of themselves and their families, including what is needed to create and sustain the skills typical of those in their positions. Those working-class needs, he specifies, are socially determined, rising with the general level of prosperity. His measure of value is labor-time typically expended in production. He is very far from supposing that nothing can increase the material rewards of a certain amount of labor with a certain degree of skill so long as capitalism endures. Indeed, workers' success in maintaining a constant ratio of surplus value to the labor value of their wages (the "rate of exploitation"), cashing in on technological progress, is a central assumption in an overarching goal of *Capital*, an explanation of a long-run tendency, then widely accepted among leading economists, of the rate of profit to decline.

If this is what capitalist exploitation involves, one might well ask, "What is morally objectionable here?" Probably, Marx did not intend to evoke moral criticism, even by those more interested than he was in moral critiques, in ascribing "exploitation" in his careful economic usage. There are certainly exposés of moral flaws in his writings on capitalism, but the flaws revealed do not mark the process in which labor is bought and sold, the target of the use of "exploitation" to describe a form of corruption. For example, he describes horrific working conditions that are fit objects of moral outrage. But the outrage is directed at outcomes of the buying and selling of labor power, not the process itself.

The right classic sources for the moral indictment are, instead, pioneers in illuminating the distinctive virtues of capitalism or in displacing labor-based theories of value with exchange-based theories. In particular, the classic resources for a charge that capitalism is corrupt because of typical reliance on exploitation are Adam Smith and theorists of price in competitive markets such as W. Stanley Jevons and Léon Walras.

In the encomium of commerce in the second chapter of *The Wealth of Nations*, Smith celebrates "the propensity to truck, barter, and exchange one thing for another" as the essential resource by which a person in any "civilized society" meets a "need of the cooperation and assistance of great multitudes. . . . Whoever offers to another a bargain of any kind, proposes . . . Give me that which I want, and you shall have this that you want . . . and it is in this

manner that we obtain from one another the far greater part of those good offices which we stand in need of."<sup>2</sup> If there is no lying, cheating, or promise-breaking—faults in contracting that do not interest Smith in this book—all parties gain, even if none is moved by benevolence.

However, Smith's great exploration of capitalist commerce is not always a celebration of the bargaining processes that he brilliantly illuminates. He mordantly insists on the pervasiveness of gains from bargains struck with workers that derive from difficulties of theirs in making use of bargaining to advance their interests. "We rarely hear . . . of the combinations of masters, though frequently those of workers. But whoever imagines . . . that masters do not combine, is as ignorant of the world as of the subject. Masters are always and every where in a sort of tacit, but constant and uniform combination, not to raise the wages of workers above the actual rate." When masters collude, as they sometimes do, to lower wages below this rate, workers may engage in "contrary defensive combination" (militant strikes, as we might call them now), but they usually fail, not just because of the laws against strikes and labor organizing in Smith's time but because of the masters' resources for "superior steadiness" in holding out against the workers' demands and "the necessity which the greater part of the workmen are under of submitting for the sake of present subsistence."<sup>3</sup> This view of the realities of the buying and selling of labor informs both his praise of growing economies, as somewhat reducing workers' disadvantages, and his biting assessments of the "order" (in effect, the class) of "employers . . . of those who live by profit"—"an order of men . . . whose interest is never exactly the same as that of the public . . . and who accordingly have, upon many occasions, both deceived and oppressed it."<sup>4</sup>

The sort of exchange-process that evokes Smith's sorrow or scorn is the deriving of gain from another's inferior bargaining power. If a worker receives less than she otherwise would because of her lack of skill, then her hire at the lower wage may reflect the absence of benevolence in the employer, but still the worker and employer are exchanging help for help solely on the basis of the desirability to the other of what each offers. But if the worker gains less than she otherwise would from her labor contract and her employer gains more because the threat of hunger puts her under greater time-pressure to make a deal, then the employer is benefiting from her inferior bargaining power. Similarly, the employer benefits from superior bargaining power if, as in the tacit but constant and uniform combination among employers that Smith describes, he gains more and the worker gains less because in the local labor market employers can more effectively collude in keeping wages at the going rate than workers can collude in raising them.

<sup>2</sup> Adam Smith, *The Wealth of Nations* (New York: Modern Library, 2000 [1776]), book I, chapter II, 14–15.

<sup>3</sup> *Ibid.*, book I, chapter VIII, 77.

<sup>4</sup> *Ibid.*, book I, chapter IX, 287–88.

The line between the derivation of gains that Smith values and the derivation that he does not is hard to draw in theory, as well as in practice. Once we decide that someone derives less benefit from bargaining than she otherwise would because of her inferior bargaining power, we are inclined to comment that in her contract the exchange of help for help fails (to that extent) to reflect the desirability of what each party offers. And yet, in the employer-dominated labor market that Smith describes, her contract does reflect the desirability of what she offers, in a sense. The employer is out to make a profit and other people are looking for work, under similar time-pressure, so her hire at a better wage would, as we now say, incur a corresponding opportunity cost.

The relevant sort of desirability is desirability in the relevant sort of market, which remains to be described in general terms. Saddled with the labor theories of value that were current in his time, Smith was ill-equipped to develop this description. But subsequent innovations in the general theory of price, describing how equilibrium prices would be attained in an idealized version of actual markets, provide useful equipment. In that theory, fully worked out in the general equilibrium theory of Kenneth Arrow and Gérard Debreu and founded by Jevons and Walras, price is determined by the workings of what is often called "the perfect competitive market." In that process, in using agreement to exchange to move from her initial possessions to possessions she prefers, each transactor's advantages and disadvantages solely depend on the actual characteristics of her holdings and the others' and on the actual preferences of each among different bundles of possessions whose nature is known to each. By stipulation, all exchanges are made in a virtually instantaneous process of offering and bidding, eliminating differences in capacity to hold out for a better deal. A virtually infinite number of non-colluding offerers and takers of bids participate in this process, in which transacting is itself cost-free and leads to totally reliable contracts without enforcement costs. So Smithian "combinations," whether explicit or tacit, uniform and constant or occasional, are excluded. Each commodity on the market is offered in units of known, identical quality, so superior information about what is available for exchange is absent by stipulation. In sum, everyone has full and equal access to agreement based on "Give me that which I want, and you shall have this that you want" as a basis for his or her self-advancement. By the same token, one can identify gains from buying and selling depending on superior bargaining power with gains depending on advantages that would not exist in the perfect competitive market.<sup>5</sup>

<sup>5</sup> Arrow and Debreu describe further features of such a market that guarantee an equilibrium price, in powerful demonstrations prefigured by Jevons and Walras. But all that is important here is these theorists' means of ensuring that price would solely depend on holdings, preferences, and access to exchange.

In every modern capitalist economy, there are such gains because of inferior bargaining power that is typical of those who have or rationally seek employment that is not managerial, professional, or otherwise highly skilled—"workers" in the colloquial sense, which I will use from now on. This situation is maintained by the competition among profit-seeking, employing firms that is the distinguishing feature of capitalism—and also the source of its distinctive virtues.

The relentless search to reduce labor costs and the hierarchical structure of functional management and supervision ensure that workers are the majority of those employed. Because of departures from the perfect competitive market, realistic fears of unemployment shape what a worker will typically accept, with no equivalent pressure on the other side to accept an offer of work in exchange for greater compensation.

Competing for sales in conditions of uncertainty absent from the perfect competitive market, some firms lose and reduce their labor force or even go out of business entirely. Expansion of employment by the winners is limited by uncertainty as well: expansion involves new stock or equipment that will have to be sold for a loss if the expansion was overly exuberant.<sup>6</sup> If a labor market becomes tight, employers typically delay a corresponding increase in wages that would create new untoward expectations, in a modern version of Smith's tacit combination. Faced with enduring tightness, they can reduce their need for labor in the current labor market by emphasizing labor-saving technologies in their relentless competitive search for innovation and by shifting production to other labor markets—which can be very distant in modern times—in which people more urgently seek employment. (The shifts in technology are not available in the perfect competitive market, where all assets, including productive assets, are given and simply change hands.)

In imaginable capitalisms, firms would, nonetheless, expand production up to the point at which no net revenue is yielded, on account of rational fear of the entry of competing firms that would capture investment funds and reduce market share. In real capitalist economies, rational fear of interlopers is greatly reduced by established reputations (typically deployed through brand names—a pointless exercise if there were the free and perfect information of the perfect competitive market), proprietary knowledge of recent innovations (often protected by patents), secure networks, hard to weave together, of suppliers and distributors (accomplishing what is effortlessly provided by the perfect competitive market), economies of scale, and the risks of entering a market when investments in production facilities can only be liquidated at a substantial loss in case of failure.

<sup>6</sup> In the Arrow-Debreu model, the contrast with actual conditions of uncertainty is not perfect foresight, but it is another utterly unrealistic resource: the availability, without transaction costs, of infallibly enforced contingent contracts covering all eventualities, extending infinitely far into the future.



Despite these advantages, employers typically have reason to offer employees a wage that they can use to maintain the standard of living that is regarded as "decent" for workers. This is the crucial term in Smith's penetrating observations on what constitutes a necessity even for a person "of the lowest order." Beyond what is "indispensably necessary for the support of life," there is a standard of living beneath which people cannot sink without becoming objects of pity or contempt.<sup>7</sup> When workers' wages cannot sustain life at this threshold, there is a danger of "defensive combination" in a broad sense—sometimes outright disruptive collective work stoppage, more often widespread shirking. However, someone seeking employment as a worker in the circumstances that I have described will be ill-equipped to hold out for more than this, on account of bargaining disadvantages. She and those with whom she competes will be under time-pressure to accept the terms on offer, since their resources for a decent living require replenishment by wages. Moreover, the longer that she is out of work, the deeper a consequence of the difference between her labor market and the perfect competitive market will bite. In response to the absence of perfect, cost-free information, potential employers will take prolonged unemployment as evidence that her skills have gone stale and that the inquiries of prior potential employers have shown that her hiring is undesirable. On the other hand, among workers who are employed, job searches are burdensome disruptions and may count against them in their employer's assessments of their current commitment to their jobs. Yet at this rank among employees, the chance of being sought out for hire at a better wage while employed is small: the difference that the worker would make to the new firm is not substantial; if the higher bid is met by the current employer, it has been pointless; if it is not, the current employer's letting her go is apt to reflect superior information about her capacities.<sup>8</sup>

I hope that these considerations make it plausible that the ordinary workings of capitalism typically create bargaining disadvantages for workers.<sup>9</sup> Empirical findings about job openings and about trends in wages fit this description of underlying mechanisms.<sup>10</sup>

<sup>7</sup> Smith, *The Wealth of Nations*, book V, chapter II, part II, 939. Smith emphasizes the danger of contempt based on an assumption that one has sunk low from bad conduct. But the author of *The Theory of Moral Sentiments* was well aware that pity can be deeply corrosive, as well.

<sup>8</sup> See Joseph Stiglitz, *Whither Socialism?* (Cambridge, MA: MIT Press, 1994), 35–36.

<sup>9</sup> While these disadvantages are not in the foreground of modern economics, they are an enduring presence. For example, in the dominant textbook at the start of modern economics, Alfred Marshall acknowledged the force of these factors. See Marshall, *Principles of Economics* (London: MacMillan, 1920), 566–73. Alan Manning explores their implications for current microeconomics in *Monopsony in Motion* (Princeton, NJ: Princeton University Press, 2003). Janos Kornai, perhaps the most incisive economic critic of central planning, describes how the competition that creates the distinctive virtues of capitalism generates burdensome bargaining disadvantages among workers in *Dynamism, Rivalry and the Surplus Economy* (Oxford: Oxford University Press, 2014); see especially 88–105.

<sup>10</sup> In the United States, the ratio of those actively seeking work to job openings averaged about 3 to 1 from January 2002 to January 2017, and was at least 2 to 1 nearly two-thirds of

Who gains from these bargaining advantages? Owners and investors do. In addition, the extra net revenue from employment of workers that depends on the absence of a perfect competitive market is shared by other employees who do not bear workers' burdens of inferior bargaining power.

At the apex of the managerial hierarchy, the top managers of the largest firms benefit from a golden combination of tacit collusion and limited information. Their salaries are set by social peers expressing very high but very uncertain hopes in the pay-off of their hire—hopes which they want others to indulge when it comes to their own compensation.<sup>11</sup>

Throughout the higher echelons of employment, the absence of cost-free information and perfectly knowledgeable enforcement of agreements creates further advantages. The initiative needed for effective performance would be stultified by the routine supervision that imposes discipline farther down. If rival firms' hopes for substantial gain and enhanced reputation lead to their hiring-away these employees, interpersonal networks that are important for effective teamwork are damaged, and a rival gains competitively valuable insight into the workings of the firm. So the interests of a firm are served by a premium salary for these echelons, to encourage loyalty and to provide an added incentive to avoid loss from being detected in hard-to-detect shirking.<sup>12</sup>

Freelancers in similar occupations benefit from the consequent high standards of pay for their similar work. All nonworkers benefit from the lowering of prices of commodities due to the downward pressure on labor costs created by workers' bargaining disadvantages.

### III. ECONOMIC EXPLOITATION AND POLITICAL CHOICE

A recital of Smith's description of how a butcher, baker, and brewer contribute, without benevolence, to the making of a meal would properly have a celebratory tone. A tone of mordant sorrow seems appropriate to a recital of Smith on the masters' combination. In general, the fact that

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that time. The inclusion of people working part-time who wanted full-time work, plus discouraged job seekers who wanted a job, had actively sought one within the previous year, and had currently given up, routinely doubled these ratios. From the last quarter of 2009 to the last quarter of 2015, the unemployment rate declined from 10 percent to 5 percent. Median real weekly wages did not change. (See U.S. Department of Labor, Bureau of Labor Statistics, <https://data.bls.gov>, "Number of unemployed persons per job opening," "Alternative measures of labor underutilization," "Unemployment rate," "Weekly and hourly earnings," "CPI Inflation Calculator" (accessed March 30, 2017.)) Manning documents the normal ease of filling relatively unskilled positions in the United Kingdom in *Monopsony in Motion*, 280–81.

<sup>11</sup> See Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA: Harvard University Press, 2014), 330–35, for a more detailed account, with further references.

<sup>12</sup> The classic general account of this source of higher compensation is Carl Shapiro and Joseph Stiglitz, "Equilibrium Unemployment as a Worker Discipline Device," *American Economic Review* 74, no. 3 (1984): 433–44.

someone is deriving a gain from another, at cost to the other, due to her inferior bargaining power seems a moral reason to change the situation, reducing the burden of the inferiority. Yet when we reflect on the conduct of the managers or owners who create the gains, in modern capitalism as I have described it, it does not seem that they have a duty to relent that would significantly reduce the pervasive gains from superior bargaining power.

Suppose that an owner or manager appreciates the inequality of bargaining power that I have described. Conscientiously reflecting on her circumstances and her economic role, she will still discover reasons not to offer wages significantly higher than the going rate for the work in question when this will reduce net revenue, reasons that reflect workers' interests as well as her own. Reduction in net revenue is reduction in internal resources and access to investment funds to sustain (and, she hopes, increase) the firm's output and labor force. Rather than helping workers, such freelance self-sacrifice by an individual firm threatens to shrink the firm in competition with less generous rivals, exposing workers to unemployment and a search for new employment at unimproved wages. This isn't to say that the conscientious employer constantly tries to "beat [job applicants] down," as Alfred Marshall puts it in a compelling description of "a fair employer." She will consider the possibility of improving net revenue by motivating teamwork and loyalty through better pay and working conditions, will prefer not to pay for labor at a lower rate than competitors in the relevant labor market, and will not take "advantage of the necessities of individual workmen, perhaps of their ignorance of what is going on elsewhere."<sup>13</sup> Given the rigors and uncertainty of capitalist competition, something like this practice seems a morally appropriate norm for typical people engaged in capitalist hiring. Adherence to this norm would not do much to reduce the pervasive derivation of gains from superior bargaining power.

Nonetheless, the pervasive derivation of gains from superior bargaining power in a capitalist economy is a morally important target for change, not through freelance relenting in economic activity but through support for reform in political choices. The moral impetus has at least three complementary sources, involving self-respect, impartial political concern, and the nurturing of a way of life worthy of love.

In choosing what laws to support, one should avoid supporting the imposition of a set of laws that fellow-citizens could not knowledgeably, self-respectfully willingly accept, but could only reluctantly acquiesce in. That is an important reason why laws declaring the truth of a religion should not be supported even if no penalty is attached to nonbelief: no self-respecting non-adherent could willingly accept them. Suppose that the system of laws protects gains from inferior bargaining power

<sup>13</sup> "A Fair Rate of Wages [1887]," *Memorials of Alfred Marshall* (London: MacMillan, 1925), 214.

of workers. Then, in the absence of an adequate justification addressed to their interests, they could not self-respectfully, knowledgeably willingly accept the framework for self-advancement that is imposed on them. Seeking to advance themselves through cooperative work, in which the desirability of what they receive depends on the desirability of what they offer, they are stymied by others' ability to dominate bargaining processes in which they must take part. How could a self-respecting person willingly accept this restriction? How could such support be compatible with her valuing reciprocity for her contributions as a self-respecting person does? These questions are not rhetorical, but they are pressing. They require a justification of the system of unequal bargaining power specifically addressed to the interests of those stymied by the system, including their interests, as self-respecting persons, in reciprocity.

Of course, the reduction of gains from workers' superior bargaining power will have costs to fellow-citizens who would have gained. However, their situation is not symmetrical with workers'. Gains from others' inferior bargaining power are nothing to be proud of. Like nearly all gains, these are dependent on interaction with others. However, unlike the gains that Smith celebrates, they are not gains from exchanging help for help on account of desirability among the interdependents. If the costs of reducing gains from superior bargaining power are gradually imposed under the rule of law, those whose gains are reduced can willingly, self-respectfully accept their loss. Because this is done under the rule of law, which binds one's competitors as well as oneself, they cannot complain of imposed competitive vulnerability which expands the scope of other firms' gains from superior bargaining power and renders their own losses pointless from workers' point of view.

In a second, complementary perspective, support for laws ought to express impartial political concern among fellow-citizens. This is how a great many people understand a goal of government with extremely broad appeal, the promotion of the general welfare.

Impartial concern for fellow-citizens is concern for their well-being. This is not, fundamentally, concern for their income and wealth. Possessions figure in well-being because of what their use or availability for use contributes to possessors' lives. While pleasurable experiences and the avoidance of discomfort play roles in well-being, they are far from the whole story. People's lives go better if they pursue goals with which they identify with sufficient success to give point and value to their choices, even if this pursuit, with its frustrations and discomforts, is not the widest available conduit for pleasurable experiences.

In these pursuits, we almost always, to a large extent, depend on others, as Smith trenchantly notes. Yet this interdependence does much more to enrich our lives if it is, at the same time, self-reliant, a process in which, through one's efforts, one obtains "the cooperation and assistance of great multitudes" by offering help in exchange for help. If one does not care

whether someone gains through handouts or gains through cooperative work, one shows contempt for her, not concern. So, in the improvement of fellow-citizens' well-being out of impartial political concern, one will be especially concerned to remove inferiorities in bargaining power, which are, by their nature, obstacles to self-advancement through cooperation. (Those who worry about political efforts to help that neglect the preferences of those who are to be helped have no cause to worry about this emphasis, since this preference for cooperative self-advancement is very widespread. Political liberals who follow Rawls have no cause to worry, since he regards an interest in cooperation as a fundamental political interest.)

An alternative, complementary basis for political choice is love of a way of life. By "a way of life," I mean the set of attitudes and dispositions in conduct that are typical and known to be typical in a society, which each rationally expects others to have. By "love," I mean a commitment to nurture these attitudes and dispositions so far as they are present and to promote them so far as they are not.

Within intimate relations, benevolence ought to be nurtured. But, as Smith trenchantly observes in celebrating the commercial way of obtaining the assistance of great multitudes, typically basing help among the many interdependent members of a civilized society on individuals' benevolence would require constant exposure of needs, intrusive inquiry, and condescending ill-informed choices of recipients. Such a way of life is not worthy of love. It merits the repugnance emblazoned in the complaint, "Mind your own business."

However, people are not just givers and receivers of goods, they are citizens as well. Suppose that fellow-citizens seek laws that increase the extent to which people throughout society can advance themselves through cooperative activity in which the desirability of what each offers to each, not differences in power, determines the outcome of their exchanges. They tolerate commercial domination only if losses from laws reducing it are excessive from the cooperation-catering standpoint of impartial political concern that I have described. In this way of life, everyone's initiative in advancing herself cooperatively is fully welcomed. This political-economic way of life is worthy of love.<sup>14</sup>

If the three perspectives that I have sketched required the replacement of capitalism by a non-capitalist economy, then the moral indictment of capitalism for sustaining unequal bargaining power in labor markets would lead to the verdict "Guilty of corruption" for capitalism itself. But all of these perspectives provide reasons not to abandon capitalism

<sup>14</sup> For reasons of space, I have confined discussion to the central case of political choice responding to the situations of fellow-citizens. The argument can be extended to established residents of one's country who are not fellow-citizens and, with significant modifications, to the transnational inflow of benefits from foreigners' inferior bargaining power. I sketch some elements of the latter argument in *Globalizing Justice* (Oxford: Oxford University Press, 2010), chap. 3.

because of excessively severe consequences, especially for those with inferior bargaining power. A modern economy can, alternatively, be coordinated by a central plan. But the lack of initiative in seeking better inputs and outlets that is dictated by adherence to a central plan yields deprivations for workers that are serious enough to provide reasons in all three perspectives for preferring some form of capitalism. In addition, the stable implementation of a central plan requires political domination by a central authority that thwarts the inevitable attempts to oppose its policies by relying on repressive one-party rule. Except, perhaps, if it is required to reduce abject poverty, such a process of governance cannot be approved by someone who seeks to avoid imposition incompatible with self-respect. The harms of subordination such governance imposes are a grave loss in well-being. Its political way of life is not worthy of love. The remaining option, an economy of competing, profit-pursuing worker-owned firms, generates enduring and pervasive unemployment. When firms shrink or go bankrupt, the winners lack the incentives of capitalist owners to expand their workforce, since profits would be diluted by the new partners (equal partners, unless this is capitalism in disguise).

Nonetheless, even if the indictment for corruption can be defeated without abandoning capitalism, the needed changes from unrestrained capitalism can be widespread, in a process shaped by the terms of the indictment. The changes might directly concern the negotiating process, for example, through legal protection of union organizing. But they need not engage with bargaining so directly: a wide range of improvements in workers' economic resources reduces their bargaining disadvantages as well. Unemployment insurance, a high safety net and national health insurance reduce the special severity of time-pressure to accept employers' terms. Enhanced government help in education makes it easier eventually to enter the professional and managerial ranks in which bargaining disadvantages are reduced or eliminated. Income redistribution that increases workers' wealth increases their capacity to hold out.

Of course, these changes all have costs. Within the wide margin in which the costs of gains for workers would be losses to others of benefits from superior bargaining power, gains and losses to workers would have special weight, in the three perspectives that I have described.

Granted, in all three perspectives, regardless of the underlying economic process, material lacks can provide reasons for political remedy. But the valuing of cooperative self-advancement constrains such interventions. Indeed, one can imagine a society—Perfect-competitive-market-land or, perhaps, Mickey Mouse Clubhouse Village—in which due regard for the importance of cooperative self-advancement could limit help for workers to relief of destitution and to measures that benefit all. The extent to which more should be done depends on the moral indictment of actual modern capitalist economies as corrupt (in the absence of intervention) on account of pervasive gains from superior bargaining power.

## IV. "OUR POLITICAL SYSTEM IS RIGGED"

In capitalist countries that are not cursed by pervasive violations of capitalist norms for individual conduct, the most common target of anger at pervasive corruption is politics, not economic life, suggesting a second topic for the moral indictment of capitalism. "The system is rigged" is a popular complaint, understood as directed at the political system. Often, "rigged against ordinary working people" would clarify the complaint. People protest what they take to be the superior influence of their best-off fellow-citizens on the political directives that are imposed on all—influence that they take to benefit this minority.

The empirical claim of superior political influence of the best-off was once much more common among ordinary American political complainers than among American political scientists. But in recent years, political scientists have presented impressive supporting evidence. For example, Larry Bartels found that Senators' votes were strongly correlated, from 1989 to 1994, with the political opinions of people in their states with family incomes putting them in the top 29 percent nationwide, weakly correlated with the opinions of those with incomes in the middle 40 percent and not correlated at all with those in the bottom 31 percent.<sup>15</sup> Investigating the correlation of changes in national policies with public opinion from 1980 to 2002, Martin Gilens found that when high-income Americans have a significant tendency to disagree with middle-income or poor Americans about the desirability of a change, there is much greater responsiveness to their preferences, with virtually no chance of a change responsive to tenth percentile or fiftieth percentile opinion when it differs, on average, by more than 10 percent from ninetieth percentile opinion.<sup>16</sup>

Someone who judges laws from a standpoint of impartial concern for those on whom they are imposed will be troubled by this evidence of superior political influence of the best-off. For the consequence, presumably, will be laws that favor their interests over others'. However, a charge of corruption ought to be directed at inequality of power in a process, not just to inequality in its likely outcome. And here, the political part of the indictment of capitalism as corrupt encounters a great obstacle in philosophical assessments of democratic governance. Even the leading philosophical supporters of representative democracy often strongly deny the intrinsic moral importance of reducing inequality of political influence.

In his pioneering argument for representative government, John Stuart Mill made a case for universal adult suffrage at a time when no woman and only one man in six could vote in Britain. This dramatic change, he urges, will promote legislation that shows equal regard for everyone's interests.

<sup>15</sup> See Larry Bartels, *Unequal Democracy* (Princeton, NJ: Princeton University Press, 2008), 257–60.

<sup>16</sup> See Martin Gilens, *Affluence and Influence* (Princeton, NJ: Princeton University Press, 2012), 78–83.

Yet he does not take unequal political influence to be objectionable as such. Quite to the contrary: the importance of giving more votes to those who are more adept at informed political judgment—more votes to employers and to foremen than to ordinary workers, for example, more votes to those with college degrees than to those without them—is a recurrent theme of *Considerations on Representative Government*.<sup>17</sup>

In his searching moral scrutiny of twentieth-century American governance, Ronald Dworkin, while defending its basic political institutions, was appalled by tendencies of superior political influence of the rich to produce laws departing from impartial political concern. Yet he developed a classic case against the intrinsic moral importance of equality of political influence, emphasizing three moral convictions. The stark vertical inequality of influence that separates people in positions of political authority from the vast majority is acceptable to nearly all who complain about inequalities of political influence. So is the superior influence, among those who do not occupy positions of political authority, of advocates and experts who have more information or eloquence than most and of people who devote more time than most to the political process because this suits their personal interests and temperaments. Finally, most people in modern democracies who are troubled by specific inequalities of political influence want the most important issues of governance, concerning central features of the political process and central freedoms of their fellow-citizens, to be settled by constitutional protections that cannot be changed by the decisions of a majority in a process in which all have equal influence. If these stringent limits to equality of political influence are acceptable, even desirable, how can the reduction of inequality of political influence have any importance as such?<sup>18</sup>

Providing evidence on the other side, there are widely held political convictions that are hard to justify if equality of political influence is not important as such. Policies directed at making voting less likely among those with certain electoral inclinations are widely condemned as wrong, independent of the desirability of the legislative program that is more likely to triumph. In the run-up to the 2012 elections in the United States, when Republican governors and legislators sought new voter identification laws and reduction of early voting in order to reduce the votes of groups who tend to vote for Democrats, they discussed this strategy in closed meetings and did not dare to defend it publicly on the grounds that it would increase the chances of success of legislation which they obviously, publicly endorsed as having the best consequences. Such maneuvers were widely regarded as shameful, independent of whether

<sup>17</sup> See John Stuart Mill, *Considerations on Representative Government* [1861], *Collected Works*, vol. 19 (Toronto: University of Toronto Press, 1977), especially chap. 4, 473–77.

<sup>18</sup> See Ronald Dworkin, *Sovereign Virtue* (Cambridge, MA: Harvard University Press, 2000), chap. 4, “Political Equality.”



it was shameful to be a Republican politician. Attitudes toward unequal suffrage similarly resist a wholly instrumental interpretation. The extensions of the franchise to women and to African-Americans in the South are celebrated as major moral triumphs. The strong endorsement of women's suffrage is not mitigated by awareness that there was hardly any impact on legislation. The achievement of effective voting rights for African-Americans in the South was accompanied by the destruction of a powerful Congressional coalition of Democrats from the "solid South" and Democrats from elsewhere on which legislation enhancing the economic well-being of African-Americans depended; this does not raise doubts about the profound moral importance of that achievement.<sup>19</sup>

Still, Dworkin's evidence—the acceptability of certain stark inequalities of political influence—remains to be reconciled with the ascription of independent moral importance to lessening some kind of inequality of political influence. This requires a description of a cogent moral principle explaining all the evidence and a specification, on this basis, of the kind of equality of political influence that is important, despite the acceptability of the inequalities he describes.

The crucial principle is broad and has compelling illustrations outside of the political realm. It is a partial interpretation of a moral imperative that was implicit in the moral critique of exploitation: one's interactions and relationships with others should express respect for them. (I emphasized the need to make choices in ways that those affected could self-respectfully willingly accept. But the imperative of respect and the imperative of self-respectful acceptability are two sides of the same coin, entailing one another. Emphasis in moral argument on one or the other depends on which judgment is initially more compelling in the case at hand.) The crucial principle is this:

To show respect in interactions and relations with others, one must treat everyone's presumed desire to be guided by directives that he or she regards as right as important and just as important as others', so long as he or she has normal adult capacities and can be presumed to share the same appreciation of others' self-direction.

By a "directive," I mean a decision or rule that shapes someone's conduct, determining the direction of attention, energy, and concern. The desire for

<sup>19</sup> Dworkin claims that insistence on universal equal suffrage could be justified as avoiding an adverse "symbolic" consequence: an assignment of votes must not "be capable of interpretation as reflecting . . . any lower standing of, or lesser concern for, one citizen as against others" (ibid., 200). But such interpretations can be misguided, and partisans of unequal suffrage typically insist that the lower assignment expresses equal concern and ascribes appropriate status to all. What matters is whether the denial of universal equal adult suffrage actually entails a disrespectful judgment. Dworkin does not provide a basis for this claim that does not appeal to the intrinsic importance of equal political influence.

guidance by directives one regards as right is a desire to be guided by directives that one regards as justified in light of the sort of information and reasons that one values. (Being routinely hoodwinked will not satisfy this desire.) In presuming that someone has the indicated desire for self-direction, one acts on the assumption that the person has it, in the absence of contrary evidence, and, if he or she turns out to lack it, acts in the hope that her or she will develop it. The presumption of a shared attitude of appreciation of others' self-direction is a working assumption, to be suspended in the face of contrary evidence, which leads to measures to defend people from this contempt. "Normal adult capacities" are the capacities to form and revise beliefs and plans, in light of reasons and information, typical of ordinary adults. "Important" does not mean "all-important" or "never overridden," but the appreciation of others' presumed desire for self-direction, assuming that they reciprocate this appreciation, is supposed to play an important independent role in respecting them, overridable by further adverse consequences, but hard to override. Cutting through these complexities, one might say, "Everyone's desire for self-direction should be appreciated as important and equally important, if he or she returns the courtesy."

This principle of appreciation of others' self-direction has diverse illustrations in nonpolitical life. If my friend Dan, unfortunately, is attached to a friend, Joey, who is a bad influence, I should, nonetheless, respect his attachment as a way by which he regulates his personal life, not blocking this self-direction, even, in some contexts, facilitating it, unless the adverse consequences are especially severe. If Dan says, "I wish that Joey was in town," and I am aware that he has come to town, I should let him know, even though I expect a drunken night on the town, distracting from worthwhile tasks. (The revival of a heroin habit is another matter. Self-direction is not all-important.)

Granted, Dan will only hurt himself, in this example. But when people interact in a relationship in which one another's well-being and the well-being of others is at stake, respect also requires appreciation of the equal importance of the presumed desire of each to have a life shaped by directives he or she accepts as right. Consider a married couple with young children. In arriving at decisions affecting the family's life, each ought to listen to the wishes and reasons of the other, not just as data for an individual judgment of what is right, but as a basis for heeding what the other regards as right. "I still think you're wrong, but you care about this more than I do, so let's do it," said willingly and positively, not as a retreat in the face of threat, is a characteristic expression of a mutually respectful marriage. If the decisions shaping their life together tend to be decisions that one partner does not regard as right, there is a lack of mutual respect in the marriage, even if the dominant partner is better at decision-making. Something has gone wrong, unless the decision-loser is a fool or greater weight to what he regards as right would have severely destructive consequences.

Moving a step closer to the political, suppose that a group of students have rented a house and must make decisions about such topics as house-keeping in the living room and kitchen, how to spend money for shared furnishings that the landlord has allotted, and who cooks, what is cooked, and who washes up in shared meals that all have agreed to. A clique of savvy, energetic connoisseurs, with time on their hands and an in with the landlord, might be able to decide, according to what they think is right, without any participation by others. But even if they are, in fact, more insightful than the others, this is a disrespectful way of running the household. Of course, general participation in decision-making through recurrent empathic conversations, like a mutually respectful married couple's, would be too intrusive and consuming. The appropriate expression of mutual respect would seem to be a regular house meeting in which shy people are encouraged to speak up, discussion continues for a reasonable length of time, and then, if no consensus is achieved and a decision must be made, the chosen directive is the one supported by a majority in a vote in which those who do not much care either way abstain in response to strong expressed preferences of others. Since (within the limits of an appropriately informal procedure) the individual choice of each, adjusted for degree of caring about the outcome, counts for as much as anyone else's, in a process in which everyone's reasons have been welcomed and taken seriously, every housemate shows appreciation of the equal importance of everyone else's presumed desire to be governed by house directives he or she accepts as right.

Moving to the political: this practice of direct deliberative democracy is not a feasible process for arriving at political decisions in a modern city, much less a modern country. Mutual listening in which all fellow-citizens reflect on reasons that each offers on the basis of what he or she regards as sufficient information, leading to law-making by a vote among all citizens would require attention to political affairs that suffocates the interests of most people. This practice is not simple unfeasible, it is disrespectful. Inevitably, the process would be dominated by those whose leisure, interests and background make them energetic political adepts. Another practice is called for, to express appreciation of the importance and equal importance of every citizen's presumed desire to be guided by directives she regards as right.

This mutually respectful practice of directive-making will include three familiar elements of the political process in modern representative democracies. Avoiding suffocation by meetings inflicted on the vast majority, a small minority make laws and have dominant executive authority. They achieve their authority by winning elections in which all adults (with marginal exclusions applying standards of basic competence) have equal voting rights. Avoiding further untoward burdens for the vast majority, a minority of citizens, in addition to those who have or seek political authority, specialize in purveying and collecting information

and arguments, protected (as all are) by freedom of expression. However, support for this threefold division of labor is far from sufficient to express appreciation of the importance and equal importance of everyone's desire to be governed by political directives he or she regards as right.

As some suppose, the main obstacle might be the impact of campaign contributions from rich people on electoral success and on the choices of elected officials. Or, as others have sometimes supposed, it might consist of legislators' fears of the disproportionate ability of labor unions to organize people to vote for favored politicians. Or perhaps the vast majority of legislators and political executives, whatever their party, implement a shared distinctive urge to enlarge the scope of government, enhancing their self-importance and their social ties among those engaged in governance.

Support of a political process steered by any of these different rudders would not express appreciation of the importance and equal importance of everyone's desire to be guided by directives that she regards as right. Putting to one side this question of political standing, the outcome of such steering might promote people's interests, impartially considered. But to regard this consideration as decisive is to fail to respect one's fellow-citizens, just as the benevolent patriarchal husband fails to respect his wife and the well-meaning clique fail to respect their housemates.

As the diverse examples of possible political dominance show, the specific corrective that one should seek depends on the specific obstacle one faces. But a common criterion of success would be a form of equality of political influence in which the laws imposed on a citizenry are appropriately dependent on the political views of citizens. Here is a tentative proposal. One should seek a process in which the likelihood of success in shaping laws in the direction that is regarded as right from each distinctive, respectful political perspective is roughly proportionate to the number of those who share it, adjusted for their degree of concern. By "a distinctive political perspective," I mean a disposition supplying reasons for political choice that reflect distinctive experiences, life-projects, interests or views of how to live and how to live with others. By "a respectful perspective," I mean one that includes a commitment to attend to others' reasons and to equally value the desire to live under their preferred political directives of those who return this welcome and appreciation. The goal is only rough proportionality, in order to avoid intrusive, time-consuming inquiry and to observe the rule of law, on which self-direction in the face of political power importantly depends.

This adaptation of the equal valuing of everyone's self-direction to the circumstances of modern governance entails that a legislator, political executive, or specialist in political advocacy or politically relevant information has more influence on directives imposed on all than an ordinary citizen—the stark inequalities of influence that Dworkin endorses. In the process that is sought, people advance their political preferences and seek appreciation of the reasons for them (typically as elaborated by specialized advocates

and experts) *and* welcome others' political participation and take heed of their reasons, as part of their appreciation of the equal importance of their self-direction, not just as a concession to needs for peace and order. This mutual respect entails the support for a framework of civil liberty, extremely hard to change, which Dworkin endorses. (In any case, the political equality pursued is not treated as all-important or always overriding; so other dimensions of civic respect can override it.) However, within the framework of civil liberty, political representation, and specialized political action, the reduction of disproportionate influence of people sharing distinctive views, values, interests, or experiences is treated as important as such—the assessment that Dworkin, like Mill, rejects.

The other standpoints for moral assessment that I previously described would also treat some such standard as an important basis for political reform. If the first argument, from mutual respect, is right, then this or some similar standard would guide the effort to avoid subordination, which is an intrinsically important part of the promotion of well-being from a standpoint of impartial political concern. In a political way of life that is worthy of love, everyone self-assertively takes part in politics without deference or fear, everyone welcomes, as equally valuable, the self-assertion of all, who return this welcome, and everyone is glad that those who seek political authority over others must, as Walt Whitman puts it, come to them hat in hand, seeking an electoral mandate in which all have an equal share.<sup>20</sup> (Whitman is the great love-poet of the love of this way of life.)

Capitalism tends to undermine the equality of political influence that I have singled out as independently important. Capitalism inevitably gives rise to inequalities of income and wealth, as some gain and some lose in capitalist competition and use their different resources to help their children get ahead. Capitalism inevitably concentrates advantages in knowledge, social connections, and training in persuasion and organizing in a minority who reach the managerial and professional rungs of the economic hierarchy. According to both current data and common sense, these economic inequalities give rise to disproportionate likelihoods that the interests, views, and values of those on top will be reflected in laws and policies, including economic policies benefiting those on top. According to the moral arguments that I have sketched, capitalism in a modern country will, then, be corrupt unless countervailing political intervention does as much as can be done to reduce this superiority in political influence without unleashing severe adverse consequences, especially among workers and their families. What can be done?

In the United States, the virtually unanimous answer is "Restrict campaign contributions." This is right as far as it goes, but it does not go very far in reducing the targeted political inequality. In most of Europe, limits to such

<sup>20</sup> See Walt Whitman, *Poetry and Prose* (New York: Library of America, 1996), Preface to *Leaves of Grass* (1855), 6.

giving or regulation of the use of television to influence elections insulates political success from campaign contributions. But no one supposes that groups on top of the economic hierarchies lack disproportionate political influence—say, that the influence on British politics of bankers is proportionate to their tiny number. Restrictions on campaign contributions are highly porous insulation of politics from economic inequalities because they leave intact further strategic advantages of those on top.

To succeed when in office, political leaders must be especially attentive to those at the commanding heights of a capitalist economy. Major executives and investors are important sources of information about how firms are responding, and might well respond in the future, to laws and policies. Apart from the accuracy of their information and advice, their hopes and fears must be taken very seriously, since their animal spirits will determine the pace of investment and the prevalence of unemployment.

Trade associations financed and directed by collectives of capitalist enterprises provide useful input to legislators and bureaucrats formulating and implementing legislation. The work schedules, interpersonal networks, and education of managers and professionals are resources for informal personal political activity and for becoming a successful political advocate or political leader—political agency that will, then, inevitably be influenced by values, beliefs, and life-experiences characteristic of managers and professionals.

Like bargaining advantages in the labor market, these strategic advantages in the political process can be reduced by political intervention that enhances workers' powers of collective action, and can also be reduced by measures enhancing their individual capacities. Protection for union organizing, including the option of compulsory dues-paying as part of a labor contract, could, for example, enhance countervailing collective political influence. However, the enhancement of individual capacities is more important, because it could lessen the stark underrepresentation of people with working-class backgrounds among politically relevant persuaders and experts and political officeholders. (From 1999 to 2008, 1.6 percent of members of the Senate and House of Representatives had spent more than a quarter of their pre-congressional work-lives in working-class jobs.)<sup>21</sup> Increased access to higher education would increase the likelihood that people with views, values and life-experiences characteristic of workers will play those politically influential roles. Greater income and wealth among workers would provide them and, especially, their children with the ability to take chances in pursuing a professional or managerial career (the best bet for a politically relevant career), without undue strain on family needs.

<sup>21</sup> See Nicholas Carnes, *White-Collar Government* (Chicago: University of Chicago Press, 2013), 20.

## V. THE GREAT DISAPPOINTMENT

Such responses to the indictment of capitalism for political corruption will, inevitably, face limits of two kinds, one moral, one practical. First, there is a limit to morally desirable change. Some form of well-functioning capitalism is morally preferable to any non-capitalist alternative, as the economy of a modern society. Inequalities in expertise, organizational capacities, and engagement in economic decision-making, perpetuated along family lines, can be reduced but cannot be eliminated in such an economy. If officeholders were not especially attentive to those with special informational resources of these kinds, their decreased skill in interacting with the economy would inflict losses that workers would rightly, self-respectfully reject. Nor would political leaders do workers any favors if they ignored the hopes and fears of those at the commanding heights of a capitalist economy; workers are the ones who suffer the most from discouragement or panic at the economic heights. Well short of roughly proportionate political influence, its further promotion will not be worth the severe costs of further strides toward an intrinsically important but not always overriding goal.

This first, moral limit has a further, inevitable, practical consequence, much more dismaying. People with the strategic political advantages that should not be eliminated will not be angelic, any more than their inferiors in power. Moved by distinctive life-experiences, values, relationships, and pride in their practice of power, they will exercise more influence than is morally desirable and do more to promote their collective interests than informed impartial political concern would allow. So capitalism will, inevitably, be politically corrupt, despite the best efforts of those who seek to reform it. Because political intervention is the central means of reducing inequality of bargaining power, that economic inequality of power will also be more pervasive than it should be, so capitalism will, inevitably, be economically corrupt as well.

Responding to these moral and practical limits, a responsible citizen of a capitalist country will have to resist both simplistic ideals and paralyzing cynicism. The moral indictment of capitalism as corrupt is a signpost toward an endless but fruitful journey of reform.

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