



Subjection to Authority in the Workplace: A Basic Structural Problem

Yunhyae Kim, Philosophy, Harvard University, US,
yunhyaekim@gmail.com

Many liberal egalitarians argue that workers today are subjected to the authority of their bosses and that justice demands that the employment relationship be reformed. But why? What is unjust is not subjection to authority as such but subjection without adequate justification. In this article, I argue that the justificatory demand raised by subjection to workplace authority has not been well understood, primarily because the nature of the subjection itself has been misunderstood. According to the standard view, workplace subjection consists in the fact that managers issue orders backed by sanctions. I challenge this view by reconstructing the libertarian-economic theory of the firm, which construes managerial authority simply as a division of labor. I propose an alternative account, according to which workplace subjection consists in living under a society-wide arrangement that compels most workers to work under a boss. My argument reorients theorizing about justice at work from a narrow focus on corporate governance towards a broader theory of a just social system, incorporating the role of the state, class, the power of investors, and the social purpose of labor.



Subjection to Authority in the Workplace: A Basic Structural Problem

YUNHYAE KIM

Philosophy, Harvard University, US

The modern workplace is rife with authority. Workers are constantly being given orders by their bosses, who can sanction them when they fail to comply.¹ Given this reality, many liberal egalitarians argue, we should say that workers are subjected to the authority of their bosses and that justice demands that workplace authority be democratized or otherwise reformed.

I think that this picture is largely correct. But what, exactly, makes the employment relationship unjust? What is unjust is not subjection to authority as such but subjection without adequate justification. In this article, I will argue that the justificatory demand raised by subjection to workplace authority has not been well understood, primarily because the nature of the subjection itself has been misunderstood. According to the standard view, subjection to workplace authority consists in working for a boss, who issues orders backed by sanctions. Against this view, I argue that the subjection consists not in working for a boss as such, but in being compelled to work for a boss by a society-wide arrangement. To justify workplace subjection, then, is not simply to justify why some have the right to direct others at work. The task is to justify the basic structural compulsion to employment—that is, “the way in which the main political and social institutions of society fit together into a system of social cooperation” that leaves the non-independently-wealthy with no reasonable alternative to employment.² My argument, if sound, reorients theorizing about justice at work from a narrow focus on firm governance towards a broader theory of a just social system.

The argument proceeds as follows. In Section I, I argue against the standard account of workplace subjection by pitting it against a libertarian view of the firm, which I reconstruct based on the following insight provided by the economic theory of the firm. Giving and taking orders can be understood *simply* as a form of division of labor, which need not *subject* anyone to anyone else’s authority. Egalitarians are thus faced with a

¹ I will use “workers” to refer to employees unless otherwise noted. I will also use “employers,” “managers,” and “bosses” interchangeably, and likewise with “the firm” and “the workplace.”

² Here I draw upon the concept of the basic structure of society in Rawls 2001, p. 10.

challenge: What makes the typical employment relationship a relation of subjection in need of justification, over and above an unproblematic division of labor?

To answer this challenge, we need to account for the fact that the employment relationship is embedded in a society where employment is, for most people, the only option to secure their important interests. (Most, but not all: the wealthy can choose their own adventure.) I present a “two-tier” account, according to which workplace subjection *jointly* consists in authority relations within the firm *and* the structural conditions outside the firm that leave most workers with no reasonable alternative to employment. The lack of a reasonable alternative is sometimes thought to follow *trivially* from private property or its unequal distribution. I disagree. The possibility of self-employment, institutions of credit, social welfare institutions, and opportunities for human capital development must be taken seriously.³ Section II develops an empirically informed explanation of why, despite these facts, most workers are compelled to choose employment.

Section III argues for and charts a reoriented theory of workplace justice. Against recent attempts to restrict the question of workplace subjection to firm governance,⁴ I argue that workplace subjection raises justificatory questions distinct from what justifies intrafirm authority or defines its permissible scope. The basic structural arrangement that imposes employment on some people, but not all, must be independently justified. The appropriate response to this problem, moreover, does not consist in the reduction of the “exit costs” for leaving employment.⁵ Because a just society requires some forms of authority-mediated productive cooperation, the task is rather to identify a justifiable form of subjection. This justification should be appropriately comprehensive, taking into account the role of the state in imposing employment, the social purpose of this imposition, class, and the power of investors both within and beyond the firm. A theory of just workplace governance must be nested within a much broader theory of a just social system.

I. MANAGERIAL AUTHORITY AS DIVISION OF LABOR: THE LIBERTARIAN CHALLENGE

Liberal egalitarian authors have argued that workers today are subjected to authority in the workplace. This state of subjection, they argue, is morally problematic, and justice

³ See Queralt 2023 for critique of the neglect of self-employment in the literature on justice at work.

⁴ Frye 2023.

⁵ Taylor 2017.

requires reconstituting workplace relations into a democratic, republican, or German-style “co-determining” form.⁶ But what does subjection to authority in the workplace actually consist in? While this question is seldom posed directly, there is a certain standard answer implicit in the literature, familiar from arguments based on an analogy between the state and the firm.⁷ This view holds that workplace subjection consists in the fact that managers have the right to “issue commands backed by sanctions.”⁸ Armed with this view, liberal egalitarians have challenged libertarians who deny that workers are subjected to authority. Since managers undeniably direct and sanction workers as enabled by their rights in the firm, the libertarian position has been dismissed as exhibiting “resistance to recognizing... reality.”⁹

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

Subsequent economic theory of the firm might seem to deny the presence of authority in the firm. According to an influential view articulated by Armen Alchian

⁶ See Hsieh 2008 and Frega, Herzog, and Neuhäuser 2019 for overviews.

⁷ For (qualified) defenses of the claim that the firm is relevantly like the state and therefore is subject to the similar normative requirements, see: Walzer 1984/2010, pp. 291–302; Dahl 1985; Cohen 1989; McMahon 1994, 2013; Moriarty 2005; Landemore and Ferreras 2016; Anderson 2015, 2017; Ferreras 2017; González-Ricoy 2014, 2022; Kolodny 2023.

⁸ Anderson 2015, p. 55; Anderson 2017, p. 42; González-Ricoy 2022, p. 92. See also my analysis of Christopher McMahon’s view in this section, as well as Dahl 1985, pp. 113–5 and Kolodny 2023, pp. 145–8.

⁹ Anderson 2017, p. 54.

¹⁰ Coase 1937, p. 387.

¹¹ *Ibid.*, p. 404.

and Harold Demsetz, it is a “delusion” to “see the firm characterized by the power to settle issues by fiat, by authority, or by disciplinary action superior to that available in the conventional market.”¹² They even suggest that managerial authority is merely a *metaphor*: “[t]o speak of managing, directing or assigning workers to various tasks is a deceptive way of noting that the employer continually is involved in renegotiation of the contracts on terms that must be acceptable to both parties.”¹³

Alchian and Demsetz are widely interpreted as proposing an “authority-free, purely contractual” theory of the firm, which is entirely distinct from the Coasian “authority-based” theory.¹⁴ They are thought to claim that “no intrafirm authority as such exists.”¹⁵ But this interpretation is a mistake. Managerial authority is *integral* to their theory of the firm. They argue that what marks the firm as a distinct form of organization is a “team use” of inputs, which gives rise to “the metering problem,” or the problem of how to measure each employee’s productivity, apportion rewards, and issue directives. Since each employee’s productivity or their individual behavior cannot be observed perfectly, the team faces a continual risk of shirking. For example, when an employee secretly takes longer breaks, the cost is spread out across all members, while the benefits are concentrated with that employee. This structure threatens to give rise to suboptimal productive outcomes. The firm solves this problem by having one person “specialize as a monitor.”¹⁶ Their role is as follows: “measuring output performance, apportioning rewards, observing the input behavior of [team members] ... and giving assignments or instructions in what to do and how to do it.” The monitor must also have the power to terminate or revise contracts “to discipline team members and reduce shirking.” Yet, this description of the monitor’s role and power—directing, monitoring, disciplining, and apportioning rewards and sanctions—is straightforwardly a description of managerial authority. Alchian and Demsetz explicitly affirm the indispensability of managerial authority to what they see as the purpose of the firm: “Managing or examining the ways to which inputs are used in team production is a method of metering the marginal productivity of individual inputs to the team’s output.”

Thus, even Alchian and Demsetz must say that the firm inherently involves authority. Does this mean that they believe workers are *subjected* to authority, sharing

¹² Alchian and Demsetz 1972, p. 777.

¹³ Ibid.

¹⁴ González-Ricoy 2022, pp. 94–8; Hsieh 2008, p. 88.

¹⁵ González-Ricoy 2022, p. 96.

¹⁶ This and the rest of the quotations in this paragraph are from Alchian and Demsetz 1972, pp. 781–2.

the same conception of the firm as liberal egalitarians? Not quite. While one may be tempted to dismiss their view as inconsistent,¹⁷ there need not be any inconsistency as long as we distinguish two kinds of authority relations, which I will call relations of “merely operational authority” and “subordinating authority.” For an example of the former, consider the relationship between a member of an amateur orchestra—say, a rich engineer who plays the violin as a hobby—and the conductor. The conductor has authority in relation to the hobbyist violinist in the following sense: Within the rules of the cooperative enterprise, the conductor has the right, as defined by the role, to issue directives to the violinist and to attach consequences to his actions (e.g., to reassign him to the second from the first violin against the violinist’s wishes). By “issuing directives,” I mean that the fact that the conductor told the violinist to do X—say, to play this note pianissimo, not piano—is normally taken to generate a preemptive reason for him to do X insofar as he participates in the orchestra.¹⁸ That is, under normal circumstances, the violinist is expected to do X simply because the conductor tells him to do so, not because he himself concluded that it is the right interpretation of the piece. Yet, the fact that the violinist normally takes the conductor’s directives as preemptive does not entail that he is *subjected* to authority in the sense of *having to* take the directives of this particular conductor, or indeed of any other conductor, as preemptive in his practical deliberation on pain of unacceptable consequences.¹⁹ In other words, the violinist is not *compelled* to take the conductor’s directives, or any other conductor’s, as preemptive. His important interests, such as his livelihood, would remain intact even if he quits the orchestra. And he could just as well satisfy his musical interests by playing the violin by himself or in a casual musical group.²⁰ In the absence of any serious threats to his

¹⁷ Consider Elizabeth Anderson’s treatment. “Alchian and Demsetz cannot bear the full authoritarian implications of recognizing the boundary between the market and the firm, even in a paper devoted to explaining it” (Anderson 2017, p. 56). This charge misses its target. Alchian and Demsetz do acknowledge a difference between intra-firm interaction and ordinary market transactions. The question is whether their explanation for this difference can be sustained without “authoritarian implications.” My reconstruction of their view suggests that, at least so far, the answer is “yes.”

¹⁸ When the *de facto* authority is legitimate, the directives would in fact generate preemptive reasons. On the concept of preemptive reason, see Raz 2009.

¹⁹ By “unacceptable consequences,” I mean that his important interests are threatened, where the importance is objectively determined. Interests are taken to be “threatened” when persons have reason to expect that the interests will be realized below a normatively adequate threshold.

²⁰ Those alternatives may not be just as equally good, musically speaking, as a conductor-led orchestra, but “less than equally good” does not mean “unacceptable.”

important interests, he simply chooses to have his actions guided by the conductor's directives and, insofar as he remains in the orchestra, chooses to do so continuously. In this regard, we may say that he *operates under* authority but is not *subjected* to it. Let us call such authority "merely operational authority." We can distinguish it from subordinating authority, that is, authority to which directive-takers are subjected because and insofar as they are compelled to take others' directives as preemptive on pain of unacceptable consequences.

In the literature on workplace authority, this distinction has thus far gone unnoticed, leading commentators to conceive of even merely operational authority as subordinating authority. For example, Christopher McMahon, a leading scholar of managerial authority, understands "subordinating authority" as "any relationship marked by the issuing of directives to people who are normally prepared to comply with them."²¹ Notice that on this understanding, whether the directive-takers are compelled to comply is irrelevant to whether an authority is subordinating or not. On this view, a worker is "subordinated" to the employer in the same sense in which a player in a pick-up basketball game is "subordinated" to the point-guard, or a member of a teenage after-school dance crew is "subordinated" to the dance crew leader. However, it should be clear by now that this conception of "subordination" obscures a normatively important difference between these relationships.²² To mark this difference, I will refer to what McMahon calls "subordinating authority" as merely "operational authority," and I will use "subordinating authority" exclusively to denote relationships in which directive-takers *have* to take the directives at issue as preemptive under threat to their important interests.

Two further points must be kept in mind to avoid confusion. First, one might think that the directive-giver in the above examples is giving mere advice, not commands characteristic of authority, unless the directive-takers are subjected to the directive-giver's authority. This is not the case. In fact, it is crucial to the cooperation-enabling role of operational authority that it issues commands. To see this, suppose the conductor's directives were mere advice. As advice is not preemptive and invites the advice-taker to deliberate on the matter herself, musicians would be invited to make up their own minds about the right musical interpretation. They would be under no expectation to take up the advice of the conductor, however good, if their judgment ended up differing

²¹ McMahon 2013, pp. 2, 169. He fleshes out the concept of subordinating authority in terms of preemptive reasoning, as I do with operational authority. See also McMahon 1994. Angus Heberton (2022) follows McMahon's account of "subordination" in this respect.

²² See Arneson 1995 for a similar point, framed in terms of "voluntariness."

from the conductor's. However, this means that the violinists would lack reason to think that the cellists would play the next note in pianissimo. The violinists might as well play the next note loudly if they think the cellos may be about to overpower the violins! And vice versa for the cellists. Obviously, this would hardly be a symphony. A symphony requires that the conductor's directives be commands understood to give preemptive reasons. Musicians in an orchestra are normally expected to act on the directives *even if* their favorite interpretation diverges from the conductor's. Unlike mere advice that informs musicians of already-existing reasons, the conductor's authority *generates* reasons for musicians to play in coordination that they did not have before the issuance of the directive, thereby enabling the mutual expectation required for an orchestral performance. Operational authority, then, can be understood as a form of a division of labor or role differentiation, which enables coordination essential for achieving team purposes.

Here is another potential source of confusion. It often seems morally blameworthy for directive-takers to ignore the directives of merely operational authorities. For example, it can be blameworthy to pointlessly ruin a perfectly good amateur symphony by playing too loudly or trying to steal the spotlight. Doesn't this show that the directive-takers in my examples are "subject" to the authorities, and that the distinction that I proposed is illusory? I agree that ignoring directives can be morally problematic. This moral sense of "subjection," however, is not relevant to our inquiry. The moral sense of subjection engages the following question: "Sometimes, workers seem to act wrongly when they disobey their bosses. What is the nature of this moral wrong?" By contrast, our analysis of workers' subjection is guided by the following question: "Workers seem to occupy an inferior, subordinate position in the power dynamics of the workplace vis-à-vis the managers. What is the nature of this relative powerlessness and inferiority? What can justify it, if anything?" It is one thing to have to comply with directives *morally speaking*, i.e., on pain of being a jerk. It is another thing to have to comply out of practical necessity, due to the socially imposed threats to your important interests. When you can instantly and continuously escape the directives of another without the threat of unacceptable consequences being visited upon you, you are not subjected to authority in the sense relevant to social-theoretic inquiry into the nature of workplace subjection.

It turns out, however, that managerial authority can be understood as a form of merely operational authority. In any scheme of cooperative production, participants cannot feasibly resort to arms-length transactions for every individual action. Someone must occupy a position whose incumbent makes real-time discretionary decisions about who should do what, when, and how. As team members take the

operational authority's directives as preemptive, they can rely on the expectation that each would do their part. For example, a pilot can count on the runway being clear when his aircraft takes off because he knows that other pilots would follow the air traffic controller's directives even when compliance came at their own expense or even when they disagreed with the controller's judgment. Indeed, the division of labor between the manager *qua* directive-giver and the rank-and-file worker *qua* directive-taker is an omnipresent, inevitable feature of any large-scale joint production necessary for modern society. No steel mill, railroad, or shipyard cannot be operated by thousands of workers without any one of them occupying a managerial position, just like no orchestra can perform without a conductor. Yet, this cooperation-enabling role of operational authority does not necessarily require that rank-and-file workers be *subjected* to authority. Insofar as they *do* take directives as preemptive, they need not be put in a position where they have to do so on pain of unacceptable consequences.²³

Thus, the disagreement between libertarians and egalitarians is not so much about whether the firm is authority-free or not. Libertarians *should* agree with egalitarians that authority is present in the firm, and they can do so without inconsistency. The point of disagreement is rather about the precise kind of authority. This difference in their *description* of intrafirm authority helps to explain their *normative* disagreement about its legitimacy. Different kinds of authority raise different justificatory demands. From the libertarian perspective, as managerial authority is merely operational authority, it does not require any special justification other than broadly contractual justification. If the hobbyist violinist asked why he should listen to the conductor, the answer seems easily found in the fact that he agreed, and continues to agree, to participate in the orchestra based on his judgments about the benefits of participation. This familiar justification of typical market exchanges as mutually beneficial and consensual, the libertarian view goes, *also* successfully justifies managerial authority. This allows a charitable normative reconstruction of Alchian and Demsetz's infamous claim that it is a "delusion" to "see the firm characterized by the power to settle issues by fiat, by authority, or by disciplinary action *superior to that available in the conventional market.*"²⁴ By contrast, when egalitarians take issue with subjection to workplace authority, they imply that contractual justifications are insufficient to justify managerial authority.

²³ I discuss in Section III.B how this distinction helps to explain the socialist ideal of unforced yet authority-mediated productive cooperation.

²⁴ Alchian and Demsetz 1972, p. 777 (emphasis mine).

This is because egalitarians see managerial authority as subordinating authority, not merely operational authority.²⁵

The egalitarian position may seem obviously true. However, a closer look at the institutions of the modern liberal welfare state gives us reason to take the libertarian view seriously. Present-day workers, unlike many of their nineteenth-century predecessors, have the freedom to exit employment. Here I say a person is free to perform an action when she would not be prevented from doing so by relevant parties (such as the police) were she to try to do so. Contemporary workers are free to exit any given workplace, instantly and continually, precisely in this sense: Should they quit their job and walk away from their employment contract, they will not be prevented from doing so. This is because modern courts generally refuse to grant “specific performance” for breaches of employment contracts.²⁶ No state official will coerce them to return to the assembly line or to their cubicle. And, unlike nineteenth-century slaveholders, their employers are also explicitly forbidden from doing so.

In response, egalitarians often (rightly) say that the right to quit merely allows a worker to avoid subjection to their current manager’s authority, only to be subjected to the authority of another. But why is that the case? This is because, it is argued, the options open to workers are almost uniform: In most jobs that an average worker might obtain, the “internal governance of the workplace” invariably grants the manager the right to order around the worker, backed by sanctions.²⁷ However, the fact that most firms share the same internal structure does not explain why each worker must enter and stay in *any* firm. This question cannot be dismissed: Contemporary workers are free to exit not only any *particular* job but also wage employment *as a category* in that they would not be prevented from quitting wage employment altogether if they chose to. This point, often overlooked by critics of capitalism, can be appreciated by considering the vagrancy laws enacted in southern states after the U.S. Civil War. These laws subjected unemployed homeless individuals to state-enforced labor for very low

²⁵ Egalitarians often turn to the ongoing character of the relationship, contrasting it with one-off market exchanges, to explain why contractual justifications are insufficient. See, for example: Kolodny 2023, p. 147; González-Ricoy 2022, pp. 107–8. However, when parties *continuously renew* their agreement to participate in the relationship under the right background conditions, it is unclear why the ongoingness of the relationship as such would be a source of concern that invalidates the force of contractual justifications.

²⁶ Stanczyk 2024.

²⁷ Anderson 2017, p. 60. See also Anderson 2015, p. 50: “Thus, the fundamental normative issues concerning the relation of freedom to equality at work do *not* lie in arguments about the voluntariness of the labor contract. They lie in arguments about the legitimate *form of government of productive enterprises*” (emphasis added).

pay. Those recaptured after running away were subject to punishment in the form of uncompensated labor while wearing balls and chains.²⁸ Today, by contrast, no armed force points guns at the unemployed. Neither the employer nor the state is a thug, at least in a well-ordered welfare-state capitalist society. Certainly, individuals do need to earn a living, but employment is not the only way to do so. Every worker is legally permitted to become self-employed, and financial institutions of credit are available for those without immediate capital. Moreover, most societies have moved past laissez-faire capitalism, and persons can now rely on some public welfare provisions. Then, absent further argumentation, it seems possible that managerial authority is a form of merely operational authority. Egalitarians must answer the following question: Why should we say that the typical employment relation is not a benign division of labor but a relation of subjection beyond the scope of ordinary contractual justification? This is the libertarian challenge in its best version, which admits the presence of authority in the firm but denies its injustice.

In *Private Government*, Elizabeth Anderson puts forward an attempt to address a version of the libertarian challenge. Anderson's primary response is that the freedom of exit does not guarantee the absence of authority. Claiming that "whenever individuals are free to exit a relationship, authority cannot exist within it" is "like saying that Mussolini was not a dictator because Italians could emigrate," she argues.²⁹ Here, Anderson rightly makes the negative claim that the freedom of exit does *not* show that no one is subjected to authority. However, this negative claim entails only that subjection can coexist with freedom of exit.³⁰ By itself, it does not show that any worker is indeed subjected to managerial authority, or why.

Her positive argument proceeds by fleshing out the two conditions of "private government," which she calls "the default constitution of workplace governance."³¹ The first condition, which I will call "the government condition," is said to hold "wherever some have the authority to issue orders to others, backed by sanctions, in one or more domains of life."³² The second condition, "the privacy condition," holds that government is private when an authority treats its decisions as "none of the business" of its subordinates. In Anderson's formulation,

²⁸ Tarter 2020.

²⁹ Anderson 2017, p. 55.

³⁰ In simplified formal terms, Anderson's claim can be represented as $\sim \forall x (x \text{ is free to exit} \supset \sim (x \text{ is subjected}))$. This is equivalent to $\exists x (x \text{ is free to exit} \ \& \ x \text{ is subjected})$.

³¹ Anderson 2017, p. 60.

³² *Ibid.*, pp. 42-3.

You are subject to private government whenever (1) you are subordinate to authorities who can order you around and sanction you for not complying over some domain of your life, and (2) the authorities treat it as none of your business, across a wide range of cases, what orders it issues or why it sanctions you.³³

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

A wildlife-loving billionaire. A billionaire decides to spend his time volunteering daily in a wildlife conservation organization. The organization is run by a wildlife expert, who has the right to assign tasks and sanction the volunteers if they fail to complete their task. Being an uncompromising taskmaster obsessed with the well-being of animals, the expert ruthlessly reassigns poorly performing volunteers from popular jobs like feeding baby animals to menial tasks like managing spreadsheets, or at worst, expels them from the organization. Moreover, the expert treats her decisions as none of the volunteers’ business. Nonetheless, the billionaire joins and remains in the organization, simply because of the pleasure he derives from being around wildlife.

In this scenario, the expert is an authority who orders the billionaire around and can sanction him for not complying over some domain of his life. Moreover, the billionaire receives no explanation, no say, and no accountability in respect of the expert’s decisions, satisfying the conditions for private government. Yet, does the billionaire’s situation constitute subjection of the kind that workers suffer in the modern firm? Is the expert a genuinely subordinating authority whose directives the billionaire has to obey on pain of unacceptable consequences? The answer is “no.” The concept of private government does not explain what it is to be subjected to workplace authority, or for that matter, the justificatory demand raised by such subjection.

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

³³ Ibid., pp. 44–5.

Anderson may say that the subjecting feature lies in the *arbitrariness* of managerial interventions or in the *abuse* of the authority. Indeed, her complaint against the “dictatorial government” of the workplace targets the “sweeping scope” of managerial interventions in the off-duty, private lives of workers, beyond what could be justified by efficiency considerations. These interventions include punishing workers for “their choice of sexual partner, political candidate, or Facebook postings.”³⁴ Such cases rightly highlight the outrageous scope of managerial authority in an employment-at-will regime. However, this complaint against the abuse of managerial authority does not offer a principled explanation of when workers are subjected to authority in the first place, and why. After all, employees are subjected to their employers’ authority even under the just-cause regimes of Germany, Japan, and South Korea, where the legal regime tolerates a significantly narrower scope of managerial authority than in the United States. Thus, while arbitrariness may explain the additional injustice visited upon American workers, it cannot be what workplace subjection *consists in*.

II. A TWO-TIER ACCOUNT

Surely, one might think at this point, participation in employment is not so optional for most people, and their important interests are at stake. I agree. We need to build in those concerns as constitutive elements of our analysis. To that end, I suggest that (most) workers are subjected to authority in the workplace by virtue of the *joint* truth of the following two propositions.

- (i) *Operational Authority at Work*. Managers have the right to issue orders to workers, backed by sanctions.
- (ii) *Compulsion to Employment*. (Most) workers have no reasonable alternative to employment.

By a “reasonable alternative,” I mean an alternative that a person is free to pursue and the pursuit of which does not threaten her important interests.³⁵ To lack a reasonable alternative to X, then, is to have to choose X under threat to her important interests—

³⁴ *Ibid.*, p. 52.

³⁵ I continue to use “freedom” in the minimal sense: A person is “unfree” to perform an action if she would be prevented from doing so by relevant parties were she to try to do so. Interests are “threatened” when persons have reason to expect that the interests will be realized below a normatively adequate threshold.

that is, on pain of unacceptable consequences. Such a person is under the compulsion to X or is forced to choose X.³⁶

The two conditions *together* make (most) workers in the modern workplace subjects of subordinating authority, rather than merely participants in a division of labor. Moreover, their joint truth explains why each subordinate worker is ultimately subjected to *some manager or another* despite the freedom to escape a particular manager's authority and despite the freedom to escape wage employment as a category. We may call this a "two-tier" account of workplace subjection in contrast to the standard "one-tier" account, which does not take (ii) as a constitutive element.³⁷

The idea that workers lack a reasonable alternative to employment has been deployed in radical republican accounts of worker domination³⁸ and is believed by many leftists to trivially follow from private property or its unequal distribution. Echoing the worry that the appeal to the absence of reasonable alternative is "underdefended,"³⁹ I suggest instead that it requires substantive defense in light of the complex empirical realities of work. These realities include possibilities for self-employment, access to credit, and social welfare protections as well as opportunities for human capital formation, which challenges a view of contemporary workers as uniformly proletarianized. An explanation of why most workers are *nonetheless* compelled to work for a firm necessitates a wide-scope, empirically informed investigation, joined by an account of important interests that explains why other options are "unreasonable." This section undertakes that investigation, and thereby prepares the ground for reorienting the normative project of workplace justice away from a narrow focus on individual workplaces and towards the basic structure (Section III).

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

In market societies, most necessities are offered only in exchange for money. The poor are generally not free to access these necessities: were they to grab a bag of potatoes and run without payment, they would be stopped by the police.⁴⁰ Most (but not all)

³⁶ Cohen 1988a. Cohen does not use the word "compulsion" but I use this word for lack of a better noun phrase of "being under the condition of being forced."

³⁷ I explain the difference between this two-tier account and the one-tier account that includes appeals to "exit costs" in Section III.A.

³⁸ E.g., Gourevitch 2013; Bryan 2023.

³⁹ O'Shea 2019, p. 18.

⁴⁰ See Cohen 2011, where he argues that to lack money in a money society is to be liable to interference and thus to be *unfree* rather than being unable to use one's freedom.

people enter society without independent wealth with which to secure reliable access to necessities for their lifetime. They have four options: charity, social welfare, self-employment or wage employment.

Charity, as it depends on the will of wealthy individuals, is not only unreliable but also subjects the beneficiaries to the benefactors' wills. Under modern welfare-state capitalism, social welfare is thus normally a better option. Indeed, the very point of social welfare, it is often thought, is to secure "social citizenship" through the "decommodification of labor," by ensuring that each person enjoys an acceptable standard of living regardless of their occupational status.⁴¹

The usual complaint targets the meager level of support provided. I fully agree with this concern. However, if we focus exclusively on the level of support, we miss an opportunity to articulate precisely in virtue of what the welfare state falls short of removing the compulsion to employment. This question helps us see the structural limits on the emancipatory potential of the welfare state, rooted in enduring conditions of political institutions themselves.

Begin by noting that welfare provisions often are tied to employment. A significant part of social welfare support, especially but not exclusively in the United States, takes the form of state sponsorship of *employment-based* private benefits by means of tax breaks, credits, and subsidies.⁴² Comparative scholars of social welfare have detailed how employment-dependent private benefits ("occupational welfare") and special tax treatment ("fiscal welfare") are integral to the modern welfare regime across its national varieties, with direct state assistance being merely the tip of the "iceberg of social welfare."⁴³ Moreover, even direct state assistance is often conditional on work. For example, in the United States, you can become permanently ineligible for the Supplemental Nutrition Assistance Program (SNAP) — known as "food stamps" — if you fail to meet the work requirements more than once.⁴⁴ To be eligible for unemployment benefits, you must have worked prior to filing a claim and have lost the job "through no fault of your own."⁴⁵ Even in Sweden, unemployment benefits can be discontinued if

⁴¹ Esping-Andersen 1988.

⁴² The tax exemption of employer contributions to health insurance is the single-largest tax expenditure in the U.S. tax code, reliably exceeding 200 billion dollars annually (U.S. Department of the Treasury 2024).

⁴³ Titmuss 2018; Hacker 2002.

⁴⁴ U.S. Department of Agriculture 2024.

⁴⁵ U.S. Department of Labor 2024.

you “misbehave, refuse to accept suitable work, leave your job without good reason or if you are dismissed because of bad behaviour.”⁴⁶

One might think that these problems can easily be solved by removing work requirements by legislation. This reaction fails to appreciate the fact that welfare states are dynamic institutions that continuously evolve. Even where work requirements are absent or weak, they stand to be introduced or strengthened subject to the vicissitudes of political contestation. Even if they are removed, they can be reintroduced at any time. Insofar as the instability of work requirements is a standing feature of the political landscape, citizens cannot reasonably plan their lives around a non-employment option.⁴⁷

Importantly, the limited ability of welfare policy to remove compulsion to employment is not merely a temporary defect of a yet-to-be-perfected welfare state. It derives from an enduring feature of the welfare state, namely, that it is called to respond to evolving social conditions under the constraint posed by its political structure. The political structure, as the set of rules for political contestation, shapes the capacity of the state to adapt to social changes. For example, the decentralized and fragmented political structure of the United States with its multiple veto points is widely held responsible for failing to enact or update national social programs in response to rising precarity in the labor market.⁴⁸ While concentration of power in Westminster-style systems can provide more agility, it can also discourage reforms by concentrating political blame.⁴⁹ In addition, the political structure constrains welfare policy via the constitution, determining what is insulated from the vicissitudes of partisan politics and what is not. Unlike certain basic rights, the right to welfare assistance *without* work requirements does not enjoy immunity from political contestation.

Thus, the presence of the welfare state as such does not secure a reasonable alternative to employment, but not simply due to the level of assistance. Whether the welfare state provides relief from compulsion to employment is also determined by

⁴⁶ European Commission 2023.

⁴⁷ The Scandinavian welfare states are no exception. Since the 1990s, not only have these states privatized a significant portion of their welfare services but they also have changed the *goal* and *structure* of their social spending towards “social investment” or labor market “activation.” This reoriented social policy aims at integration into the labor market and human capital development rather than decommodification, increasingly tying benefit entitlements to labor market participation. See: Palier and Hay 2017; Garritzmann, Palier and Häusermann 2022.

⁴⁸ Hacker 2004; Hacker, Hertel-Fernandez, Pierson, and Thelen 2021.

⁴⁹ See Starke 2006, pp. 109–11.

the eligibility conditions and substantive character of welfare policy, which restlessly evolves as a result of political contestation. And the roots of the limits of welfare policy go as deep as the political structure of the modern state itself.

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

What if, one might wonder, we enshrined in the constitution a basic right to an unconditional, genuinely livable, universal basic income? Besides questions concerning the justifiability of such a scheme (Section III.C), this proposal neglects that individuals have interests not only in consuming already-produced goods and services, but also in developing and deploying their productive capacities. These interests admit of several different understandings.⁵⁰ Persons may want to gain social recognition as contributing members of society. A contribution can be valued independently of others' perceptions as well, whether because it is a moral duty,⁵¹ because it engages all-purpose internal resources for pursuing one's conception of a good life,⁵² or because it involves pursuit of excellence. When these interests are realized simultaneously in an interconnected manner—such as when a person through her excellence contributes to the satisfaction of another's needs, resulting in mutual recognition—this can instantiate the ideal of unalienated labor.⁵³ These understandings of productive interests are compatible and are often all appropriate when a person cares about their job.

Productive interests require access to *productive resources* as well as access to *networks of co-producers*. Yet, for the non-independently-wealthy, employment is effectively the only institutionalized context of production in which they can adequately access these goods.⁵⁴ To develop and use our productive capacities we need things to work on, tools to work with, and a place to work. In a capitalist economy, where productive assets are privately owned, access can be obtained only by buying or renting. The non-wealthy are generally not free to access the resources they need: the cook will be prevented from occupying the kitchen if he does not pay the rent. In addition, to flourish as a person with specific skills and abilities, one needs a community of teachers and peers. Here, the need for networks goes beyond

⁵⁰ Gheaus and Herzog 2016.

⁵¹ White 2003.

⁵² Arnold 2012.

⁵³ Kandiyali 2020.

⁵⁴ See also Arnold 2017.

the boundary of a single occupation. In a society with an extensive division of labor, most production spans across multiple trades and industries. How could a pilot thrive without engineers, technicians, air traffic controllers, and attendants? To thrive as a producer, then, we need reliable channels of communication and coordination with other workers in different trades and industries. Specifically, we need a status that entitles us to their time, energy, and effort exactly when we need them. One shortcut is to have all of the producers' services at my disposal by paying them. However, this essentially means setting up my own productive enterprise, which, for reasons to be articulated shortly, is not a feasible option for the non-independently-wealthy (Section II.C). For most people, then, the only realistic option is to occupy a position in the industrial network as an employee in a relevant firm: Not only do firms have control rights over productive assets, but they have established patterns of coordination within and across neighboring divisions of labor, which an individual producer cannot achieve on her own.

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

C. On Self-employment

At this point, one should ask why "being your own boss" is not a reasonable alternative. This objection has received surprisingly little attention despite the fact that one in seven workers in OECD countries is self-employed, likely due to the "corporatist paradigm"

that equates work with employment.⁵⁵ On the rare occasions when self-employment is mentioned, it is often dismissed as an anachronistic ideal due to its inefficiency.⁵⁶ Others point out that self-employment implicates more “cumbersome financial barriers” than employment and the self-employed enjoy lower welfare.⁵⁷ However, the fact that one option is less convenient or welfare-promoting than another does not make it an *unreasonable* alternative. Thus, contrary to the prevailing assumption, the following question merits careful analysis: Is self-employment an option that workers are free to take without endangering their important interests?

Begin by noting that self-employment is not just cumbersome but an option that an average, capital-less worker is *unfree* to take: Were she to try to set up a business, she would typically be prevented from doing so. Empirical research confirms that the availability of capital is a prime barrier to self-employment, with the probability of self-employment shown to track prior receipt of an inheritance or gifts.⁵⁸ Those without an inheritance have three options for business funding: accumulated labor income, equity financing, or bank loans. But they all fail to secure reasonable alternatives to employment.

Consider people who start their business using the labor income they saved over the years. Their self-employment *presupposes* prolonged prior employment. Then, it is questionable if their option of self-employment removes the compulsion to employment. This argument suggests that workers are not compelled to choose A (employment) because they can choose B (self-employment) when, in fact, B requires A. Meanwhile, equity financing is unreliable. One cannot reasonably *expect* to have an angel investor; venture capital is extremely selective.⁵⁹ No less importantly, once one relinquishes equity, the capital managers co-own the business. This significantly compromises the independence of having no boss.

Thus, loans become pivotal. However, many are not free to take out a loan. Small-business loans are often conditioned on personal wealth,⁶⁰ and even small-business

⁵⁵ Queralt 2023, pp. 271–2.

⁵⁶ Anderson 2017, p. 64.

⁵⁷ González-Ricoy 2022, p. 105.

⁵⁸ Blanchflower and Oswald 1988; Laferrère 2001. See also Holtz-Eakin, Joulfaian, and Rosen 1994 on the role of inheritance in entrepreneurial survival.

⁵⁹ Less than 0.1 percent of startups in the United States receive venture capital (Klonowski and Lee 2022).

⁶⁰ Frid et al. (2016) show that entrepreneurs with fewer personal finances are less likely to secure external funding and receive lower amounts when they do. See also Schmalz et al. (2017) on the importance of collateral value.

loans from a government agency commonly require collateral and an unlimited personal guarantee.⁶¹ Furthermore, with discrimination in the credit market, minority-owned firms are subject to higher rates of denial and, if successful, higher interest rates.⁶² Even then, most self-owned businesses fail.⁶³ And those defaulting on personal loans face legal consequences, like wage garnishment or bank account levies, and suffer a damaged credit score, risking housing, employment, utility access, and future loan opportunities.⁶⁴ Liability to such significant, wide-ranging threats to basic interests renders loan-backed self-employment an unacceptable alternative, not simply a less convenient alternative.

It seems, then, the option of self-employment is a rather selectively afforded economic freedom, at least in our society. Yet additional considerations make us further question whether, even in an ideal society with wider access to credit, self-employment can be considered a genuine alternative to employment. The freedom to pursue self-employment is *conditional on others'* not exercising the same freedom and instead staying in employment. That is, self-employment is an option that producers are not *collectively* free to pursue.⁶⁵ Self-employed businesses often hire others as employees and rely on their labor for successful operation. These firms are instances of self-employment only from the owner's perspective. The dependence on others' employment extends beyond a single firm. For example, a freelance architect cannot work without a construction firm; and the most basic infrastructure, such as energy and transportation, requires large-scale, capital-intensive productive cooperation under authority. The individual freedom of self-employment is made possible by the submission to workplace authority of many others.

In sum, most people without inherited wealth are not free to start a business under the current institutions of capital and credit; those who are atypically afforded this freedom face high risks of insolvency and threats to their basic interests; and even the freedom from workplace authority enjoyed by the small subset of self-employed workers is made possible by others' submission to workplace authority. Given these conditions, self-employment is not a reasonable alternative to employment.

⁶¹ That is, the owner must pay back the loan in full with personal assets if the business defaults. U.S. Small Business Administration 2020.

⁶² Blanchflower, Levine, and Zimmerman 2003; Dymski 2009.

⁶³ U.S. Bureau of Labor Statistics 2023.

⁶⁴ Compare the limited liability attached to investing in an incorporated business.

⁶⁵ Cohen 1988b.

III. THE NORMATIVE PROJECT REORIENTED: TOWARDS A JUST BASIC STRUCTURE

Subjection to authority at work has often been thought to consist in being on the receiving end of managerial directives backed by sanctions. However, this view is subtly mistaken. To be *subjected* to managerial authority is not simply to comply with directives but to be *compelled* to do so, that is, to have to comply with directives on pain of unacceptable consequences. And, once we detail the social facts in virtue of which most workers are compelled to obey their managers, we see that their subjection is constituted by the overarching social arrangement, encompassing not just firm governance but also the political structure of the welfare state, market distribution of consumer goods, and the institutions of credit and capital. Accordingly, my account reorients our normative inquiry into the justification of subjection to workplace authority towards the wider scheme of socioeconomic and political cooperation—that is, towards the basic structure. This section clarifies and illustrates this alternative approach.

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

It is helpful to start by noting how my two-tier account of the nature of subjection to authority differs from one-tier accounts that appeal to the costliness of exiting one's job. The arguments based on the state-firm analogy often make this appeal in response to an objection that workers, unlike citizens of a state, voluntarily comply with managerial authority and are thus not relevantly subjected to authority. For instance, Dahl gives this response when he says “[Is] not ‘exit’ (or exile) often so costly, in every sense, that membership is for all practical purposes compulsory?”⁶⁶ Others appeal to costs such as firm-specific human capital, existing ties to coworkers and customers, search and transition costs, and the psychological costs of quitting work tied to self-respect.⁶⁷ Apart from the fact that these arguments tend to focus on exiting a specific firm rather than wage employment generally, they face the following objection from Jan Narveson.

If a firm doesn't like the way you do your job, can it send men with guns who will put you in prison if you don't do it the way the boss says? Well, no. ... Note that the only reasons adduced for this conclusion [that the firm is relevantly similar to the

⁶⁶ Dahl 1985, pp. 114-5.

⁶⁷ E.g., Hsieh 2005, pp. 128-31; González-Ricoy 2022, p. 105.

state] are comparisons of *the relative ease* with which people may voluntarily leave. Authorization to use force, it seems, has nothing to do with it. One might wonder whether Dahl would also argue that marriage is involuntary — since, after all, aren't marriages often very difficult to leave, too?⁶⁸

In noting this objection, I do not mean to suggest that one cannot raise a normative concern about an authority relationship when state power is not involved. But state power *is involved* in subjecting the non-independently-wealthy to workplace authority. The two-tier account makes this clear by detailing the institutional constraints that compel employment. The state is permitted to “send men with guns” in various subjection-constituting moments of the economy such as money-mediated access to necessities, work requirements for public welfare, debt enforcement, and access to productive assets. Accordingly, as we inquire into the justification of workplace subjection, we must attend not only to the degree but also to the nature of the difficulty of exit, which results from state-imposed constraints on freedom. In doing so, the two-tier account reveals the role of the state in workplace subjection. Although the state may not enforce individual employers' commands as one-tier theorists have noted⁶⁹, it does enforce the society-wide scheme that subjects the employment-dependent to employers' authority. The state does not simply *resemble* firm authority. It *imposes* firm authority.

B. Justification of What?

The subject matter of workplace subjection on the two-tier account is the basic structural arrangement that imposes employment upon the non-independently-wealthy via its institutional constraints. Not all basic structural arrangements that compel persons are ipso facto unjust. However, they do present a justificatory challenge, which, if unmet, renders them unjust. In our case, we need a good answer to the following question.

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

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

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

⁶⁸ Narveson 1992, p. 53.

⁶⁹ E.g., González-Ricoy 2022, pp. 102-3; Kolodny 2023, p. 146.

Interpreting the first question as the second, one-tier theorists respond to the latter by appealing to efficiency benefits. For example, Anderson equates “ending subjection to [workplace] government altogether” with promoting self-employment and dismisses this approach on the grounds that it “amounts to promoting anarchy as the primary form of workplace order.”⁷⁰ She argues that this approach “cannot preserve the productive advantages of large-scale production,” which require “some kind of incompletely specified authority over groups of workers.”⁷¹ Here once again, being subjected to workplace authority is equated with having operational authority at work. Once workplace subjection is narrowed down in this way, the justification of workplace subjection is similarly reduced to the question of how to “[tame] workplace hierarchy” by hemming in intrafirm authority to an appropriate scope.⁷²

By contrast, the two-tier account registers the question of the *Justification of Subjection* as a distinct question, separate from the question of the point of having a manager, namely,

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

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

The discrepancy between the two justificatory questions can also be elucidated by considering a longstanding socialist ideal, namely, *unforced* large-scale productive cooperation. By that I mean a scheme of productive cooperation that is based on the division of labor between direction-giver and direction-taker but one that no one is forced to join (because everyone has a reasonable non-employment alternative). Suppose enough people nonetheless participate in the cooperative scheme for other reasons, and this is well-grounded common knowledge. In this scenario, producers use

⁷⁰ Anderson 2017, p. 64.

⁷¹ Ibid.

⁷² Anderson 2015, p. 66. For the same reasons of efficiency, Anderson writes “I therefore call not for abolishing but for taming workplace hierarchy.” See also Anderson 2017, where her critique of the justificatory power of the economic theory of the firm is only directed against “the sweeping scope of employers’ authority over workers in the United States” (p. 52; see also pp. 50, 64).

operational authority as a coordination mechanism; they do take their bosses' directives as preemptive. Yet, no one is compelled to do so by the social arrangement. If such an economic structure were feasible without compromising other demands of justice, we would then have a good answer to *Justification of Operational Authority at Work*, but not to *Justification of Compulsion to Employment*. In other words, it is possible to have good reason to organize productive cooperation via workplace authority *without* having good reason to force people to submit to the authority. One-tier accounts fail to register this possibility. They thereby evade the question of the *Justification of Compulsion to Employment*.

C. Justification Without Reasonable Alternatives: Purpose, Class, and Workers' Interests

The example of unforced productive cooperation might lead one to think that my account requires a universal guarantee of reasonable alternatives to employment. But such a guarantee of reasonable alternatives can be infeasible, for example, for an economically developing country with insufficient resources. Would then no managerial authority be justified in that country?

My account does *not* entail that, for managerial authority to be legitimate, all workers must be guaranteed reasonable alternatives. The legitimacy of managerial authority depends on whether there is adequate justification for the basic structural compulsion towards employment. Adequate justification is lacking and managerial authority is illegitimate when, for example, the developing country's firms are set up to benefit only foreign financial capital.⁷³ By contrast, suppose the developing country ensured labor efforts in the firm went into building social infrastructure for healthcare, public education, and democratic political institutions, while managers' authority was adequately circumscribed to protect workers' interests as appropriate. Then, even without reasonable alternatives, we may have a good answer to *Justification of Compulsion to Employment*. Then, individuals would be *justifiably* subjected to workplace authority.

⁷³ This is compatible with acknowledging that workers can act wrongly in refusing to follow a directive. For example, a nurse may commit a wrong by refusing to check up on a severely ill patient as instructed by her boss. But this wrongness may well derive from the moral reasons to perform the check-up that are *independent* of the boss's authority, such as the natural duty of beneficence and the occupational duty *qua* healthcare professional. Importantly, her boss's authority is not a *source* of these authority-independent moral reasons, and the existence of these reasons does not show that her boss's authority itself is justified.

Moreover, subjection to workplace authority can be justifiable even in wealthy, industrialized economies. A universal guarantee of genuine alternatives to employment—such as a livable UBI and substantial subsidies for self-employment—requires reliable production of wealth at a large scale. This would require the sustained participation of a large workforce in authority-coordinated team production. This is partly for well-known reasons of efficiency. But we also have reason to think that certain demands of justice—such as healthcare, a functioning judicial system, an administrative state, a transportation system, and an energy infrastructure—can be met only by a group of workers cooperating under authority. For example, if street-level bureaucrats did not take higher-level bureaucrats' judgment as preemptive, we would have no functioning welfare state; if front-line utility workers did not follow foremen's directives, we would have no electric power grid. Then, to ensure that we meet the social need to channel large labor contributions into authority-coordinated production, it may be justifiable for us to reciprocally constrain each other to discharge those contributions. In this case, we may have a good answer to *Justification of Compulsion to Employment* in both industrialized and industrializing countries. The task, then, would be not so much to put an end to subjection to authority at work but to identify a justifiable form of subjection.

However, the justification of subjection must be adequately comprehensive and robust. For we are not trying to justify, say, a local restriction on freedom or one that affects only the pursuit of optional goods. Instead, we are trying to justify a collective structuring of wide-ranging social institutions that impose overarching constraints on freedom, which everyone will have to navigate to pursue their important interests.⁷⁴ Given the nature of what is to be justified, the threshold for justification is accordingly high. There are three challenges for adequate justification. First, the purpose of imposing employment must be adequate. Not all social purposes have enough moral weight to justify such far-reaching constraints on freedom. For example, the efficient production of pointless widgets is not a good reason to impose compulsion to employment on our fellow citizens. The purpose must be qualified by reference to the social importance of the good and services being produced. While it is a further question which purposes are sufficiently important, this much should be clear: *Some but not all* social purposes have enough moral weight to justify basic structural imposition of employment.⁷⁵

⁷⁴ Hodgson 2012.

⁷⁵ For a further defense of this claim and a discussion of its inadequate acknowledgment in political philosophy, see Stanczyk 2024.

The second justificatory challenge arises from the fact that in existing societies, the compulsion to employment is *asymmetrically* visited upon individuals based on socioeconomic positions. Notice that an otherwise justifiable constraint on freedom can be rendered unjustifiable if it is imposed in an unjustifiable manner. For example, the fact that the use of state force can be justified does not entail that a racially discriminatory use of state force is justified. Even if some purpose could justify compulsion to employment, it does not mean that asymmetrical compulsion is justified. Once again, we see that the problem of workplace subjection is not simply the problem of having a boss, who may be just as compelled to work for a firm as the employee. It also raises the question of what could justify the extra-firm asymmetry between the employment-dependent and the independently wealthy in exposure to compulsion to employment. While not every asymmetrical compulsion is unjustified,⁷⁶ a class-based asymmetry raises a challenge: Is difference in wealth a good reason for asymmetrical compulsion?⁷⁷ If not, the basic structural compulsion to employment in existing societies would constitute a grave injustice. In this way, the two-tier account foregrounds the question of class in theorizing of justice at work.

Finally, for subjection to workplace authority to be justifiable, workers' interests cannot be entirely left to intrafirm negotiation. Their interests must be adequately protected by the basic structure itself. Even if a manager bargains in good faith with employees, the employees' bargaining power is structurally limited, as they are compelled to stay employed due to the lack of reasonable alternatives. For example, they may not be able to successfully contest the management's distribution of gains into wages, dividends, and executive compensation, raising a reasonable concern about their consumptive interests. Meanwhile, their productive interests may be undermined because they lack the power to pressure management when it repeatedly directs them to contribute to agendas they regard as pointless or immoral. If the workers are to have sufficient reason to accept this arrangement, the basic structure must provide them with assurance against these reasonable concerns that their interests may not be adequately secured within the intrafirm bargaining process. However noble the social purpose of labor might be, it cannot justify imposing undue burdens on the individuals who actually perform the labor.

⁷⁶ For example, asymmetrical subjection may be justifiable if it is based on the physical and mental capacity to participate in authority-mediated production.

⁷⁷ This justificatory challenge may have been neglected due to the implicit belief that the independently wealthy do not have the same productive duties as ordinary citizens. For an argument against a class-differentiated conception of productive duties, see Stanczyk 2024.

If justice demands basic structural protection of workers' interests, what does this entail about the just workplace constitution? I now turn to this topic.

D. A Nested Theory of the Just Workplace

A theory of the just workplace must be *nested* within an adequately comprehensive theory of the just basic structure. That is, the broader theory of just social cooperation must inform the *admissibility and strength of grounds* for justification of a given form of workplace governance. This holistic assessment is to be done in light of the specific place of the workplace in the wider scheme of social cooperation.

To illustrate, consider how the two-tier account reframes the debate about investor-elected versus worker-elected management as the dominant form of workplace governance. If my argument so far is sound, the standard for an adequate justification of an intrafirm decision-making arrangement would be similarly high as the standard for an adequate justification of any basic structural arrangement that represents far-reaching constraints on freedoms. For example, insofar as higher GDP alone is insufficient to justify the basic structural compulsion to employment, we should similarly question the justificatory force of the efficiency considerations that are typically put forward in defenses of investor-elected management that issues unilateral directives to workers.

On this nested approach to workplace justice, the case for worker-elected management will also be more complicated. The justificatory force of a given consideration needs to be evaluated in light of how important it is to secure workers' interests *at the level of the workplace*, as opposed to at the level of the state or other social institutions. One might think that workers' consumptive interests can be adequately secured outside the firm through redistributive policy. And workers can contribute to agendas they value via political participation outside work. As the two-tier account approaches a theory of the just workplace as a nested theory, it takes these considerations seriously and seeks to evaluate them in light of the broader basic structure.

The normative project of evaluating workplace governance, reoriented and nested within a larger theory of society's basic structure, is therefore more complicated than one-tier accounts would have us think. But it is rightly and helpfully more complex. Not only does the reoriented project guide the evaluation of the justificatory grounds for workplace governance regimes, but it also directs our attention to essential matters often treated as disconnected from workplace justice. For one, issues typically characterized as distributive justice, such as financial institutions and access to credit, must also be understood as addressing the relational subjection in the firm

by mitigating compulsion to employment.⁷⁸ Second, the reoriented project urges philosophers of work to bring *capital* back in.⁷⁹ The appropriate form of workplace governance will depend on how investment is organized. For example, insofar as firms have to rely on the capital market for investment, then worker-elected management, even if instituted, will be constrained by the need to cater to investor interests and may fail to serve its intended purpose.⁸⁰ Finally, we should carefully evaluate the capacity of the state to protect workers' interests. Whether workers have a claim to democracy in the firm partly depends on whether we can count on the state to fulfill the workers' claims to basic structural protection.⁸¹ And yet, in a capitalist economy, it is not only corporations but also states that are constrained in their power by the need to secure investment, and therefore, constrained by the power of investors.⁸² Accordingly, a theory of justice at work must investigate whether and to what extent workers' claims are in fact adequately represented in the formal political institutions of a capitalist economy.

This line of inquiry may show worker-elected management to be a demand of justice as it makes an irreplaceable contribution to overarching social equality. The verdict ultimately depends on the wider investigation outlined in this article, using a comprehensive framework that takes into account the capital market as well as the labor and commodity markets, the state as well as the firm.

⁷⁸ E.g., Meyer 2018.

⁷⁹ Elsewhere I argue that recent discussions of capitalism and workplace justice fail to account for the power of capital ownership, which is dispersed and separated from managerial power under financialized capitalism, and develop an account of capital ownership as a form of informal political office (Kim 2024a).

⁸⁰ Jäger, Schoefer, and Heining 2021 report that labor representation on co-determining corporate boards had no effects on wages or wage structures.

⁸¹ It is often thought that democracy at the level of the state can resolve the complaint against economic hierarchy because the state “controls and regulates” economic institutions from “a higher standpoint of equality” (e.g., Rawls 1999; Kolodny 2023; McMahan 2013). I argue against this idea in Kim 2024b.

⁸² Here I depart from a different approach to “nesting” the workplace in McMahan 2013. According to McMahan, corporations have the status of “subordinate centers of cooperation in a larger cooperative enterprise under governmental control” (p. 87) and managers, public officials in subordination to the government. His theory merits a lengthier discussion than I can offer here. But let me say that it is an open question whether such unilateral corporate subordination to the state can be reasonably expected under capitalism.

IV. CONCLUSION

Workplace subjection is commonly thought to consist in the fact that managers have the right to issue directives on pain of sanctions. I have argued that we should reject this standard view. The standard view fails to explain why the employment relationship is a relation of subjection in need of justification rather than an unproblematic form of division of labor, especially when the liberal welfare state now provides the freedom to stay away from employment altogether, social welfare assistance, and avenues for self-employment. To explain the nature of subjection to workplace authority in spite of these facts, we must account for how employment is *imposed* by way of wide-ranging institutional constraints on the pursuit of important interests in economic cooperation. Such a basic structural constraint on freedom, while not necessarily unjust, does raise a justificatory demand. This demand is not adequately met by the generic justification of managerial authority. It requires an appropriately comprehensive, basic structural justification. As part of this inquiry, we must question whether class-based asymmetrical compulsion is justifiable and whether the purpose of compulsion has adequate moral weight. We must also inquire into the role of workplace governance in securing workers' interests in relation to the state and investors. To pose these questions is to inquire into the justice of structuring overarching relations of social cooperation. Anyone troubled by the way that workers today are subjected to workplace authority should join this wider project.

ACKNOWLEDGEMENTS

I am deeply grateful to Lucas Stanczyk, Tommie Shelby, Louis-Philippe Hodgson, Mark Richard, and Isaijah Shadrach for their invaluable feedback on earlier drafts of this article, as well as for their support throughout the process. I also thank Daniel Roberts for his helpful discussions on the empirical aspects of the article. Finally, I am grateful to the three anonymous referees and Bob Goodin, the editor of this journal, for their thoughtful comments and suggestions.

COMPETING INTERESTS

The author declares that she has no competing interests.

REFERENCES

- Alchian, Armen, and Harold Demsetz. 1972. Production, information costs, and economic organization. *American Economic Review*, 62(5): 777–95. <https://www.jstor.org/stable/1815199>
- Anderson, Elizabeth. 2015. Equality and freedom in the workplace: recovering republican insights. *Social Philosophy and Policy*, 31(2): 48–69. DOI: <https://doi.org/10.1017/S0265052514000259>
- Anderson, Elizabeth. 2017. *Private Government: How Employers Rule Our Lives (and Why We Don't Talk about It)*. Princeton, NJ: Princeton University Press.
- Arneson, Richard J. 1995. Democratic rights at national and workplace levels. Pp. 118–48 in *The Idea of Democracy*, ed. David Copp, Jean Hampton, and John E. Roemer. Cambridge: Cambridge University Press.
- Arnold, Samuel. 2012. The difference principle at work. *Journal of Political Philosophy*, 20(1): 94–118. <https://doi.org/10.1111/j.1467-9760.2010.00393.x>
- Arnold, Samuel. 2017. Capitalism, class conflict, and domination. *Socialism and Democracy*, 31(1): 106–24. <https://doi.org/10.1080/08854300.2016.1215810>
- Blanchflower, David G., and Andrew J. Oswald. 1998. What makes an entrepreneur? *Journal of Labor Economics*, 16(1): 26–60. <https://doi.org/10.1086/209881>
- Blanchflower, David G.; Phillip B. Levine; and David J. Zimmerman. 2003. Discrimination in the small-business credit market. *Review of Economics and Statistics*, 85(4): 930–43. <https://doi.org/10.1162/003465303772815835>
- Bryan, Alexander. 2023. Structural domination and freedom in the labor market: from voluntariness to independence. *American Political Science Review*, 117(2): 692–704. <https://doi.org/10.1017/S0003055422000922>
- Coase, R. H. 1937. The nature of the firm. *Economica*, 4(16): 386–405. <https://doi.org/10.1111/j.1468-0335.1937.tb00002.x>
- Cohen, G. A. 1988a. Are disadvantaged workers who take hazardous jobs forced to take hazardous jobs? Pp. 239–54 in Cohen, *History, Labour, and Freedom: Themes from Marx*. Oxford: Oxford University Press.
- Cohen, G. A. 1988b. The structure of proletarian unfreedom. Pp. 255–83 in Cohen, *History, Labour, and Freedom: Themes from Marx*. Oxford: Oxford University Press.
- Cohen, G. A. 2011. Freedom and money. Pp. 166–92 in Cohen, *On the Currency of Egalitarian Justice, and Other Essays in Political Philosophy*. Princeton, NJ: Princeton University Press.
- Cohen, Joshua. 1989. The economic basis of deliberative democracy. *Social Philosophy and Policy*, 6(2): 25–50. <http://doi.org/10.1017/S0265052500000625>
- Dahl, Robert Alan. 1985. *A Preface to Economic Democracy*. Berkeley: University of California Press.
- Dymski, Gary A. 2006. Discrimination in the credit and housing markets: findings and challenges. Pp. 215–59 in *Handbook on the Economics of Discrimination*, ed. William M. Rogers. Cheltenham: Edward Elgar Publishing. <https://doi.org/10.4337/9781847200150.00016>

- Esping-Andersen, Gøsta. 1988. *Politics against Markets: The Social Democratic Road to Power*. Princeton, NJ: Princeton University Press.
- European Commission. 2023. Your social security rights in Sweden. Luxembourg: Publications Office of the European Union. <https://ec.europa.eu/social/BlobServlet?docId=13776&langId=en>
- Ferreras, Isabelle. 2017. *Firms as Political Entities*. Cambridge: Cambridge University Press.
- Frega, Roberto; Lisa Herzog; and Christian Neuhäuser. 2019. Workplace democracy — the recent debate. *Philosophy Compass*, 14(4): e12574. <https://doi.org/10.1111/phc3.12574>
- Frid, Casey J.; David M. Wyman; William B. Gartner; and Diana H. Hechavarria. 2016. Low-wealth entrepreneurs and access to external financing. *International Journal of Entrepreneurial Behavior & Research*, 22(4): 531–55. <https://doi.org/10.1108/IJEBR-08-2015-0173>
- Frye, Harrison. 2023. Domination at work: resisting the radical diagnosis. *British Journal of Political Science*, 1–16. <https://doi.org/10.1017/S0007123423000194>
- Garritzmann, Julian L.; Bruno Palier; and Silja Häusermann, eds. 2022. *The World Politics of Social Investment*. New York: Oxford University Press.
- Gheaus, Anca, and Lisa Herzog. 2016. The goods of work (other than money!). *Journal of Social Philosophy*, 47(1): 70–89. <https://doi.org/10.1111/josp.12140>
- González-Ricoy, Íñigo. 2014. Firms, states, and democracy: a qualified defense of the parallel case argument. *Law, Ethics, and Philosophy*, 2: 32–57. <https://raco.cat/index.php/LEAP/article/view/297544>
- González-Ricoy, Íñigo. 2022. Little republics: authority and the political nature of the firm. *Philosophy & Public Affairs*, 50(1): 90–120. <https://doi.org/10.1111/papa.12205>
- Gourevitch, Alex. 2013. Labor republicanism and the transformation of work. *Political Theory*, 41(4): 591–617. <https://doi.org/10.1177/0090591713485370>
- Hacker, Jacob S. 2002. *The Divided Welfare State: The Battle over Public and Private Social Benefits in the United States*. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9780511817298>
- Hacker, Jacob S. 2004. Privatizing risk without privatizing the welfare state: the hidden politics of social policy retrenchment in the United States. *American Political Science Review*, 98(2): 243–60. <https://doi.org/10.1017/S0003055404001121>
- Hacker, Jacob S.; Alexander Hertel-Fernandez; Paul Pierson; and Kathleen Thelen. 2021. The American political economy: a framework and agenda for research. Pp. 1–48 in *The American Political Economy*, ed. Hacker, Hertel-Fernandez, Pierson, and Thelen. Cambridge: Cambridge University Press. <https://doi.org/10.1017/9781009029841.001>
- Hebenton, Angus. 2022. *Relational Equality and Democracy in Managing Economic Enterprises*. Ph.D. Dissertation: University of York. <https://etheses.whiterose.ac.uk/31191/>
- Hodgson, Louis-Philippe. 2012. Why the basic structure? *Canadian Journal of Philosophy*, 42(3–4): 303–34. <https://doi.org/10.1353/cjp.2012.0014>
- Holtz-Eakin, Douglas; David Joulfaian; and Harvey Rosen. 1994. Sticking it out: entrepreneurial survival and liquidity constraints. *Journal of Political Economy*,

- 102(1): 53–75. <https://doi.org/10.1086/261921>
- Hsieh, Nien-hê. 2005. Rawlsian justice and workplace republicanism. *Social Theory and Practice*, 31(1): 115–42. <https://doi.org/10.5840/soctheorpract20053116>
- Hsieh, Nien-hê. 2008. Survey article: justice in production. *Journal of Political Philosophy*, 16(1): 72–100. <https://doi.org/10.1111/j.1467-9760.2007.00290.x>
- Jäger, Simon; Benjamin Schoefer; and Jörg Heining. 2021. Labor in the boardroom. *Quarterly Journal of Economics*, 136(2): 669–725. <https://doi.org/10.1093/qje/qjaa038>
- Kandiyali, Jan. 2020. The importance of others: Marx on unalienated production. *Ethics*, 130(4): 555–87. <https://doi.org/10.1086/708536>
- Kim, Yunhyae. 2024a. Ownership and hierarchy: capital ownership as political office. Unpublished manuscript, Harvard University.
- Kim, Yunhyae. 2024b. *The Production of Democracy*. Ph.D. dissertation. Cambridge, MA: Harvard University.
- Klonowski, Darek, and Silas Lee. 2022. Venture capital as a source of entrepreneurial finance. Pp. 171–94 in *De Gruyter Handbook of Entrepreneurial Finance*, ed. David Lingelbach. Berlin: De Gruyter. <https://doi.org/10.1515/9783110726312-014>
- Kolodny, Niko. 2023. *The Pecking Order: Social Hierarchy as a Philosophical Problem*. Cambridge, MA: Harvard University Press.
- Laferrère, Anne. 2001. Self-employment and intergenerational transfers: liquidity constraints and family environment. *International Journal of Sociology*, 31(1): 3–26. <https://doi.org/10.1080/15579336.2001.11770224>
- Landemore, Hélène, and Isabelle Ferreras. 2016. In defense of workplace democracy: towards a justification of the firm–state analogy. *Political Theory*, 44(1): 53–81. <https://doi.org/10.1177/0090591715600035>
- McMahon, Christopher. 1994. *Authority and Democracy: A General Theory of Government and Management*. Princeton, NJ: Princeton University Press.
- McMahon, Christopher. 2013. *Public Capitalism: The Political Authority of Corporate Executives*. Philadelphia: University of Pennsylvania Press.
- Meyer, Marco. 2018. The right to credit. *Journal of Political Philosophy*, 26(3): 304–26. <https://doi.org/10.1111/jopp.12138>
- Moriarty, Jeffrey. 2005. On the relevance of political philosophy to business ethics. *Business Ethics Quarterly*, 15(3): 455–73. <https://doi.org/10.5840/beq200515330>
- Narveson, Jan. 1992. Democracy and economic rights. *Social Philosophy and Policy*, 9(1): 29–61. <https://doi.org/10.1017/S0265052500003599>
- O’Shea, Tom. 2019. Are workers dominated? *Journal of Ethics and Social Philosophy*, 16(1). <https://doi.org/10.26556/jesp.v16i1.631>
- Palier, Bruno, and Colin Hay. 2017. The reconfiguration of the welfare state in Europe. Pp. 331–50 in *Reconfiguring European States in Crisis*, ed. Desmond King and Patrick Le Galès. Oxford: Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780198793373.003.0017>
- Queralt, Jahel. 2023. The goods (and bads) of self-employment. *Journal of Political Philosophy*, 31(3): 271–93. <https://doi.org/10.1111/jopp.12287>

- Rawls, John. 1999. *A Theory of Justice*. Cambridge, MA: Harvard University Press.
- Rawls, John. 2001. *Justice as Fairness: A Restatement*. Cambridge, MA: Harvard University Press.
- Raz, Joseph. 2009. *The Morality of Freedom*. Oxford: Clarendon Press.
- Schmalz, Martin C.; David A. Sraer; and David Thesmar. 2017. Housing collateral and entrepreneurship. *Journal of Finance*, 72(1): 99–132. <https://doi.org/10.1111/jofi.12468>
- Stanczyk, Lucas. 2024. *From Each: A Theory of Productive Justice*. Unpublished manuscript, Harvard University.
- Starke, Peter. 2006. The politics of welfare state retrenchment: a literature review. *Social Policy & Administration*, 40(1): 104–20. <https://doi.org/10.1111/j.1467-9515.2006.00479.x>
- Tarter, Brent. 2020. Vagrancy Act of 1866. *Encyclopedia Virginia*. Virginia Humanities. <https://encyclopediavirginia.org/entries/vagrancy-act-of-1866/>
- Taylor, Robert S. 2017. *Exit Left: Markets and Mobility in Republican Thought*. Oxford: Oxford University Press.
- Titmuss, R. M. 2018. *Essays on the Welfare State*, reissue. Bristol: Bristol University Press. <https://doi.org/10.2307/j.ctv6zdctd>
- U.S. Bureau of Labor Statistics. 2023. Survival of private sector establishments by opening year. https://www.bls.gov/bdm/us_age_naics_00_table7.txt
- U.S. Department of Agriculture. 2024. SNAP work requirements. <https://www.fns.usda.gov/snap/work-requirements>
- U.S. Department of Labor. 2024. How do I file for unemployment insurance? <https://www.dol.gov/general/topic/unemployment-insurance>
- U.S. Department of the Treasury. 2024. Tax expenditures. <https://home.treasury.gov/policy-issues/tax-policy/tax-expenditures>
- U.S. Small Business Administration. 2020. Unconditional guarantee. <https://www.sba.gov/document/sba-form-148-unconditional-guarantee>
- Walzer, Michael. 2010. *Spheres of Justice: A Defense of Pluralism and Equality*. New York: Basic Books; originally published 1984.
- White, Stuart. 2003. *The Civic Minimum: On the Rights and Obligations of Economic Relationship*. Oxford: Oxford University Press.

