

**RECOGNITION, NORMATIVE RECONSTRUCTION AND
ECONOMIC JUSTICE: NATIONAL AND TRANSNATIONAL
PERSPECTIVES**

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ABSTRACT

Drawing on Honneth's theory of recognition, this thesis seeks to develop a normative-reconstructive approach to the theory of justice for the economic sphere, reflecting domestic and transnational perspectives. In the first part, I first reconstruct and critically evaluate how Honneth's views on justice in the economic sphere have evolved from *Struggle for Recognition* to the *Idea of Socialism*. Against this backdrop I then go beyond Honneth and outline and defend a mixed-view for the domestic level that combines elements from the *Freedom's Right* and *Recognition and Redistribution*. I come up with a weak interpretation of social freedom in the economic sphere and argue that the best way to understand weak social freedom is as a threshold view based on collective recognition: the normative promise of the market consists in the fact that everyone participating in it ought to have enough recognition (understood in terms of need, esteem and respect) both in the productive and consumptive dimension of the economy. Above the threshold, socio-economic differences are to be justified in terms of individual recognition, as envisioned by Honneth in *Recognition and Redistribution*. However, again it is important to consider the aspects of need, esteem and respect in both the productive and consumptive dimension of the market. I then look at two case studies of low wage and luxury consumption to put my model to work and compare it with alternatives. The second part of my thesis is dedicated to developing a recognition theoretical model of transnational economic justice. I argue that the conditions of *Sittlichkeit* that underpin the applicability of weak social freedom are absent in the transnational market. Therefore, we rely exclusively on standards of individual freedom according to the recognition norms of need, esteem and respect, which, I argue, are constitutive for market relations. I then apply this normative-reconstructive approach again to a case study: sweatshops. My conclusion is, with regards to the productive dimension of sweatshops, that low wages, meaningless work and bad working conditions which both find justification according to classical economic standards all violate the requirements of justice conceived of legitimate expectations for individual recognition that are underpinned by norms that are constitutive of the market. Likewise, in my analysis of the consumption dimension of sweatshops, I demonstrate that lack of necessities on the side of sweatshop workers, their deception or manipulation resulting from fake or substandard goods and lack of voice in what gets produced and the condition under which it is produced all violate the demands of respect, esteem and need.

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DEDICATION

To Chinelo Ezeagbor (my benefactor)

and

Kenneth Amaeshi (my mentor)

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GENERAL INTRODUCTION

The hope of a just society, as a society that works for everyone, could be said to be one of the strongest desires of all people. A just society is a society in which the arrangement of social institutions secures and facilitates the flourishing of its members. Thus, justice is usually about the correct way to arrange social institutions so that the distribution of the resources of society can be legitimate and satisfactory. To this end, justice is often referred to as the first principle of a good society because it makes the realization of the objectives of its members possible. However, there is always a difference between this ideal and actual societies or institutions. The best societies or institutions are those which approximate or realize this ideal. The main task of political theorists or philosophers has often been to work out normative principles or ideals of justice which guide the distribution of rights and resources so that the actual social practices can be measured in the light of them. Political philosophers have mainly followed either of two ways: by positing independent ideals or by deriving those ideals from within the given institution or society itself. Critical theory, to the extent that its proponents have adopted a normative reconstruction method, falls into the latter category on the general conviction that the principles and norms underlying existing institutions can be used to justify and legitimize them. Critical theory seeks to realize its emancipatory mission by re-examining social institutions on grounds of the normative ideals which these social institutions already embody, even if in an imperfect way.

In the last thirty years or so, Axel Honneth has sought to advance the emancipatory aims of critical theory. He has developed a theory of justice founded on the principle of freedom as the key orienting norm of modern social institutions. While it is generally assumed that modern institutions embody the norm of freedom, the version which Honneth believes meets the

demands of critical theory and the standard of justice is what he calls 'social freedom' as different from 'individual freedom'. This conception of social freedom is a relation of mutual recognition within social institutions in which each subject's freedom is the condition for the realization of the freedom of other participants. As a relation of mutual recognition, this conception of justice as social freedom aligns Honneth's work to its Hegelian heritage and highlights the intersubjective turn in the theory of justice. In addition, Honneth's approach of normative reconstruction proceeds in the form of an analysis of social institutions as spheres of action whose primary objective is the realization of social freedom. Honneth therefore employs the method of normative reconstruction which consists in the determination of justice through an analysis of social institutions based on the norms of freedom.

By going this normative route Honneth's critical theory can perform a diagnostic and critical function in view of the rationality of the institution of the social sphere under consideration. The fittingness of this theory for the analysis of the productive and consumptive dimensions of the national and transnational market sphere is the focus of my investigation in this thesis. The interpretations of these two original components of Honneth's system, that is, the meaning of social freedom and the details of the method of normative reconstruction as they relate to the institution of the market is often problematic. For instance, Honneth's claim is not that the market institution as it is today is realizing social freedom, but that social freedom is the normative condition of its legitimacy. Thus, a society or institution is just or not to the extent it facilitates or undermines social freedom. In other words, social freedom can serve as a critical standard for evaluating the market institution. This raises the question of what social freedom means in the context of social institutions. It raises the question of the correct interpretation of social freedom as a standard of justice and to what extent it can orient the mission of critical theory today. Secondly, the method of normative reconstruction is confronted with another challenge regarding whether it is to focus exclusively on social freedom or on the norms of

recognition on the one hand and the relationship between them on the other. Recognition has been central to Honneth's critical theory and has some close relationship with his theory of freedom, but the relationship between the two norms is not always clear when it comes to justice. On this Honneth is not quite clear. Moreover, Honneth's normative reconstruction highlights many instances of the violation of social freedom. He however fails to unpack in a clear manner how the examples he mentions in his reconstructions can be understood as forms of injustice or mis-recognition. As such it is not always clear whether his positions can be justified. Furthermore, the applicability of Honneth's concept of justice and method of normative reconstruction for transnational justice is completely not dealt with. It is thus unclear whether his framework can be utilized for the purposes of transnational justice. These gaps call for attention.

In line with these gaps identified, this thesis makes the following outstanding contributions. (1) In it I offer two readings of the concept of social freedom and arrives at a distinction between the weak model of social freedom and argues, against Honneth, for adopting the weak model of social freedom. This distinction is made apparent in the analysis of the criterion of completion and intentionality. Since it is not clear in Honneth whether social freedom demands mutual sufficiency or egalitarian uniformity, the weak model of social freedom will defend the former as the realization of justice. While the strong model of social freedom regards any form of individual freedom as incomplete, the weak model recognizes that the market does in fact operate to realize social freedom in many instances according to the sufficiency criterion. In addition, it will become clear that some situations call for a combined model, that is, an application of the weak model of social freedom as well as individual freedom. In other words, only by an appeal to a combined model can we make sense of some situations in the market today. This does not amount to an abandonment of my weak model but its enrichment. (2) I then test this new model by applying it to problems in the domestic economic sphere. The case

studies that I use to demonstrate this theoretical adjustment in the productive dimension of the market is the problem of low wage and for the consumptive dimension of the market it is luxury consumption. (3) This thesis also tries to make Honneth's theory useful for the analysis of global justice. In the second part of the thesis, I argue that social freedom is not applicable to the transnational sphere and raise the question of which normative standard should be used as part of a normative-reconstruction approach? Here I resort to relations of individual freedom. I do this because this is the only model of a normative reconstruction which the transnational market sphere can support today. I distinguish three approaches to normative reconstruction and three contexts of institutional integration. In line with series of suggested theoretical amendments to the overall method of normative reconstruction, I adopt a market model which draws on the norms of recognition and thus of individual freedom. (4) Finally, this newly developed model is applied as a standard of analysis in the case-study of sweatshops including the productive and consumptive dimensions, as instance of transnational economic cooperation. In this way, I demonstrate whether sweatshops realize or violate the minimum standards of individual freedom and their regulating norms of recognition.

This thesis is made up of seven chapters divided into two parts, with chapters five to seven as the second part. The first chapter is a general overview of Honneth's articulation of the normative infrastructure of modern capitalist market (in terms of recognition) in relation to the emancipatory aims of critical social theory. It also focuses on retracing the shifts which occur in the development of his thoughts and the reasons behind them. From the very beginning, Honneth's recognition theory as espoused in earlier works like *The Struggle for Recognition* contains ingredients for a theory of economic justice. Honneth considers injurious and a form of misrecognition those practices of exclusion or discrimination which deny subjects recognition for their abilities and achievements. The general recognition norm which Honneth uses to articulate this sphere of ethical-life is solidarity which I find problematic and inadequate

for many reasons. I discuss the details and implications of this critique. Next, I consider the debate with Nancy Fraser, in which Honneth expands the reach of his recognition theory. He proposes vigorously that recognition more than redistribution is best fitted to the task of the determination of market justice. According to him, recognition has more merit than the traditional norms of redistribution and the alternative suggested by Fraser. Although he still focuses only on the production sphere of the market, I show that this work is a significant advancement of his theory. In this work Honneth opts for the achievement principle in place of solidarity and for the first time brings in the norm of respect as also constitutive of market relationships. The arrival of *Freedom's Right* is arguably the peak of Honneth's theoretical efforts, because in this work his theory of justice takes a full and new shape. But judged against his preceding works and normative outlook, I note a lot of differences and discontinuities. The most significant for my purpose is that here Honneth now differentiates between two kinds of recognition relationships namely recognition relations of individual freedom and recognition relations of social freedom. In this book we also see the systematization of the method of normative reconstruction and importantly the inclusion of the sphere of consumption for the first time in his market analysis. Finally, the last thing discussed in this first chapter is the book *The Idea of Socialism*. Technically this book goes beyond my concern since its primary concern is not critique but with the route to social change and transformation. Nevertheless, I examine whether it satisfies the method of normative reconstruction or whether it is guided by the framework of social freedom. Taking these publications and the key ideas within them as milestones, I distinguish between the early, middle, later and latest Honneth which roughly correspond to the stages in his theoretical developments. These temporal distinctions will be used regularly throughout this thesis.

Chapter two deals with Honneth's theoretical framework including a consideration of social freedom and his method of normative reconstruction. I agree with Honneth that the concept of

social freedom is more fitting for the aims of critical theory than that of individual freedom. However, the concept of social freedom is also fraught with conceptual ambiguities which negatively affects its analytical utility. I address these concerns. Honneth's framing of social freedom seems to imply the realization of freedom for all members of a given society following the model of Hegel's ethical-life. In terms of structure two principles are key namely 'completion' and 'intention'. In the strong model of social freedom participants in the market sphere by their cooperation should intend the realization of the aims of the others with whom they cooperate. This, I believe, is what Honneth means by completion according to the standard of friendship so that each subject sees herself as the condition for the realization of the aims of the other subject intending and supporting it. It is not clear whether justice by completion according to the standard of friendship for Honneth implies that everyone should have enough resources for self-realization or that everyone should have the same resources. It is not also clear in Honneth whether by intentionality he means subjects directly intending the good of the other subjects or whether indirectly by means of market regulation. I discuss the implications of these possibilities and designate the two possibilities of completion as the sufficiency and egalitarian models respectively and the one of intentions as first-order and second-order intentions respectively. Based on these distinctions there are four possibilities that emerge: (a) sufficiency according to first-order intentions, (b) egalitarian under conditions of first-order intentions, (c) egalitarian and second-order intentions or (d) sufficiency under conditions of second-order intentions.

The strong model could imply any of the first three options while the weak model is only represented by the last option. The weak model that I defend as satisfying the demands of justice is one in which the aims of subjects are realized according to the standards of sufficiency and second-order intentions. In this model the currency of freedom is the adequate realization of the norms of recognition for all participating subjects. This weak model of social freedom

goes beyond the requirements of individual freedom. It means that subjects can expect the satisfaction of their respective aims in the market, since this is what the market promises. However, the realization of these aims of the different subjects will not depend on market participants themselves intending this result in each interaction, but on the regulation of the market put in place by the state or political forces. Therefore, I think justice is not about specific subjects meeting all their individual expectations, but about whether the market works for everybody. Although always at play, in terms of currency of justice emphasis is not in the realization of the individual norms of recognition like esteem, respect and need for each subject, but in the fact that the market should be regulated to facilitate the recognition of all subjects in relation to these norms of recognition. To account for this, I explain in this chapter the relationship of social freedom, individual freedom and mutual recognition. The realization of social freedom in the market means that participants recognize each other mutually, not as individuals but collectively as market participants, since in market relationships those who cooperate do not relate to each other individually but only impersonally as co-players in the market sphere of consumption and production. Finally, this chapter reconstructs Honneth's view about the market. The crucial point to note regarding Honneth's view of the market, following his sociologically-informed reconstruction, is that the market is not to be understood merely as an abstract sphere of demand and supply. For Honneth, every market must be situated in society hence we should speak of market-societies rather than just market. For him markets can be institutionalized differently depending on which forces are at play in the society in question. This explains why different societies have different models of the free market. I agree with Honneth that the market is always embedded in society and that the shape it takes in each historical epoch can be different. Honneth therefore refers to the wave of neoliberalism that swept through the market in the last twenty years as a serious form of misdevelopment because it made possible the rolling back of different forms of institutional mechanisms which

help to keep the market in constant check and which facilitated the realization of social freedom.

Honneth's normative reconstruction of the market sphere fulfils his aim of demonstrating that the market sphere does satisfy the requirements of social freedom. But as I mentioned earlier, it is too generic and sweeping with the consequence that it merely points at problems and issues which are instances of misrecognition and injustice but fails to offer detailed analysis of any of the identified issues in terms of violations of social freedom. This leaves his conclusions on shaky grounds. In Chapter three I fill this gap by applying both the method of normative reconstruction and the standard of the weak model of social freedom to the labour market problem of low wage. Although in Honneth low wage is a form of injustice and misrecognition, in this chapter I show exactly how this might be the case. I first highlight Honneth's fleeting critique of low wage as a violation of social esteem. In addition, I engage further with this problem, situating it in the context of wider debate on the theme. I deal with the view of economists on the market theory of wages, before showing that regulation of wages in the form of minimum or living wage as a widespread social policy shows how the labour market is a sphere of weak social freedom. It becomes also clear that wage does not always reflect actual contributions in the social division of labour. The question of differences in income and its relationship with the achievement principle is also discussed. If the point of emphasis is weak social freedom for all and not individual contribution it means that Honneth's system is not able to account for disproportionately high wage earned by some subjects in the labour market. While I do not support all forms of asymmetrical wage, there are grounds for justifying unequal wage, based on the achievement principle as a form of individual freedom. The solution for this difficulty in relation to Honneth's framework is a mixed model in which the weak model of social freedom is supplemented by individual freedom.

Chapter four is concerned with the consumption dimension of the market. In this chapter I deal with the problem of luxury consumption. Using the same concept of weak social freedom, I address the question of whether and how luxury consumption is a form of misrecognition. Honneth's opinion is that the hunger for distinction among some members of the society has led to the neglect of the more basic needs of some subjects and negatively affected the opportunities that other subjects have for the satisfaction of their more basic material needs. He also argues against unethical and manipulative advertising because they exacerbate the demand for luxury items in the market sphere of consumption. In his view of social cooperation, the condition of some subjects should influence the consumption habits of the others. However, there are problems that confront his views. The first is that consumption is a legitimate practice in the market that is driven by the desire for authentic self-realization, which means that different subjects consume different things. Secondly, it is not always clear what the dividing line is between normal and luxury consumption, since each reflect the disposition of individuals. Finally, there is the economic and political value of consumption in relation to the health of the economy. This chapter tries to resolve these problems by suggesting answers to them in the light of weak social freedom. I think that luxury consumption only violates the demands of justice if some market participants cannot meet basic needs, not out of their own faults.

Chapters five to seven is the second part of this thesis and concerned with the transposition of Honneth's method of normative reconstruction to the transnational market sphere. This is an original contribution since Honneth does not do this at all. Yet this age of transnational economic cooperation demands that we seek to make this framework useful to the global sphere. Chapter five is entirely devoted to working out the theoretical implications of the transnational market as a normative sphere, that is, as a sphere of recognition and individual freedom and how normative reconstruction can fit into it. I first develop three approaches to

normative reconstruction to see the options open to me and to assess which is better suited to the aims of a critical theory of transnational market sphere. The models are the ethical-life model, the regional socio-political integration model and the market model. I realise that the ethical-life option of normative reconstruction which can support the standard of justice according to the weak model of social freedom cannot be used for the analysis of the transnational market. This is because the level of social integration upon which a claim of weak social freedom can be established is lacking at the transnational sphere. In the same way, the regional model which we find in regional blocs like the European Union, is also not applicable because in the regions, significant levels of integration of both market and political institutions have been achieved. In the EU for instance, we do not have complete political integration since citizens of one country cannot claim all political rights in the other, yet today it is common to speak of common 'EU citizenship' and 'a single EU market'. These close levels of institutional integration have implications for the kind of recognition that it triggers, and therefore important for the exercise of normative reconstruction. The final model is the market model which has neither social nor political integration but boasts of market integration. The forces of globalization, the liberalization of the financial market and the mobility of labour have all led to significant levels of cooperation across the world that can trigger demands for recognition. To put these discussions in the language of our reconstruction, the transnational sphere cannot realize weak social freedom for reasons already stated. We are left with the option of individual freedom which are best represented through well-differentiated norms of recognition. These recognition norms are esteem, respect, and care. These recognition norms are relevant to the production and the consumption dimensions of the transnational market. In the next two chapters, I use as my case-study the practices of production and consumption in sweatshops, good example of the transnational market cooperation.

Chapter six focuses on practices in the production dimension of sweatshops in the context of supply chain management. The US Students Anti-sweatshop Movement arguably brought sweatshop labour to the attention of the world, with academic debate focusing on the dynamics and morality of sweatshop wages and working conditions in a globalized market condition. Among economists and business ethicists we get defenders and opponents of sweatshops wages and working conditions. This chapter reflects the major directions of the debate and suggests answers based on the principles of recognition and individual freedom. Reflected are the arguments of economists and moralists who support or oppose sweatshops. Also, the ethical traditions from which arguments proceeds are noted. In the light of these opinions, I then seek to resolve the ethical issues contained in the debate by asking: if and in what ways the wage and working conditions of the sweatshop worker amount to misrecognition and violation of individual freedom?

The second leg of the discussion of sweatshops relate to consumption and is covered in chapter seven. Like the case of production, here I reflect also the perspective of economists and moralists regarding the problem of consumption among sweatshop workers. Again, from Honneth and economists we get a good reflection of only the supply-side forms of misrecognition, such as deception or misinformation. However, this one-sidedness fails to reflect the demand-side of the debate like the lack of purchasing power which is arguably the main issue with lack of consumption capacity. I enrich my analysis with the added analysis of the demand-side forms of misrecognition. In other words, only an expanded picture reflecting the supply as well as the demand side of the consumption spectrum can help us see the full impact of low wage in relation to consumption and self-realization of subjects. I then discuss lack of purchasing power, poverty and lack of voice as well as forms of disrespect as violations of the different forms of individual freedom which market participants have reasons to expect as the condition of market legitimacy. Therefore, misrecognition obtains when the transnational

consumer market fails to cater for the needs of subjects in the form of material needs, esteem or respect. Let me add finally here that some of the theoretical clarifications in this thesis regarding the dimensions of recognition in the two aspects of the market sphere has recently been published as a co-authored article with Schaub Joerg in the *European Journal of Social Theory* under the title “Expanding the Taxonomy of (Mis)Recognition in the Economic Sphere”. Part of it will come up within the body of the thesis.

CHAPTER ONE

HONNETH AND ECONOMIC JUSTICE

1.0 Introduction

This chapter provides a brief overview of Honneth's views on economic justice expressed in various writings. My first aim here is to highlight the different ways he articulates the idea of economic justice. My second aim is to articulate the shifts that occur and how the different views he expresses over the years interact. To that effect, I will distinguish between the early, middle, later and latest Honneth, corresponding to the four key stages of the theoretical development of his views. I hope to account for how the recognition-theoretical intuitions of early and middle Honneth are related to his conception of justice as articulated in later Honneth's transition to the norm of social freedom and finally his latest proposals for socialism. Finally, my third aim in this review is to see which of the many notions of justice is best suited to guide my own critique of the economic sphere in keeping with the emancipatory intent of critical theory. Reviewed here are only Honneth's writings on social and political theory specifically as they concern the question of economic justice. The chapter has the following structure: the first section discusses *The Struggle for Recognition: The Moral Grammar of Social Conflicts*. I challenge and reject Honneth's claim that solidarity regulates the sphere of personal contribution (1.1). Next, I dwell on Honneth's debate with Nancy Fraser where he begins to deal more seriously with questions of resource distribution which he takes to be at the heart of economic justice. I will briefly touch on the norm of respect as the basis for the allocation of rights. The achievement principle as a recognition norm is the arrowhead of his discussions here as the imperfect normative basis for the allocation of esteem within the productive dimension of the modern market sphere (1.2). The third section is concerned with a brief exploration of *Freedom's Right*, considered by many to be Honneth's *magnum opus*. I

will point out the two relations of freedom Honneth discusses in this work namely relations of individual freedom and relations of social freedom and their relationship with recognition. This section also explores the method of normative reconstruction (1.3). The section four focuses on *The Idea of Socialism* which provides answers to some of the key omissions of *Freedom's Right*. This book is relevant for my purpose as it indicates how, in practical terms, social freedom can be realized in both the national and transnational market spheres.

1.1 *The Struggle for Recognition*

In this book *The Struggle for Recognition: The Moral Grammar of Social Conflicts*, Honneth speaks of his efforts to develop, drawing on Hegel's model of a struggle for recognition, "the foundations of a social theory with normative content" (1995:1). The main claim of this social theory is that the reproduction of social life is governed by the imperatives of mutual recognition. One can develop a practical relation to self only when one has learned to view oneself, from the normative perspective of one's partners in interaction, as their social addressee. Honneth's intentions among others is to account for the basis of social integration as well as to account for the processes of social change "by referring to the norms that are, structurally speaking, internal to the relationship of mutual recognition" (1995: 92). He focuses on what he calls the three key social spheres and the norms which regulate them. These spheres are all regulated by different but sometimes intersecting norms of recognition. They are, the spheres of personal relationships which is regulated by the norm of love or care, the public-sphere regulated by the norms of legal respect and the market-sphere regulated by the norm of solidarity. Let us focus on the economic sphere and its regulative norm solidarity. In the economic sphere with which we are mainly concerned here Honneth focuses exclusively on the sphere of production at this level of his theoretical development, completely omitting the sphere of consumption. The norm which regulates the allocation of economic status and social

esteem according to Honneth, is solidarity. At the same time, he also refers to achievements, traits, bodily-features, capabilities and abilities, to capture what people recognize in others. As we can see even the second set of terms have considerable ambiguities. I will dwell at length on the norm of solidarity owing to its pivotal role in Honneth's theory of economic recognition and why I think it is not suited to the task of regulating social-esteem. But first let me deal with the second set of norms in brief. Honneth notes that subjects enjoy esteem if their achievements are recognized by their social partners in interaction. Occasionally however he uses terms such as traits, abilities or capabilities that refer only to potentials or physical features rather than substantive achievements. For instance, he seems to be referring to human features when he writes that "social esteem can only apply to those traits and abilities about which members of society differ from one another" (1995: 125). Sometimes he does not refer to physical features, but instead uses the actualized and unactualized potentials as if they play the same roles in relation to recognition: "the experience of being socially esteemed is accompanied by the felt confidence that one's achievements or abilities will be recognized as valuable to other members of society" (1995: 128). Sometimes the language drifts altogether beyond economic variables to issues of cultural significance like passages which refer to "concrete role expectations" or "the worth of their concrete characteristics" (1995: 121), which have been variously employed for identity and cultural struggles instead of economic justice. These have their valid applications though. But if Honneth's intention is to explain the modern patterns of economic recognition among participants in the economy, as different from identity struggles, then bodily features suggest something different. Recognition might be due to a person's abilities or characteristics such as is now made popular by the struggle for recognition of homosexuals or lesbian sub-cultures for full inclusion into society (Taylor, 1992). The form of economic recognition which Honneth articulates cannot be captured by mere body-features, characteristics or abilities except when they are deployed for contributing to shared social goals

in the form of an achievement. In this sense, it should not be features of persons but the actual contributions they make which are recognized. Anyway, my remarks are only intended to show that while he mentions achievements and accomplishments, they are buried into a debris of conflicting terms resulting in ample grounds for ambiguity in his framing of what is the basis for social esteem in relation to the economic sphere.

Let us now turn to the norm of solidarity. It is true that solidarity is normative in the sense that claims of obligations can be derived from it. Indeed, Honneth is right in some of his claims about this norm and it is to play more critical roles in his theory of justice. For instance, in a plural society like we have today, he explains that there are both symmetrical and asymmetrical forms of solidarity. Symmetrical solidarity obtains among units of people bonded by their common interests. A good example would be a form of solidarity among members of the medical profession or the teaching profession who recognize each other's achievements and organise themselves in a political fashion for the protection and advancement of their common interests. Indeed, this first form of symmetrical solidarity is very common in society among many sub-groups. Therefore, Honneth correctly argues that this kind of solidarity is self-referential within the smaller units since each member of that group must share in some way the very commonality which defines them as a unit. But it is important to note at once that in symmetrical solidarity they are united as a unit and little or no gradation is projected to the outsiders. Smaller units of solidarity are usually defined collectively in their common purpose of promoting themselves 'as a group', and not any internal means of differentiation. There is a second form of symmetrical solidarity which refers to the form of solidarity that exists within a wider society but this time for a common purpose. This form of solidarity obtains when members of a society or race are united against a common cause like during wars. Here they are bonded in unity for self-defence. We might think of the British people bonding together during war or the Amerindians bonded against a common assault by European immigrants on

their soil. Again, solidarity here is operative among them as members of an endangered group, rather than in view of their contributions to economic production. This is the second form of solidarity and it is not economic. So, there are significant differences in connotation and meaning. It is important to note here too that among those who are bonded together under conditions of terror or oppression, there is little or no reference to their internal differences. In such struggles other interests recede to the back once it becomes a case of survival. The third form of solidarity which Honneth writes about is asymmetrical. Asymmetrical solidarity involves all members of society. This form of solidarity is neither the one which arises because of war or oppression nor among smaller units of professions seeking to promote themselves. This form of solidarity is a form of bonding or attachment among people who see themselves as one. Take for instance the kind of solidarity we see among Americans united under their flag. This form of asymmetrical solidarity overrides or exists on top of the symmetrical solidarity of smaller units or groups. But again, it does not refer to achievement and to nothing except that sense of pride or togetherness. Asymmetrical solidarity can hardly be directed to achievements of the individuals rather it is a recognition of their status as members of the social group as citizens. This is because by being a member of a given society or social order, members share some attachment to each other. However, if we are seeking to define the norm by which members of a smaller group or members of a given society recognize the contribution of their members to an abstractly defined good, there is reason to doubt whether solidarity is the appropriate norm for regulating economic contribution. In the case of symmetrical solidarity that exists among smaller units of people, what those concerned do is to recognize the abilities or skills of each other by valuing those abilities, although they are simultaneously bonded by their collective attachment to other members of the wider society. The reason why symmetrical solidarity exists, as Honneth points out, is that they want to support each other in the struggle for greater access to or the redistribution of social resources or social wealth. Of course, if the

nursing profession is allocated more resources, naturally those in that group stand to gain more by getting more resources to themselves. So, bonding themselves together is for their mutual or collective advantage. In these smaller symmetrical groups, the type of abilities required of members is clear and straightforward. In the wider group of social members where asymmetrical recognition occurs, the problem is to define the nature of recognition that takes place in view of their commonly and abstractly shared goals. I am inclined to think that the form of asymmetrical solidarity that exist among the members of a given society is indeterminate, in the sense of not being based on anything per se, except the fact of being members of such a community of people. Later, in his account of relations of social freedom in his later book *Freedom's Right*, we shall see that asymmetrical solidarity among members of a society play a central role. It can do this because on it rests the cohesiveness and common normative horizon that is the condition for the kind of mutuality which Honneth thinks is at play in society. Solidarity plays a foundational role for the cultivation and thriving of moral sentiments and as a condition for the realization of what he calls social freedom. This form of asymmetrical solidarity is very close to Hegel's ethical life. I have clarified the three senses in which Honneth uses the term solidarity and within which that term is correctly applied. If what I have said so far is correct, then let me now turn to what I think is wrong with the term solidarity as a basis of social esteem.

Honneth seeks to give an account of the recognition relationship operative among members of a given society or social order which he claims regulates social-esteem. And this norm is to be such it can derive from concrete instances of achievements against a backdrop of abstractly defined social goals. Moreover, this problem is acute in a plural society where the idea of achievement is diffuse due to a multiplicity of what is considered good. This pluralism is itself a source of conflict as each group seeks to grant greater value to its own achievements to be able to demand a greater share of social resources. Therefore, the norm we are looking for

should be such that it fits into the abstractly defined goals, captures the value-horizon while at the same time rising beyond each expression of the good. This is how Honneth arrives at his idea of solidarity: "...to be able to acquire an undistorted relation-to-self" human subjects always have a need for "a form of social esteem that allows them to relate positively to their concrete traits and abilities" (1995: 110, 121). In another passage he argues that "persons can feel themselves to be valuable only when they know themselves to be recognized for accomplishments that they precisely do not share in an undifferentiated manner with others" (1995: 12). All these correspond to what we have already said about achievements above. Honneth's calculation however is that alongside emotional need regulated by love, and rights regulated by respect, members of a social order will each develop self-esteem when they are adequately recognized for their achievements. When this is the case, there will be an atmosphere of mutual recognition and then "one can speak of a state of societal solidarity" (1995: 129). In speaking of 'societal solidarity' Honneth is referring to what we referred to above as the third form of cohesiveness called asymmetrical solidarity by which all members of society mutually recognize themselves outside of their smaller professional enclaves. There is solidarity here no doubt but here it is an expression of indeterminate bonding which at best can be mobilized for different purposes. But if the kind of indeterminate sentimental societal solidarity we see here is intended to be the recognitive activity between each member in relation to their respective achievements, then I think it is mistaken. I think this mistake arises because Honneth elevates the conditions for the validity of recognition to become the substantive act of recognition. For the recognition of the economic contributions of any member of that social order, the subject will first be a member of the social order and be a part of the mutual solidarity. It is within this value-horizon that members can share their bonding, togetherness and social cohesion which in turn generates the culture within which value-horizons are valid. The value-horizon then define what an achievement is through continuous struggles for recognition while

at the same time sustaining various levels of symmetrical and asymmetrical solidarity. But it is not the achievements per se that is the grounds of the asymmetrical solidarity. It is rather the structural and, I might say, necessary condition for the possibility of recognizing one's achievement. It permeates all social activities in so far as they are done with some awareness of their togetherness. Solidarity gets reflected in cultural, economic, political activities. We see this very much in operation during sporting competitions when people rally around their own nations or heroes or to units with which they share some primary commonality. We see in the case of sports for instance that solidarity strengthens the resolve to promote, not just recognize people's achievements because even if the candidate of one's support on grounds of solidarity is not as good as his opponent, the support is still given in spite of that. In short, social solidarity is a condition which makes the recognition of each achievement possible. So when Honneth writes that "...to esteem one another symmetrically means to view one another in the light of values that allow the abilities and traits of the other to appear significant for shared praxis" and that "relationships of this sort can be said to be cases of solidarity, because they inspire not just passive tolerance but felt concern for what is individual and particular about the other person" (1995: 129), we can take it that he is referring to these emotional attachments that we have spoken of as conditions that make the recognition of achievements possible.

To see that solidarity is only a condition for recognition of achievement we need to take note that the recognition of achievement takes place at a second level of affirmation. That this is the case is reflected in Honneth's insistence that there is always a need for a secondary interpretative schema. He argues that the form of mutual recognition directed to individual contribution does not hang on a general presumption of work or achievement from an abstract point of view. Rather, it stands on the presuppositions of a context of social life or solidarity whose members have an orientation towards a shared conception of their goals. The people in question, he tells us, "form a community of value" (1995:122) which is 'a solidary community'.

But since it is not possible to define social goals once and for all, and with it social esteem, it becomes very difficult to allocate social esteem to the participants. The solution, according to Honneth is that, “there is always a need for a secondary interpretative practice” (1995: 126) before the values can become applicable in social life-world. What kind of secondary interpretative practices would that be? The interpretative practice means that the actual allocation of esteem operates at a different level from that of solidarity. A problem of this sort can only arise because the exact nature and shape of what constitutes economic significance on which esteem is based is never given once and for all, rather it changes with times and place. This change does not affect solidarity per se, since people always have attachments to one another anyway. However, we see already that this interpretative schema operates within a society of social bonding or solidarity which in principle regards all members of society as connected. So, it validates the concept of solidarity, but on the condition that the actual allocation of esteem stands at another level from that of solidarity itself. All human beings especially of specific societies for instance, employed and unemployed, share in social solidarity although they may not have contributed to social goals or may have contributed in different degrees. But as soon as they break into any of the organised spheres of labour, they begin to enjoy esteem at the level that the interpretative schema settles for their chosen profession. So, one might just say that the ‘interpretative schema’, is used as a tool to allocate recognition and resources to specific forms of achievements within the solidarity sphere. Therefore, based on the interpretations of competing forms of self-realizations and achievements, individuals gain their esteem by being recognized for those achievements, not by sharing in solidarity. In short, solidarity is not fitted to track individual achievements. On the other hand, pluralism doesn’t really stand against this interim conclusion because abstractly defined goals are a composite of integrated forms of plural activities which members engage in as different forms of self-realization. But what defines each activity as useful and determines

the amount of recognition and social esteem it attracts, is the extent to which it is in public demand for the satisfaction of the needs of members of society. As we have seen, Honneth captures this struggle for the allocation of more resources by means of the concept of an interpretative practice which we have just discussed, while this concept is meaningful only within a solidary community.

Let us end the discussion on solidarity by going beyond interpretative bottlenecks and move into the domain of application where it throws up some difficulties too. In other writings such as “Grounding Recognition” (2002) Honneth argues that recognition is not a matter of disposition or intention but of action. If we go by means of simple literary procedure we will be aided to understand better. If ‘to love a subject’ is to recognize a subject in her area of emotional needs; and if ‘to respect a subject’ is to recognize a subject as a moral and autonomous being; then solidarity seem to be misplaced here. Can we say, ‘to solidarity a subject’ in like manner? This procedure does not go for solidarity. We cannot say for instance ‘to solidarity someone’ rather we can say ‘to value somebody’s features’ or ‘to value someone’s contribution’. This means behaving towards someone in an appropriate manner due to the worth of his contribution, such as granting him adequate social esteem in the form of pay or what other symbolic currency of social esteem is in vogue. But we can be in solidarity ‘with someone’ whom we value meaning that solidarity is only a value or a disposition which can accompany an act of recognition but cannot constitute the action itself. To put it better, solidarity is a form of recognition directed to something other than achievement. When a part of the world is besieged by earthquakes, people outside their own locality rise in support, in solidarity. So, solidarity is a condition for the action of recognizing the contribution of a member of a group.

To complete the picture, here too let me point out how Honneth captures a failure of ‘solidarity’ as a form of economic misrecognition. He explains that the sum of social conditions which generate negative experiences of indignation in the economic sphere could be traceable to instances of injustice. He employs concepts such as disrespect, insult, humiliation etc. to designate behaviours “that represent an injustice” (1995: 131) and are linked with inter-subjective experience. According to him, it is not simply because it harms subjects or restricts their freedom to act but also “because it injures them with regard to the positive understanding of themselves which they have acquired inter-subjectively” (1995: 131). Honneth is convinced that having one’s claim to economic recognition disregarded holds out the possibility that the injustice done to a subject will cognitively disclose itself as an injury and could become the motive for political resistance (1995: 138). Therefore, if we wish to understand the conditions under which Honneth speaks of misrecognition, then it is like the flip side of solidarity namely exclusion, rejection, disrespect and humiliation. For Honneth, “feelings of having been unjustly treated” (1995, 165) are exactly what he means by misrecognition because it involves the denial of inter-subjective recognition of one’s achievements. In the case of social-esteem, misrecognition is the devaluation or disregard of one’s accomplishments and way of life or his manner of self-realization (Honneth A. , 1995; Alexander & Pia Lara, 1996).

In conclusions, let me end by saying that I do not see how solidarity can become a form of action we can take towards someone in the economic sphere. Instead it is a form of general normative atmosphere within which some attachment is shared by members of a group. Solidarity will play a significant role in all my discussions because the market will always require some level of solidarity for it to function and for it to be correctly evaluated either within the domestic or the transnational sphere. This feature will become evident in the discussion of *Freedom’s Right* and the *Idea of Socialism*. Achievement or personal trait would

have been better fitted for the aims of tracking what is unique to a person for regulating social-esteem, but it is not well-developed in this book.

1.2 Redistribution or Recognition?

In this section I discuss Honneth's further development of his ideas about economic justice and the recognition norms that regulate the economic sphere of action as developed in his debate with Nancy Fraser published as *Redistribution or Recognition? A Political-Philosophical Exchange* (Fraser & Honneth, 2003). During this period Honneth also wrote a number of papers and books chapters which are also important for understanding this stage of his theoretical development (Honneth A. , 2014a; Honeth, 2014b; Honneth A. , 2007; Honneth & Anderson, 2005). Honneth takes recognition-theory beyond the confines of social-theory and puts it at the service of political philosophy in this debate about fair resource distribution in society. Like the book reviewed earlier, Honneth focuses exclusively on the sphere of labour and its regulating norms, leaving unattended the dimensions of market-mediated consumption. However, it is still a significant advancement of his idea of economic justice due to the deepened insights into the achievement principle. Secondly, Honneth brings in a new market norm: respect. This norm was previously restricted to the political sphere alone. My aim here is to explore the normative potential of the recognition norms of the achievement principle and respect to see how it helps Honneth to account for economic justice. Since I think that focusing on the achievement principle and the principle of respect is a remarkable improvement from the past book reviewed above, in which the concept of solidarity was dominant, I want to account for the nature and basis of this development. I assess the strengths and weaknesses of these two market norms to see how well they can regulate the equitable distribution of material and non-material resources in the market sphere.

This book focuses, among other things, on how best to articulate a theory of social and economic justice between the options of redistribution and recognition. Whereas Fraser doubts that recognition alone as a concept of critique can capture the demands of economic distribution that once constituted the normative heart of the theoretical debates about social justice, Honneth defends that position. Honneth believes that one of the major advantages that recognition holds over redistribution is that recognition is able to capture not only injustices that have made their way to the public domain but also those that are yet to be publicly articulated. According to him, recognition is “the appropriate tool for categorically unlocking social experiences of injustice as a whole” (2003: 133). This project is possible, according to Honneth, from the perspective of a well-differentiated theory of the norms of recognition. Honneth first argues that society must be understood as a moral order before it can then be interpreted as a material and economic order. According to him, recognition can fit into both roles. Every society he argues, requires legitimation and justification from the perspective of its members. Norms constitute a basis for making “deep-seated claims in the context of social interaction” (2003:129). Such a moral order of society Honneth refers to as ‘value-horizon’ or ‘normative core’. Without that, it will be difficult to undertake from a normative point of view an investigation into the nature, sources and forms of socially caused suffering, discontent and injustice. At this early stage of his debate with Fraser, Honneth already indicates the direction of his future arguments by pointing out that capitalism and its market operations are normative orders and that it represents a progress or normative advancement when compared to the past. This means that market relationships can trigger moral claims and participants have a justifiable basis to expect to be treated justly. When a market is accepted by its participants, based on the norms which underly it and its promises, it is taken to be legitimate.

Before Honneth could name the achievement principle and respect as regulating norms, in a second argumentative step he gives a brief account of the capitalist recognition order. This he

did, to place the economic sphere within the normative horizon. According to him the transition from the feudal to the modern order amounts to a “normative structural transformation” (2003: 140). In the new social order, he argues, social esteem is not tied to birth or special privileges but is “dependent on individual achievement” (2003: 148). His second claim is that all men are entitled to respect owing to their autonomy and are to be granted free status so that they can get into contracts as free citizens and can also retain the rewards of their labour. The achievement principle and legal respect emerged at the historical unbundling of honour. Respect was ‘democratized’ and applied to everybody uniformly, achievement was ‘meritocrized’ to make social benefits distributed according to each subject’s merits. In terms of recognition and the inter-subjective conditions of justice in the new market order, those with whom we cooperate have an obligation to recognize our achievements and respect us as their partners in interaction. With achievement as the regulating principle, it is possible to evaluate the resources at the disposal of each subject and see to what extent it satisfies the normative condition of the merit principle. Regarding respect which usually takes the form of rights, it is good to note that rights of course is a wide concept and subject to various interpretations according to different schools. However, the differences and their details notwithstanding, respect makes it possible to track the rights of workers within the workplace in the positive sense of their entitlements including right to engage in contracts, appropriate working conditions and allowing opportunities for co-determination. Although all the rights could not have been implemented at once, much less realized, at least in principle it substantially broadened the purview of what can be normatively defended as a form of economic injustice. Honneth writes:

My basic concern is to defend the thesis that the normative expectations subjects bring to society are oriented towards the social recognition of their capabilities by various generalized others and the disappearance of such relations of recognition results in

experiences of disrespect and humiliation that cannot fail to have damaging consequences for the individual's identity-formation (2003: 113)

Honneth however voices some reservations regarding interpretative conflicts and the adequacy of the 'achievement principle' as a normative tool for the allocation of social-esteem. He mentions firstly that achievement principle is ideological, distorted, prejudiced, with excessive emphasis on professionalization (2003: 146-148). In the first place, he designates 'achievement principle' as ideological since what achievement means and what guarantees just distribution of resources are measured right from the start against an evaluative standard whose normative reference point is the "economic activity of the independent, middle-class, male bourgeois" and whose highest reference point was investment in "intellectual preparation for a specific activity" (2003:147). According to Honneth, such ideological fixation on the activities of male subjects and the exclusive reference to intellectual achievements gave birth to a naturalistic thinking which excluded women's work and the like from being recognized as achievements. Instead it is taken to be merely a realization of their innate nature and therefore not to be considered in the allocation of social-esteem. Honneth also thinks that the achievement principle can be distorted by the cultural prejudices that are prevalent at the time. It is still the case in many places that men and women do not earn the same remuneration when they do the same work. Again, the emphasis on professionalization, in as much as it is one of the means of evaluating the worth of social contribution, also causes the exclusion of many people especially women, because "under-valuing their profession is not because of the job itself, but because of the naturalized and cultural prejudices on sexes" (2003)¹. Again, the achievement principle is a weak yardstick for the allocation of esteem since it depends for its development on other unfairly distributed social conditions like opportunity, jobs and education. When this is the case people are excluded from the market and such people's achievements do not even count at all

¹ In some European Countries, women are beginning to be paid for child-minding work, even for looking after their own children, especially if the women are unemployed.

in the practices of allocation of social-esteem. In short, for the principle to be fully operative, a social value-system is envisioned in which societal goals had gone through complex and detailed explication that every individual would basically have the chance to contribute and attain some degree of social worth. He carries forward an argument hinted at in the earlier work (1995: 127). It is obvious by now that Honneth doubts the full reliability of the achievement principle as a tool for gauging economic justice, but only for weaknesses of application not for the invalidity of the principle itself. Those imperfect applications of the principles then are “moment of material violence” in so far as the one-sided, ideological valuing of certain achievements can “undermine how much of which resources individuals legitimately have at their disposal” (2003: 141). I think Honneth’s worry is well-founded.

It is precisely the imperfect application of this achievement principle that give room for the many injustices in the market relationships of esteem. This principle and that of the principle of respect, which unfortunately did not receive enough attention and elaboration in this book, are useful when it comes to investigating injustices in the productive aspect of the economic sphere. After all, what is contested is precisely whether the prevailing evaluative schemata for social achievement and contributions are in fact just. The experiences of social injustice even in such circumstances always correspond to the with-holding of what is taken to be a legitimate recognition. To that extent, we have in our hands, normative instruments, if not for a fair distribution of resources, at least for a diagnosis and evaluation of market justice. A market relationship is as fair as it is close to these principles as indicated by Honneth. It is great advance in his theory of recognition.

1.3 Freedom’s Right

I focus in this section on the book *Freedom’s Right: The Social Foundations of Democratic Life*. In this book, Honneth develops a full-scale theory of societal justice covering the three

key spheres of society namely family or personal relationships, public-sphere or the sphere of public will-formation and the market with components of labour and consumption. It is to the economic sphere of this book that I focus on to explain what Honneth means by justice. I begin with the general outlook of this book and then shift my attention to the economic sphere. This book is a comprehensive theory of market justice because it expands beyond the earlier works which, as we saw, focused only on the production sphere. It now includes both the spheres of production and consumption, with more norms added to the list. In addition to the norms of respect and achievement which regulate the production sphere, we now see the norm of care as part of the labour market. In like manner we also see that consumption dimension of the market as one in which rights can be invoked, just as care and neediness are also regulating norms. The status and role of these recognition norms in this book will be explained in due course. Another significant and by far the most important shift is that the central norm of analysis changes altogether from recognition to freedom. There is however a close relationship between the norms of freedom and recognition which makes Honneth speak of both continuity and discontinuity in relation to recognition (Jacobsen & Odin, 2015 (Honneth & Marcelo, 2013)).² Yet freedom now occupies a position of primacy. Finally, on what again is new in this book, we also see a well-developed methodology of normative reconstruction, which we shall explore briefly.

Honneth describes this book as “an endeavour to develop a theory of justice on the basis of the structural preconditions actually existing in society” (2014: 1). The first move Honneth makes in this book is to state the method of normative reconstruction. This method proceeds immanently by showing how a theory of justice can be based on the norms which existing institutions embody. These norms are the principles of social reproduction and constitute the

² Honneth himself has had to answer the question of the relationship between the norms of recognition and freedom, and his older works and the new one. He used the terminologies of continuity and discontinuity. For the full interview see cf. *Recognition and Freedom: Political Theory of Axel Honneth*

reference point for social evaluation. So, the system he adopts of “developing a theory of justice based on social analysis” simply means that “the procedure of normative reconstruction always offers room for criticising the social reality” (2014: 7-8).³ The norm in question is freedom which Honneth argues is the undisputed normative foundation which underlies the modern capitalist market as its core principle of operation. Thus, in modern history as well as history of thought, no other term has left as lasting an impression as the idea of freedom:

of all the ethical values prevailing and competing for dominance in modern society, only one has been capable of leaving a truly lasting impression on our institutional order: freedom, i.e., individual autonomy (2014:15).

Honneth then moves on to give content to the norm of freedom by describing three versions of it. They include negative freedom, reflexive freedom and social freedom. These first two forms of freedom are institutionalized as relations of individual freedom while the third is institutionalized as relations of social freedom. In relations of individual freedom Honneth discusses negative and positive freedom institutionalized as legal and moral freedom respectively. Legal freedom denotes the kind of freedom individual subjects have which grants them a free space to explore and pursue whichever option suits their desire and preferences. In the market sphere, legal freedom is institutionalized as rights enabling individuals to enter into contracts. The importance of these rights can be found in the prevalent agreement among people in liberal societies who believe that their freedom consists in the enjoyment of “subjective rights guaranteed by the state, which grants them a space in which they can explore their preferences and intentions” (2014: 71). Under moral freedom as a second instance of individual freedom subjects can object to settled ways of life or challenge the existing ethos, to reinvent or amend it, according to a more agreeable standard. Accordingly, the institution of moral freedom “recognizes a subjective stance in which every individual can justifiably reject

³ This method of normative reconstruction was muted in the debate with Nancy Fraser, although not well developed (2003: 157)

social demands to take on roles and accept obligations” because “true freedom consists in obeying that which is judged right, that is, rationally accepted” (2014: 96-97). It is important to note that Honneth regards these forms of freedom as important though incomplete for the realization of justice. In this sphere of individual freedom subjects are recognized for their preferences and their rights. So, it is a sphere of recognition too. Honneth criticises the two relations of individual freedom due to their limitations, especially for focusing exclusively on the individual subject without always showing concerns for the interest of the other party. The consequence, according to him, is that relations of individual freedom always lead to forms of pathologies, which increasingly spread across the social order like disease, encouraging people to understand themselves only by means of the law or means of their private opinions. But the ultimate consequence is that it hollows out social bonds and makes it impossible for subjects to see in each other the conditions of their own flourishing.

The relation of social freedom is endorsed by Honneth as the standard of justice. It requires not that subjects recognize the individual abilities or traits of other subjects, but that subjects together to see themselves as cooperating in institutions of mutual recognition where they provide for each other the conditions for their own flourishing. Honneth believes that the market sphere as an institution of action is a meeting point for all those who cooperate in the dimensions of production and consumption. Therefore, all those who cooperate should realize their own aims simultaneously as they act together. In these institutions of objective-freedom we as subjects “encounter each other in mutual recognition and can understand our own actions as a condition for the fulfilment of others’ own” (Honneth, 2014). Since no subject can meet all her needs by herself, each subject is ‘incomplete’. So, by intentionally supporting the realization of each other’s aims, subjects ‘complete’ each other. It is in this sense that the criterion of completion becomes the reference point for this model of market relationships. When subjects complete each other, then justice is done, for subjects are then enabled to meet

their own goals. In Honneth's words, this form of mutual recognition is what social freedom and justice implies for the subjects: "what we now call 'just' can no longer merely be measured by whether and to what extent all members of society enjoy negative or reflexive freedom, rather justice must entail granting all members of society the opportunity to participate in institutions of recognition" (2014: 61)⁴. However, due to the overarching nature of social freedom, it is not the demands for the recognition of specific qualities that matter most, but the realization of the aims of all subjects in a collection fashion. Mutual recognition is still involved in the sense that each subject recognizes the other as a fellow participant whose aims must be supported. Honneth does not clarify the status of the different sub-species of recognition and its regulating norms. Only by inference can one say that the spheres of individual freedom where individual aims are pursued reflect the form of recognition which we saw in the writings of early and middle Honneth. We will leave this for now and come back to it in chapter two when I consider the concept of social freedom in greater detail, as well as its implications for Honneth's theory of justice. For now, we can leave the review, having reflected the key points about this book and shifts which they brought into Honneth's political philosophy.

It is important to emphasise that from all the options reviewed so far from Honneth's work, it is the notion of social freedom as being generated through normative reconstruction will be my chosen framework of analysis in this first part of this thesis. I will explore it further in the next chapter.

⁴ It is not always clear what Honneth means by social freedom. This will be made clearer in chapter two, in the section where I discuss social freedom in greater detail. There I settle for what I term weak social freedom, which is an interpretation of social freedom that I consider feasible and suitable to orient the aims of critical theory. There in that section, at least four readings of social freedom have been suggested, while only one is chosen as fitting the emancipatory aims of critical theory. So, in this section, am just trying to summarize Honneth's books while in search of normative criterion for the evaluation of the economic sphere.

1.4 *The Idea of Socialism*

The book *The Idea of Socialism: Towards a Renewal*, which I now turn to is a follow up to *Freedom's Right* as Honneth explains in the preface. But this book is also significantly different in a manner that deserves to be pointed out. Honneth does not agree with Marxism that the free-market is incapable of realizing freedom and should be abrogated. The question is: if socialism has lost much of its appeal as an alternative to the free market which once stood in opposition to it, how then can that same idea in the form of social freedom be made more relevant for today's society? In *Freedom's Right*, Honneth could show the deficits of the free-market against the standards of mutual recognition. Yet from that book it is not clear just which changes can bring about an improved market conditions for the realization of justice. This gap has been pointed out by Honneth's critics who argued that his methodological point of departure in the normative horizon of modernity betrays just how little his critique aims to transform the current social order. In this new book Honneth tries to address this issue by painting the structural and institutional conditions that can facilitate the realization of social justice in the market according to the standards of social freedom. In this book, it is no more a question of shifts in normative orientation, but rather pointing out experimental possibilities of the path of emancipation. Before going ahead, two significant differences in this work must be highlighted. One, in this book Honneth abandons the method of normative reconstruction since he does not deal alone with norms that are already institutionalized in modern societies. His discussion is based on the norms of French Revolution liberty, equality and solidarity. We see that while liberty (freedom) is fully institutionalized, equality is partially institutionalized in the form of 'formal equality'⁵ while solidarity is not institutionalized in today's market

⁵ Formal equality is institutionalized in terms of political equality or political rights or respect, but not economic equality. This gives subjects the right to engage in contracts as Honneth explained in the debate with Nancy Fraser. Economic inequality is still a gaping reality, which makes socialists to wonder why?

relationships. The norms of equality and solidarity⁶ are not free-standing norms as such, but they cannot be said to have been institutionalized in the way Honneth speaks of in *Freedom's Right*. Secondly, Honneth reconnects with the aspirations of earlier socialists whose criticisms of the market was spurred by the negative experiences of market participants like rising inequality, the exploited workers or the poor who cannot find the fulfilment of the dreams in the market practices. In a sense it still satisfies the intentions of critical theory by basing its evaluation on norms which are taken to inform the market, although are not yet institutionalized.

Reconnecting with the question posed above, Honneth asks “why (do) visions of socialism no longer have the power to convince the outraged that collective efforts can in fact improve what appears investable?” (2015). Honneth reconnects with the efforts of the earlier socialists whose point of departure was the French Revolution with its three norms of liberty, solidarity and equality, as they tried to discover why the norm of liberty was institutionalized in the market, but not the other two to the same depth. This leads him to identify three weaknesses of the old system with a view to resolving them. According to him all the earlier social theorists from Saint-Simon to Marx, who worked for the realization of socialism failed because they found no theoretical resource for linking the three key norms. Karl Marx for instance, as Honneth argues, disregarded all consideration of liberal rights. This made them focus on the economic sphere exclusively thinking that the fraternity in question was to be limited to the economic sphere rather than to the entire society. The early socialist theorists believed therefore that capitalism was to be abolished and replaced with a new economic system of socialism in which these three norms could be simultaneously institutionalized. Secondly, they misjudged the perpetual normative motivations of labourers as having the unshakable willingness to change

⁶ This situation helps us appreciate more our discussions on the concept of solidarity in the first section of this chapter.

the existing order of exploitative capitalism with something new in the form of socialism. Regarding the first problem, Honneth envisions a different possibility, with inspirations from Hegel, which would allow socialists to interpret liberal rights to freedom, not as a restriction, but as a necessary condition for economic social freedom. The second claim about workers, according to Honneth, amounted to theoretical arbitrariness on the part of the socialist theorists the accuracy of which could not be established. They simply assumed that labourers will behave in a certain way, without basing their analysis on any realistic normative grounds or historical circumstances. Finally, socialist theorists erroneously believed that human history necessarily follows the path of a constant and inevitable line of progress, from capitalism to socialism. Both Marx and Saint-Simon had their own versions of such historical determinism, all of which have failed to materialize.

Honneth believes that if social freedom or socialism is to be realized then it is necessary that “a more universalizable substitute must be found for all its misleading assumption about history and social theory” and one might add human nature, “thereby making socialism a theory aimed at bringing about practical change” (2015:52). I will offer here a very brief account of Honneth’s attempt to renew socialism, highlighting all the critical areas of interest. In response to the first problem, Honneth argues that socialism is not to be understood as an alternative to capitalism as Marx and the earlier socialist theorists mistakenly assumed. In his view, it is wrong to presuppose that the realization of the cooperation model of the market in which individual freedom is achieved in the form of cooperation within the market sphere implies that the norm of solidarity is thereby realized. There are many models of the capitalist market economy as practiced differently in different nations. According to Honneth “the most important task when it comes to reviving the socialist tradition consists in revising Marx’s equating of the market economy with capitalism, thereby opening up space for alternative uses of the market” (2015: 57). The second is to amend the doctrine of historical necessity which burdened the socialist

theories of early socialists. Rather the initial intuition of socialism regarding historical progress will have to be understood differently as consisting in the fact that “in the course of history and on the basis of varying social circumstances, new groups constantly seek to draw public attention to their own demands by attempting to tear down barriers of communication and thereby expand the space of social freedom” (2015: 65). The final point of Honneth’s critique is the question of whether the kind of change anticipated in the economic sphere can be achieved entirely by understanding the market in isolation of other spheres of the rest of society. In the end Honneth recommends that socialism can only have a future if the fact of functional differentiation in society and its normative implications are acknowledged by subjecting the two spheres of the family and the market to the steering control of the political sphere of will-formation.

1.5 Conclusion

I have briefly reviewed Honneth’s writings with respect to his view on market justice. We have seen the different templates for market justice propagated by him including the meanings and weaknesses of solidarity, the achievement principle and the principle of respect as it relates to the market sphere of production. Also considered are the norms of esteem, respect and neediness as it relates to consumption and production dimensions of the market. We have seen the two major relations of freedom as relations of individual and social freedom. In the final analysis, Honneth specifies that only the relations of social freedom meet the demands of justice and that this also holds true for economic sphere. I follow Honneth and adopt the standard of social freedom and use it as an evaluation standard in the next two chapters for examining domestic market practices in the market spheres of production and consumption.

CHAPTER TWO

NORMATIVE RECONSTRUCTION AND SOCIAL FREEDOM

2.0 Introduction

This chapter is devoted to shedding more light on the theoretical framework underlying Honneth's theory of justice. I offer in this chapter a discussion of Honneth's method of normative reconstruction and the template of social freedom. While Honneth's method of normative reconstruction underpins my approach to national and transnational economic justice, the concept of social freedom will be applicable only to the domestic sphere of economic cooperation which I deal with in chapters three and four. The notion of social freedom as a standard of justice is generated by drawing on the method of normative reconstruction, so it needs interpretations. Therefore, this chapter will clarify the idea of social freedom to make it useful for my purpose. This chapter then will follow this order: The first section will focus on the method of normative reconstruction (2.1). This will be followed by a discussion of social freedom (2.2). The next section discusses the different 'criteria' that Honneth uses to explain social freedom like 'mutuality' 'universality', 'intentionality' and 'completion' which facilitate the articulation of social freedom into different models (2.3). Next, a distinction is made between two readings of social freedom, the strong and the weak. I discuss the weak model and its potential as standard of critique to orient the mission of critical theory while the stronger model(s) implied in Honneth's writings is more demanding and less feasible (2.4). This chapter also emphasises the relationship between social freedom and mutual recognition, a theme already hinted at in chapter one. The theory of recognition is explored here in some details because it is important for the understanding and application of both the strong and weak versions of social freedom (2.5). The last part of this chapter will clarify

Honneth's view of the economic sphere as a sphere of action and its relationship with the other social spheres. This section extends the discussion on the two readings of social freedom by showing how the market is always embedded in society and how such embeddedness constitutes the distinguishing mark of each historical moment of the institutionalization of the market sphere in society (2.6). Then the conclusion (2.7).

2.1 The Method of Normative Reconstruction

The method of normative reconstruction is distinctive of Honneth's critical theory approach to justice since the normative grounds for the evaluation of institutions are not imported or constructed but must be shown to be already embodied in the institutions in question. This method makes a departure from methods of justice which derive their normative standards independently from outside given institutions, and only secondarily apply them to these institutions. This thesis is basically an application of the method of normative reconstruction to specific problems in the national and transnational market sphere, so clarifying this method is essential for my purpose. In the opening lines of *Freedom's Right*, Honneth explains the method by means of four premises which I summarize here as follows: (a) Honneth assumes that social integration and reproduction are regulated by ethical norms, where ethical norms are norms which embody conceptions of a shared good. These ethical norms are then invoked by those living within the social orders to legitimize or criticise unwelcome developments in that society. Best represented by the action-theoretical and functionalist sociology of Talcott Parsons, this normative view of society holds that members of society blend their life aspirations and plans according to widely held institutionalized objectives. These objectives are taken to be legitimate and worth pursuing because of the ethical values which they mirror. These ethical values flow into the sub-spheres of society through culture and socialization by means of which society is perpetuated. Without exception therefore, the claim of Honneth in

this first instance is that in every society, the “material reproduction and cultural socialization must comply with a set of shared norms” (2014: 4). (b) Honneth defines his theory of justice as an analysis of society. This means that our notion of what justice is derives from the shared ethical ideals that are already underlying existing institutions of social reproduction, rather than on any independently derived norms. These ideals must be normatively superior to older or earlier values or norms. This second premise is best understood in connection with Honneth’s attempt to outline an approach to the theory of justice that proceeds by way of an evaluation of social institutions. It realizes the normative aims of a theory of justice by combining both sociological and philosophical accounts of reality through social analysis by “taking immanently justified values as a criterion for processing and sorting out empirical data” (2014: 6). (c) Regarding the institutions which are to be selected for reconstruction, Honneth says that only those institutions of social life which are truly capable of realizing those general ideals and values identified. According to Honneth, only given institutions and practices will be analysed based on their normative achievements. Out of the entirety of social routines “we will pick out only those that are indispensable for social reproduction” (2014: 6). (d) The final premise is related to the method itself of normative reconstruction as a special form of internal reconstructive critique. This method does not merely affirm existing instances of ethical life but rather is intended to highlight the extents to which ethical institutions and practices deviate from the general values which they already embody in an in-sufficiently comprehensive or complete fashion (Schaub J. , 2015, pp. 107-108; Honneth A. , 2014).

2.2 The Idea of Social Freedom as Template for Justice

With the help of the method of normative reconstruction, Honneth would identify a norm or a set of norms which inform institutions of social life on which to base this analysis. According to Christopher Zurn, Honneth’s aim is “to show how moral-practical reason is historically

embodied in social reality” (2015, p. 156). Honneth identifies freedom as the overarching norm⁷. He believes that freedom is the ultimate norm of justice in the sense of being embodied by social institutions and being the reference point for their analysis. To that extent, he satisfies the condition of his own system that norms are not to be arbitrarily adopted and deployed for social analysis, but that they should already be the grounds for the rationality and normativity of social institutions. He does not make clear, at the outset, whether freedom is to override recognition as the norm of social analysis or whether recognition is a mode through which freedom is realized. But we shall turn later to the exact relationship between freedom and recognition.

Regarding the reason for the priority of the norm of freedom, first is that Honneth models his theory of justice after that of Hegel and makes clear that he is updating it for the purposes of modern-day society. The choice of freedom arises from this indebtedness to Hegel whose intention in his *Philosophy of Right* was to reconstruct rational institutions as “institutions that guarantee freedom based on prevailing social relations” (Honneth, 2014:1). On this reading, institutions are rational to the same extent that they secure the freedom of participants. Although the moral legitimacy of social institutions could be assessed in a number of ways based on a number of norms, Honneth believes that the norm of freedom or individual autonomy is the unanimous basis among major theoreticians and philosophers for their own analysis of human action and human society. The orientation to freedom according to Honneth is because institutions of society are already institutionalized to realize individual autonomy and its different variants. There is the prevailing acceptance that modernity ushered in a period of human freedom and that social institutions in different ways and to different degrees are

⁷ I take freedom as the overarching norm, as defended by Honneth, as given. What I do at this early stage, is merely to offer an account of it as Honneth does in *Freedom's Right*. I will reflect my own convictions in the section where I offer two readings of social freedom. On the relationship between freedom and recognition, please see the relevant section in this chapter.

oriented to the realization of freedom. So, in his critical theory of society Honneth develops a framework to account for the already existing normative social structures. We can take it that Honneth is convinced that freedom is the overarching norms of modern social institutions:

Of all the ethical values prevailing and competing for dominance in modern society, only one has been capable of leaving a truly lasting impression on our institutional order: freedom.... As if by magical attraction, all modern ethical ideals have been placed under the spell of freedom; sometimes they infuse this idea with greater depth or add new accents, but never manage to posit an independent, stand-alone alternative (2014:15).

Honneth argues that it is freedom that provides a systematic link between the individual subject and social order because subjects believe that institutions are rational and participating in them make possible the realization of their freedom. On this, Honneth wrote that “our actual social institutions, as really practiced in contemporary society are in fact all deeply structured to develop, facilitate and realize individual freedom” (2014: 156). This view corresponds to the reading of some Honneth scholars. In his systematic study of Honneth’s political philosophy *Axel Honneth: A Critical Theory of the Social*, Christopher Zurn (2015) does not think that freedom is the most important norm under which every other norm is to be subsumed. In his view, Honneth’s reasons for basing his theory of justice on the norm of freedom is because the institutions of society are already modelled to realize freedom. Likewise, in their study *Axel Honneth’s Political Thoughts* Odin Lysaker and Jakobsen Jonas make the same judgement that “‘individual freedom’ or autonomy has become the ultimate normative standard of all constitutive practices and institutions in modern societies.” (2015, p. 9). If the institutions of modernity are designed to realize freedom, then it makes sense to base a theory of justice as an analysis of society on those institutions on freedom.

A more difficult task for Honneth was to specify exactly what this norm ‘freedom’ denotes and how it could be exactly determined in social institutionalized practices like the market. No doubt the question of what freedom means is one that has been at the heart of one of the most

rigorous philosophical debates in modern history. To give an account of what freedom denotes, Honneth literally dissects the history of moral and political philosophy on the one hand and social practices, on the other. Here is not a place to give a detailed account of his historico-theoretical excursus, rather it is enough to say that he identifies many nuances of freedoms and gathers them, more for easy categorization than for precision, into three types of freedom namely negative, positive and objective. The first two fall into what he later describes as the individual freedom and the other social freedom. Individual freedom, which he captures under the rubric of 'negative' and 'positive' freedoms, are institutionalized as legal and moral forms of freedom. Both are oriented to the freedom of the individual subject. Positive freedom refers to the capacities of subjects to form their own choices and make their own decisions (Davidson, 1963) while a subject is negatively free when he/she is not coerced by external pressure. Honneth considers both the absence of internal and external obstacle. Under relations of individual freedom, subjects are concerned with the realization of their respective aspirations in a subjective manner hence they are categorized as subjective freedom. The second relations of freedom Honneth describes is relations of social freedom otherwise known as objective freedom. His accounts of this third type of freedom is drawn from Hegel based on the recognition-inspired notion of inter-subjectivity which he labels as 'social freedom', drawing on Frederick Neuhouser ((2000; 2013; Honneth A. , 2014). Basically, this form of freedom combines aspects from the two forms of freedom briefly mentioned. Subjects will of course have to form their intentions first. But the core of social freedom is that the intentions so formed arise from social institutions and depend on these institutions to be actualized. The strength of social freedom lies in emphasizing the social conditions under which autonomous life of subjects can be realized. While the other forms of freedom emphasise the 'subjectivity' and 'individuality' of the subject and her capacity for reflexivity or her freedom from interference from other subjects, social freedom is understood in inter-subjective terms, in the sense that

freedom requires the affirmation of cooperating subjects. This demands that freedom be realised in cooperation with others, rather than alone. For Honneth human beings are social by nature just as the institutions under which they live are social. These social institutions orient their activities and have the purpose of helping individuals to realize their freedom together. In so far as the history of philosophy is dominated by a one-sided articulation of individual freedom, without emphasising its social and inter-subjective conditions, social freedom marks a departure from the past.

For Honneth, it is social freedom which adequately expands the criteria underlying the notion of positive freedom as internal and makes it to include the external sphere of social institutions as well, that traditionally has never been grasped to be part of it. In reflexive freedom subjects articulate their own desires and aims which is pursued without recourse to other subjects. In social freedom the realization of the freedom of each member of the society is dependent on mutual support of each other. Members of a society share a common value horizon and provide the intersubjective and institutional conditions for the realization of each other's aims and desires. Structurally the equation goes thus: once it is possible for subjects to see other social players as supporting and not just potentially inhibiting the realization of their freely chosen aims, in a way that participants see themselves in the social context as complementing each other's aspirations, then what was originally positive freedom becomes social freedom. Internal desires could blend themselves willingly to objective reality for their satisfaction. In a typically Hegelian formulation Honneth writes of social freedom that "the idea is rooted in a conception of social institutions in which subjects can grasp each other as the other of their own selves" (2014: 44). By interpreting freedom thus from a social-theoretical point of view, Honneth sees mutual recognition as the key to this conceptualization because it makes clear at once how the conditions for the realization of the aims of one subject and as such their freedom, can only be found in other subjects and the social institutions that mediate their relationships. In social

institutions subjects mutually recognize each other. In a sense the other types of freedom whether positive and negative, when institutionalized as rights, also imply some level of recognition, but only recognitions of individual freedom⁸. I would not like to pre-empt here all that will be said in the section on the relationship between recognition and social freedom or the section on the models of social freedom. What is crucial to note here is that for Honneth, social reality takes the shape of institutions as the strivings and cooperation of subjects with their other partners in interactions. In relationships of social freedom subjects provide for each other via mutual recognition the conditions for the mutual realization of their individual aims.

A subject is only 'free' if it encounters another subject, within the framework of institutional practices, to whom it is joined in a relationship of mutual recognition; only then can it regard the aims of the other as the condition for the realization of its own aims (2014:45)

Here Honneth follows Hegel's basic logic or conceptualizations by describing social freedom as ontological to justice, in the sense that it belongs to the 'essence of freedom itself'. Because the basic socialization of subjects follows the institutional definition and allocation of roles, it means that subjects would be unable to form any personal aims as autonomous beings except by blending their actions to the roles already specified by social institutions like the market.⁹ That is why the social conditions of freedom form part of its essence. A higher requirement of this ontology of freedom is that justice can only be done when other subjects who cooperate with others behave in a way that facilitate the realization of the aims of other social subjects.

⁸ When institutionalized in the form of rights, both legal and moral forms of freedom involve significant levels of recognition and are also part of what Honneth refers to as forms of ethical life since individuals are always reflexive and require some amount of free space. However, the forms of social relationships that are formed on this basis are not relationships of social freedom.

⁹ The blending of autonomous aim to already established institutions does not prejudice or exclude the formation of new ones or the existence of class of activities that might be classified as hobbies of minor interests. But it would be misleading under Honneth's framework to think that activities not captured by the institutional framework of recognition have the same potential for the realization of individual freedom as those that conform to already established practices of mutual recognition. In his debate with Nancy Fraser documented in *Recognition or Redistribution?*, Honneth has argued that subjects would be motivated to stage a struggle for recognition if they feel that their ways of life are unjustly excluded in the extant practices of recognition (2003: 138-158). Such ways of life that can inform this kind of struggle for recognition are not mere hobbies.

In other words, social freedom demands not only simultaneous realization of the aims of all subjects involved in social interaction, but all participants must intend the mutual realization of each other's aims. Any action or social behaviour that jeopardizes other participating subjects' chances of reaching their own aims would be seen to subvert social freedom and amounts to injustice as misrecognition. The institutionalized social roles constitute both necessary and sufficient preconditions for the possibility of the formation and realization of autonomous aims. In Honneth's own words "the world of objectivity should accommodate individual's striving for freedom" which basically means that institutions and social reality "should want of its own accord...what subjects reflexively intend" (2014:48-49)

2.3 Social Freedom and its Criteria

Having completed a working conceptual clarification of social freedom, let us now have a look at the different conditions or criteria which help to make the interpretation of social freedom clearer. The various criteria to be reviewed are in themselves standards or principles which serve as analogous instruments that help to clarify the concept further, in the sense that they help the reader to appreciate the specific way it can be conceived in social reality. A conceptual understanding of this obligation can be enhanced by means of these criteria or principles to be discussed. A second reason why I emphasise the criteria is that it plays a role when I distinguish the strong and the weak versions of social freedom. In other words, these criteria help to demarcate the various interpretations of social freedom as a framework of social evaluation. Here I will limit my concern to the following three key criteria: universality, intentionality and completion (or complementarity, mutuality, reciprocity). Let me begin with universality. In view of the strong relationship between social institutions as action-spheres and the aims of the subjects, the first criterion found in Honneth is the Hegelian condition that these aims of

subjects and those of their social partners in interaction must be universal¹⁰. Honneth often says that recognition is ideally operative within a common normative horizon. This means that aims must be formed against a common generalizable standard, to make possible the manner of mutual recognition that it demands. Subject's aims must conform to a common value-horizon shared by those with whom they cooperate, often members of the same society. Aims cannot be complementary if they are not sufficiently universal, meaningful, applicable and beneficial to all those concerned. By Hegel's calculations it would be impossible for subjects to mutually recognize each other and support the realization of each other's aims, as participants in social institutions, if their aims are disjointed or opposed. Since we have a plural society, the demands of universality do not mean uniformity of aims. Rather it means that whatever aims subjects form, in their diversity and differences, these aims must mirror a common standard to be compatible and relevant to the aims of other subjects. Whatever the aims, whatever the manner of self-realization that subjects pursue, they must be such that other subjects must find them useful in the pursuit of their own self-realization, so they must possess the criterion of universality. Universality of intentions, as a criterion, binds the aims of individual subjects to the relevant institutions and defines a common-horizon of operation. Here socialization plays a crucial role as it creates the predisposition among subjects to understand the workings of social institutions and thereafter to formulate their aims according to such universal standards. Once subjects see themselves as being fulfilled in the social institutions by seeing the satisfaction of their aims in the activities of other subjects, they will willingly blend their actions to it. On this apparent harmony between individual aims and social institutions, Michael Hardimon for instance, interprets Hegel's social philosophy as a project of 'reconciliation' (Hardimon, 1994) which is made possible through the processes of socialization of subjects

¹⁰ To be universal would ordinarily mean to be applicable all subjects all over the world, but I think that the sense in which Hegel uses it denotes that aims should at least be valid and relevant among the people who cooperate in social institutions in order to be meaningful to them.

into social institutions. There are opinions which consider such readings weak (Culp & Soroko, 2015) and falls short of what Hegel intends by reconciliation (Gleeson, 2016)

In moving forward, the second and third criterion are completion (or complementarity) and intentionality. By completion Honneth means that while subjects pursue different or various aims, they cooperate and in so doing contribute to the realization of the aims of each other. They depend on each other. Thus, cooperation in social institutions is such that each subject's aims can be realized since institutions make it possible for subjects to "pursue aims that demand that we achieve our own aims" together (2014: 48). In agreement with Hegel, Honneth argues that, since the market is the medium through which we offer our goods and services to others to obtain satisfaction of our own needs, then the market is better conceived as a sphere of mutual recognition because our own actions "complete each other's incomplete actions in such a way that they can only act in a collaborative and unified fashion" (2014: 125). Accordingly, without each other's complementary actions, no one in society can satisfy his own needs alone hence "we can understand our own actions as a condition for the fulfilment of other's aims" (2014: 124). For Honneth, completion has "a strong and ontological requirement" in the sense that such mutuality is of the essence of justice. For him justice can only be realized "if the aims of both parties can be fulfilled in a complementary fashion" (2014: 48). The idea of completion arises from the insufficiency of human nature and our limited capacities since we always need others to realize our own autonomous aims and purposes. Secondly, it arises from the fact that institutions facilitate this completion because they provide the medium of reciprocal completion of aims. Now, Honneth moves forward to show in fact how this completion can be realized in practice. He does this by means of another criterion. Honneth argues that the needs of each participant should be reflected in what other "subjects reflexively intend" (2014: 47-48). While completion is clear, the criterion of 'intention' is less so. By intention, Honneth could be saying that in the pursuit of their own aims, justice requires that subjects also intend

the satisfaction of the needs of the other subjects with whom they interact in the market. This form of directly 'intending' in which it is a part of the purpose of subjects that other market participants meet their own aims is strong and requires subjects to support the realization of the aims of each other. This is exemplified in employers being concerned that the aims of workers are also realized through adequate recognition in the areas of need, respect and esteem. Another possible, though less likely, reading of what Honneth means is when market interactions satisfy completion, complementarity and intentionality but only in an accidental manner. For instance, an employee might have a well-paid job in which she is sufficiently challenged, well-paid and her rights are respected, although the employers may not intend the satisfaction of the worker as such. In this case the intention would be accidental. This means non-intentional or accidental completion. To summarize, if we assume that aims in liberal democratic societies always meet the demands of universality, we can then speak of intentional completion and non-intentional or accidental completion. Let us now see the two readings that can emerge from these permutations.

2.4 Two Readings of the Concept of Social Freedom

Honneth distinguishes between two versions of social freedom¹¹ referring to his own version as the strong one. In this section I want to offer two readings of his strong version of social freedom. The readings that will emerge at the end of this section will depend on the interpretation of the criteria that we have just reviewed. Honneth speaks of a strong version with "an ontological requirement which is fulfilled if other subjects pursue aims that demand that we achieve our own aims" (2014: 48). According to Honneth the key to this form of ontological character is in seeing the relationship of social freedom as Hegel frames it thus:

¹¹ In chapter three of *Freedom's Right*, Honneth distinguishes between the strong ontological version which he defends, and the weak version attributed to Joseph Raz. My weak version is different from the version defended by Raz.

‘being with oneself in the other’. This is rooted in a conception of social institution in which subjects can grasp each other as the other of their own selves. As we saw above, in this form of market relationship subjects who cooperate intend that the other subjects with whom they cooperate realize their own aims. Honneth acknowledges that the market is driven by self-interest but that such market behaviour must be able to fulfil the “normative condition that all participants can understand it as suitable means for the complementary realization of their own respective purposes” (2014: 192) Drawing on Hegel, Honneth wrote that “striving for freedom is no more a merely subjective experience as soon as we encounter other subjects whose aims complement our own” (2014: 44). Subjects complete each other when they facilitate each other to realize their aims in a complementary manner. But for the strong and ontological version of social freedom to be realized, complementarity of aims is not enough. Honneth then says that for justice to be done participants must intend that every market participant meets his own aims. I refer to this kind of direct intention as first-order intentions because the subjects who cooperate intentionally and directly support the realization of the aims of their partners in interaction. Although subjects might have their aims realized or completed accidentally in a non-intentional manner in the market, for Honneth, as I understand it, only first-order non-accidental completion according to the demands of this strong version can satisfy the demands of justice.

How this might come about becomes very clear when Honneth draws on Hegel’s example of emotional attachments and friendship, to illustrate the kind of market institutional relationship that he is getting at. Hegel clearly understands that the incompleteness of the human person is evident in emotional needs because subjects need the other for their emotional completion in personal relationships. But Hegel still believes that he could explain market relationships by the same example of emotional attachment like friendship in which subjects cooperate and willingly intend the self-realization of the other. According to Honneth, once Hegel was

convinced of the emotional interdependence of subjects “he would soon seek to expand his theory of recognition after acquitting himself with the emerging science of economics” to show that “the expanding domain of the market must also harbour its own potential for freedom” and “could represent such an institution of mutual recognition” (2014: 46). He accepts Hegel’s idea that the market is a sphere of objective freedom which he uses the example of friendship to illustrate. In friendship there is a voluntary undertaking by each party to intentionally complete each other by significantly restraining oneself or supporting the other’s own interests. Clearly friendship is a demanding form of relationship where one has a constant disposition to further the betterment of the other. Since this is the example adopted by Honneth to illustrate his idea of ‘completion’ and ‘intend’, it suggests that he favours the form described above as first-order intentional non-accidental completion, as different from accidental non-intentional completion. To complete intentionally in a non-accidental manner means that subjects make it their voluntary obligation to support the realization of each other’s market aims and objectives. Honneth even agrees with Hegel that completion would require seeing each other as “the other of their own” (2014: 44), which is akin to saying that other subjects are extensions of me within the logic of social cooperation. This is how Hegel captures it: “Here we are not one-sidedly within ourselves, but willingly limit ourselves with reference to the other, even while knowing ourselves in this limitation as ourselves. In this determinacy, the human being should not feel determined, on the contrary he attains his self-awareness only by regarding the other as other” (Hegel, 1991, p. 42). Honneth explains that this relationship can be explained on grounds of mutual recognition. According to him “mutual recognition merely refers to the reciprocal experience of seeing ourselves confirmed in the desires and aims of others—the other’s existence represents a condition for fulfilling our own desires and aims” (2014: 45).

Through which market mechanism can this strong version of social freedom be realized? There are two mechanisms through which he deals with this issue. Honneth speaks of the embedded

market and the need for exchange of perspectives through discursive mechanism. In the case of the latter, if market participants dialogue on the processes and outcomes of the market before and during their interactions, everyone would agree that it would facilitate the mutual satisfaction of intentions since markets would be collectively amenable to the aims of the subjects. This practice is retained in many models of capitalist market cooperation, but it is not as common as it used to be before the arrival of neoliberalism. Secondly, Honneth speaks of the market in liberal democratic societies as embedded in social life, in a network of solidarity and pre-contractual obligations. Authors have tried to explore what this means and the potential of solidarity for advancing a theory of justice. For instance, this can be done by arguing that it is solidarity rather than friendship that Honneth is getting at by claiming a relationship of concern and care among the generalized members of a given society (Reshaur, 1992; Ferdman & Kohn, 2017; Laitinen & Pessi, 2014; Sangiovanni, 2015; Benhard & McCahery, 1984; Scholz, 1997; Cureton, 2012; Durkheim). The importance of solidarity for Honneth's theory of justice is outstanding, although it is not a line I can pursue further here. Instead let us look at the specific ways that he deals with the idea of embedded market which is one of the key arguments Honneth uses to defend social freedom. This means that the market is not isolated from the "ethical horizon provided by the surrounding liberal-democratic society" (2014:190). Situated in the ethical-life of societies, it provides the normative and ethical environment upon which the market thrives. For instance, the market "owes its existence to massive interventions of the state" (2014: 179) and is in constant check by state and civil society and can be rectified by means of regulation. Honneth draws on Polanyi's theory of countermoves to show the critical importance of market regulation since Polanyi had demonstrated the immanent connection between deregulation and social upheaval. Honneth refers to the positive outcomes of state regulations of the market following riots or protests as forms of struggle for recognition which help to restore confidence to the market. For example, in consumption, Honneth tells us

that in the face of rising protests about rising food prices, “state authorities intervened to guarantee affordable food prices” (2014:202). There are examples of political interventions following labour or food riots. Although Honneth thinks that taxes are often inadequate to redistribute wealth, he accepts in principle that regulations contribute to make the market more amenable to the dictates of social freedom. The intention of market regulations is to make market useful to the aims and purposes of everyone. True, it does not meet the requirements of the market players intending the completion of the others by themselves, but it realizes or approximates it in an indirect manner. Therefore, I refer to regulations as second-order intentions to distinguish it from direct individual intentions of market participants. In summary, we have now arrived at three levels of completion: (a) first-order intentional completion, (b) second-order intentional completion and (c) non-intentional accidental completion.

So far, I have sought to make clear the structure and shape of the strong model of social freedom through a breakdown of the criterion of ‘completion’ and ‘intentionality’. To get the full picture of the two models of social freedom, there are three other related questions which need to be briefly clarified further since they are not clear from Honneth’s writings. These are: ‘substance’, ‘currency’ and ‘normativity’ of each version. The first is the question of substance of justice. On this problem of substance, Honneth simply argues that the realization of justice in the market requires that among subjects aims should be realized in a complementary and intentional fashion. But this does not tell us whether such intentional complementarity would mean (a) every market participant having enough in terms of sufficiency, to meet her aims or (b) everybody having the same provisions in the form of egalitarian equality. The second question is concerned with the currency of social freedom which seeks to determine in what practical ways social freedom can be lived out in terms of the norms of recognition. Frequently Honneth argues that completion in the market means the complementary or mutual recognition of each other. What this means in Honneth’s theory could be that all participants in the market

sphere receive adequate or enough recognition in the form of need, respect and esteem reflected in a collective fashion in both dimensions of production and consumption for the subject to be self-realizing. But what then is enough? That is the normative question. This cannot be fixed once and for all and will have to be determined at each time by a struggle for recognition, that is, at that point at which there is insignificant or absence of outrage which would suggest that most market participants are at peace or satisfied with the market arrangements. We have reached a point where we can summarise our findings so far. In view of these considerations and clarifications, the following are conceptual representations of possible readings of the strong model of social freedom:

(a) first-order intentional sufficientarian completion in which every market participant has enough for her aims and for her self-realization through adequate recognition in the two market dimensions of production and consumption;

(b) First-order intentional egalitarian completion model in which every market participant has access to comparable or equal resources according to the individual intentions of participants;

(c) Second-order intentional egalitarian completion model in which every market participant has access to same or comparable resources according to the state regulation;

The weak model, on the other hand is represented by the fourth possibility: (d) second-order sufficientarian completion model in which every market participant has enough for his aims and for his self-realization through market regulation.

Since it is not quite clear what Honneth means by social freedom, I assume that any of the first three options listed above, considering how demanding they are, satisfy the strong ontological requirement Honneth means. By contrast, only the last option represents what I call the weak model of social freedom. There are two key differences between the weak and strong model:

unlike Honneth I do not support direct first-order intentional completion and I do not support egalitarian equality as a condition for market justice (eventually, I will explain how my model is compatible with individual freedom after the threshold of sufficiency for all).

Considering the ambiguities that surround the notion of social freedom, it is not surprising that it has attracted a lot of criticisms and objections (Jutten, 2015; MCNeill, 2015; Classen, 2014). Rutger Classen for instance demands, following the strong reading, that “Honneth should tell us why his expectation is not too high” for market justice (Classen, 2014). But let me limit my remarks to the objections raised by Jutten who describes the idea of social freedom in the market as “implausible” (Jutten: 2015: 187).¹² There are two aspects of his critique that are relevant here. The first is that he outrightly denies that the market as it is “in today’s capitalist societies are in fact spheres of social freedom” (2015: 188). He repudiates any attempt to view the market according to the criterion of ‘completion’ or against the model of friendship. The view of the market relation which Jutten finds convincing is the account given by Karl Marx and Adam Smith in which completion is mere “semblance”. In this conception everyone only “intends his own gain”. In the end, Jutten suggests that the market can only realize individual freedom but “cannot realize social freedom” and that “such insights should orient the philosophical direction of critical theory” (2015: 187). Placed in the context of my distinctions here, Jutten’s first objection is concerned with what I called ‘first-order intentional completion’ after the standard of friendship, which he concludes the market cannot realize. I agree with Jutten that first-order intentional completion in the standard of friendship cannot be used as a realistic standard of market critique. At the same time, when we consider all the other models distinguished, we see that his blanket rejection and challenge of implausibility is probably too hasty. As will become clear in a short while, the market does indeed realize social freedom

¹² I agree with Jutten that the friendship or love model of social freedom is too strong for the market as demanded by the various criteria we have reviewed notably ‘completion’. However, that’s not the only model of social freedom as other models might be more convincing and applicable.

according to the weak model. The reason why Jutten rejects the prospects of social freedom in the market is the second line of his objection that I want to address. He thinks that Honneth's method of normative reconstruction "cannot establish the existence of social freedom...through an appeal to people's expectations" (2015: 202). Clearly a lot will depend on how the aims of market participants are represented and whether there is any mechanism in the market that can facilitate its mutual realization. So, if market participants cannot realize their aims in a complementary fashion through first-order intentions and if the market cannot realize economic equality, does it follow that the aims of participants cannot be realized through regulation or second-order intentions? It is true that Honneth's idea of embedded markets was a response to Jutten's critique, which I hope successfully makes a case for social freedom. However, Honneth had defended a similar position in *Freedom's Right*, on grounds of the ethical-life of democratic societies in which all social institutions are interconnected and dependent on each other, which means that markets will always rely on other extra-market mechanisms to mutually realize the aims of participants in a satisfactory manner. A good example of this is state regulation. Jutten would probably agree that social freedom can be realized when market is regulated in such a way that the aims of participants are mutually and complementarily realized according to the order of sufficiency. Contrary to what he assumes, I think it is the case rather that market legitimacy can only be established by an appeal to the aims of subjects which is the pre-contractual motivation for subjects participating in the market. Honneth makes clear that this kind of expectation builds up through socialization when subjects learn to entrust the market for the redemption of those aims. On these expectations rest the legitimacy of the market. To that extent, it seems reasonable to affirm a model of social freedom in which the expectations of subjects are not disappointed, even if it does not require that cooperating subjects directly intend or complete the aims of their partners in interaction by themselves on grounds of first-order intentionality. Critical theory can defend a model of social

freedom that requires that all market participants meet their aims through the mechanism of second-order intentions in a non-accidental manner, rather than just first-order intentions. Realized through regulation such completion would not be validated by external norms, but by the self-same norms that are the grounds for the legitimacy of the market in the eyes of those who take part in them. For this second-order intentional model of social freedom to come about, it is not necessary that participants directly intend the aims of each other or see others as extensions of themselves. Rather participants who cooperate would expect that the market is regulated to make each subject realize this desirable outcome. In this sense completion is not a mere semblance, but a reality since together participants support a situation in which the realization of each other's aims is made possible through the objective institution of the market. I will present some examples shortly.

In the foregoing clarifications and delimitations, what I call the weak model of social freedom gradually emerges. My position is that the market can (does) realize social freedom according to the standard of second-order intentional sufficiency model of completion because in this model which I refer to as the weak model, subjects are justified to expect enough of resources for the realization of their individual aims if they participate in the market. The currency of this model is that subjects are recognized according to the demands of the three norms of need, respect and esteem in the two dimensions of the market. It does not require that everybody is recognized in the same way or according to any equality benchmarks, only that they receive enough recognition for self-realization. Besides, the sufficiency model of second-order intentional completion is more acceptable because it favours recognition of individual differences. The egalitarian model is not only less likely but also less desirable because it would fail to reflect the fact that market, unlike the public sphere, thrives on individual differences rather than on similarity of moral equality. While the political sphere is a form of collective recognition in the form of rights, the market is a sphere of peculiarities and freedom of

occupation. Here we don't want to be like everyone else but wish to be self-realizing in our individual differences. The question that arises then is whether the sufficiency model of second-order intentional completion is all that there is to justice? I want to argue further that the sufficiency criterion establishes the threshold where every market participant is collectively recognized in the three species of recognition, but this level does not define the limit of recognition. If all there is to the market is just sufficiency it would be problematic because then it would fail to recognize the differences that exist in subjects who participate in the market. Above this sufficiency threshold the market would still need to recognize the differences in people in the form of individual freedom (individual achievement or merit), otherwise its claim to justice cannot be realized. In other words, the weak model of social freedom will go hand in hand with individual freedom as the normative standard for market justice. This I believe is a reasonable way to define obligations in the market sphere of cooperation.

There are three brief examples to cite here as proof that market can redeem the demand for the weak model of social freedom. One is regulation of the market spheres of production and consumption instantiated in the minimum wage policy. Two, is the practice of social welfare where sick or wounded members of society are catered for. Three, the different forms of workplace inclusivity where quotas are being reserved for the weakest members of society like the disabled, female, coloured, in a way that the morality of firms and their rankings in social responsibility can be gauged through their willingness to take on less competent workforce or disadvantaged persons for purposes of social freedom and inclusivity. These policies of government and corporate organisations clearly show that political, social and business forces aim to achieve a fairer society through regulation, by overruling wages which might be considered efficient in typical market transactions, by imposing a lower limit for employers of labour, by supporting some unfortunate members of the workforce through recourse to common funds. Now, outside of understanding itself in terms of solidarity and an ethical

community of some sort, a society would not regulate wages, recruitment and welfare for the betterment of the worst-off. At the same time the achievement principle is in place and disproportionate wealth doesn't affect outrage except where people lack subsistence. In other words, weak social freedom is in fact in practice in many societies, only that we may not take note of it. This weak model of social freedom, I believe answers Honneth's question as to whether the successful and legitimate establishment and implementation of the capitalist market is to be either preceded or accompanied by value orientations and corresponding institutional structures if it is to garner the consent of all involved; if it is to achieve justice for its many participants. Should the market run without the benefit of moral support, such a market would be considered unfair and I believe will be filled with pathologies.

2.5 Social Freedom and Mutual Recognition in the Market

Now we turn our attention to the relationship between social freedom and mutual recognition. Honneth has commented during interviews on the relationship between the two on some occasions (Honneth & Willig, 2012; Honneth & Marcelo, 2013; Jacobsen & Odin, 2015). Earlier on, I hinted at the question of whether freedom is to displace recognition as the fundamental norm in Honneth's critical theory. I have also explained in passing the manner of recognition that goes on in relationships of social freedom and individual freedom. Here I will expand on these explanations. My aim in this section is to make clear what I think are the specific ways in which the theory of recognition fits into the strong and weak models of social freedom in order through that to differentiate it from the practice of recognition in the relations of individual freedom. I should start by agreeing with Zurn that there is a deep "inseparable connection between social freedom and recognition" and in a sense it "turns out to be more a matter of conceptual extension rather than deep substantial change" (Zurn F. C., 2015, p. 163). Although Christopher Zurn had been critical of the potential of recognition for the task of

advancing the economic distribution debate beyond Marx, especially in Honneth's debate with Nancy Fraser, he does not reject its overall utility for furthering the cause of critical theory (Zurn C. , 2005). There is a good sense in which social freedom is better understood in terms of mutual recognition and this can be deciphered from Honneth's writings as will become clear shortly.

In the sphere of legal freedom, especially the libertarian version, subjects are recognized as possessors of rights. And they are taken to have the right and freedom to live as they deem fit, if it does not infringe on the aims of the other subjects. The kind of legal freedom under focus here is assumed to be instantiated in contracts when two or more parties decide to get involved for the promotion of their subjective interests. Here what occurs is the recognition of individual rights of subjects, which because it is structured to benefit the individual, falls short of the requirements of justice according to the standard of social freedom. For Honneth any form of individual freedom is only merely a possibility of freedom. I do not think Honneth is entirely correct in his designation here, and I have clarified above under what circumstance individual freedom can represent justice in the market sphere of cooperation. A good example of this is right to private property, which means that subjects have a right to retain the fruit of their labour. Under this sphere of action, rights are regulated by the law which grants each subject a domain of action within which they are accountable to no one else, except of course when there is some infringement that negatively affects someone else. The form of misrecognition in this sphere occur as forms of exclusion or discrimination, where some individuals are not allowed to enjoy these rights. Here we can look at the example of practices where women or some people of colour are excluded from enjoying certain rights like right to private property or right to equality before the law etc. Like legal freedom, the sphere of moral freedom is also a sphere of recognition because under this sphere subjects are respected for their autonomy and ability to form free intentions. Here subjects have a right to question social obligations or to withdraw

from some to re-examine their convictions more thoroughly. Correctly labelled reflexive freedom by Honneth, it enables subjects to scrutinize moral demands made on them, in the light of their deeper beliefs or convictions, or their ‘universalizability’ to use Kant’s formulation. Habermas will refer to this as the act of engaging in collective communication, reciprocal justification or cooperative exchange to transform unacceptable elements of current life through public interpretation and transformation of norms and values (Zurn F. C., 2015). The rights which come with this capacity are rights to free opinion, right to having a voice in market relationships etc. Moral freedom is about respecting people’s equal capacity to deliberate and take moral responsibility. We now see that the forms of recognition that obtains in the relations of individual freedom as described in later Honneth’s *Freedom’s Right*, is the same forms of inter-subjective recognition which early and middle Honneth defended in *The Struggle for Recognition* and *Redistribution or Recognition?* During those early periods of Honneth’s a market is taken to be fair if it conforms to the demands of individual freedom such as respect and the achievement principle.

The case of recognition according to the demands of social freedom is different. At the outset of his account of social freedom, Honneth claims that “the term ‘mutual recognition’ has always been the key to Hegel’s conception of freedom” (2014: 44). He adds that “mutual recognition merely refers to the reciprocal experiences of seeing ourselves confirmed in the desires and aims of others—the other’s existence represents a condition for fulfilling our own desires and aims” (2014:45). The main differences between the recognition practices in relations of individual and social freedom is that in social freedom recognition is directed to every market participant in a collective fashion and includes all the three aspects of recognition in the productive and consumptive dimensions of the market. In the section where I explained the different models of social freedom it was made clear that the currency of justice consists in adequate recognition in the three norms of needs, respect and esteem in both dimensions of

production and consumption. The minimum requirement for justice is that market participants are recognized together in a 'collective fashion' such that the three aspects of recognition also come together like a 'bundle'. Perhaps this is what Honneth refers to when he writes that justice is facilitated by institutions of recognition in the form of "bundles of behavioural norms which objectively integrate individual's aims" (2014: 45). To do justice to market participants according to the demands of the weak model of social freedom in the form of second-order intentional non-accidental completion, subjects must be recognized in a collective fashion in the three dimensions of recognition namely needs, respect and esteem. What matters now for justice is for subjects to mutually recognize themselves as people who cooperate and whose aims must be satisfied. These aims are the same reflexive aims of the subjects which now can only be satisfied in social institutions of mutual recognition. To put it another way, the point is that subjects who cooperate must enjoy adequate respect, esteem, and satisfaction of needs arising from both the consumptive and productive dimensions of the market, irrespective of the value of their specific contribution or their status or their personal gifts etc. Mutual recognition obtains among social subjects in the realization of social freedom when institutions are organised in a way that makes such reciprocal realization of goals possible. This is both true for the strong and weak models of social freedom. Accordingly, "individuals acting within relational institutions complete and fulfil the freedom of others in an irreplaceable and constitutive way" (Zurn F. C., 2015, p. 162). The sheer interweaving of actions in social spheres is not enough for the realization of social freedom because individuals can commit to their own self-interest alone and shirk off obligations arising from this social interaction that can promote the others. Rather, recognition according to the demands of social freedom requires that participants are aware that in their own actions they also enable or impede the aims of other actors. This interdependence, this mutual recognition, is realized through regulation rather than personally according to the demands of weak social freedom.

Now, in every society the chances of realizing weak social freedom or not, depends on the manner the market is embedded. Honneth stresses this point. I have already said that the strong model of social freedom in which market participants intentionally complete each other according to the standard of friendship by recognizing the other's intentions as their own in their interaction with them, is not realized in the market today. At the same time, the weak model of social freedom in which participants expect that other market players to support regulations that enable the realization of the intentions of each market participant is in practice today. Honneth tells us that no market can exist a single day without forms of regulation which defines its social embeddedness (Honneth A. , 2015). The capitalist market is embedded in different ways in different societies. Therefore, the extent to which a capitalist market can meet the demands of social freedom and mutual recognition will depend on the extent of the regulation in the place, that is, in the active involvement of the political (and now extra-political) forces to facilitate the realization of the aims for self-realization of all social players. Good examples include what has come to be known as consumer and worker rights, health and safety legislations, minimum wage laws, social welfare benefits etc. All these legislations, it can be argued, aim to make the market amenable to the demands of weak social freedom in so far as their aims are to fulfil the promise underlying the market for all or more market participants rather than a few¹³. At the same time, a non or less-regulated market instantiated in the removal or rolling back of regulations will be ill-fitted to realize social freedom since subjects will not recognize other participants as providing the conditions for the realization of their own aims.

¹³ Today various forms of normative corporate social responsibility practices are popular among firms, which I think are moving in the direction of making market more socially inclusive, but it will take me too far off topic to explore it further here.

2.6 The Market Sphere

Before ending this chapter that clarifies key aspects of Honneth's theoretical framework, it is important to elucidate the market sphere a bit more as the sphere under investigation. In Honneth's writings, the market is usually characterized in descriptive and normative terms. While the historical description is comparable in his different writings, the normative account differs considerably. Both *Redistribution and Recognition?* and *Freedom's Right* contain brief histories of how the modern free market capitalism came to be institutionalized. The modern market sphere as a sphere of work and economic activity, Honneth tells us, began to differ considerably from the market institution in traditional societies as recognition norms shifted and changed. This transformation involved not only labourers who were willing to offer their labour for better pay, but also investors who provided employment and financial speculators who funded the operations of companies. Slave labour was abolished, while the right to private property and freedom to engage in contracts was institutionalized to enable subjects to freely exchange goods and services. With the support of the government, through the building of infrastructure, licencing and regulation, loans, subsidies and project financing, businesses expanded. This sphere of business and exchange of goods and services which at this time was operating on money as the universal currency of acceptability became known as the free market.

The normative account of the market given in early and middle Honneth deals only with the production dimension regulated by differentiated subspecies of recognition like rights and the achievement principle. The norms take the form of respect and social esteem, respectively. In later Honneth of *Freedom's Right* the production dimension of the market is complemented by the consumption dimension which represents a more comprehensive picture of the market sphere. More importantly at this stage, the account of the normative architecture of Honneth's

theory of the market changed remarkably. Not only does the terminology of freedom take primacy over recognition, the ideal and shape of recognition as presented in the early and middle Honneth became altered. For instance, in the early and middle Honneth, recognition was adequate for the goal of a good life and it fulfilled the intersubjective conditions necessary for the development of a positive relation to self towards self-realization of subjects. Recognition helped to track valuable qualities in subjects either in the form of features, capabilities, vulnerabilities, status and achievements. In *Freedom's Right*, recognizing people's achievements, vulnerabilities and rights was now seen only as a relation of individual freedom, which does not satisfy the demands of social freedom necessary for the realization of justice in social spheres. In other words, recognition of aspects of the subjects as Honneth argued in his earlier works appears incomplete when viewed from the point of view of social freedom. No balanced account of Honneth's view on the market can ignore these differences because it will be important in making a judgement on whether justice is realized or not. It matters whether one is focusing on relations of individual freedom in terms of specific recognition norms (in terms of whether they are applied in the right way to individuals) or on relations of social freedom (in which all is recognized in a collective fashion for the good of everyone). I have already argued that the market is both a sphere of individual and social freedoms. In respect of weak social freedom, I argued that for justice to be realized in the market, the arrangements must be such that it can bring about the realization of the aims of participants in which each participant is recognized in a collective fashion in the areas of respect, needs and esteem according to the demands of the two dimensions of consumption and production. Taking this minimum as the essential threshold, subjects can then enjoy forms of individual freedom according to their respective differences, since the market is a sphere in which differences rather than equality is recognized. I will deal with the implications of this normative alteration in Chapters three and four where I apply the weak model of social freedom to the problems of

low wage and luxury consumption. In any case, as demonstrated in the last section, Honneth successfully shows that mutual recognition can help clarify how the market is a sphere of weak social freedom.

Honneth frowns at the liberal view of the market as merely a sphere of rights in the form of contracts. One reason for this error of viewing the market in liberal terms, according to him, is that liberals view the market in abstract terms, detached from any form of social embedding. Rather, we should speak of different forms of ‘market societies’, since every market must be embedded in one way or the other. The chances for the realization of social freedom or not depends then on the way the market is institutionalized and operated in each society. Typically, the capitalist market institution takes different shapes according to different social circumstances depending on the level of social and political regulation that accompany market operations. Honneth’s idea of justice in the market sphere cannot be understood without at the same time bringing into relief the idea of society or the normative horizon which provides the normative foundation for the market to be adequately interpreted. It is from the wider society, the social and political culture that the forces which regulate the capitalist market flows in. The method of normative reconstruction therefore takes these social and institutional conditions into account to examine the market not in isolation but in the wider social context of its operations. In this way the moral impulses which legitimate the market institution in the eyes of the people remain constantly alive. It is the society that constitutes the moral reservoir from which that impulse of outrage rises in the form of struggle for recognition against oppressive forces in the market. Honneth believes that as soon as the market is unable to facilitate the freedom of all subjects it often leads to social unrest in the form of riots, protests and various forms of struggle for recognition, prompting political forces to checkmate the excesses of market operations. When a market society begins to perceive de-socializing activities as normal or inevitable, Honneth describes such situations as pathological (Frayenhagen, 2015).

Therefore, social freedom is not just an accidental or secondary value of the market but its very core and substratum. Social freedom is the basis of market's substance and legitimacy on which the market institution is founded (2014: 2). It defines and indicates the ideals and values which inform and drive the actions of participants in the market. Honneth acknowledges that in an analysis like this that focuses on the market, it is not advisable to theoretically isolate purely economic or systemic factors from cultural or social elements, rather "we must also consider the cultural values involved in the institutional constitution of the economic sphere" because only in this way can it be clear what gives it "a particular shape in the form of a division of labour and a distribution of status" (2003: 155-6). He suggests that an analysis of the market economy should include non-market cultural normative forces, since the successful operation of the market depends on them. After all, in every society the different sub-spheres are always related to each other while remaining somewhat independent at the same time.

2.7 Conclusion

We have shown that one of the distinctive characters of Honneth's system is the method of normative reconstruction which consists in combining a sociological and normative analysis of the market based on embodied norms. The norm in this case, suggested by Honneth is freedom, which is ideally realized in the form of social freedom. We have also explored the models of social freedom, using the various criteria provided by Honneth as illustrative tools. The choice has been made of the weaker model of a regulated market instead of the strong version modelled after friendship. The relationship between social freedom and mutual recognition is instructive because it makes clear how the market as an institution of recognition is to be understood and how the theory of recognition of early and middle Honneth fits into the latest views on freedom. Our exploration of Honneth's view of the market sphere shows that it can be understood as a sphere of individual or social freedom, depending on the shape of its

institutionalization or embedding. And since all markets are embedded, it is misleading to hope to analyse markets as an abstract medium. Rather we should speak of market-societies which is how the market has been institutionalized in each society. In the light of these theoretical issues, I shall conform to the method of normative reconstruction throughout this thesis, as far as domestic market is concerned. The guiding norm for my analysis shall be the weak model of social freedom which I have defined as second-order intentional sufficiency completion. I will invoke the principles of individual freedom (as already specified), where the weak and strong versions of social freedom fail to offer convincing conclusions. The next two chapters will apply the framework developed in this chapter to two market problems reflecting the productive and the consumptive dimensions of the market sphere.

CHAPTER THREE

LOW WAGE AND SOCIAL FREEDOM

3.0 Introduction

In view of the preparatory nature of the last chapter, this chapter is an application of Honneth's theoretical framework to the problem of low-wage in the labour-market. As expected, Honneth refers to low wage as an instance of normative violation. His claim is that labour-market practices like low wage violate the provisions of social freedom and fulfils the conditions of injustice and misrecognition. While the normative framework is clear, missing in Honneth is a systematic assessment of the reward system in the labour-market today and its practical implications. Also missing in his analysis is an answer to the related problem of income differentials in the market reward system which originally found justification on grounds of the achievement principle, a form of individual freedom. I want to fill this gap by an analysis guided by the weak model of social freedom. I want to show that legal freedom as proposed by liberal economics cannot realize justice in the labour-market whereas a regulated market, that is, second-order intentional completion, can approximate the demands of justice. This means that the strong model of social freedom understood as first-order intentional completion, does not underpin the labour market. My analysis will seek also to account for the place of the achievement principle in a recognition-inspired theory of justice. I draw on debates on minimum/living wage to show that while wages according to market mechanisms cannot realize justice, only by the intervention of the state which works to realize already institutionalized norms, can the market be just. In like manner I relate the problem of low wage to the achievement principle to account for the disproportionate differences in the system of market rewards. To achieve these aims in this chapter, I will first briefly present the different

ways in which the sphere of market production is a sphere of freedom, that is, both a sphere of individual and social freedom (3.1). This is followed by a brief reconstruction of Honneth's critique of the labour market to show how low wage is a form of misrecognition (3.2). I then review the current literature to consider other important perspectives (3.3). Finally, I analyse the outcome of the wage debates and Honneth's criticisms of low wage in the light of the weak model of social freedom (3.4) at the end of which I arrive at my conclusion (3.5). In summary, my position is that only wages which satisfy the demands of the weak model of social freedom and can help workers to realize their aims in the market dimension of production can be just. Such a wage must enable the realization of respect, esteem and neediness among subjects. This position will guide my discussions in this chapter.

3.1 Labour and Freedom

In comparison to consumption, Honneth argues that "the actual heart of the economy lies in the market-mediated sphere of social labour" (2014: 223). It is in labour more than in consumption that "freedom of modern humans...depend on" (2014:223). It is on the strength of its promise of freedom that the normativity and legitimacy of the labour market lies. Nobody seems to challenge that the labour market realizes freedom for participants. The point of debate is usually whether labour can realize negative, moral or social freedom. Of course, Honneth defends the version of social freedom according to the order of mutual recognition and mutual completion. There are many ways that the relationship between human labour and human freedom can be expressed in terms of recognition. To realize her freedom in the labour-market, a subject must be recognized in terms of respect, esteem and need. Being recognized in terms of respect is to be granted all the rights that pertain to the subject in relation to his status as a morally responsible worker; to be recognized in terms of need in the market dimension is to give workers opportunity to adequately develop their skills and engage in forms of meaningful

works; to be esteemed is to attribute value to the work subjects do and recognize it as deserving of adequate remuneration so that in turn the subject can enjoy social esteem. Conversely, to fail to grant subjects adequate recognition in any of these aspects of their personality amounts to misrecognition and thus injustice. Therefore, to be just to a subject, she must be recognized adequately in all the dimensions of herself reflected in the labour market. Honneth discusses modern labour practices in *Freedom's Right* in their many dimensions and how they pertain to and violate the overarching norm of freedom. The amount of wage received by a worker reflects the level of value attributed to the worker in relation to her contribution and form of self-realization. It is also reflected in the working condition and in how routine or creative the work is. I will focus on wage because it represents a tangible way through which the freedom of workers can be realized in the market-mediated sphere of labour as the currency of esteem. I have explained briefly what Honneth means by the ideal of freedom in labour cooperation. Let me explain two other components of his account. In his reconstruction he paints a picture of what social freedom would look like in the labour market when realized. Lastly, he points out practices or historical developments that impede the realization of social freedom in the labour-market today.

On the second point of how the realization of social freedom looks like in the labour-market Honneth's arguments move in different directions. First, he defends the general normative outlook of the market. He argues that when it comes to the normative promise of the labour market, not just the employers and owners of capital, but also the labourers themselves "adopted the normative ideas" of social freedom. This idea, according to him, referred to the "implicit foundations of the legitimacy of the capitalist economic order" (2014: 227). Based on this awareness labourers began to invoke the right to work, the right to safe working conditions and other related rights. On another note, they also demanded meaningful work because for them "the complete realization of social freedom in the sphere of production" (2014: 237) also

requires doing jobs beyond the robotized forms which do not make a demand on the initiative of worker and do not enable her to be self-realizing. Leaving aside these other dimensions of market normativity, Honneth argues that when it comes to wage, workers should be paid enough to reflect the value of their contribution to shared goals. The principle of “co-determination represented an institutional pre-requisite for driving back egoistic behaviour on the market and replacing it with commonly agreed upon rules for economic action” (2014: 239). In short, for Honneth social freedom would be realized in the labour market only “if subjects involved (in labour market) antecedently recognize each other not only legally as parties to a contract, but also as morally and ethically as members of a cooperative community” (2014: 182, emphasis mine). Honneth also defends regulation of the market sphere of labour.

Among the practices that impede the realization of social freedom in the labour-market in relation to wage, Honneth identifies ‘structural problems’ which would lead to ‘social deformations’. These social deformations would cause “long waves of physical impoverishment forcing large segments of the underclasses to struggle to merely survive” (2014: 223). Good examples of the structural problems Honneth speaks about include the social reorganisation of labour and deregulation. Under this new social reorganisation, work now takes a shape that makes it impossible for the labourers to recognize themselves in what they do. Added to this is the abandonment of co-determination and the dawn of deregulation, both of which have led to “the removal of all social restraints on the capitalist labour market” (2014: 227), thereby leading to situations in which aims-satisfaction for all is no longer guaranteed. For Honneth therefore, these occurrences that had negative impact on the labour-market became known collectively as mis-developments and their outcome as social pathologies. Market injustices on the other hand would refer to any social condition that frustrates the realization of the basic aims which any market participant cooperating in the labour-market associates with the market. Low wage would be a typical way of frustrating the realization of

a worker's aims because it makes it impossible for the worker to see the value of her contribution. If the re-organisation of work has the consequence of devaluing the contributions of workers to shared goals, to that extent it infringes on the social conditions of justice and self-realization (Hartmann & Honneth, 2006; Honneth A. , 2014). In turn it leads to the impoverishment of workers. As Honneth correctly argues this form of impoverishment is not caused by an unwillingness of labourers to work but rather one of the "lifeworld consequences of an unregulated labour market" (2014: 227).

Now, let us turn briefly to how Honneth relates social freedom to the achievement principle. As we know this principle has been invoked by early and middle Honneth as the basis for the justification of income disparity. In *Freedom's Right*, Honneth also refers to the achievement principle positively, arguing that labourers now laid claim to it to justify their demand for better wages due to a growing awareness on their part of "their significant contribution to economic growth through the productivity of their labour" (2014:231). This gives the impression that he is re-connecting with the requirements of individual freedom. Earlier in his debate with Nancy Fraser, middle Honneth argues that the achievement principle is "one normative resource bourgeoisie-capitalist society provides for morally justifying the extremely unequal distribution of life chances and goods" (2003: 148). The adoption of the achievement principle, he argued, represented a significant normative advancement because until then it was only previously applied to the upper-class profession. Honneth however thinks that the achievement principle led to "an unstoppable process of individualization" (2014: 230) because of the "de-socializing effects of subjective rights" (2014: 231) and the other claims which accompanies it. The achievement principle of course amounted to individual freedom, not social freedom, because it tracks the valuable contributions of the individual which then justifies asymmetrical wage in which a few earned more than the others. For Honneth the achievement principle had the unfortunate effect of justifying individual self-realization in the form of high-wage for some,

without caring about the situation of other social subjects with whom they cooperate. For this reason, later Honneth of social freedom is critical of the achievement principle. Clearly the achievement principle as a form of individual freedom is problematic when viewed in the context of Honneth's version of social freedom, because it appears to violate both the condition of intentional completion and mutuality that is in-built in market relationships.

3.2 Honneth on Wages

In the light of the ideal of social freedom, Honneth criticises wage practices in the labour market today. He makes clear from the outset that he finds himself in agreement with Hegel that the labour-market is "supposed to...realize social freedom" (2014:223), based on the completion model of mutual recognition. However, the labour-market is "in constant danger of failing to fulfil this task" (2014: 223). The decline in the potential of the labour-market to realize social freedom (especially in wage level), according to his analysis, is related to series of factors including globalization, commercialization, market liberalization, profit-maximization, disorganization of the structures of labour etc. From a historical point of view, this situation of increased loss of the potential for social freedom has not always been the case since some periods in the history of the labour-market were more favourable to workers considered together. The advent of a more centralized form of economic control took shape in part due to the proliferation of state-run enterprises and the institutionalization of the principles of co-determination. These developments saw members of the workforce represented in company boards, thus giving workers a voice on the organisation of labour and wages. The state-guaranteed minimum wages and the effectiveness of unions as representatives of the workforce were able to beat back the egoistic forces present in the market. During this stage "good wages are paid (and) labourers see themselves as having value" (2014, 249). Thus,

market is perceived as being fair when the subjects see themselves as partakers in a mutually beneficial social cooperation in which participants see themselves as completing each other.

Conversely, the institution of the capitalist labour market “is regarded as unjustified or illegitimate” (2014: 246) as soon as it does not guarantee workers a living-wage and social reputation, without offering workers any assurance of being involved in the social division of labour. Under this situation, workers were visited with several waves of impoverishment and pauperization as enterprises with capitalist spirits paid workers next to nothing. This situation of injustice was caused by the rolling back of those institutional protections in favour of employers. There followed series of relaxations or abandonment of institutional controls. The outcome was the rise in exploitation, prejudiced application of the achievement principle, asymmetrical wage patterns due to unjustified worker segregation. If we focus on the last two points, we see that series of restructuring in the labour market and cost-saving adjustments led to economizing on wages and production at the cost of employees. Mechanization of production and the subsequent de-skilling resulted in the “continuous fall in wages” (2014: 245). Globalization and the rise of international competitiveness led to the casualization of labour, part-time work and deregulated employment leading to wages falling below the subsistence level on the one hand and continuous loss of recognition on the other. These negative developments amounted, for Honneth, to a dismantling of the structures of social freedom as they corresponded with the rise of profit maximization on the part of the employers (Hartmann & Honneth, 2006). Secondly, the rise of the white-collar job or a protected core of technically skilled manpower led to the splitting of the workforce which undermined their ability to present a common front. The white-collar jobs represented mainly office workers and management personnel, whose workload were much lighter and their self-understanding different. What makes it important for our discussion here is that these new salaried employees often claimed a higher status and higher wages, thereby breaking the workforce into an above

and a below; with the regular industrial workers at the lowest rung. The new service sector worked against the socialization of labour by rejecting entreaties to join the labour union since they defined themselves differently. And they defined themselves differently because they earned better wages than the rest of the factory workforce. In the wake of this transformation, the industrial workers “once again lost the status gains it had previously achieved” (2014: 243). The impact of the growth in technically challenging jobs which required high qualification on the regular industrial workers was no less negative. The “darker side” (2014: 243) to the emergence of this protected core of the more technically qualified workforce was that the regular industrial workforce was now demoted to a “merely auxiliary form of labour at the margins for which there is no training of any kind” and which therefore commanded little or no cash value since it consisted of only elementary skills (2014: 243). From Honneth’s view on wages, low wage for all workers or some segments of them have negative implications for the realization of social freedom. Loss of wages correspond to loss of recognition and to loss of freedom. In summary, Honneth’s critique of practices in the labour-market as it relates to wages is because it made possible the realization of the aims of a few, rather than the realization of the aims of all. Justice according to the strong and weak models of social freedom demands that the market is made to work for everyone and not for the privileged few.

3.3 Debate on Wages and Ethics of Compensation

In the last two sections, I have clarified Honneth’s view of social freedom as it relates to wage level and his criticisms of modern-day practices that affect wage levels for workers. Before analysing the practice of low wage further in the light of the weak model of social freedom, let me consider the broad lines of debate in economic and ethical literature to reflect a more balanced view. Clearly wage and compensation are important features in any employment relationships (Milkovich & Newman, 2005) and for ethical theorists it is central to the question

of labour justice (Hibbert, 2010). Workers are concerned about the price of their labour because it reflects the relative esteem that the worker enjoys in the social division of labour. They also are concerned about what they are paid in relation to others; about the legitimating principles that underline any differences in earnings as well as the relative standing of income to overall productivity; about whether interventions in wage can be justified or not.

Let us start this section with a summary of the classical economic view on equilibrium wage as fair price of labour. According to this view, the price of labour is rightly determined by the interplay between the skills-set, the location, as well as the forces of demand and supply. It is roughly defined as the wage-level at which worker and employer agree on. If workers cannot find a higher-paying job, they will be willing to work for less. In like manner, if employers cannot find cheaper labour, they will be willing to pay more for labour. Relative to location, a skills-set will command higher price because demand will be higher and vice versa. On this market theory of wages, the interplay between these factors will cause the price of labour to settle at an agreement called equilibrium wage, which on classical economic terms is fair. Put in the language of our analysis this is the point at which the labourer is expected to be properly recognized and satisfied. The equilibrium theory of wages which is clearly descriptive of the interplay between the forces of demand and supply is also normative because they believe that moral obligations between the two sides of the divide should be settled on grounds of this interplay of market forces. It is often the case however that the equilibrium-wage might be below the poverty line, resulting in protests and strikes--thereby causing political forces to intervene by specifying a lower limit below which wages cannot drop. This lower limit is often referred to as minimum wage, derived from the minimum amount of money considered fair in relation to work under that same social situation. In some circles, living wage is preferred, based on a calculation, not on the amount of money as such, but on what the quality of life it can secure. Thus, the regulation of the price of labour or wages, whether minimum or living

wage, implies adjusting the classical economic theory of wages. This has been adopted by many governments as standard wage policy to achieve a fairer redistribution of social wealth. The questions that come to mind here are how such an external intervention on the normal workings of the market can be justified and how the lower limit is arrived at? We shall return to these questions shortly.

Of course, economists warn that such mandated minimum or living-wage, since they are often higher than the equilibrium wage, do cause unemployment for low-skilled workers. For a long time and in many societies, governments have not taken the words of economists as the final truth on matters like this, hence they have always enforced minimum or living wages. Today the view that governments should enforce minimum wages is recommended by the Organisation of Economic and Developed Countries (OECD), International Labour Office (ILO), The World Bank and the International Monetary Fund (IMF) (Joint Report, 2012). It is an opinion that is widespread and is being implemented in many nations as a means of achieving fairer redistribution of wealth. Based on the generally accepted policy on minimum or living wages, we can say that the equilibrium clearing wage-level, as advocated by mainline economics, is not fair. However, economists are less agreed on whether this is favourable to the labour market or not (Kopf, 2017). Opinions are divided between supporters of minimum wage (Card & Krueger, 1994; Card & Krueger, 2015) and opposers (Neumark & Wascher, 2007), with some arguing that minimum wage is not even as strategically important for policy of poverty reduction as it appears (Leonard, 2000). New body of research now exists which show that enforcement of minimum wage in low-skilled workforce does not lead to loss of jobs (Card & Krueger, 1994; Card & Krueger, 2015). These publications expectedly have generated reactions among economists and policy analysts. Alongside the negative effects of job-loss, modern economics for its conclusions always relies on the assumption that firms exist to maximize profit and that paying the market-determined wage is an imperative of market

competitiveness under perfect market conditions (Leonard, 2000). On this view, firms exist, not just to make profit, but to maximize it, which explains why they want wage down (Friedman, 1970). In effect, if they are mandated by government to fund higher wages from profits, capital will migrate to more profitable sectors or remunerative locations. It will take us too far off topic to pursue this point further, so we leave it here for now. Secondly, that perfect competition exists would mean that the market is not monopsonic; that firms do not have such market-power as to determine the level of wages; so that wage can follow the course of demand and supply. Of interest here, however, are not so much the implications of minimum-wage enforcement on firms and employment in general (economics has always had an affinity with consequentialism), but rather to point out that the adoption and enforcement of minimum wage policy in almost all nations is enough to show that many people don't regard the classical economic theory of wage as fair.

Some opinions relate wages to the overall market model in operation. Joseph Heath (Heath, 2014) argues that the proper analysis of fair wage is ultimately linked with the bigger picture of which model of the market is being defended between free-market or planned market. For him, ethical opinions which criticise wages in a free-market based on sentiments of life-world morality are mistaken because the market by its nature as a decentralized and extensive system has internal mechanisms of allocating scarce resources to their best use. The neoclassical equilibrium theory of wages, all things being equal, has the best answer to wages because it balances the incentives on both the worker and the employer to willingly participate in the market on considerations of mutual benefits and efficiency. Free markets, he concludes, cannot deliver what people generally consider just wage from ordinary life-world common-sense sentiments of morality (Heath, 2014). But we cannot just take opinions like this as final for many reasons, some of which have already been stated above. After all, we have just seen that the proliferation of minimum wage policies means that there is more to fair wage than the

market clearing level. Furthermore, the conditions of a perfect market which can bring about the optimal allocation of scarce resources, including labour, are often not in place. Again, that firms command more market power today relative to the workers is also true. More importantly, the Hegelian tradition now resuscitated by Honneth contradicts the view of the market as having no relationship with the social order or what he calls life-world morality; they insist that it is crucial for the morality of market relationships. Although the market is regulated by its own dynamism and norms, that the moral sentiments of the lifeworld flow into the market has been vindicated by recognition theory since only on this ground can we make sense of the incessant struggles for recognition in the form of riots and boycotts through which workers call the existing order into question. Now, what we are exploring are the varieties of views regarding which amount of wage is fair to the economic relationship of employee and her employer and the wider social implications that this relationship entails. It seems that the true value of wage cannot be entirely determined in the abstract based on the market theory of equilibrium or minimum wage, because what is fair often has a bearing on two other factors, namely what is commonly produced and what others receive.

The arguments that price of labour should conform to the baseline of minimum or living wage is upheld by the evidence from some countries that shows that while productivity and social wealth is growing over time, wage levels have stagnated in proportion. This suggests that the surplus is retained by the owners of capital or those at top management positions at the expense of other workers. In turn, this increases the level of social inequality in society, which could imply that resources are not distributed in a fair manner. Still, it is essential that we relate the overall labour productivity to the employee productivity by which the relative income of workers ought in turn to be determined. As already said, people's sense of justice in the labour market depends not just on the price of workers' labour as such, but on its comparison to what others earn in relation to what is produced. Therefore, the fairness of wages considers these

two components too. In the United States of America, the Economic Policy Institute has defended the rights of workers to progressive minimum wage. They base their arguments on the measurement of overall rising economic productivity of the US over time and the relative low standing of the wages of some workers. For instance, in a study undertaken for the institute by Allegrretto Sylvia and Pitts Steven (2013), they give a historical account of the wage divergence. Their take off point is the Martin Luther King-led struggle for political and economic emancipation which they say represents a struggle for fair price of labour. According to them, the lower limits of wage paid at that time did not enable hard-working men and women to work and live in dignity, especially when compared with the people with whom they cooperate. They campaigned that the 1938 Fair Labour Standards Act (FLSA) which specifies that wage-levels need to be adjusted in favour of workers. In 1968 they had a breakthrough due to disruptions to economic stability caused by their protests and strikes. At its peak in 1968, the FLSA put the minimum wage at \$1.60 per hour, which was supposed to adjust progressively according to the economic circumstance of each period. Although the FLSA has been amended seven times since then, a significant reduction in real value of wages has ensued because at today's hourly rate of \$7.25 it is 23% lower in real value to its 1968 equivalent. If that is the case, it means that minimum wages, which decreased progressively in real terms, has not been effective in terms of redistributing social wealth. Considering that wages of the worse off would have been much lower according to the market clearing level for wages, the situation would have been worse. Similar conclusions have been reached by another study that is spurred by the Occupy Wall Street Movement. This study explains that “the top 1% of households have secured a very large share of all the gains in income—59.9% of the gains from 1979-2007, while the topmost 0.1% seized an even more disproportionate share: 36%. In comparison, only 8.6% of income gains have gone to the bottom 90%” (Michel & Bivens, 2011). However,

relative decline in the real value of wages on its own cannot validate a claim of injustice, unless it is based on an evidence of rising income produced from work.

Another study was devoted to show that there has been a rising increase in the value of revenue created from work since the past decades in the US. This study focuses exclusively on the historical divergence between high productivity and workers' pay in the US (Bivens & Mishel, 2015). The study finds that wages did not stagnate for most workers due to relative decline in productivity, rather because only a little of the high productivity growth flowed into the paycheques of the typical American workers. Although workers' wages improved in relative terms it did not alter the social imbalance due to rising inequality of compensation and shift in the share of overall national income going away from the pay of employees to the owners of capital or their managers. For instance, in the decades following the WWII, inflation-adjusted hourly compensation for most workers rose in line with increases in economy-wide productivity. Inequality was not so wide. This period was identified by Honneth as the period when the conditions for the realization of social freedom was at its utmost. According to him "the chances of achieving these goals had improved at the end of World War II" because there "was the attempt to ensure the common good within a private capitalist framework in order to contain class conflict and perhaps even eliminate it" (2014: 240). For Honneth, the aims of expanding social freedom were accommodated by favourable economic measures because the conditions necessary for bringing about cooperation on the market were institutionalized with the help of intermediary agreements (2014: 240-241). According to Biven and Mishel, hourly pay during this period became the primary mechanism that transmitted the gains of the wider economy to all via higher wages and higher living standards. Since 1973 hourly pay has not risen in line with the level of productivity. So, while net productivity grew by about 72.2% between 1973 and 2014, inflation-adjusted hourly pay for workers rose by just 8.7% over the same period. Calculated for each fiscal year between the same period from 1973-2014, the rise

in net productivity stood at 1.33% whereas the rate for hourly wage grew at 0.20%. The precise rise in the productivity margin for each year by far outstripped the improvement in wages. Nonetheless the study concludes that “over the entire 1973-2014 period, rising inequality explains over two-thirds of the productivity-pay divergence” (Bivens & Mishel, 2015). Their conclusion is that if the hourly pay of typical American workers had kept pace with the productivity growth since the 1970s, then there would have been no such rise in income inequality during that period. Instead “productivity growth that did not accrue to typical workers’ pay concentrated at the very top of the pay scale (in inflated CEO pay, for example) and boasted incomes accruing to owners of capital” (Bivens & Mishel, 2015).

The Centre for Economic Performance (CEP) of the London School of Economics and Politics suggests that the level of divergence between productivity and wages is usually less if other non-wage expenditures are factored into the calculation. In a study entitled “Decoupling of Wage Growth and Productivity Growth? Myth or Reality” it is argued that although wages in the UK decoupled from productivity to the tune of 42% relative to the 63% in the US, it is not always the case that there is a massive loss in wages of workers when calculated based on net-decoupling. In the US, the net-decoupling for the periods between 1972 to 2010 is 13% while in the UK its almost zero. This is because gross-decoupling rather than net-decoupling is calculated based on all the GDP in relation to wages which is less accurate because it excludes non-wage labour costs like pensions, health-care benefits, welfare etc. By implication, a more balanced analysis of the overall economy will not change the picture altogether but will significantly alter the conclusions. However, they also agree that wage inequality among stakeholders is true relative to recalibrated productivity excluding other expenses, even in the UK: “the UK has had growing wage inequality since the late 1970 and this means that the average wage has risen much faster than the median wage” (Pessoa & Reenen, 2013). For want of space it will be impossible to reflect the exact situation and statistics everywhere about

income inequality. From the findings presented here, we can conclude that income differentials are evident. Now, let us move beyond statistics to question its reasonableness or justifiability. Generally, the need for justification is to provide the reason why people might morally agree to or object to the reality of more wealth being enjoyed by people with whom they relate in market cooperation.

Why do some people earn more than others? Harvard economist Gregory Mankiw drew the ire of economic moralists by offering a rigorous defence of the top one-per-cent (1%) earners in the US, on grounds that it represents the relative value of their individual contribution to US society. Of course, he acknowledges as statistics show that their earnings are disproportionate. For him the amount of money alone doesn't imply injustice, hence his defence. His benchmark of analysis, barring distortions, is the achievement principle or individual contribution: "in the standard competitive labour market, a person's earnings equal the value of his or her marginal productivity". Continuing he wrote that "most of the very wealthy get that way by making substantial economic contribution, not by gaming the system or taking advantage of some market failure of the political process" (Mankiw G. N., 2013). Conversely, he argues that inequality is justified on grounds of merit if the wealth of the rich is derived from the value of their contribution. According to him there is nothing unjust about a system in which the wealthy enjoy the fruits of their labour, disproportionate or not. This view of 'just deserts', defended earlier by the same author (Mankiw G. N., 2010) entails that "people should receive compensation congruent with their contributions" (Mankiw G. N., 2013). Joseph Heath however objects to the idea of wages being dependent on individual productivity. He suggests that rewards track not individual but social performance. According to him, it is impossible to determine what each person produces due to the other factors of production which also come into the calculation. But even if it were possible to determine this, it is unlikely that firms pay people based on what they produce. Payments, he argued derives, not from the individual

productivity level or even less that of the firm, but rather the national productivity level. This explains why people who live in different countries but do the same or comparable work earn vastly different wages. It is not because of the work itself but rather the effect on workers' wages on the cumulative value of the economy in question which depends on the volume of useful input from all people working on the economy (Heath, 2014). But even if each worker's wage is not determined by the value of what he produces, there must be a way of justifying or rejecting the huge disproportion in people's wealth status or the privileges they enjoy or the positions they occupy. So, it cannot be based on nothing. As Matt Bloom (2004) argues, "employees are also concerned about the fairness of the process used to set and administer compensations" and scholars are probably right in arguing that procedural fairness or legitimacy concerns matter more to workers than the amount of money they get (Brockner et al, 1997).

To throw more light on the question of underlying principles of legitimacy, let us see how the achievement or performance principle, by which the capitalist market-society legitimizes itself¹⁴, is determined in relation to contribution¹⁵ and how it plays a role in social reward and the legitimation of inequality. In his sociological study of capitalist production relations published as *Industry and Inequality* (Offe, 1976), Claus Offe raises question about the legitimacy of social inequality resulting from income disparity in relation to the achievement principle¹⁶. He offers first a working definition of achievement (which is a wider concept than productivity) and offers a sociological analysis about whether social mobility and higher-

¹⁴ Honneth held this view in the middle stage of his theoretical development when he rigorously defended the achievement principle in the debate with Nancy Fraser published as *Redistribution or Recognition?: A Political-Philosophical Exchange* (2003). He seems to have abandoned that conviction since it represents an instance of individual freedom, and now views the achievement principle as an incomplete stage towards the realization of social freedom as the ideal of justice.

¹⁵ The greater the achievement that subjects can lay claim to the higher the contribution they make to socially shared goals. In other words, the achievement principle is a direct reflection of the contribution one makes to commonly shared goals.

¹⁶ Offe does not question the validity of the achievement principle, as I understand it. What he does is to assume that it is true and ask whether it does indeed regulate social inequality.

income always depend on higher achievements in today's technologically and organisationally determined work place. According to Offe, achievement is usually defined against four standards of evaluation namely: the compensatory function, the equivalence principle, the productivity principle, and the allocation principle. To summarize these components, the compensatory function of the achievement principle seeks to reward people for objective and subjective costs incurred during or before the work. This includes the resources spent to acquire the skills and the resources spent doing the work, the risks taken, in addition to the other opportunities forgone in choosing that work. The equivalent principle, also called 'the principle of equal pay for equal work' seeks to eliminate payment by ascription or discrimination. The achievement principle is also supposed to be a barometer to measure the value of productivity generated by each form of work. Finally, the achievement principle regulates judicious allocation of rewards on grounds of proportionality for the satisfaction of each worker's desires and needs according to his abilities and willingness to work. Offe notes however that for the achievement principle to be operative in a fair manner, not only is this fact to be known beforehand in a unified and objective way, there must be in addition authorities who are able to assess individual contributions while not allowing other criteria to creep into the evaluation matrix of the achievement principle. Let us assume that it is well-known to everybody what all tasks and their benefits entail. This means that everyone is aware that more difficult tasks are often rewarded in better ways than simpler ones and let us assume in addition that some people will indeed undergo considerable pain and difficulties to acquire the skills necessary for specific job roles. No less challenging is the difficulty of carrying out the task at the point when they are on the job. For Offe, if these roles are performed by blind market forces, that is, without prejudice and preferential treatment, the achievement principle might be able to fulfil the role of a rational criteria for justifying inequality. However, he doubts that such conditions are ever fulfilled in the market as it is today because even if it is clear to all what the jobs on offer are

and the standards for accessing them, the second component seems less clear since the authority to recruit and/or reward people for work rests on people who might not always meet the demanding conditions of neutrality. In like manner, he argues that recruitment and promotion in organisations are often based on extra-functional determinants rather than on the achievement principle alone. In other words, the equilibrium or efficiency theory of labour, according to which best hands get the best placements, are exceptions rather than the rule. Based on an empirically-based critique, Offe suggests that “the factual distributions of life-chances are actually totally at variance with this standard” (Offe, 1976). The reasons why this standard fails to truly reflect market-practices he attributes to many factors including the nature of work today and the impossibility of correct performance-evaluation, rapid changes in workplace environment due to technology and other elements. In short, Offe finds the principle meaningless for a modern society as a basis of distributing social status and justifying inequality, thus challenging its claim to moral validity. Leaving this second problem aside for now, the suggested solution to the first problem, according to Offe consists in “a model of distribution which put the normative value hierarchy under the control of the political level, thus making the distribution of income and of its social opportunities a process of public decision” (Offe, 1976, p. 142). This will basically shift the power and control of social status from economy to the domain of the political sphere, thereby justifying interferences like fixed wages or other distortions.

While these empirically-backed conclusions might be convincing as arising from a closer examination of industrial practices, it cannot be dismissed straightaway that some amount of income disparity relies on some form of achievements or talent. To return to the arguments in defence of the wealthy one-per-cent. In his writings Gregory Mankiw makes references to some entrepreneurs whose achievements have created stupendous social wealth, like Steve Jobs or Bill Gates, who therefore deserve the earnings that accrue to them. According to him, allowing

them to enjoy their wealth is good for market efficiency in so far as it is an incentive for everyone to work hard. However, the point that Offe is making is not that all forms of economic inequality are unjust, or that achievement principle (assuming it is possible to implement it) is faulty. Instead, his claim is that there are forms of economic advantages that are enjoyed and yet unjustifiable on grounds of strictly the merit principle. Offe points at very high wages enjoyed by CEOs or managers of big companies whose achievements or contributions do not at all correspond to the level of wages they enjoy. In his view, they enjoy such disproportionate income based on privileged positions of power rather than the principle of merit.

Is the achievement principle compatible with the conception of justice proposed by Honneth? I have hinted on this point earlier, and it will be discussed in greater details in the section that will follow. For want of space we cannot pursue further the emerging question of the relationship and difference between talent-inspired income and productivity-inspired income. Now, let us turn to review the issues raised so far against our analytical framework of weak social freedom.

3.4 Low Wage, Labour Justice and Weak Social Freedom

In the light of the discussions so far, we are now in the position to offer here a recognition-theoretical analysis based on the standard of the weak social freedom. Honneth already offers a historical diagnosis of the labour market highlighting the causes of low-wage e.g. the disorganisation of labour through de-skilling, segmentation of workers and de-regulation. But still unclear are: (a) how low wage infringes on the norms of recognition; (b) how it violates the provisions of social freedom; and (c) the place of the achievement principle in the labour reward. To refresh out minds on the framework of analysis, the strong version of social freedom sees the market as a sphere of action in which subjects who cooperate ‘complete’ each other reciprocally in the fashion of non-accidental first-order intentionality. This might amount to

economic sufficiency or economic egalitarianism for all those who cooperate, but it is required that it be directly intended by the subjects themselves. By contrast the weak model defends a second-order intentionality according to which completion can be realized through state regulation of the labour-market with the purpose of making it work better for all, rather than for a few. I accept that market participants constitute the condition for the realization of the other's aims, but this mutuality is achieved through regulation rather than through intentional mutuality and common self-awareness of such dependency and commitment to it. The strong version does not promote individual freedom like the achievement principle, but the weak version is more compatible with some forms of individual freedom because the weak version is fulfilled once all subjects who cooperate have enough for self-realization while the individual freedom becomes a justificatory principle for accounting for differences beyond the threshold of sufficiency. Let us commence with the reconstruction of the labour market to address the key questions.

To start with the problem of fair prize for labour. Joseph Heath recognizes that settling the problem of fair wages at the theoretical level is quite difficult in view of the volley of theories and arguments moving in different directions. But in his paper "The Very Idea of a Fair Wage" he assigns himself the task of a tidying up, that is, offering a convincing account that aims at resolving the differences in the conflicting positions (Heath, 2014). I think he is right that price is just a quantitative value assigned to the use of a resource. He also argues correctly that prices should reflect the relative scarcity of labour measured in how strongly such a specific labour is needed and what the employer is willing to forgo to acquire the services of a workman. If the so-called equilibrium prize is the market clearing prize, all things being equal, it is because it is the point at which the interests of the concerned individuals meet. From this dynamic, he arrives at the conclusion that wages under capitalism cannot be fair in the 'street' sense of it, because markets are tailored to serve the individual-interest not that of society. He writes:

“most obviously the existing arrangement is one that defers to individuals when it comes to determining what is to count as a ‘want’”, adding that, “the presence of normative judgements about the economy are obscured by the specific ways this commitment is institutionalized in our society viz. through competitive markets which operates in a decentralized fashion, without any central locus of planning or calculation” (Heath, 2014). The alternative, according to him, would be one where economic activity is aimed at satisfying commonly defined sets of objectives. We are to accept, on his account, that any such objective values or collective self-definitions which regulate society exist only in planned economies and are in fact absent in free-market capitalist societies. We have already shown in the review of literature that minimum wage has also been institutionalized in many societies which basically amounts to a rejection of the classical economic theory of wages. But a more serious problem raised by this author is his assertion that only in planned economy can we claim to have any form of common interest or collective plan for society of which the market would be only a component. This claim is intended to point out that only planned economy has such common view of the economy and by extension that only self-interest is the driving force of the free-market economy. Now, is it not untrue that modern capitalist societies lack any form of collective self-definition towards which the spheres including the market can align and project itself? Even at a conservative estimate, most modern nations define their aim as bringing about a society which works for everyone. Honneth’s conception of justice in a free market as dependent on a shared sense of common good is a rebuttal of this point. As Honneth shows “the meaning of the idea of justice is entirely dependent on its relation to ethical values, for the demand that we be ‘just’ to others is meaningless as long as it is not founded in the conception of the good; otherwise we would not know what it would mean to owe to others what is theirs” (2014:64). Honneth tells us that after the Russian Revolution, theories of the market moved in the two extremes of planned or unplanned economy, as if there is nothing in-between. Honneth never tires of

pointing out models of the free-market in-between the two extremes of communism and unfettered capitalism. What Honneth is saying is that the market is better interpreted in relation to the society where it is embedded rather than an abstract sphere driven by only efficiency and profit-maximization motives. While no government can enforce absolute economic equality nor does any stripe of political philosophy or public policy recommend that, fairness in the labour market cannot just be conceived around the idea of a market that is totally decoupled from social reality, in which everyone pursued his own private interests or, to use the language of economists, built around the idea of self-interest, efficiency and competitiveness.

That said, there are two issues at stake in this segment namely how to determine fair wage in relation to recognition and whether state interventions are justified in the setting out of wages. Let us start with the second leg of these questions. By the standard of the weak model of social freedom, state intervention is required, good instance of which is the imposition of minimum wages because government is in the best position to know the overall condition of the economy upon which to base a decision of fair wage level, for the least earners. The imposition of wage-level of course achieves the satisfaction of the interests of those who cooperate in the market beyond mere coincidence (as in contracts). At the same time, decision to enforce wage increase is also a reflection of the relative performance of the economy, which means that no one is worse off. Here, reward is organised in a manner that the intentions of employers and employees be realized without each party having to intend to complete or directly support the other as friends do. In other words, the arrangement is such that it goes beyond individual freedom such that the satisfaction of each party cannot be a co-incidence. At the same time, this arrangement does not meet the condition of first-order intentional non-accidental completion in the sense Honneth articulates it. The interest of both parties should be satisfied where possible, but this aim is more likely to be realized through the intervention of the states which facilitates the realization of each party's aims. For me, a regulated market meets this

condition when the rights of workers are respected, and minimum/living wage imposed for the benefits of the worst off among workers. The regulation of wages through the imposition of living wages ensures that everyone has enough where what is enough is determined by a struggle for recognition. Beyond this sufficiency level subjects could excel further according to their individual abilities. My claim is that regulation is justified only on grounds that it invokes the same pre-contractual market legitimating principles based on which subjects granted their consent, which is that the market promises to support the realization of their aims. Honneth never ceases pointing out that institutional morality is informed by social morality where the institution is embedded. In one passage he wrote that “many of the load-bearing structures, particularly in the spheres of social freedom, do not consist of juridical relations, but in practices, customs and social roles” (Honneth, 2014: 66). Of course, at the time of the contracts, relations of power are already entrenched, and the workers are already the weaker party. Durkheim already says that if one party (employee) should need the other (employer) more than the other would need him, as typically lived out in labour relations, then the employer unjustly dominates the employee. So, such labour contracts or the classical economic wage rate, cannot represent a fair deal. In fact, Honneth is saying that social contracts cannot represent a sufficient condition of justice and self-realization, because before signing the contracts subjects already think that the market is fair and legitimate in principle. However, since their mutual dependency is true, since they can only realize their life aims through cooperation in the market institution, to seek to determine its rationality at the point of the contract is inadequate for the demands of social freedom. Thus, he points out again and again that “modern theories of justice conceal this contradiction” (Honneth, 2014: 57). So, an individualistic conception of freedom naturally cannot fulfil the conditions of freedom for all market participants simply because its priority is the individual. Since we already live in society, a theory is more successful if it helps us understand our prior relation to other subjects

within social institutions, rather than the contractual relationship which conceals social relationships and social freedom while projecting legal freedom.

This same argument goes for the second issue at stake which is justifying how the value of wage is determined in the first place. In other words, what is it that is recognized and what is the proper mode of recognition? Joseph Heath is probably right to argue in line with economic theory that price is the quantitative value assigned to the use of a resource. Ordinarily what wages should track is first the fact that someone is making valuable contribution(s) to social goals and that someone is willing to pay for these services. This rewards the subject with esteem since it reflects a recognition of his achievement and his identity. The second point is the worth and social valuation of that work which is reflected in the amount being paid. The value of contribution also helps to show how well subjects can perform specific tasks in relation to those who do similar things. All these nuances are often captured in the pricing of labour as a tool of recognition and evaluation. Again, for each subject, the level of esteem she enjoys is relative to the level of affirmation granted her by the others with whom he cooperates. This helps the subject to develop requisite esteem and assures her that her contribution is indeed valuable. Thus, she can realize herself following the affirmation of others. So, prices would vary depending on what the market thinks is the value of each form of contribution. Therefore, according to market valuation the relative scarcity of a skill-set affects its value. For the determination of the true price of labour in economic theory, all the factors like location, demand, relative scarcity etc come into play. The scenario being described is the structure of recognition in relation to the subject being recognized. Now, the revolution in Honneth's social freedom is that while the market is an institution of recognition, it should not be assumed that the recognition is directed towards the unit of his contribution as such for the benefit of individuals alone. Rather the contribution is made to a general pool within the social division of labour. It forms part of an integral whole. This reading makes sense because already we have

seen that if wages are determined socially in relation to the volume of wealth created by the entire society, then it follows logically that recognition should be distributed accordingly to all workers not strictly based on discriminatory grounds of individual achievements. Therefore, according to the demands of social freedom everybody who makes contribution deserves social recognition to enjoy wage level that offers her opportunity for flourishing. My vision of weak model is compatible with this view because redistribution of wage as a symbol of recognition is socialized for the benefit of each subject through government regulation, rather than by the individualizing forces of the market. About the allocation of wage levels as a reflection of meaningful contribution, each subject in the cooperation of the social division of labour deserves to be recognize institutionally by the payment of adequate wages, no matter how insignificant it might appear. Social freedom of course stands against the broad conception of the market as a sphere of individual freedom in the sense that recognition should directly track general perception of the subject's contribution according to market dynamics. Individual freedom is oriented to the interest of individuals without recourse to the other subjects with whom one cooperates, which is why Hegel pointed out that without regulation the market will become a sphere of exploitation and deception. This is the kind of situation that Honneth wishes to overcome. Honneth's strong version demands that the market arrangement, to be just, should be such that the satisfaction of each parties should be intended and supported by each other, making one person's satisfaction the condition for the satisfaction of the other. However, the weak version of social freedom implies that wages are collectively determined in the case of the least advantaged, but not beyond the level at which everybody has enough. I will return to this point below in my treatment of the achievement principle. It is not strictly the expectations of the workers or that of the employers, but through a dynamism that is dependent on the wider economy and struggles for recognition. This helps to curtail the greed of the both worker and employer. It successfully beats back egoistic sentiments that thrive in the market. This is what

wage regulation is all about. To conclude this point, it will amount to significant misrecognition if wages are left in the hands of market forces alone. Then, those who control market forces will use it to their advantage and self-interest.

From the academic debate we have seen, the productivity level of the economy is its overall size or growth, determined by the size and value of goods and services being produced and exchanged in the economy. The statistics reviewed from the Economic Policy Institute from the United States for instance shows that wages, measured in hours, did not rise at the same rate with the growth of the economy. This situation resulted in some imbalance in the income between the employers and the workers. During the period between 1973 to 2014, net productivity rose by 72.2% while inflation adjusted hourly wages rose only by 8.7%. Clearly the rise in the productivity far outstripped the improvement in wages, which is why the analysts impute injustice in the administration of wages. As a solution the analyst recommend the upward readjustment of minimum wage to redress the imbalance so that the rich cannot get richer while the poor get poorer in the distribution of socially generated wealth. On their part the workers have been engaged in a struggle for recognition. So, we can make a case of misrecognition and injustice because the value of pay did not reflect the level of contribution made to the volume of social wealth. Not surprisingly we see that such misrecognition has been accompanied by forms of struggle for recognition on the part of the workers. It has not successfully balanced hourly pay wages against the general trend in productivity, but it has narrowed the level of misrecognition and injustice. It is not difficult to see that the strong and weak versions of social freedom would quarrel with the exploitative tendencies of the employers of labour and owners of capital. The surplus income generated following the rise in productivity has not been equitably reflected in the level of wages earned by low-level workers. Rather than seeing the workers as mutually supporting each other's aims, as the condition for the realization of their own aims as investors or employers of labour, the trend shows that the

workers are rather viewed as means to the ends of profit maximization by the employers. Therefore, the level of workers' wages was not able to equitably redistribute the increase in national income. Honneth's solution for this kind of situation is that subjects should intend and support each other's aims so that they can willingly redistribute wealth by paying wages that help the workers to realize their own aim. While this demand of strong social freedom is a possible interpretation of the requirement of economic justice, the perspective of weak model of social freedom achieves the same goal of wealth redistribution. The weak model of social freedom considers the divergence in wages over the years an injustice against workers due to the decline in the relative value of their wages and the disproportionality in income levels. Minimum wage legislation has the potential to restore justice in relation to wage levels. But it is important to point out that the stark difference in productivity levels and labour wages when compared in isolation can be very misleading. The Centre for Economic Performance in London argues that other non-wage expenses covered by the gross productivity like welfare, pension, tax etc should also be factored in before the true divergence can be calculated. In the UK, the level of divergence is quite low or even non-existent at all, reflecting the effectiveness of the minimum wage to redistribute wealth and prevent the kind of 'primitive accumulation' that sometimes occurs among employers of labour. Therefore, the effective implementation of the minimum/living wage policy (which should be continually raised in line with the growth in the economy) can realize wage justice. Such a policy effectively redistributes the surplus revenues generated in an economy and makes everyone better off. We can trust on governments to protect the investors and workers interests together by policies such as the minimum/living wage or through effective taxation. In turn government relies for its legitimacy on the collective will of the people. This is possible.

Let us address the question of how to account for the economic and social inequality that exists in society today in relation to the weak model of social freedom. I have said earlier that it is

here that Honneth's model of strong social freedom encounters its biggest challenge. Although latter Honneth of social freedom distances himself from any form of individual freedom as instantiated in the achievement principle, nowhere in *Freedom's Right*, does he deal in detail with it nor does he offer any other alternative under the context of social freedom. He only remarks about the achievement principle in passing on a few occasions. At one point he writes that workers too had to define themselves and their contributions to the economy in terms of the achievement principle which the rich had applied to themselves alone (2014: 231). At another point he was critical of the achievement principle remarking that though it did not work against the socialization of the market from below, it did not clearly work in its favour (2014: 241). Throughout his historical reconstruction he promoted measures aimed at 'reducing competition' and promoting cooperation and collective self-awareness among the workers. For the Honneth of *Freedom's Right*, anything that promotes the relative advantage of individual worker without improving the prospects of the entire bunch would normally not receive his blessings. Mutual recognition would be relevant, not that individual social-esteem can be justified on its grounds, but only that each worker recognizes that every worker depends on the other for meeting their aims. But it does not help us to account for income inequality we have today in the market-society, since we cannot simply conclude that all income differentials are unfair. This amounts to a big omission in Honneth because he fails to provide any convincing guideline of how differences in social status can be justified above the threshold of sufficiency for all. After all, if justice entails treating equals equally and unequals unequally, then the achievement principle should really count. In the literature review we saw that the implementation of the achievement principle is burdened with a lot of shortcomings. But for this argument, let us assume that the irregularities are absent. To that extent the achievement principle could be helpful in justifying differences in social wealth. It is not surprising that Offe in his critique of the implementation of the achievement principle suggests that for it to fulfil

its aim, the achievement principle should be moved from the control of the market forces to the steering role of the political sphere. It is difficult to see how government agencies can intervene directly in recruitments, except to provide guidelines of inclusivity. While the achievement principle still harbours some shortcoming for purposes of income redistribution, the fact of regulation is an improvement from leaving it entirely in the hands of market forces. I think the weak model of social freedom is compatible with the achievement principle, but its determination is not entirely in the hands of market forces. To be fair to all market participants according to the standard of weak social freedom, individual achievement will count in the further redistribution of resources beyond the threshold of general sufficiency. Without recognizing the outstanding achievements of some subjects, violence will be done to them in terms of what they have achieved; incentive for hard work and perseverance might be stifled. What is at stake here is recognizing the excellence in individuals while letting everyone else as co-operators share in the benefit of their gifts. Let me explain how this is compatible with the weak model of social freedom. In the literature reviewed about the wealthiest one-per-cent in the US, Mankiw refers us not just to individuals of unusual abilities like Steve Jobs but also of a disposition to take risks like Bill Gates. People like these, it must be noted, also need public affirmation and recognition for whom they are and what they do. Gifted people like these, he argues, whose efforts and courage eventually yield stupendous wealth and turn into social advantages do attract to them status that cannot be enjoyed by all even though it is for the benefit of all. If what is at stake is the peculiar talents of these individuals which defines whom they are and distinguishes them from the other subjects, it will amount to an injustice to ignore their talents. However, by the mutual interdependence and participation in the market, other members of the society are also justified to benefit from their talents to a level of sufficiency and self-realization. This is done through taxation to grow the common purse from which every other subject benefits. To that extent weak social freedom is being realized through regulation.

If not, that is, if the government is unable to impose or extract taxes that can effectively balance the tip in social favour, only then can we make a case of injustice and misrecognition of the poor who bear the brunt of social inequality in such a case of the application of the achievement principle exclusively for individual benefit.

3.5 Conclusion

We have seen that the recognition of contribution of workers in the social division of labour is commonly organised in terms of wages. We have also seen that second-order intentional completion in the market through the regulation of the labour market in the form of a regime of minimum/living wage is widespread among societies and economies. What this shows is that most market participants do not accept that the market theory of wages is the level of wages that is fair to the workers. This fits into the requirements of a weak model of social freedom, as it involves considerable interference into what is usually understood as independent market logic. The acceptance of the intervention by government in the form of minimum wage is a proof that the so-called market mechanism cannot deliver justice to all its participants due to inherent weaknesses. To that extent low wage that makes it impossible for workers to realize themselves is unjust, provided that the general economic condition of the given society can support it. It also shows the validity of Honneth's claim that the morality of market relies for its legitimacy on embodied norms such as esteem, respect and need, and also on the pre-contractual social norms of the society within which the market is embedded. Thus, regulation increases the chances of workers meeting their own aims in a market where the employer has more power. Despite this, it is also clear that the market cannot realize social freedom in the strong sense but only in the weak sense of it. Market participants can meet their aims and can satisfy the original motivation based on grounds on which the market is legitimate in their eyes. But this would not require mutuality according to the standard of friendship or first-order

intentional completion as Honneth envisages. Moreover, to account for differences in income among the market participating subjects, the weak version of social freedom demands that every participant realize their aims and have enough resources to enable a self-realizing life. Beyond this commonality threshold, differences of income might be justified based on the achievement principle of individual freedom. Therefore, social inequality can sometimes be justified on grounds of the achievement principle because the labour market is also about the recognition of differences and preferences among subjects. If the achievement principle is abandoned, what then can be the justifying principle for the vast evidence of social inequality which people seem to accept. But, more critical and theoretical effort can be directed at making the achievement principle less biased. Critical theory cannot defend a claim that social inequality is altogether unjustifiable in a free economy or even in a socialist economy. Although this merit principle was the linchpin of middle Honneth's arguments in his debate with Nancy Fraser, the later Honneth of *Freedom's Right* seems to have abandoned that path, turning his back on any form of individual freedom and its accompanying privileges. Or so it appears. But regarding what it is that is to be considered enough, that is to be regarded as the threshold of the sufficientarian model beyond which the achievement principle comes into play at each moment in history, it is left not for theory but for practice and the struggle for recognition to determine.

CHAPTER FOUR

LUXURY CONSUMPTION AND SOCIAL FREEDOM

4.0 Introduction

In this chapter I want to focus on the consumption dimension of the market. The question I want to address in this chapter is whether luxury or conspicuous¹⁷ consumption violates the demands of economic justice. In *Freedom's Right* Honneth makes references to many consumption injustices without enough details and defence for those claims. His general claim is that any consumption-related practice is to be termed unjust which undermines the promises of social freedom for all subjects within the cooperative activities of the consumer market. But this is not sufficiently clarified or justified. I want to fill this gap by dealing with a specific problem in consumption namely luxury consumption. We shall proceed in this way: The first section will clarify in what sense consumption is a sphere of freedom. This section will underline the necessity of consumption for human flourishing (4.1). Next, I will outline Honneth's criticisms of luxury consumption (4.2). I will engage with the current literature on luxury consumption to explore different perspectives on the issue. Drawing on this diverse literature, I will determine the standard or working criteria for judging levels of consumption as luxury or conspicuous (4.3). In the light of the key question of my concern and the issues that arise from the debate, I will then offer an original evaluation of luxury consumption based on the weak reading of social freedom. This will entail reviewing Honneth's objections and other issues from the debate (4.4). In the conclusion, I will offer a summary of my findings

¹⁷ Throughout this chapter, I use 'luxury', 'conspicuous' and 'status' consumption as synonyms in conformity with the trend in literature, although there are small vestiges of differences which I consider insignificant for my purpose here. Conspicuous consumption for instance does connote excessive consumption in quantitative terms while luxury denotes excess in terms of higher quality. Status signify their social significance which does not always accompany the other two connotations.

(4.5). I will defend the position that luxury consumption cannot be unjust in all circumstances according to the impression created by Honneth's arguments because all forms of consumption, if they arise from authentic and genuine desires, reflect the identity and dispositions of the consumer. Only in circumstances in which other subjects who cooperate do not meet their basic needs for a self-realizing life can luxury consumption be adjudged unjust¹⁸. I will argue, according to the requirements of the second-order intentional sufficientarian completion which I call the weak model of social freedom, that government taxation of luxury should be able to redistribute social wealth to enable all market participants to have enough for a self-realizing life. After this minimum threshold, luxury consumption would be permissible.

4.1 Consumption and Freedom

The general view is that the consumption market (like the labour market) is a sphere of freedom in the sense that subjects look up to the market for the satisfaction of their desires and needs. Through consumption, subjects realize a part of whom they are. What is frequently in dispute is what type of freedom that consumption can realize, with some scholars defending individual freedom and others social freedom. Besides even the social freedom has both a strong and weak model, as we demonstrated in chapter two. The reason for this section therefore is to make clear the general understanding of the consumption market as a sphere of freedom. Like Hegel, Honneth thinks that the rapid growth and legitimacy of the capitalist market since inception is also rooted on its promise of freedom, that is, of providing for the material needs of the population like food, drinks, housing, clothing, esteem, status etc. respectively and the non-material ones like self-esteem and self-respect. Accordingly, consumption is accompanied by a "a new form of individual freedom" which enables subjects "to see themselves as consumers

¹⁸ The problem of luxury consumption is comparable to the one of asymmetrical income considered in the labour dimension of the market.

who are free to determine their personal desires and thus their identity” (Honneth 2014, 199). In the practice of choosing what to consume to satisfy their desires human subjects realize a part of whom they are. Thus, subjects are to be recognized as consumers who have needs to satisfy because consumption “represents an inter-subjective ‘quality of being recognized’” (Honneth 2014, 199). There is a lot going on in these remarks of Honneth regarding how consumption realizes freedom or the quality of being recognized. In terms of the species of recognition one can say that to be free in consumption the subject is to be recognized in three distinct ways namely esteem, respect and satisfaction of material needs. If we take it that people consume according to their authentic tastes, desires and preferences, then we can agree with Honneth that consumption helps us to realize our identity, our personality and a part of whom we are. Thus, adequate consumption helps the consumer to satisfy basic needs, to develop self-esteem, to develop self-respect and the ability to appear without shame in public. Finally, consumption respect is demanded since adequate consumption is always accompanied by some form of decision-making and moral deliberation. If we do not face any obstacles in our consumption decisions, then to that extent respect would be realized. All these aspects play out in the dynamics of freedom (Schaub & Odigbo, 2018).

As Honneth explains the market dimension of consumption can either realize individual freedom or social freedom. It realizes individual freedom when market participants pursue the satisfaction of their desires and self-interest without consciously acting in the consideration of the others. There are two forms of individual freedom that accompany market consumption. In a bid to realize their true personality and authentic-selves, subjects will perform an autonomous act in the determination of their desires. They will seek the market institution to satisfy these desires. Thus, we are free when we can direct our actions towards aims that we have set autonomously and towards authentic desires. The second component of individual freedom, called negative freedom, is realized when we face no obstruction or coercion if it does not

unduly interfere with the freedom of others to do the same. Sometimes it requires the coercive power of the state to realize this deterrence. These are distinctions we have made repeatedly in this thesis that don't require further explanation here. Therefore, any activity like deception, insufficient income or forms of denigration are instances of misrecognition or injustice that pertain to the individual subject. Subjects then engage in struggles for recognition to demand more pay both to attract more value to the work of their choice, to enable them to meet their material needs, or to demand they are respected. These forms of struggles for recognition can be directed to producers to demand the right products, to employers to demand enough pay, and to other consumers to demand a boycott or sympathy for the cause of those who feel misrecognized.

Another way to articulate freedom in the consumer market is to call it a sphere of social freedom. Put alternatively the normative promise of the market consists in being able to "provide for the necessities of the population", for everyone, as the condition of its legitimacy (Honneth, 2014: 201). This demands the fulfilment of all the dimensions of consumption needs for all participants in the market. For Honneth the demand of social freedom means that "the market mediated sphere of consumption represents an institution of social freedom in which various interests complements each other" (2014: 207). It requires that "the interests of consumers and producers harmonize with each other, because the satisfaction of each side's interest depends on that of the other" (Honneth, 2014, p. 200). Same with employers and fellow subjects. Each party cannot conduct its own consumption activities including its many cognitive dimensions as if the interests of the other doesn't matter. Therefore "as consumers we are not sovereign actors who decide on our preferences in complete isolation, but market participants who are willing to recognize others" (2014: 200). For consumption market to realize social freedom it entails recognizing other subjects in a collective form involving all the subspecies of recognition in the mode of respect, esteem and need. It is social and not individual

because in this fashion all market participants are treated the same way at this level, without considering their differences and peculiarities. Thus, consumers should have a say in what gets produced and under what conditions. Whenever any of the dimensions of consumptive recognition is being realized for all market participants, the chance increases for the realization of social freedom. And vice versa. Example of such consumption regulations that Honneth speaks about which can bring about the realization of social freedom are prohibition of market practices like unethical advertising, wilful misinformation, deception of subjects, regulation of wages, adequate taxation of luxury products etc. all intended to make the market more socially inclusive. In some cases, disabled persons and students get a rebate as a way of socially facilitating the satisfaction of their needs. Of course, the enforcement of ethical advertising or minimum/living wage, or prohibition of chicanery and such other interventions means that the forces of individual freedom are continually under check and as such improves the chances of social freedom. Such struggles for the socialization of the market are active in the consumption market today. Whether it is the demand for recognition that is directed at employers for increment in wages, or producers for full product-information or even fellow consumers for more responsible consumption, the forms of interventions we have pointed out affect the outcome of the consumption market. This gives hope that the logic of social freedom, that is, organising the market for the benefit of all. According to Honneth, all these social movements that push for the internal corrections to the market for consumer goods, “share the aim of socially modifying market conditions so that they at least approximate the requirements of social freedom” (2014, p. 210). Making the consumer market to realize social freedom requires ensuring that all subjects adequately recognized in the three key areas namely respect, need and esteem. This means that all subjects are satisfied in their material needs, that they satisfy their consumption esteem by having enough resources to afford the level of consumption that helps to express whom they are, that they are respected by not being misled in decisions about

consumption practices. In general, we can say that series of events in the market like welfare packages for the less privileged, like state-sponsored subsidies for basic needs like housing, food-production and medication etc., point to this desirable outcome about the market. Honneth provides evidences from the last one hundred and fifty years of a struggle for recognition that point in the direction of the market sphere of consumption as a sphere of social-freedom. We see good examples of this in the bread riots and consumers boycotts in the consumer-market through which consumer demand a change in the understanding of a market as a sphere of individual freedom (2014:212-214). We now have a clear understanding of what it means that the consumer-market is a sphere of freedom. Let us now look at Honneth's criticisms of the practice of luxury consumption in the consumer market.

4.2. Honneth's Critique of Luxury Consumption

There are two reasons why I want to point out Honneth's criticisms of the consumer market practice of luxury consumption. The first is to show the different ways that it infringes on the standard of the strong model of social freedom. In other words, for Honneth, these infringements represent instances of misrecognition and injustices. The second reason why I point them out is to show that they are not sufficiently defended since many related questions still beg for answers. At the same time, I will use the same opportunity to show where my views are different from those of Honneth. As already indicated in the introduction to this chapter, the details are not always clear in Honneth's arguments why readers should accept practices like luxury consumption as forms of injustices. This omission amounts to a gap. As we will see shortly, there are many other related questions that are unresolved in Honneth's critique of luxury consumption. These questions will then be taken on later.

What does Honneth find problematic with luxury consumption? Honneth devotes a lot of space to the criticism of luxury consumption as a social problem, returning to it again and again. He

probably believes that status consumption, more than any other market practice undermines the prospects of strong social freedom in the consumer market. In general, his claim is that any consumptive practice that benefits individual subjects at the cost of the generality of the people, that is, that undermines the realization of strong social freedom for all subjects or in any of the three species of recognition namely respect, need, esteem amounts to a form of injustice. Luxury consumption is mainly about esteem and distinction, although it rubs off on other norms. Honneth's criticisms against luxury consumption touches on issues as diverse as ecology and sustainability. However, there are three expressions of this practice relevant to justice in the consumer market that I want to point out here. One, that investment in luxury consumption affects the availability of basic items for others because producers soon opt to produce luxury rather than basic need items. From an understanding that the market is a mutually beneficial institution set up as a 'system of need', it is natural for Honneth to argue that producers should aim to satisfy the more basic needs of subjects first. In return, subjects patronize the producers to meet their own livelihood. However, the market would soon fail to meet this challenge because of capital accumulation and self-interest. "Because investments in the production of affordable food, clothing and housing were not sufficiently profitable" investors moved over to the manufacture of luxury thus "causing a level of suffering for the impoverished proletariat that would be unimaginable today" (2014: 201). For Honneth this shift is because of a learning process in which investors discovered that they could influence the needs of consumers quite easily through manipulative advertising and to get them to spend heavily on alternative items. The consequence of the shift becomes that significant number of social participants fail to meet their needs; are violated in respect for having no say in these changes that affect them; and their esteem violated through inability to have enough options in the list of items available for purchase. Second, this shift of interest among producers also has the effect of making the basic items expensive and unaffordable for many people. Basic items

like food, clothing, medicare, housing became more expensive and unaffordable for most of the people. This was mainly because not enough producers were willing to invest in basic needs due to low returns. Higher demands in the context of dwindling supply led to a hike in prices, meaning that even the basic items became largely unaffordable for some market participants. This development, he argues, “violated the right of consumers to affordable consumption” (2014: 202) and moral reactions that followed concerned “legitimate prices of elementary goods” (2014: 202). The moral reactions Honneth speaks of here are the riots and protests that greeted high cost of basic needs causing the state authorities to intervene to suspend market mechanisms to guarantee affordable food prices for the satisfaction of needs. The riots were such that they raised the question of people’s right to affordable consumption and a demand to know where the boundaries of socially acceptable consumptions lie. The third and central point concerns those who consume luxury to distinguish themselves from others in a show of superiority. As Honneth put it, the tiny minority of the rich became more interested “in displaying status, symbolically distinguishing themselves from others and simply showing off” (2014: 200). Accompanied by the taking hold of the capitalist culture of mass consumption, and thanks to the transformation caused by the dawn of advertisement, individuals developed the motivational disposition to appropriate the symbolic value of commodities to the point that they even base the interpretation of their identities on them. Those who have enough money, Honneth argues, show no restraints in their consumption habits of luxury. Rather they “show obvious pride in investing in as many luxury goods as possible”. But the reason why this should worry us is that such distinguished stylizations have no other function but “to demonstrate the gap between themselves and the poorer classes” (2014: 218). So, we should worry about luxury consumption because of the moral and social harm accompanying it. It violates the market promise of social freedom in the way already listed above because (a) it negatively affects the satisfaction of the basic needs of some subjects, (b) it affects the social esteem of subjects by

making it impossible for them to express whom they are through affordable consumption, (c) it disrespects the subjects by discountenancing their opinion in the decisions about what gets produced and for whom. Those who consume luxury harm society and inflict a moral injury on other subjects who are deprived and cannot afford it because those who cannot afford basic needs are inflicted with a sense of humiliation, worthlessness and inferiority complex when other subjects consume luxury whereas they cannot even afford basics needs. For Honneth, financial disincentives like enhanced tax on luxury products are not enough to satisfy the demands of social freedom. Clearly Honneth thinks of luxury consumption as a violation of the demands of collective or mutual consumption which can then facilitate the realization of social freedom where the market redeems its pledge as a system of need to provide for the needs of all subjects.

However, there are many related questions that beg for answers from Honneth's criticisms. Honneth does not offer any criteria for determining luxury thus we are left in the dark as to the threshold beyond which consumption moves from necessity to luxury. It is not clear from Honneth whether luxurious consumption is inherently blameworthy and should be avoided even when there is enough for everyone to satisfy social freedom in the need, respect and esteem dimension. Apparently, this could be linked with the inability of Honneth's notion of justice to account for individual achievement and legitimate differences in income levels. Not much is seen in Honneth about social inequality and how it is related to luxury consumption and income differences. Furthermore, we don't find in Honneth an account of whether social consumption--one that satisfies the consumptive aims of all subjects—can be luxurious and unfair. In other words, in relation to other parts of the world, would the consumerism of one part be found wanting in relation to the poverty of the other part, as muted by Peter Singer (1971)? Finally, it is not clear whether luxury is an injustice on its own or whether it is wrong for the damage it causes in other people. I will now investigate the literature on luxury

consumption, to reflect a wider perspective which we can then resolve in the final section where I analyse luxury consumption from the point of view of the weak model of social freedom.

4.3 Debate on luxury consumption

The debate about luxury consumption is about what the right level of consumption is and the normative ground of such judgement. I want to review economic and moral literature to see the trends in opinions which can then enrich our further analysis of the issue of luxury consumption based on social freedom. Before recent debates, prominent economists like Adam Smith, Alfred Marshall, John Keynes, Arthur Pigou recognize that morality is involved in economic activity like consumption. For instance, in *Economics of Welfare* Pigou integrates classic economics of utility with socio-moral concerns about externalities, arguing that what we do in the economic sphere (of consumption for instance) has a direct effect on the material and the non-material well-being of ourselves and that of other subjects. He wrote that “non-economic welfare is liable to be modified by the way income is spent. Of different acts of consumption that yield equal satisfactions, one may exercise a debasing, and another an elevating influence” (Pigou, 2013). Thus, a tension exists between the activity of consumption and its socio-moral implications. This debate about what is the right level in consumption and its moral implications has expanded into fields as diverse as the environment (Durning, 1992; Heilbroner, 1974; Costanza, 1991), Theology and Ethics (Cloutier, 2015) Politics (Berry, 1994) Socio-Political (Honneth A. , 2014; Carrie & Luetchford, 2012) Socio-Economic (Veblen, 2007 [1912]; Barnett & Morse, 1963) among others. Peter Singer’s seminal paper entitled “Famine, Affluence and Morality” in which he argues that there is something wrong in some parts of the world having too much to consume while the others have too little (1971), is arguably the take-off point of the recent debate in academic circles about the morality of luxury consumption. This debate focuses on the following questions: ‘how much is enough’, ‘enough

of what', 'enough for whom' and 'enough for what purpose' (Crocker & Linden, 1998). The answers to these questions have been at the core of the debate on the morality of economic consumption and we shall deal with the ones that relate to justice using the framework of recognition and social freedom. Our first concern in the literature review is to determine how much of the consumption of material resources is enough for a good human life? Now, the meaning of the good-life is also relative to different cultures, regions and societies but we use the baseline of what the "time and circumstance of the place dictates" (Smith A. , 1937[1776]). In addition, the concept of the good-life has both material (needs) and non-material (respect and esteem) components. Therefore, no absolute standards can be arrived at that can be valid for all cultures. Rather, our hope is that whatever the understanding of the good-life happens to be in every culture or society (which in our default framework consists in having enough of respect, material needs and social esteem), it will constitute the default standard of analysis in relation to whichever benchmarks we can arrive at.

That said, the first thing to do is to identify what necessities are and differentiate them from luxuries. We begin at this point because both moralists and economists agree that good life is dependent on the availability of necessary material resources. Charles K. Wilber identifies three components of a good human life namely material necessities, social and fellowship needs and the need for the expression of freedom of choice (Wilber, 1998). Of the material necessities, he draws a distinction along three levels of material consumption. The first which he calls physiological or basic material necessities include adequate food, water, housing, clothing, transportation, communication and health care. The second category is what he calls 'enhancement good' which make life more vital, more interesting and more worth living like wine, music, household technology, forms of entertainment and recreation etc. The third category he refers to as luxury consists in having the same items named in the first and second levels but made from more expensive materials for the pleasure or symbolic value of it. For

example, using a marble-topped table instead of a wooden one or walking on wool rug instead of polyester one (Wilber, 1998). The first and second levels of human well-being, that is necessities and enhancement goods, correspond to what we can label as comfortable living, and this can be combined to different levels of intensity and variation. If poverty is the lack of necessities like adequate food, good home, some recreation, then comfort designates the availability of these things in enough quality and proportions (Appleby, 2011; Dyer, 1989). Having both necessities and comfort seem to be the rightful meaning of middle-class, to use an expression that is quite commonplace. According to Wilber, subjects also consume for social, fellowship needs which means to be like others. We must point out here in relation to his last point that those who decide what they consume in so doing exercise the first requirement of freedom through the autonomous act of choosing. Developing a general and rational standard of choosing for consumers is not easy since it seems to require “thinking through reasons for this and that decisions, especially in so far as the reasons for self-ownership should apply to what it is reasonable for other people to have too. In sum, the life of the middle-class might have been comfortable but comfort remained distinguishable from luxurious excess” (Cloutier, 2015, p. 216).

With these authors we can provisionally say that beyond this median of comfort begins what is generally designated as luxury. Here luxury is thus primarily viewed in terms of quality of product and luxury consumption as an excessive attachment to products of higher quality. One might also say conspicuous consumption connotes taking on large quantities of items. This leads us nearer a working definition of luxury consumption. Based on his interpretation of Thomas Aquinas’ opinion in *Summa Theologica*, David Cloutier defines luxury consumption as “the disposition of using surplus resources for inordinate consumption of private goods and services in search of ease, pleasure, novelty, convenience, or status” (Cloutier, 2015, p. 180). From this definition three additional points or criteria about how to assess luxury emerge. The

first is that luxury consumption typically (though not necessarily) obtains where there is surplus income. In our context this means having more income than one needs to achieve comfortable living. The second is that luxury consumption seeks the satisfaction of inordinate desires. The third is that it is private rather than social, that is, for the purposes of private esteem. About the first point, the moral problem can be described as one of trade-off, that is, the higher good forfeited to engage in the consumption of luxury. Good examples of higher good, according to David Cloutier, are helping the needy or supporting a social cause; supporting the needs of the wider society after meeting our own. Here what comes to mind is the duty of care expressed more commonly through the example of the good Samaritan. Of the second criteria, luxury consumption might be labelled a vice which according to Thomas Aquinas consists in “being disposed in a manner not befitting of human nature” and “contrary to the order of reason” (Aquinas, 2015) We are not able here to affirm such a judgement regarding whether freely chosen style of consumption is reasonable or not, but it will become clearer in due course. The third point is that luxury consumption is mainly for personal rather than general benefit. This is the point that is relevant to Honneth’s theory. As stated in the definition above, luxury consumption does touch on the problem of social equality but typically it targets social superiority, in addition to achieving greater ease, pleasure and convenience. It is this drive for superiority that Honneth considers pathological.

If luxury consumption is a marker of social status, then at the same time, it undermines social solidarity and social equality. Unfortunately, Honneth says very little about social inequality and how it impacts on social freedom. According to Mathew Arbo “luxury is premised on inequality, and so long as luxury remains part of capitalism’s project, the level of social equality that is required for genuine democratic order will never be reached” (Arbo, 2014). Added to the disposition to higher quality goods, luxury consumption also involves accumulation of excessive items beyond what is considered necessary. David Cloutier captures this in the

expression “oversized desires”. Even more than the form of quality self-indulgence described already, the case of quantity self-indulgence obtains when subjects take pleasure in accumulating material resources for its own sake. A good example is when individuals live in homes large enough to house a whole village or acquire materials, like cars, shoes, dresses in quantities that are beyond their actual needs. Goods which subjects consume for purposes of social advantage Fred Hirsch calls ‘positional goods’. According to him, when everyone stands on tiptoe, no one sees any better. But if you don’t stand on tiptoe, you don’t see at all. (Hirsch, 1976). In his *Discourse on the Origin and Foundations of Inequality* (2002), Rousseau describes a form of self-love *amour-propre*, which drives subjects to seek distinction and social superiority in relation to others (such as building a huge house in place of moderate one). Such a race to the top creates the kind of competition that Neuhouser considers pathological because those who find themselves at the bottom of the pyramid of the social race, feel injured and humiliated (2013:204). Veblen Thorstein’s remarks in the *Theory of the Leisure Class* reflects the same form of social dynamism. He argues that “the end sought by the accumulation is to rank high in comparison with the rest of the community in point of pecuniary strength” and that “however widely or equally or ‘fairly’ it may be distributed, no general increase in community’s wealth can make any approach to satiating this need, the ground of which is the desire for everyone to excel everyone in the accumulation of goods” (1953)

Today just as Honneth argues, luxury consumption in terms of both quantity and quality, is widespread. We are in what is aptly described by sociologists as a culture of mass consumption (Bauman, 2004; Bauman, 2007). There are different versions of praise and condemnation of luxury from the academia (Hume, 1999; Veblen, 2007 [1912]; Bourdieu, 1979) This suggests that the critical-moral perspectives presented above are not widely accepted or even if desirable might indeed be untenable. Hence there must be valid reasons for justifying the continued proliferation of luxury consumption. Among those who engage in or support luxury

consumption there are perhaps two most important categories. First are those who find it inevitable and those who find it desirable, although these two groups are not always exclusive. The close relationship between choice, economics and utilitarianism often reinforce the desirability of consumption if it enhances pleasure, comfort or the like. Here many liberal economists are found. In addition to merely liberal and utilitarian motives conspicuous consumption might be deemed both desirable and inevitable for political and economic reasons. Economists promote consumption because it improves the standard of living of citizens, and the more successful political parties are those that have had positive impact on the economy in terms of increase in wealth-creation and the improved capacity to consume. Conversely, reduced consumption would most certainly have a negative impact on the economy and by extension on the political sphere. It has been argued that “reduced consumption implies reduced production; reduced production implies increased unemployment; and, historically, widespread unemployment has proved to be a persistent source of political instability” (Luban, 1998). Although this is not necessarily so (that reduced consumption necessarily leads to loss of jobs), it is often the case that lack of jobs, whatever might be the cause, leads to an economic downturn caused by low demand, rising inflation and ultimately both economically and politically injurious. Little wonder individuals on their own do not wish to bear the brunt of such a change (Thurow, 1980) and very few politicians opt to travel that path. In 1979 President Jimmy Carter lost to his challenger Ronald Reagan for calling for global stewardship and caution in consumption tendencies of the American people (Cloutier, 2015). It is not surprising that the motive to curb consumption through legal or political means has been uncommon and unpopular. Instead, most governments measure their achievements almost solely by the increase in the disposable income of citizens, enhanced impetus for consumption and by the overall level of improvement in the economy. Research data published by Bains and Company shows that in 2017 global luxury for all segments of goods put together grew by 5% in all

sectors and accounted for a huge \$1.2 trillion (D'Aprizo, Federica, Kamel, & Joelle, 2017). There you get details of items like expensive cars, perfumes, jewellery, yachts, private jets etc. Surely luxury consumption has a lot of economic incentives as Hume argues in so far as it creates jobs, offers investment opportunities for people and generates revenue for government through tax. This is a great benefit for the economy and good for the overall well-being of the citizens. Honneth has not in principle argued against wealth creation, except within the limits of sustainability and environmental conservation. His main concern is with distribution and the principles that regulate it (Honneth 2003; 2014). But the main reason why we spell out clearly the economic and political benefits of stimulating and supporting a consumerist culture is to demonstrate first that conspicuous consumption would appear to be inevitable for reasons already stated. But it also begs the question regarding to what use excess disposable income is to be deployed, assuming we accept that for political and economic reasons it is harmful to stop or even reduce. At the policy level part of the larger political and economic responses to questions of global stewardship and ethics of consumption has been the rise in sustainability awareness and its corollary of green consumption which for instance promotes more of recycling rather than scaling down (Bruntland-Report, 1987; Kuhlman & Farrington, 2010). But ultimately, judicious use of resources in relation to luxury consumption rests on subjects who make decisions regarding their desires and about what to spend their legitimate income on and the market institution in terms of its operative principles. This point will be taken up later in the next section. Before returning to the suspended question of the implication of luxury consumption for society in terms of its justifiability, let me examine the last component of social and psychological motivations for luxury consumption.

It has been argued about consumption that “what is consumed is meaning” (Crocker & Linden, 1998) and that in much of the analysis of consumption “we have been missing features of the social and psychological landscape with important implications for our moral and practical

views” (Lichtenberg, 1998). The socio-psychological view is that people consume not only for material physiological well-being but also for social and psychological health. This is quite a familiar terrain with the theory of recognition and the norm of esteem. To that extent, as Judith Lichtenberg argues, people continue to consume because others around them consume; people consume to be like others not necessarily to be different or superior to them. For her, its either you are rising, or you are drowning. She argues that technological changes and social forces make conspicuous consumption inevitable and desirable. Accordingly, status consumption is the “motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and for the significant others” (1999: 42). Finally, she speaks of expressivist consumption. This is a form of consumption which people engage in to ‘make a statement about themselves’ in ways that words cannot do. It can be a signal of the subject’s capacities. Robert Frank for instance argues that a career lawyer can undermine his prospects by a choice of unfashionable goods, thus giving an indication to prospective clients that indeed he is not good enough in his legal practice. This might not be the case with professors whose public image seem to rise higher by their disavowal of material elegance (Frank, 1985). Although the motivation might come from within, it is sustained intersubjectively through the recognition of the significant others. Literally, everything subjects consume from food, clothing, electronics, recreation to car, jewellery, holiday are all imbued with some form of social and psychological significance which is why we always want the best for ourselves and appear like or superior to others¹⁹. And the true value of the best comes with the social confirmation which consumption

¹⁹ Here I do not defend the view that social and psychological worth mean the same thing, as might be implied by the arguments being presented. Psychological health of course can relate to the individual persons on his own in relation to his make-up and personality, but the intersubjective turn of social-philosophy claims that our psychological health as social subjects also depend on the attitude of other subjects to us. Honneth (1995) defends this view elaborately in his theory of recognition.

brings. It is also clear from the literature that people are motivated to consume luxury due to social and personal wellbeing reasons which agrees with the theory of recognition.

Today, series of consumer behaviour studies measuring external motivations (Amaldoss & Jain, 2005; Bernheim & Bagwell, 1996; O'Cass & Frost, 2002) and the ones measuring internal motivations (Truong, 2010; Truong & McColl, 2011) have returned the verdict that people consume luxury for the purposes of social standing and well-being. In other words, the social pressure on subjects in relation to their consumption behaviour is affirmed as valid. For example, in a study of 587 consumers in France, Truong and McColl found that self-esteem as a form of intrinsic motivation is a primary factor that drives luxury consumption so that the luxury object can make the subjects enjoy better social esteem. They base their analysis on a theory of self-determination which they argue addresses the development and functioning of personality within social contexts. According to them satisfying basic psychological needs which are innate, universal and essential to well-being nourishes and maintains the development of self-determination or what Honneth calls autonomy. This in turn is recognized by others. According to the authors "this study finds a very strong relationship between self-esteem and the consumption of luxury goods for self-directed pleasure, suggesting that an individual can maintain or boost self-esteem by purchasing luxury goods" (Truong & McColl, 2011). Another study found that there is a strong correlation between the intention to buy luxury goods and the rising global culture of consumerism, which suggests that there is a social pressure to consume because others do (Nwankwor, Hamelin, & Khaled, 2014). And the significance of these items which we want for ourselves have the singular aim of enhancing the sense of well-being, social-esteem and social status of those who use them. For some persons this kind of high social regard can be met by means of quantitative luxury like owning an unlimited number of given items while for others their satisfaction lies in qualitative luxury. But the point is that needs/care is underlining our activity by virtue of the things we consume,

whatever they are, and so they have a potential to satisfy or to distinguish the consumer in terms of esteem. But much depends on our own relative standing with our social environment. It is this comparative and relational component that seems to be the social and psychological pressure. Honneth notes this point when he argues that the stylizations associated with luxury consumption is mainly for the rich to distinguish themselves from the masses. As someone argued somewhere, a man may be happy with a small house, if nobody in the neighbourhood builds a mansion because by comparison it makes his own a hut. This seems to be without prejudice to the boundaries we have delineated between necessities, comfort and luxury, with comfort as median. In the example of the house just cited, let us assume that indeed it is a comfortable house. The readiness of the owner of the house to pull it down and build a bigger one, or to move to another neighbourhood to be equal in social status to the owner of the big house, is a motivation that of course lies not in the satisfaction of the need for a home, but rather in the social significance of a status. The example of the house could as well apply for cars or jewellery, furnishing, clothes etc. People will most likely be content, so long as the quality or quantity they have is comparable to that enjoyed by their peers or equals, however that is measured. Some others would wish to appear superior. It is important to emphasize the baseline of comfort as established above. The importance of this baseline is that it is variable and adjusts itself to new technologies which people acquire for the purposes of enjoying a comfortable life and the social conventions that sweep along. It is the baseline and its conceptual utility that is crucial here. After all, luxury seems to follow the same patterns of adjustment among the status conscious people, for no longer have things become commonplace than they quickly shift their position by either acquiring more than they need of those things or by placing the demand for a higher quality of the same new product, just to show distinction. Before the arrival of smart phones, for instance, everybody used landlines. But today, mobile phones are as much a necessity as a cooker. But the point is that whereas mobile phones are a

common staple, luxury consumers will either acquire a litany of phones or spend a fortune in having their own phones gold rimmed. As Honneth rues, the market knows how to take advantage of such dispositions to consume on the part of the masses. It is already clear that people gravitate to luxury because they have surplus disposable income, and it seems logical that they naturally move from necessity to comfort and then eventually to luxury, if they can afford it.

4.4 Luxury Consumption, Justice and Weak Social Freedom.

In the light of the debate and Honneth's objections, let us now turn to the question of whether luxury consumption fulfils the conditions of injustice under the framework of weak social freedom. It is important to explain how luxury is injurious to other people and to society. We will need to settle the concern of whether it will satisfy the demands of social freedom if it is available to everyone. Let us begin with the claims of virtue ethics. As we saw in the debate, virtue ethics would classify luxury consumption as a vice because luxury consumption falls short of the expected level of conduct; because it is a behaviour 'contrary to reason'. But such an approach is not valid for a social-theoretical account of justice whose interest is to adjudicate on matters of culpability and obligations within social cooperation. For that reason, more is required than the stamp of vice. The first challenge along the line of social-theoretical arguments is the peculiarity of luxury consumption and the theoretical problem associated with its evaluation in the context of recognition theory. Unlike the problem of low wage in the labour market which is a direct form of misrecognition of workers by their employers, the problem of luxury consumption is not such that obligations to others can be defined directly, and blame apportioned easily. With luxury consumption the problem has a direct and an indirect dimension. Because luxury consumption is an action performed by a subject directed at herself, the first and direct challenge would be to determine whether it is an injury to self in any form:

whether it is an expression of authentic tastes and desires of the person who consumes it or not. The question is whether consumption of luxury is authentic and whether it helps the subject to be adequately recognized along the lines of respect, esteem and neediness. Second, we need to determine whether luxury consumption can and does injure other subjects by denying them respect, esteem and satisfaction of their own needs, and if so, in what ways. This implies assessing its side-effects to validate a claim of misrecognition. It seems that the three criticisms of Honneth fall within the indirect fall-out of luxury consumption.

Let us start first with the direct problem. One of the basic promises of the market for its legitimation is that it makes possible the satisfaction of the three aspects of a subject's personalities that relate to consumption namely respect, needs and esteem. In what they consume, people show a part of whom they are, their tastes and preferences hence it merits the recognition and affirmation of the others. They also show that they are needy beings. In like manner the autonomy of the subject is at play because to make a choice between the competing options depends on the autonomy of the subject. Clearly, self-esteem, neediness and self-respect are implicated. Now, Honneth might be right to say that manipulation and advertisement do affect subject's capacity for a proper discernment of their desire and tastes, but we have also to grant that subjects can continually perform their act of autonomy and right judgement in terms of what to consume. There are at least two more reasons why it is safe to stick to the assumption that indeed most times subjects who consume luxury to realise self-esteem have not lost their sense of responsibility or judgement. One, even people without means save money for the purchase of luxury like jewelleries or ornaments. A poor person driving a good car might enjoy that other people think that he is richer than he really is. This is because luxury has great social value. Number two, among those who consume luxury we still see some variations and differences which confirms that the capacity for distinction and choice is not lost at all. So, in response to the first question of whether consumption of luxury can be

authentic, we can say that among those who use luxury it is not a form of self-harm but a reflection of their identity and authentic personality. Whether others see it as misguided is another matter altogether, but then the resolution of that issue goes beyond the confines of this discussion. Through luxury consumption subjects satisfy their needs, express their autonomy, advance their self-esteem for which they attract affirmation and recognition to themselves. What I have described in this direct case is a good example of individual freedom. Now, Honneth's contention is that the realization of individual freedom is contradictory to the logic of market cooperation, since it is an institution in which we all should realize ourselves together. Therefore, the market should be made amenable to the dictates of strong social freedom, rather than individual freedom as described. The demands of this strong social freedom, as we have already explained is that those who consume luxury should directly and personally intend that other market participants also meet their consumption needs, respect and esteem in order thereby to 'complete them according to first-order intentional non-accidental manner'. In other words, the thoughts of other subjects might make those who want to consume luxury to give it up. The problem the weak model of social freedom, according to which subjects can 'complete each other only at the second-order intentional manner', tries to avoid is not to deny subjects the realization of authentic desires and preferences as autonomous subjects. In that case the market would fail to offer all subjects opportunity for the satisfaction of needs and self-realization. To avoid that, I think that it is too early to pass a verdict of injustice on luxury consumption. But we shall return to this point again.

Let me deal with the indirect impacts of luxury consumption as the second challenge. The issue here is how luxury consumption rubs off on other subjects. There are two scenarios I envisage, how it rubs off against those who can afford it and against those who cannot. Based on the political and social reason discussed above, we see that in some cases the general society can improve collectively in levels of economic wellbeing, without strictly speaking following the

demands of the strong model of social freedom. We have argued that the most successful political parties are those who improve the economy by increasing the disposal income available to people. As we saw, there is hardly any political restriction on consumption practices. Rather political parties make it their target to improve on economic wellbeing for everyone. So, when everyone's income is improving, what happens? Judith Lichtenberg argues that when there is money, people strive to be like others, not necessarily to be different. There is a sense in which what is at play are the forces of social freedom because everybody's wellbeing rises because of the rise in the general economic status of the whole society. To that extent the society is well integrated and reciprocally reinforce each other's flourishing. Affluent societies are those that approximate this kind of situation, in which the wellbeing of everyone improves together. But to achieve the benchmark of collective improvement, not only rising wages but also significant levels of regulations and welfare services are put in place. In societies like this, even the most disadvantaged subjects like disabled persons, unemployed persons, people wounded in active service are fully recognized and catered for. Provisions are made for them in the economy. Honneth would probably consider the first and second examples incompatible with the demands of the strong social freedom because, even if everyone has enough for himself, subjects do not satisfy the condition that they individually and intentionally support the aims of other subjects in their interactions with them. The weak model would demand only that the actions of government regulate the market in a way that makes it good for everyone, that is, that completion is achieved through regulation which I call second-order intentional completion. Therefore, when everyone has enough, meaning that the dimensions of consumer-recognition including respect, esteem, need are satisfied, justice would be realized in such a market.

However, even in the affluent societies where most people are well-off and can afford some degree of luxury, there are still individuals whose disproportionate income makes them to stand

out beyond the average. Their consumption is individualistic and for Honneth cannot meet the demands of social freedom. I don't think it deserves to be designated injustice, especially if everyone has enough. Part of the problem I identified in the chapter two is that Honneth's strong version is unclear as to whether it requires first-order egalitarian completion or first-order sufficientarian completion. In the same chapter two I opted for a weak model of social freedom defined by two key characteristics namely (a) that everyone has enough and (b) that intentions be depersonalized in the form of regulation. Now, the weak model can accommodate luxury consumption on these two grounds namely that other members of society each have enough for self-realization (in the sense of adequate respect, esteem and satisfaction of material needs) and that the goods in question are adequately taxed. Beyond this point, that is beyond government taxing luxury goods adequately, it will amount to significant infringement. As to the question of whether surplus income can be used for the purposes of consuming luxury without an implication for injustice, my answer is comparable to what I suggested in the case of low wage in relation to the achievement principle and disproportionate income. I think that luxury consumption can be justified if others have enough; when everyone gets to the threshold of sufficiency in which respect, needs and esteem are satisfied. What is at stake here is that subjects also deserve recognition for whom they are, expressed in their manner of consumption even as a form of individual freedom. To this extent, just like in the case of achievement principle, we cannot avoid accepting that luxury consumption is justifiable once everyone has enough. To the extent that those who engage in luxury consumption are themselves victims of manipulation, to that extent we can say that the market is violating their capacity for even the most basic condition of fairness in the market. However, this is a conclusion we can hold with considerable caution, because the imputation of the loss of sense of judgement among those who engage in the consumption of luxury due to interference with their basic capacity for autonomy is quite serious and not easy to defend.

That brings me to the case of negative effects of luxury consumption on the poor. Honneth already points out that luxury consumption has the negative outcome of rubbing off negatively on the poor. Its side-effect is significant. Honneth assumes that those who engage in it do so for the main reason (maybe not the only reason) to distinguish themselves from the others. The kind of social dynamic that this behaviour unleashes becomes pathological because it instigates an irrational bandwagon race to the top, with those at the bottom feeling very wounded. Consumption would no longer be a factor of integration, but of disintegration since he believes that most people become disconnected from the consumer-market institution. Consumers are thus vulnerable beings and liable to be manipulated just as other subjects are vulnerable and can be harmed by the consumption behaviour of others with whom they cooperate in the market. I agree with Honneth that a situation like this should be condemnable as unfair, unjustifiable and unwarranted. What is violated is the sense of cooperative consumption which Honneth envisages, where each subject's consumptive habit is predicated and reflected on the other. In this kind of cooperative consumption, the three dimensions of recognition (respect, need and esteem) are reciprocally affirmed in a way that is inclusive. For only then, or so Honneth hopes, can the market be truly an institution of mutual recognition. The basic claim of the weak social freedom is that adequate regulation transforms the market into a sphere of social freedom by facilitating the 'completion' and achieves almost the same thing Honneth speaks of. Another means through which social freedom can be realized, and it is a common practice in some societies today, is through the subsidization of basic items²⁰ to make it affordable. If people can secure adequate respect, self-esteem and able to satisfy material needs they might not see luxury consumed by other people as oppressive.

²⁰ Examples of subsidies are agricultural subsidies, low-interest loans, subsidies on food-items, mortgages and house-ownership plans provided by governments and financial institutions to aid subjects to own homes. For more details about subsidy for farmers please see <https://farmsubsidy.org/GB/>

We turn to the rest of Honneth's objections which are also part of the side-effects we mentioned earlier. Is it convincing to criticise producers for abandoning the production of basic items instead opting to produce luxuries? Honneth thinks that producing luxuries is driven by profit motives alone and therefore advances individual rather than social freedom. His calculation can be viewed from two perspectives. He thinks that if market subjects intend the other to satisfy their needs then as producers they should produce items that can be directed at the satisfaction of more basic rather than luxury needs. In that case, they would not invest in the production of luxury which is oriented to the needs of a few rich members of society. Therefore, producers went over to luxury production for capital accumulation and for the satisfaction of a few. To this extent, he argues that it violates the demands of the strong social freedom. Secondly, Honneth thinks that if luxury products are produced, people will tend to care more about themselves rather than about their cooperating partners in the market. To that extent luxury production advances individual freedom rather than social freedom. Now, Honneth admits that subjects must continually perform the autonomous act of making up their minds about what they want to do in an uncoerced manner. Then these subjects execute their desires in the market. The market becomes a way of objectively realizing aims that are formed subjectively. But because subjects who produce have their own targets, just as those who consume have their own authentic desires, the matter is not quite as straightforward as Honneth makes us believe. Those who produce do so primarily to satisfy their need for money, and only by extension the needs of the other market subjects. Therefore, the market can only realize social freedom only according to the second-order intentions.

So, it is difficult to resolve the allegation that by producing luxury producers infringe on the conditions of social freedom. This is particularly difficult to resolve. On the one hand, it is true what Honneth says that those who produce might produce for money primarily and only secondarily for the satisfaction of needs of other market participants. Does this make it wrong?

Criticising a freely chosen course of market participation such as this in the light of the strong model of social freedom might be too harsh. The weak model recognizes that people have different persuasions and interests, and these should be respected in the market. Therefore, choosing to produce luxury rather than basic-needs items does not amount to an injustice against other market participants. What the weak model defends in this situation is that producers need not intentionally complete the other market participants, rather it is enough that they get what they want non-accidentally. Because he defends the strong model, Honneth first condemns luxury production and blames unethical advertising and the manipulation of desires of subjects for the recent escalation of the practice of luxury consumption. This seems to be both factually and historically incorrect. Factually, different people prefer different things. Some people might just have a natural disposition to prefer marble in place of wood, regardless of the moral or cost-implications. As I pointed out already, sometimes we see poor people saving up their earnings, depriving themselves of other things, to be able to acquire luxury. So, in view of what we desire subjects can say that this is whom they are. The market, to fulfil its promise of freedom, must also provide for the needs of each participant. Historically, luxury consumption has always been a recurrent issue and a part of moral discourse in the entire history of the capitalist market and philosophy. Thorstein Veblen's critique of luxury consumption, *The Theory of the Leisure Class*, which was originally published in 1899 is historically prior to the forms of modern advertising that Honneth speaks out against as if they are the real cause of luxury consumption. Even before the advent of the capitalist market as we know it today, both Adam Smith and David Hume talked about luxury. There is hardly any philosopher of repute who does not mention it (Cloutier, 2015 (Trigg, 2001)).²¹ However, the more serious reason we should be concerned about is that justice can only be realized in the

²¹ David Cloutier discusses the history of luxury consumption in philosophical thought in an interesting chapter of his book. There he traces from antiquity the moral debates about luxury consumption.

market if it makes possible the objective fulfilment of subject's desires. We must not lose sight of this. As argued already, subsidies exist for agricultural produce to make it more profitable for producers and more affordable for consumers. The whole idea is to create incentives but not coercion in the provision of basic needs. At least in terms of options, both producers and consumers have their aspirations accommodated by the market through regulation. We must view this as an attempt to socialize the market. If the government were to ban some products or enforce the production of some items in place of the others, it would amount to a significant infringement on the conditions of subjects' reflexive freedom which is a necessary condition for the realization of the strong model of social freedom. Subjects would still retain their reflexive freedom while making the choice of which is the best way for them to engage with the market. It is up to the subjects to decide whether they want to produce food, clothing or luxury items. While the strong version of social freedom demands that producers should intend the 'intentions' of consumers in order that they might complete each other, the weak version demands only that the independent aims of both players gets satisfied through market regulations. The same answers are valid for the claim that basic things become more expensive because less investors are willing to deal on them. Consumers have a right to affordable goods just as investors have a right to their choice of investments. None should be coerced into which area to invest on the expectation that it can meet the needs of others, while failing to satisfy the subject who does it.

Until now, we have not offered any criteria for adjudging a manner of consumption as luxurious or otherwise. Because Honneth does not offer any criterion with which to adjudge an act of consumption luxurious, we are often left with the rule of the thumb. We have specified the conditions under which luxury consumption might become an injustice. In the review of literature, we also arrived at a criterion. We saw that there exist about three rough levels of consumption namely necessity-consumption, comfort-consumption and luxury-consumption.

These levels reflect aspects of esteem, respect and neediness. In the debate we saw that comfortable living is within the means of a great majority of subjects in affluent nations. Beyond that, there is luxury which comes in quantitative or qualitative terms. What this adds to our understanding of consumption as a sphere of freedom and how it enriches our analysis based on the weak model of social freedom is that it makes clear that for the purposes of this analysis, we mean by luxury any form of consumption that goes beyond the middle level of comfortable level, tending towards what is ‘unnecessary’ and ‘superfluous’²². Veblen argued that “the end sought by accumulation is to rank high in comparison with the rest of the community in point of pecuniary strength”. Going further he opines that even with regulation such desire for distinction cannot be eliminated because “[H]owever widely or equally or fairly, it may be distributed, no general increase of the community’s wealth can make any approach to satiating this need, the ground of which is the desire of everyone to excel everyone else in the accumulation of goods”(1952,212). Without contesting the veracity of this assertion, we can say that in affluent societies, most people have reached the threshold of comfort, but they still have enough disposable income. It is obvious that in an affluent society it is a great injustice for some members to still lack in bare necessities. Much will depend on what subjects wish to do with their surplus incomes as a reflection of their inner desires and tastes, for we cannot exclude the right to spend their legitimate income in the ways they deem fit. Trade-off is not so much a criterion as a recommendation for those who have surplus. The weak model of social freedom as the standard of our analysis does not allow us to make such a free-standing judgement about trade-offs because we cannot assume exactly what it is that subjects should want. Rather we follow subjects in the way that they act and assess the justifiability of their

²² To avoid having to explain these terms in turn in a roundabout manner, what necessary means under the circumstances of these discussions is reflected in what I have previously explained as ‘that level when subjects have enough resources and recognition of their three dimensions of needs, respect and self-esteem’ for purposes of their self-realization. The quote from Veblen that follows above shows the level at which luxury consumption can become pathological, excessive and superfluous.

actions based on the normative claims of the market sphere of consumption and the legitimacy of the institution in the eyes of its participants. If they choose to spend their surplus disposal incomes by taking more holidays, it is up to them.²³ What the weak model of social freedom condemns as unjustifiable is a situation in which some participants are enabled to enjoy comfort and luxuries whereas some other market participants, with whom they cooperate, cannot meet basic material needs and acceptable level of consumption respect and esteem.

4.5 Conclusions

In conclusion, it is now clear I hope by the answers proposed, the extent to which luxury consumption is injurious to other subjects and the nature of the injury that is involved. We saw that practices which deny or damage subjects in the areas of basic material needs, respect and social esteem are condemnable by the standards of social freedom. By the same token the dynamics of recognition in market mediated consumption has been explained. We have seen that in luxury consumption subjects consume to realize whom they are. For this, they deserve recognition. Among members of the affluent societies, luxury or conspicuous consumption seem to be the norm as everybody benefits from the political and economic incentives to consume. However, we also saw that socially luxury consumption can be injurious to the poor when wealth is asymmetrically redistributed. It is the responsibility of government to restrict luxury consumption or to improve earnings for all members of society to allow improvement in the consumption habits of the poor. When such general improvement is not possible, luxury consumption amounts to a significant form of oppression and the society could turn pathological. The means through which income redistribution is best achieved is through sundry forms of regulation such as taxation of non-basic items and the subsidies on the basic

²³ Subjects might choose to invoke the norms of respect, that is, autonomy to criticise the consumptive behaviour of other members of society, for finding it revolting or offensive just as it is the case with Anti-Sweatshop Students Movement in the USA.

ones. To the extent that they realize weak social freedom, regulative measures are enough to socialize the consumer market and make it work for everyone. The importance of reflexive freedom for self-realization cannot be overemphasized, therefore we must not lose sight of the individuality of each consumer for the interest of the generality. This applies not just for luxury consumption, but also for the choice of what to produce as a way of realizing one's aims in the market. Rather a mechanism like regulation which achieves both ends is more realistic. We also can say that the weak model of social freedom finds luxury consumption justifiable beyond the threshold of general sufficiency, just the same way that it considers disproportionate wages justifiable on grounds of the achievement principle. The answers provided were unable to say exactly the right ways to spend surplus income, that will be up to the individual to determine.

CHAPTER FIVE

NORMATIVE RECONSTRUCTION AND TRANSNATIONAL
MARKET JUSTICE**5.0 Introduction**

In this chapter, I will go beyond the domestic scenes of the market sphere and thus beyond social freedom and try to transpose the method of normative reconstruction for the purposes of transnational economic justice. Social freedom does not apply in the transnational sphere due to lack of social and institutional integration required to support it. However, the method of normative reconstruction does not always presuppose social conditions demanding social freedom for its applications. The demand for justice is no less pressing in the global sphere as it is within the nation-states. Therefore, we can here explore ways of making the method of normative reconstruction fruitful for the analysis of transnational market cooperation. As a critical theory approach to justice, normative reconstruction is a method of evaluating social institutions society based on the norms which are internal or implicit in them. This means that, at least the case for individual freedom and not social freedom can be defended at the transnational sphere. As we have seen, in *Freedom's Right*, Honneth successfully applies this method to the domestic market, leaving unattended the transnational market sphere. Considering the growing importance of the global market, in this chapter I wish to suggest some amendments to the method of normative reconstruction and then in the following chapters apply it to the transnational economic sphere. In this way we can make normative reconstruction fruitful for the purposes of transnational economic justice and see to what extent the global sphere is just or not according to the demands of individual freedom. The structure of this chapter looks like this: I first reconstruct and restate briefly the core claims of the method

of normative reconstruction (5.1). I then proceed to discuss approaches to normative reconstruction in relation to: (i) to the society and ethical-life, (ii) the market institution and (iii) Honneth's proposals for socialism (5.2). In the next step, I assess the plausibility of three proposals of normative reconstruction to determine which is best suited to transpose the method of normative reconstruction to the transnational sphere and why. Here again three contexts emerge namely, (i) the nation-state context, (ii) the regional context and (iii) the transnational context (5.3). I will conclude with a summary of my findings (5.4). My position is that normative reconstruction can be applied to the transnational market context by showing how the core market norms of recognition namely respect, needs and esteem, are embodied in the transnational market dimensions of consumption and production. It will become clear in the end how normative reconstruction can help to reveal violations of individual freedom as a theoretical basis for justifying claims of injustices as forms of misrecognition.

5.1 The Method of Normative Reconstruction

In chapter two, I dealt with the method of normative reconstruction in some details. I will offer only a short summary here to refresh our minds. In *Freedom's Right* Honneth sets out in details the assumptions of the method of normative reconstruction. The first premise is related to claims about social integration. According to him social integration and reproduction are ultimately regulated by norms which social institutions embody. These embodied norms reflect the understanding of a shared good by which institutions and social order legitimize themselves in the eyes of members of a given society, by providing the ideals that are worth striving for. In the second premise Honneth argues that for the members of society, the idea of justice depends on these same norms which are embodied in social institutions of action. Thus, the task of a theory of justice would be analysis of social institutions in the light of the very same embodied norms which provide their legitimation grounds. These norms must be already

institutionalized and be superior to other alternative norms, in the sense of representing the most forward ideal available. For instance, the sphere of production can no longer be evaluated by the principle of 'honour' which is now considered a backward ideal compared with the norms of achievement and respect that are still regarded as more progressive ideals. Thirdly, out of the multiplicity of social institutions only the institutions which embody those normative ideals, and which are necessary for social reproduction are considered by a theory of justice. In other words, not all institutions of social life and their normative infrastructure are relevant for the continuation of society. Therefore, not all institutions need to feature in a theory of justice. A theory of justice focuses on institutions necessary for social reproduction and continuity. Finally, normative reconstruction is equally a form of internal critique in the sense that it does not affirm the present shape that institutions have taken. It steps back and asks the question of whether the norms and ideals underpinning them have been fully realized or whether they could be embodied in a more comprehensive fashion. While the standard for this critique is not external in the sense that it is not imported but based on already implicit norms, it nevertheless enables a critique of institutions that aim to identify normative deficits. To that extent, normative reconstruction has a critical dimension (Schaub J. , 2015; Honneth A. , 2014). My concern is to show the extent to which normative reconstruction can make clear the extent that the norms of needs, respect and esteem are realized or violated at the transnational market sphere according to the standards of individual freedom.

5.2 Different Approaches to Normative Reconstruction

There are at least three different ways of looking at the method of normative reconstruction in terms of possible circumstances that can warrant it. One is normative reconstruction of the market institutions within ethical-life, the second is normative reconstruction by taking the market in isolation, the third is normative reconstruction informed by Honneth's proposal for

socialism in the form the transformative character of social freedom. I will discuss these three approaches here briefly to identify the form of normative reconstruction that we shall deploy here.

5.2.1 Normative Reconstruction and Ethical-life

The idea of the ethical-life is a concept inherited by Honneth from Hegel which describes the society as being made up of three key spheres of which each has its own implicit norms²⁴. The institutions are personal relationships, market and public-sphere. These various social spheres are not only continually interacting but also presuppose each other. The ethical life is informed by its common normative horizon which defines the idea of the good for members of the community against which they strive. The ethical life thus, is about how all social spheres and their orienting norms that make up the normative infrastructure of a society and how they interact towards the self-realization of all members. The tight relationship among the three spheres is such that the meaning of justice in any of these spheres is related to the other spheres. Honneth conceives the relationship between the spheres as a strong form of integration which depends on some web of morality that binds the social life of a given society together. This web of morality encompasses all the social conditions of social reproduction. Social institutions, for Honneth, are all embedded onto the social fabric and are informed by each other. Accordingly, it makes more sense to analyse the separate spheres in relation to each other. The institutions that Honneth reconstructs usually lie within the ethical-life and as such are closely interrelated to each. On the standards of mutual recognition, as shown through normative reconstruction, justice is achieved when social conditions are such that all the participating subjects in the different spheres can realize their aims. The doctrine of ethical-life is intended to explain this network of institutionalized routines and obligations in which moral

²⁴ The details of Honneth's account of the ethical-life does not exactly correspond to that of Hegel, but this is not something we can pursue here. It is enough to understand that both utilize the idea of ethical-life in their theories.

attitudes not only take the shape of moral principles but social practices as well (Honneth, 2014). It defines the social and inter-subjective conditions that are necessary for a good life within a given society. It captures the settled ethos of a community of participants in its institutionalized routines. Ethical life is a kind of normative bond that members of the society in question or participants in the social institution share together and on which they can base a claim for the good life or self-realization. According to Honneth “the concept of ethical life is now meant to include the entirety of inter-subjective conditions that can be shown to serve as necessary preconditions for individual self-realization” (1995: 173). The ethical life refers to the normative outlook of social integration along the lines of the three institutions of modern life and implies that these institutions are closely related and “are situated in a relational network and need to co-exist with the other patterns of recognition” (178). For Honneth therefore, social freedom is realized when the different spheres interact in a way that secures the self-realization of each social member according to the demands of respect, esteem and need. The extent to which each institution can facilitate the realization of its embodied norms for all members of a given society is for normative reconstruction to reveal through critical evaluation of its practices, hence he makes a case of different forms of misrecognition.²⁵

Honneth retains this conviction throughout his theoretical life²⁶ although his account of the details differs slightly. He firmly believes that for the two spheres of personal life and the market to function effectively they need to rely on the sphere of public will formation as a sphere of laws and rights. Therefore, right arises from the status of citizens as co-authors of the law. As we shall see in the other approaches, political rights differ from market rights which

²⁵ Already Honneth’s reconstruction shows that this ideal is far from being realized in today’s modern societies which fulfil the conditions of ethical life.

²⁶ In *Freedom’s Right*, which many consider to be his most outstanding work, he retains this conviction arguing repeatedly that the analytical thrust of the method of normative reconstruction is to be based on the ‘ethical life’ which is ‘the structural conditions of the contemporary society’, pointing to the form in which ‘moral principles’ take on the shape of ‘social practices as well’. Cf. p. 7ff

can be claimed by market participants whether they are citizens of the same political space or not. But his commitment to the ethical life model means that he always understands rights within the limits of the political sphere, since they originate from laws made by citizens as participants in the public sphere. At the outset of his investigation of recognition in *The Struggle for Recognition*, the early Honneth adopts the Hegelian doctrine of ethical life as the normative background for esteem, hence he names solidarity as its regulative norm. In *Freedom's Right*, the same opinion is present. In the section which precedes his normative reconstruction of the market sphere, Honneth devotes a lot of space to show how market normativity is to be understood in terms of the ethical life of societies (2014: 178-198). Here, Honneth rejects a merely functionalist interpretation of the market, opting instead for a version of normative functionalism which entails evaluating the market from the point of view of its inherent norms which arise from the culture of mutual recognition and social cooperation. For Honneth, normative functionalism has the advantage of bringing into focus the norms that regulate the market sphere in so far as they arise from the social culture and the ethical life. Accordingly, he argues that “the new system of the market cannot be analysed without taking into account an antecedent class of non-contractual moral rules” (2014: 181-182), and an “ethical framework of pre-contractual norms” (2014: 183). In his view, the market for its existence “depends on a constant inflow of non-market moral attitudes” (2014: 184), “non-economic norms” (2014: 187) and “supplementary norms” (2014:184). In short, for Honneth, to evaluate the market using this approach of normative reconstruction requires bringing in aspects of the society into the picture, such as the political forces. We shall have cause, in the next section, to explore the plausibility of this model.

There is a sense however, that the later Honneth's account of the ethical relationships differ from the middle and early ones. In the section of *Freedom's Right* where Honneth discusses market, he devotes a lot of space to demonstrate the normative nature of the market. He limits

himself to the discussion of the market as a sphere of social freedom, saying little about the norms of recognition and their subspecies. We have pointed this out in chapter one and shall not repeat all the details here. He does not spell out the relationship of each recognition norm to the generality of the ethical life. Although he dwells on the overarching norm of social freedom and the social conditions of its realization, he refrains from considering the core norms of the market. Earlier in his debate with Nancy Fraser he had emphasised the decisive importance of the norms that regulate the market such as ‘legal respect’ and ‘social esteem’ as the basis of modern market legitimacy. In other sections of *Freedom’s Right*, he barely mentions the norm of legal respect and respect, which makes participants eligible to enter into contracts and enables them as well to keep the proceeds of their labour (2014:178). There is a reason for this and the answer can be found in his new normative outlook as found in social freedom. In *Freedom’s Right*, he defends the account of social freedom which is a good example of how normative reconstruction fits into the ethical life. As already pointed out in chapter two, a lot depends on one’s reading of the market either as an institution that can realize social or individual freedom. Relations of social freedom unlike relations of individual freedom would not focus on how specific recognition norms like esteem, respect and neediness are applied to specific individuals in the market sphere. To do so would be to see the market as a sphere of individual freedom whereas Honneth defends the case of social freedom. To realize social freedom in the market, according to the demands of ethical-life, means that all market participants are recognized in all aspects of their personalities in a ‘collective fashion’ as it relates to the market institution. This requires realizing respect, esteem and needs for each member of society. Only by looking at recognition in such collective fashion does it fit into ethical-life because the species of recognition go together in one bundle. I have explored in great the implications of this position in chapter two.

The questions that arise here include: would the approach to normative reconstruction within the relations of ethical life be applicable to nation-states alone? Would it apply only where the social and political institutions are fully integrated? What is the threshold that we should look forward to in determining when the social conditions are ripe for assuming that relations of social freedom can apply? I shall leave these questions unanswered for now. Same as the implications of ethical-life for the purposes of engaging in normative reconstruction of the transnational market. The answers to them will be arrived at as we consider the other approaches to normative reconstruction.

5.2.2 Normative Reconstruction and the Market Sphere

I turn now to the institution of the market per se and the approach to normative reconstruction that emerges when the market is treated as an independent normative sphere. By saying that the market is a normative sphere, it means that the market institutions can trigger demands for the realization of the norms which underlie it. The main difference between this approach and the approach informed by ethical-life is that the former seeks to evaluate each institution on its own right whereas the latter evaluates multiple social institutions in close relationships of interdependence under one normative umbrella. Here I will offer an account of middle Honneth's views of these normative view of the market institution in isolation. In the market sphere subject's contributions or achievements regulate social esteem while legal respect regulates the rights of subjects.²⁷ Here is how he captures the normative transition from the old to the new order: "one part of the honour assured by hierarchy was in a sense democratized by according all members of society equal respect for their dignity and autonomy as legal persons,

²⁷ Opinions have been divided on the correct interpretation of the norm of legal respect regarding the extent of its application, that is, whether it is to apply to all people's equally or to members of a given society exclusively. Of course, some rights are discriminatory and do not apply to all peoples equally. However, I think it is correct to hold that respect in the market and the rights that come with it are applicable to those who take part in the market transactions, irrespective of who they are or where they live. Two types of rights are applicable here since what is recognized is (a) the autonomy and status as responsible agent and (b) right of right of choice made according to the agent's preferences.

while the other part was in a sense ‘meritocratized’: each was to enjoy esteem according to his or her achievement as a ‘productive citizen’” (Honneth, 2003: 141). Honneth also wrote about legal respect, that before modern market could fully establish “the subjective, equal right we have termed ‘legal freedom’ would have to be institutionalized” (2014: 178; see also Honneth, 2003: 142), to accord the individual actors the status of responsible ‘legal personalities’. The newly acquired legal status would enable workers to go into contracts as equal legal subjects with the employers for payment for their labour power. This norm also unfolded in the form of mutually granted rights and duties. About the market norm of esteem, Honneth argues that it is usually based on the achievements or contributions of subjects to shared social goals. Drawing on Hegel, Honneth argues that being recognized for one’s achievement or more specifically productive labour is crucial because labour and the contribution the subjects make through it, are at the heart of the economy and the core source of freedom (2014: 223). Much of the social esteem enjoyed by subjects in relation to their productive activity depends on individual achievements. In *Freedom’s Right*, Honneth identifies the third normative pillar of the market sphere as need-satisfaction which regulates the sphere of consumption according to the care principle²⁸. In agreement with Hegel, he argues that the market offers subjects further possibility for freedom through consumption because “by means of the opportunities offered by the market, subjects would learn to see themselves as consumers who are free to determine their personal desires and thus their identity, in the search for and acquisition of commodities” (Honneth, 2014:199). From experience we know as well that esteem and respect depend on consumption which explains why the rabble is contemptible and disrespectable²⁹. Although it

²⁸ In *The Struggle for Recognition*, Honneth specifies that human subjects are needy beings. In that work he deals with only emotional needs of love. However, with time Honneth has come to see that the norm of need applies to different spheres of actions including the market as a sphere of symbolic and material needs, as different from the emotional needs.

²⁹ In *Freedom’s Right*, Honneth makes mention of the rabble as an extremely poor person who has also lost his decency in character (2014: 223ff) which agrees with the arguments put forward in our joint paper to the effect that the two dimensions of the market namely production and consumption all are regulated by the norms of esteem, respect and need (Schaub and Odigbo, 2018)

is not always spelt out clearly in Honneth's writings, it is now clear that the market dimensions of consumption and production are both regulated by esteem, need and respect (Schaub and Odigbo, 2018). Because consumption as a market practice is also regulated by esteem as much as by need, poverty is objectionable as a form of misrecognition. Part of the rationale for social welfare is to make some basic levels of material wellbeing available to all market participants. According to Honneth these ideals and principles so outlined constitute the internal normative principles of the market "with reference to which subjects can reasonably argue that existing forms of recognition are inadequate or insufficient and needs to be expanded" (2003: 143). To carry out normative reconstruction of the market sphere in isolation would require the evaluation of the market in relation to its core norms which inform market legitimacy among its participants. The norms are the same norms of the market namely individual esteem, respect and need-satisfaction in the two dimensions of the market.

Let me make a distinction between market rights and political rights which flow from the norm of respect. According to the middle Honneth, the market is also a relation of legal freedom, in so far as its participants are subjects who can go into contract with each other for the realization of their aims. In this way they are subjects of rights which derives from the law. The market is also a sphere of moral rights which recognize subjects as autonomous with a capacity for decision-making and responsibility. What is important to note is that both categories of norms unfold according to the model of mutually granted equal rights (Honneth, 2003: 142; 2014: 71-86). Under these norms market participants have a claim to rights that can be triggered based on market relationships, especially rights that are implied and validated within the market relationship of production and consumption. Examples of such rights are rights to fair wage, rights to decent working conditions, right to safety, right to rest at intervals, rights to freedom of opinion, rights to freedom of association, right to unionize and co-determination, right to pensions after retirements, rights not to be deceived, right to consumption etc. These rights are

always constitutive of market relationship because they can be demanded based on respect recognition, without prejudice to context or to whether it has already been realized or not. However, the question of how demanding each right is might differ according to context as we shall see. Honneth sums up this point thus: “the claim will be that, with the transition to modernity, individual rights have become detached from concrete roles expectation because they must, from that point on, be ascribed in principle to every human individual as a free being” (1995: 110). The picture becomes more complicated when we see that some forms of rights arise not out of market relationships but out of political relationships. In the public sphere of will-formation, subjects are also recognized as autonomous and co-authors of the laws of the political community. In that case they are respected for that status of equality which make them eligible for political rights enjoyed by other citizens. Sometimes there is an overlap between the political and market aspects of legal and moral normativity³⁰. In his original discussions of the spheres of recognition in *The Struggle for Recognition* (Honneth 1995: 107-121) Honneth discusses rights as an exclusive norm of the public sphere. Only eventually in his debate with Nancy Fraser does he extend it to the market sphere. We also learn from the rough periodization given by T. M. Marshall that different forms of rights developed historically: in the eighteenth century for civil liberties, in the nineteenth century for socio-economic rights and in the twentieth century for political rights. Following the institutionalization of different forms of rights, it is not always clear what the limits of market rights are since some of these rights are redeemable only as it pertains to citizens within a given society and is often contested.

A telling example is that of socio-economic rights like welfare which has considerable effects on the norms of neediness and consumption-esteem in relation to a subject’s social standing.

³⁰ It is beyond my concern here to define in great details the exact relationships between legal rights and political rights as it pertains to market participants and citizens of a nation-state.

Yet, it has both a market and non-market basis. Social welfare can be viewed as a market right if it is enjoyed by those who do not earn enough or those who have been injured at work or even by those who are retired. But it ceases to be a market right when it is enjoyed by those who have lost their jobs, or those unemployed or unemployable who are not taking part in the market sphere; then it is enjoyed by being a citizen. According to Honneth, social welfare is specifically designed to save people from falling into poverty. Owing to the high level of humiliating poverty afflicting the masses³¹, all citizens were also to benefit from the general wealth and resources of the nation as a concrete way to demonstrate social equality. This is a right enjoyed by all citizens irrespective of their status as market participants. If people are to be legally equal as co-authors of the law, so the argument goes, at least they are to be guaranteed a minimum level of material well-being. Otherwise subjects would not be able to lay claim to other rights available to them or discharge the duties of full citizenship. Accordingly, the uncoupling of basic rights-claims from estate-based honour expanded social inclusion and consolidated the basic principle of legal equality among citizens: “the establishment of each new class of basic rights is consistently compelled by the arguments that referred implicitly to the demand for full-fledged membership in the political community” (1995: 116).³² If this is true, then it means that the right to social welfare or the right to basic level of material provision in the form of food, clothing, housing and healthcare are to be correctly seen, in conceptual terms, as parts of the bundle of political rights. But according to the normative spheres being reconstructed, economic rights to basic needs like food, housing, medicare and decent clothing usually is taken to fall within the sphere of the market. In the same way, differing social status

³¹ Honneth believes that the social welfare policy is a direct response of government to contain what he described as the ‘social problem’ of acute poverty among the mass. He said this both in *Redistribution or Recognition?* (p.149) and *Freedom’s Right* (pp. 231-237).

³² At this point Honneth does not follow the route of universal attribute of the moral person but returns it correctly to the political circumscription. As pointed out already, Habermas seems to defend such universal autonomy of the subject.

can be defended based on the achievement or merit principle.³³ This seems not to be the case here, since Honneth defends right to basic material provisions in the form of social welfare on grounds of the “persuasive power—or better, the incontrovertibility—of moral reason” (2003:149)³⁴. It is true that some of the rights enjoyed by market participants are political right, yet we should not lose sight of the fact that some rights are also constitutive of market relationships. In principle then, market relationships can only be justified if it enables its participants an adequate level of recognition along the lines of respect, esteem and needs. What the considerations explored so far show is that legal respect is a bundle that finds expression both in the political public sphere as well as in the market sphere. It seems to feature in all social spheres because it will always be necessary to recognize people as legally responsible and autonomous moral subjects. Respect is also necessary in all the spheres of society including personal relationships, family, friendship, market and the public sphere.³⁵ The question of rights and respect is one that literally finds expression in everything human subjects do, so it is wider than we can possibly consider in full in a study like this one. Before taking up the further analysis of the transnational market sphere, let me consider the third and final model of normative reconstruction: the socialism model.

5.2.3 Normative Reconstruction and Honneth’s Proposals for Socialism

One can say that in *Freedom’s Right* only one of critical theory’s double mission was realised. In it Honneth offers a critique of modern institutions, especially the market, but fails to make

³³ Honneth gives a balanced account of the merit principle as burdened by sundry weaknesses yet a reasonable basis for justifying social inequality based on their accomplishments and valuable contributions.

³⁴ I am a bit cautious in following Honneth along the lines of this conclusion because it can create the misleading impression that economic rights do not arise from the markets anymore. This was demonstrated with the example of social freedom. But whether this is a case that can apply in every market situation is an interesting problem that can be further researched, but it is not something I can take up further here.

³⁵ Autonomy equips subjects with the capacity to be responsible and able to engage in dialogue to change oppressive relationships to the better. Honneth names a lot of factors that undermine the institutionalization of moral respect such as internal division and stratification among the workforce, excessive powers of the companies, neoliberal agenda, market restructuring, market competition, pressures of globalization, increasing demand for higher profit etc. For more details (*Freedom’s Right* pp. 225-249)

evident the path to transformation. It is one thing to say that the present situation of capitalism does not realize justice and quite another to show how social transformation and positive change can come about. Following criticisms (Jutten, 2015; Schaub J. , 2015; McNeil, 2015; Frayenhagen, 2015) about this deficiency of *Freedom's Right*, Honneth, comes up with another book with a transformative intent namely *The Idea of Socialism*. In this book, a new model of normative reconstruction appears to emerge. This socialism model is quite different from the two versions previously considered. To see whether it offers me an alternative to the task of reconstructing the normative nature of transnational market, let me state here its core characteristics. In this new book, the leading question for Honneth was: if socialism was in the past a potent opposition to capitalism, how can its declining relevance be restored today? Honneth engages in intellectual history to show how capitalism mis-stepped. He did this to reconnect with previous theorists of the socialist tradition. According to his view, the French Revolution overcame the feudal order and put in place a new normative horizon which includes the ideals of “freedom, equality and fraternity” (2016:6). These key norms were supposed to inform the different social institutions after the revolution, but the socialists, he argues “discovered an internal contradiction in the principles of the French Revolution” (2016:9-10). The “merely legal and individualist understanding of freedom” that informed the market relationship among subjects, he argued, was “far too narrow for it to be reconcilable with the principle of fraternity” (2016: 11; also 51). To resolve this problem, the socialists came up with an ‘original ground-breaking idea’ of social freedom (or socialism, as he calls it) that boldly unifies the three partially conflicting principles of equality, liberty and fraternity. It did so “by interpreting individual freedom as a kind of freedom in which each person complements the other” thus “completely resolving this freedom with the demands of equality and fraternity” (2016: 25). The socialist critique is thus not about the norms of legal respect, social esteem or neediness or of re-interpreting the negative legal conception of freedom underlying the

economic sphere, but about replacing it with a different notion of freedom altogether. The socialists focus not only on the norm of liberty, but also on equality and fraternity or solidarity. By implication, it is not a reconstructive critique because it invokes norms that are not yet underlying the capitalist market. The notion of social freedom they imply is not a less biased interpretation of the notion of legal freedom but denotes an “alternative model” of freedom altogether (2016: 20). Honneth endorses the transformative socialist project in the economic sphere “in order to fulfil all the necessary prerequisites for relations of solidarity among members of society” (2016: 54).

In adopting this proposal, Honneth falls prey to the temptation of including non-market norms in his reconstruction. Since taking up the investigation of recognition as the basis of social theory and a theory of justice, he has put the norm of solidarity to various use. In early Honneth solidarity was the norm of social production. It is same in latter Honneth except that solidarity is now framed as part of the social conditions of the good life. As we saw in later Honneth, his approach with normative reconstruction is always indebted to the view of society in terms of ethical-life, which requires that all reproductively relevant social institutions are taken into consideration together. The idea of socialism is not strictly based on the inherent norms of the market as such, but rather a projection of how the market ought to be. Therefore, it over-stretches normative reconstruction, as it dwells on norms that strictly do not inform the market institution as it is today. Rather these are norms that are generated from the negative experiences of people who take part in the capitalist market relationship. The solution envisaged by the early socialist was to view the market as a sphere in which the subjects do not cooperate with each other for their own interest, but intentionally work ‘for each other’, so that the intentions of each participants can be mutually realized. For Honneth, the fault lines of the early socialists’ conception of freedom consists mainly in the point that they interpret the normative relationship in question to be solely that of the market sphere, discounting other

normative obligations in society like political rights. He therefore views political freedom not as a restriction, but a necessary condition for the realization of economic social freedom. As I see it, the political connotation of socialism must also be pointed out for that is what enriches it with a transformative character. Honneth had already criticised Marx for presupposing that the realization of the cooperative model of the market in which individual freedom is achieved in the form of a just cooperation within the market implies that the norm of solidarity is thereby realized or that political rights are coterminous with economic rights. For Honneth, socialism is not just an economic project and should not be placed as an alternative to capitalism as Marx and earlier socialist had mistakenly assumed. The most important task, Honneth wrote, when it comes to reviving the socialist tradition consists “in revising Marx’s equating of the market economy with capitalism, thereby opening up space for alternative use of the market” (2016: 57). The tendency to isolate the market is a fundamental weakness of the old socialist tradition leading them to discountenance the normative dimensions of personal relationships and political life. Honneth recommends his version of socialism which consists in acknowledging the forgotten spheres of the personal relationships and subjecting it with the economic sphere to the steering control of the political sphere of public will-formation. He wrote that “if the society is to be well-ordered and intact, then the relationships between its various subsystems and the overarching goal of social reproduction will have to ensure this reproduction by means of the interdependence of differentiated social spheres” (2016: 91).³⁶ In a sense, the socialism model has close affinity to the ethical-life model in many ways, but also differs significantly. The ethical-life model just like the socialist one requires that all three functionally differentiated social spheres not only form one society but presuppose and determine each

³⁶ Honneth is therefore saying that without the regulative role of the state or political forces, the market cannot realize social freedom. This seems to conform to my view of weak social freedom discussed extensively in the first part of this thesis. But if this is the correct interpretation of social freedom, that is, always to interpret the market in the context of political interventions, it mean that the direct intentionality that Honneth defends in the strong model of social freedom needs to be amended.

other. In both models, the idea of social freedom is invoked in the market. However, in the case of later Honneth of *Freedom's Right*, this ideal is already underlying the market whereas in the ideal painted in latest Honneth of *Idea of Socialism*, this ideal which has global reach, is not yet underlying the market. The socialism model, by emphasising the steering role of the political sphere, contains in addition proposals for social transformation. The significant difference one can see lies in the fact that whereas the ethical-life focus implies that Honneth turns his back to supporting any form of trans-nationalization, the socialism model contains proposals for global justice, a dimension that would be difficult to integrate into Honneth's view of ethical-life. Socialism is for him a global movement of realizing social freedom in the market sphere through active collaboration among extra-political transnational non-governmental organisations (NGOs). Research efforts are beginning to percolate along the lines of deploying a multi-stakeholder system of regulation to secure and realize global ethical standards (O'Rourke, 2006).

How then is this relevant for transnational economic justice? Honneth recommends that the socialist doctrine must therefore “progress along with the tendency towards international interdependence by no longer respecting national borders” (2016: 99). This will be made possible by the trans-nationalization of the process of democratic will-formation, while drawing on guarantees provided by individual states. Honneth calls on all peoples everywhere to fight for the realization of relations of social freedom in the market in all corners of the world, by building international networks of solidarity among those engaged in this battle for the global realization of social freedom in the economic sphere. In the end, socialism is more a political doctrine than a global social theory. We are encouraged to fight for it everywhere, wherever we encounter the failure to turn economic cooperation into relationships of social freedom. For him, it is a normative possibility which has not already been realized in the transnational market institution, despite being realizable. But since this norm of social freedom

is not yet realized in transnational economic sphere, it is beyond the scope of normative reconstruction and thus outside the scope of my present concerns. Let us now shift attention to what I call the different contexts of normative reconstruction.

5.3 The Social Contexts of Normative Reconstruction

Nancy Fraser once described transnational justice as ‘abnormal justice’ (2008) involving people who live far from each other in a transnational sphere which deserves a new grounds of legitimacy (Fraser, 2007). Her remarks are relevant to this section on contexts because of the globalization of the market involving players in different nations. In the last section we saw the three approaches to normative reconstruction as it relates to the ethical-life, to the market in isolation, and to the proposals of socialism as a global political movement. Here I want to see which of these named approaches are more suited to varying social contexts and the implications it will have regarding how demanding the claims of economic justice can be and how suitable it is for the normative reconstruction of the transnational market sphere.

5.3.1 The Nation-State Context

Based on Honneth’s own work, the ethical-life approach seems ideal for a normative reconstruction engagement with the nation-state because the nation-state fulfils the structural conditions for the realization of ethical-life. In the nation-state with its own normative ideals and understanding of the good life, not only personal life, but also the economic and political integration are at their strongest. Socially, there is a strong normative bond sustained in part by sentiments of solidarity and law. Here members of the given nation-state form part of the social whole that integrates all the three dimensions and social institutions necessary for self-realization like the state, the family and the market. Members of the nation-state are to provide themselves all the conditions for self-realization. What Honneth describes as relations of social freedom are at their strongest due to strong institutional integration. It is just that today the

situation is changing very fast and the inter-subjective conditions for a good life are hardly entirely provided within the nation-state. Members of the nation-state share the same political institutions, sometimes the same language and see themselves as citizens. They often see themselves as subjects of law but also authors of the laws hence they are subjects of political rights and duties. In the economic sphere, the citizens are also respected as legal subjects with economic rights and recognized both as contributors and consumers. The key features of this context are that the three core institutions are at their strongest and strongly pre-suppose each other. If the public sphere of laws has any advantage for this context, it is not in the normative character of the market as such. The middle Honneth of the *Redistribution or Recognition?* does not confuse the market norms with the norms of the public sphere, except when they overlap³⁷, rather he believes that they can only be more adequately realized together. Therefore, this does not affect how demanding the norms are in themselves, but rather the ease of realization. These are two different things altogether. The demand for economic justice is strong because there is economic cooperation among them, not merely because they belong to the same nation. For instance, a consumer whose right for correct product-information has been infringed by deception stands no less abused than another consumer who has a similar market experience even if she lives in another political community. For the later Honneth of *Social Freedom* the scenario changes remarkably. The specific recognition norms of respect, esteem and need are considered in a collective fashion under the notion of social freedom. As we saw in part one of this thesis, to realize social freedom in the market, is to realize these norms adequately for each market participant. The characteristics of this new normative orientation has been clearly spelt out. We can only add that it is a framework that is very applicable to the nation-state context, when viewed from the point of view of social freedom.

³⁷ A good example of this overlap is the case of social welfare rights which I discussed in detail in the last section. There we saw that citizens enjoy socio-economic rights which are in some way related to market rights.

However, some authors believe that the ethical-life model can be applicable beyond the nation-state. Andrew Buchwalter regards Honneth's restrictive interpretation of 'ethical life' to the nation-state as reductionist. He argues forcefully for the application of Hegelian thoughts to the problem of global justice, going ahead to author a series of books and articles to that effect (Buchwalter, 2007; 2012; 2015; 2013). Tony Burns (Burns, 2014) argues that a cosmopolitan interpretation of ethical life is also possible. According to him, Hegel can be linked to the idea of 'a single world state' and therefore best interpreted in terms of 'weak cosmopolitanism'.³⁸ For these authors the 'doctrine of ethical life' is applicable transnationally and need not be limited to the nation-state. But it is not clear from their writings whether ethical and cultural similarities can be found among all the nations of the world today to the same level as it is in the nation-state to support a global doctrine of ethical-life. It is not also clear whether the projection of global ethical-life is only a possibility of the future not yet realized today. In short, the extent to which this opinion can be expanded and applied to real cases is a question that requires further exploration beyond our present concerns. I have come however to reject this view, and with it the possibility of using this model to guide my normative reconstruction of the transnational market sphere because the structural conditions that make this model applicable does not today exist transnationally. As I explained earlier in the last section, there are growing areas of convergence and similarities in the global market sphere. There are regional and transnational market co-operations as well as international conventions and treaties. In the *Idea of Socialism*, Honneth for instance speaks of 'global public sphere fostered by international NGOs'. However, national differences are still well pronounced. For instance, national boundaries and political autonomy, which ground the sphere of will-formation, are far

³⁸ According to Tony Burns, weak cosmopolitanism implies that the relation which exist between members of cosmopolitan political community will then be based on principles of reciprocity, mutual recognition and peaceful cooperation (Burns, 2014). Hans-Martin Jaeger explores what he refers to as Hegel's reluctant realism and proposes the extent to which Hegel's theory can be put to the service of theorization and transnationalization of civil society (Jaeger, 2002)

from being superseded in today's world. It is self-evident that there is no shared global citizenship today. Practices of cooperation in the political, social and economic spheres involving people from everywhere have continued to intensify, but total integration of social and political institutions have not yet been realized. Therefore, ethical life applies at the first count in the nation-state context envisaged by Honneth as our discussions have shown. For these reasons, this context of the nation-state can rightly only support the ethical life approach of normative reconstruction.

5.3.2 The Regional Context

The question here is whether regions or clusters of nations represent a sphere of recognition or space for justice. In what ways can normative reconstruction as a method be applicable to such a sphere of more than one nation? Are the relations in a regional context a relation of social freedom or individual freedom? One might think of the Economic Community of West African States (ECOWAS), a form of regional economic integration of 15 African nations. The European Union (EU) is another good example of the regional integration in which (currently) 27 European countries cooperate with each other. In the EU, there is market integration and hence we can speak of European single market. Among the EU nations there is an active form of market cooperation in consumption, in exchange of labour, goods and services. In addition to market rights, subjects in the labour market across the EU enjoy some degree of common political rights as autonomous subjects. In normative terms, it can be said that the social conditions for the realization of their freedom is regional and transnational. This seems to suggest that the regional context can support a claim for social freedom. Of course, on the first count this context can realize individual freedom in the form of rights. Put in terms of differentiated norms of recognition, this means that the three core areas of rights, satisfaction of needs and social-esteem apply as the bases for market legitimacy. Within Europe and among the EU member-nations, European subjects are respected as autonomous subjects of rights;

they are recognized for their contributions; and recognized for their status as subjects who have needs to satisfy; all these against a common generalizable standard. Several rights accrue from this and have been accordingly institutionalized. As already clarified in the previous sections, the rights in question here are strictly market rights which derive from market participation. Good examples are the right to work, right to fair wage, right to safe working environment, right to free association, right to form unions etc. To a very high degree, market practices are integrated and regulated by the relevant norms of respect, esteem and neediness. EU citizens can work in any of the union member states without losing any rights. The contributions of subjects are recognized across the borders of the cooperating member-states.³⁹ The establishment of a European Courts of Justice means that breaches of market rights in the areas so named can be addressed across the European member states. It is important to emphasize that differences in culture or language among the European nations does not affect the validity of these market rights, nor do political boundaries. On strictly market terms, all European subjects among the member nations are equal in principle, meaning that there is no institutional discrimination against anybody who is a citizen of the cooperating country. This point is important because about the market sphere, cultural or political boundaries do not constitute a strong obstacle to the realization of the inherent norms. This makes the demand for market justice very strong because all the market norms are validly accepted by the participants and can be invoked at will.

On the other hand, the public sphere and the rights they regulate are different things altogether. Here the level of political integration is only partial. European subjects are eligible to vote in their own nations where they have full political rights, and in other nations only in local elections and ones that pertain to European parliaments or the European Commission. For

³⁹ The details of such rights are being debated like whether all workers within the EU who do similar works can earn the same wages. This is not a question we can pursue further here, it is enough to see that rights have been basically institutionalized among the citizens of the EU (Holst, 2012).

instance, non-UK citizens cannot vote in UK general elections just as non-French European citizens cannot vote in general elections in France, although they can vote in council elections. Whereas voting is not a right granted to all under all circumstances in Europe, access to welfare which we have shown is a form of political right, is available to all Europeans everywhere in Europe. For instance, all European citizens can have access to welfare and maintenance provisions for themselves and their families once they fulfil the conditions. This situation is consistent with the opinion expressed earlier that social welfare, although concerned with the market norm of neediness, is now a form of political rights. Accordingly, it is granted to citizens of Europe but not to non-European citizens. So, there are two areas of political commonality: voting in local and EU parliamentary elections as well as social welfare services. This makes political integration only partial, within the limits of the specified areas of political uniformity, regardless of whether they live and work in those nations. There are still some thresholds that have not been crossed before full political rights can be granted to the citizens of Europe, considered as one, without discrimination. Living in a society does not always amount to having the same rights because among inhabitants of the same space there are further divisions about who is a citizen or not (Morris, 2007). Of the three core institutions of modern life, monetary policies and economic rights of EU citizens seem to have been well integrated although significant independence still operates in member nations like in areas of fiscal and economic policies. Here is not a place for a full analysis of the details of European integration, it is enough to point out that there is an advanced level of socio-political cooperation among the EU member states and their citizens. We can say therefore that while there is stronger solidarity among citizens of nation-states because all the spheres are significantly integrated it is less so in the case of the EU where there is ample solidarity and integration but not as strong as what obtains in the nation-state. What this means is that the demand for justice or the recognition it can trigger among EU citizens is not as strong as the demands within the nation-

state. Therefore, the ethical-life can be applied partially across the EU within the limits of the various levels of integration and solidarity, although less than what obtains in the nation-state. This also means that the market-model of normative reconstruction is entirely applicable because the social pre-conditions of self-realization in the market have been commonly integrated in the EU. The ethical-life model requires that all the spheres of action not only complement but also pre-suppose each other. This is a condition that is partially satisfied in the case of the European Union and to a lesser extent in other regions of the world. Although several levels of political and economic cooperation exist along different regions of the world such as OECD, NATO, NAFTA, G8, UN, etc., none of them fulfil the demanding conditions of ethical-life, and so does not deserve that the three core institutions of social reproduction be evaluated in the same vein.

5.3.3 Transnational Context of Cooperation

The transnational context is substantially different from the national and the regional levels of cooperation that we have considered so far. There are substantial differences in culture and political conditions across the world that at first sight threaten any hope of normative reconstruction. To make it worse, some of the countries of the world are still under military or communist rule and seem not to meet the minimal conditions of market freedom for its citizens. At the same time, there is a growing level of convergence among the peoples of the world in market cooperation which cannot be denied. This convergence raises the question of economic justice more strongly among those who cooperate. Philosophical literature on economic justice at the transnational level has also grown in recent times (Pogge, 2005a; 2005b; Reitberger, 2010; Debra, 2005). It has been predominantly dominated by proponents of cosmopolitan moralism (and contestations therein) who consider world poverty and hunger moral scandals in a world rich enough to eliminate hunger (Pogge, 2002; Steinhoff, 2012; Singer, 1971; Nicoladis & Shaffer, 2005; Drydyk, 2014). Their key differences notwithstanding, most of

these arguments on injustice do not base their analysis on immanent norms. Internal reconstructive and critical theory responses to global justice are also increasing daily, (Forst, 2005; Fraser, 2008), with some of them dealing with proposals about globalizing recognition (Schweiger, 2012; Heins, 2008) on grounds that recognition is an absolute standard which transcends any given society. But while the normative orientation is based on early and middle Honneth, it does not utilize the method of normative reconstruction that is distinctive of later Honneth. In the case of transnational market sphere as a context of normative reconstruction, the basic question is whether there are market norms which can be said to be universally applicable or to have sufficiently penetrated the borders of the many nation-states and regions and now inform people's actions towards the transnationally institutionalized market. Are there norms that could be said to have assumed the shape of what Honneth calls a 'second nature', taking note of the differences in cultures, religion and societies across the world. Are these transnational institutions in their present shape of such that they can be shown to have been informed by these norms? In what ways can we refer to the transnational sphere as a normative horizon?

In this section, I take it that none of the two models of social freedom developed in chapter two are appropriate for the transnational market sphere for reasons already presented. I will rather invoke the norms of individual freedom in the market sphere namely respect, social esteem and neediness (2003:141; 2014: 199). The middle and later Honneth states that a typical modern market relationship is always underwritten by these core market norms, except that middle Honneth designated them as norms of individual freedom while later Honneth redefines them as relations of social freedom. What I will do now, in agreement with Honneth, is to show how the transnational market sphere is a sphere of individual freedom as the basis of its legitimacy. Without calling up the entire details of Honneth's arguments about modern market legitimacy and normativity, let me begin negatively. To deny the normative nature of the

transnational market cooperation would mean to deny that it is a sphere of recognition and freedom. This amounts to delegitimizing the market in the eyes of participants by a blanket denunciation of esteem, rights and needs as the normative grounds of the market. But this has the potential to cast the entire transnational market in a garb of illegitimacy. Since this is an unlikely situation in the world of today, that is, since the modern market including its global dimension is generally regarded as a 'free market' and therefore a sphere of freedom (not a slave relationship), I will then take market norms as valid and explain how the details can be articulated. Human subjects who take part in the two dimensions of the transnational market ought to be recognized as subjects who are autonomous, who have preferences, who contribute and who consume to satisfy their needs. They should be recognized for their qualities and normative status in these areas. The status of being free means that at least the subjects meet the conditions of reflexive freedom in which subjects can decide to take part in the market institutions according to their preferences and capacities. This status also means that they are not forcefully barred from or coerced into taking part in the market, so we can speak of negative and positive freedom respectively. The demands of recognition require that subjects mutually recognize each other as subjects who have aims and purposes who depend on each other for the inter-subjective recognition of their qualities and thus the fulfilment of their aims. If we focus briefly on right within the productive dimension of the market, it follows that once subjects take part in the market activities, their status as subjects of right brings with it such rights that can be invoked and have been invoked, to demand respect in areas already named such as: the right to work, to fair pay, to safe and decent working environment, to recreation, to have their opinions heard and to free association in the form of unions etc. The boundaries and limits of which productive rights apply to subjects who participate in transnational markets in view of their normative standings as autonomous subjects within the various contexts of justice is of course a matter of debate and perspective. But basically, I assume that in principle

the same rights of individual freedom which accrue to market participants in the nation-state and regional contexts could also apply to subjects at the transnational market sphere. It does not matter if these rights have been redeemed today or not, rather what our theory aims to point out is that institutionally and normatively it is valid to make demands through struggles for recognition for the better realization of these rights and that market legitimacy can be defined in relation to them. For instance, in the various mines, construction sites and factories around the world, the right to safe working environments are infringed upon as in the case of sweatshops which are witnessing different degrees of improvements due to struggles for recognition. The good news is that normative reconstruction makes it possible to identify and justify such claims for rights as built into the market on grounds of its cognitive underpinnings. Today the demand to realize justice in the transnational sphere is intense, although made more difficult because of the many layers of players between the workers and the employers of labour, due to contracting and outsourcing. However, the obstacles to the realization of these market rights do not affect their validity which is why ethics of supply-chain management is taking a central stage in business ethics and also concern about the rights of workers (Roberts, 2003; Bowen, 2001), which focuses on articulating forms of abuses within business relationships. Although under such a setting, it is more difficult for the poor workers to have any access to the owners of the company it does not affect the validity or how demanding such rights are. Honneth already pointed out in *Freedom's Right* (2014: 248) that such conditions characterize labour relations today which have implications for justice. But such conditions do not change the fact that the relationship between workers and their employers demands that rights be respected and that it is a normative demand constitutive of market relationships.

In the same vein, the achievement principle (barring distortions) regulates and justifies people's wages and entitlements within a market relationship. Wages in turn reflect the level of social

esteem and value placed on their contributions. Subjects who make contributions to the market, irrespective of location deserve to be recognized for their achievements because in their works they make valuable contributions to productive cooperation. A more difficult question is to what extent there is a universally valid understanding of the 'good' that can stand as a standard for assessing every form of contribution to market cooperation. Likewise, the problem of wage differentials and differences in living standards between countries which affects the amount of pay or level of recognition each worker receives. Here we can say that wages can be fair, without being uniform, according to the circumstances of each nation.⁴⁰ I also think that significant commonality exists transnationally although some cultural differences persist. The possibility of cooperation itself instantiates the reciprocal relationship in the market, because the goods and services people in other parts of the world produce are used by their counterparts elsewhere. For such a cooperation to be made possible each side must find the other's contribution valuable and compatible with their idea of the good. The problem of different living standards does not prevent us from viewing some of the worst market abuses listed by Honneth such as low pay, disrespect and exploitation from the transnational market perspective. If the amount of money earned by a worker is the value placed on his contribution, then many workers in the transnational sphere enjoy little or no esteem, despite their contributions. Many of the retailers of clothing and apparels in Europe and US now produce their wares in the developing countries. Cocoa and coffee are staple food in the West just as flowers and spices are in high demands. Large quantities of these items are produced in the poorer regions of the world, not to talk of labour mobility between regions of the world. But it is not always the case that the workers who produce the items used in other parts of the world

⁴⁰ Economists have suggested the theory of purchasing power parity (PPP) which defines the value of income by what it can buy, social setting notwithstanding. The United Nations also have recommended that international living wage be calculated from what wages can buy and the standard of living it can secure, not the amount of money paid as such.

attract adequate recognition. Today 'Fair Trade' is a global movement for justice which seeks to extract more value for poor farmers from the consumers, supply-chains and manufacturers. In the apparel industry there are many comparable movements, like the Students United Against Sweatshop Movements or Ethical Trading Initiative etc that demand or work towards adequate recognition for men and women who work in sweatshop conditions. A frequently neglected area is production need, although Honneth dwells on it quite extensively. Workers at the transnational level desire to do work that is challenging and satisfying; they desire to improve their skills so that they can take on more challenging tasks which is meaningful so that they can enjoy the recognition that comes with it. The new re-organisation of labour which causes de-skilling and meaninglessness is at the centre of this point. This situation is very much prevalent among sweatshop workers where they do mainly robotized form of work, lacking all forms of initiative. But it is enough for now to point out that workers who labour at the transnational sphere deserve to do reasonable work as a matter of normativity and that this triggers the demand for recognition (Schaub & Odigbo, 2018; Honneth A. , 2014).

Like the sphere of labour, the sphere of consumption as another dimension of the market is also a sphere of freedom which has acquired a transnational character. In the practice of consuming goods and services subjects satisfy their needs and consumptive preferences which helps them to be free and self-realizing. Severe lack of means or opportunity to satisfy one's needs causes frustration; a loss of consumptive esteem makes one contemptible; a lack of respect makes one lose self-respect and confidence. According to Honneth, such conditions are normative violations and they translate to poverty and lack of freedom. A subject is recognized as having material needs such as housing, food, clothing, medicare, recreation when the market relationship makes the satisfaction of these needs possible. It makes it possible by the amount of money earned which in turn facilitates the satisfaction of these needs. Unless an employer recognizes an employee as a subject of consumption-need, she will not behave to the

worker in an appropriate manner of care. At the same time, Honneth argues that the consumption market is a sphere of rights, which means that subjects are also to be respected. The rights of all consumers, including transnational ones, are disrespected through intentional misinformation like false advertisements and all manner of mislabelling or spurious claims about products. Such market practices is sufficient to trigger the demand for respect among transnational consumers absence of which amounts to misrecognition. Finally, the argument for the satisfaction of needs in relation to the level of wages is also valid for the norms of social esteem because the realization of social consumption-esteem depends on the level of income available to the subject. Consumption helps to build self-confidence as well as social-esteem, in addition to the satisfaction of needs. For in the market these subjects learn to see themselves as persons, to draw on familiar formulation, ‘who are free to determine their personal desires, and thus their identities in the search for and acquisition of commodities’ (2014:199-200). The importance of adequate consumption for positive relation to self, for self-realization and for justice cannot be overemphasised. In consumption subjects are recognized as needy, which obliges the employer to pay enough to satisfy such normative demands. There are many shapes that consumption misrecognition can take, some of them from the supply side like producers or marketers deceiving consumers and others from the demand-side like total lack of purchasing power. Honneth mentions both dimensions in his reconstructions but focuses more exhaustively on the supply-side. Like he refers to bread riots and ground zero poverty among workers (2014: 204) but his emphasis is more on manipulative advertisement and practices in which consumers are frequently undercut on the market (2014:200-205). So, my analysis will go beyond Honneth’s because emphasising the demand-side of the argument helps me to expand the conceptual space to cover more market activities that otherwise would have fallen out of perspective. Therefore, we have seen that the same norms of recognition always underlie market relationships because they are constitutive of the modern capitalist market. Infringing

them compromises its normative standing and its legitimacy. All market relationships, without regard to context, can be evaluated based on these norms because they are already implied in the presumption that the market is a legitimate institution and thus that it is a sphere of freedom.

5.4 Conclusion

Which approach to normative reconstruction then is most suited to the transnational market sphere? Among the options considered, the approach of normative reconstruction when it is a case of ethical life and in the case where it is only a proposal for global movement of socialism are not suitable. The basics of the ethical-life model which requires that the three different spheres namely personal life, public-sphere and the market not only depend but also presuppose each other is clearly lacking in the form of market cooperation among the far-flung and politically independent nations of the world. In the transnational market, neither the family nor the public sphere of common-will-formations are harmonized into one entity. Therefore, the form of harmonious normative horizon that Honneth speaks about has not been achieved yet at the transnational sphere. For different reasons, the socialism model is not suitable for my purpose because by its nature this model is strictly speaking not about norms that have already been institutionalized and is therefore outside the scope of an approach that proceeds by way of normative reconstruction. Although Honneth recommends that it is a model that can be pursued at the transnational sphere, bringing together players in all nations of the world, so that socialism as a regulated market can substitute the capitalist market, this it is not a model that suits a critique of the transnational market. It leaves us with relying on the norms that are constitutive of the modern market to formulate a transnational theory of market justice according to the demands of individual freedom. We have seen that there are enough grounds to argue for needs, respect and esteem within transnational production and consumption. We must then look out for instances where the implicit norms of the market seem to have been

compromised. We shall now proceed in the following two chapters to apply the market model of normative reconstruction to the sweatshops as a typical example of the transnational market cooperation, reflecting the productive and consumptive components of the market in the lives of the sweatshop workers.

CHAPTER SIX

SWEATSHOP AND TRANSNATIONAL LABOUR JUSTICE

6.0 Introduction

In this chapter, I will engage in the normative reconstruction of the labour practices of the transnational market sphere. I will use sweatshops as a case-study because it is a good example of transnational economic cooperation. It has also received vigorous academic attention and inspired a lively debate. Moreover, no study that I know of has applied the theory of recognition based on the method of normative reconstruction to the analysis of sweatshop labour conditions. I want to fill this gap by evaluating the labour conditions of sweatshops based on the norms of recognition that are constitutive of production market relationships, as indicated in the last chapter. The norms in question are respect, esteem and need. I will first give a brief and general outline of what sweatshops mean followed by an account of labour normativity in terms of what the normative ideal looks like, and why it is topical for a study of transnational economic justice (6.1). I will then provide a critical and updated evaluation of major academic opinions on sweatshops from philosophers and economists alike (6.2). In the light of the arguments and evidence in the debate and what I perceive as the weaknesses of their conclusions, I then proceed to offer an alternative analysis inspired by a theory of recognition and individual freedom (6.3) I will conclude with a summary of my findings (6.4). I will defend the position that low-wage, routine work and lack of protective-dressings as well as bad working conditions all violate the constitutive norms of the market namely esteem, care and respect respectively. To that extent these practices violate the standards of individual freedom

and represent forms of misrecognition and injustice. However, I raise one reservation, namely whether the form of work on offer today is avoidable.

6.1 Sweatshops and Normativity

Sweatshop analysis has both empirical and normative dimensions. As a term it originated by a coinage of the words ‘sweat’ and ‘shop’, and literally refers to the bad and miserable conditions under which labour is carried out in textile factories and manufacturing venues around the world, predominantly in the developing nations. It is characterized by low wage, routine and repetitive work, unsafe working environment, disregard for workers’ welfare and lack of consideration for workers’ voice. Today it is almost a byword for sundry labor and related abuses. According to one author, sweatshop is “a common term used to refer to factories that typically produce apparel; that have very low wages by modern U.S. standards, long working hours, and unsafe or unhealthy working conditions.” Further, it says that that they “often don’t obey labor laws; and would generally be considered unpleasant places to work in by most citizens in wealthy countries” (Powell, 2014: 109). Sweatshops represent work-relationship, whether in big cities or rural slums, in which “the employer controls the working conditions and the worker cannot protest” (Stein, 1977). There has been a wide range of books and essays on sweatshops covering many dimensions from the history and the moral to the political and the economic dimensions; from its benefits to its challenges (Esbenshade, 2004; Ross J. S., 2010; Hapke, 2004; Mezzadri, 2017; Rosen, 2002; Ross A.1997; Powell, 2014; Bonacich & Richards, 2000; Prentice & De Neve, 2017). Although details vary from country to country, and from region to region, the sweatshops are notorious for what is commonly perceived as their structural abuses. Michael Kates defines sweatshop in a more inclusive manner thus:

any place of employment can be accurately characterized as a sweatshop in so far as it satisfies the(se) working conditions, i.e., one, wherein workers are typically subject to income for a 48hour workweek less than overall poverty rate for that country and/or

systematic health and safety risks due to negligence or the willful disregard of employee welfare (2015: 195)

True, other forms of transnational labour relationships exist like oil companies, manufacturing, construction or sales representatives that employ indigenous manpower and farm-produce supply chains. In some of these privileged employments of local people, working conditions are not bad. However, sweatshops are more widespread, and involve typical factory and comparable working or production conditions. It offers a good opportunity to analyze the morality of labour-market relations because it epitomizes transnational economic relationships and is therefore of great interest for matters of transnational economic justice. Already from the definitions given, normative terms such as autonomy, coercion, respect, negligence, low wage etc. are already implied. These are normative because from these words we already get a sense of the obligations we owe to other subjects; we already get a sense of right or wrong. Honneth has enriched our normative understanding of modern capitalism by his theory of recognition in which he argues that the market is a normative sphere of recognition which imply that subjects ought to be adequately recognized in different dimensions, for them to realize themselves, since the legitimacy of the market depends on this. This has been one of the key preoccupations of Honneth's critical theory of society, to demonstrate that the market is normative and that, regulated by recognition, there is a right and wrong way to behave in the market (1995;2003;2014). In Honneth's terms, the labour market is a part of the market sphere through which subjects realize themselves in terms of esteem, respect and need. What this implies is that in labour markets subjects can experience esteem if their contributions to the economy are adequately valued, respect if their rights are respected and their autonomy is taken into consideration, and satisfaction if their productive-needs are met through training and when meaningful jobs are available. No one seems to deny that the sphere of labour in general, and sweatshops specifically, are normative in the sense of being a sphere of recognition or that it is a domain of freedom. Nobody disagrees that indeed the sweatshop workers are making some

contributions to common goals, or that subjects need meaningful work or that they ought to be respected. What seems to be the grounds of debate is the level of pay, the type of work or the kind of treatment in relation to them that can be regarded as right or wrong, as just or unjust. Many ethical theories approach this in different ways. From the point of view of a theory of recognition, the idea is that human subjects who cooperate at the transnational level need to be recognized in different aspects of their personalities so that they can realize themselves and be truly free. Therefore, recognition or lack of it, helps to highlight many of the normative situations that exist in sweatshops and makes evident whether individual freedom is realized or not. For instance, where people regard the level of pay as corresponding to higher or lower recognition, low wage could be a form of misrecognition. Therefore, there are many ways in which the normativity of sweatshops can be spelled out, but it still conforms to the overall normative architecture of labour relations.

In the next section I will review sweatshop debates within labour relations. My aim in the review is to highlight key arguments to assess their merits and weaknesses. Based on my findings in this debate, I will then offer a recognition-inspired analysis.

6.2 Debates on Sweatshop Labour

The academic debate on sweatshops labour is concerned with the normative status of work, the level of pay, human choice as an expression of autonomy and the moral obligations that arise from them. Historically, the 1990s saw the rise and proliferation of students' protests in the US demanding an end to sweatshops condition everywhere in the world. They called on consumers to boycott sweatshop products and on governments to ban the importation of clothes and items produced under abusive sweatshop conditions. They implemented their demands in US campuses, insisting that apparel firms involved in sweatshop factories should not supply wares like vests, jerseys, track suits, caps, boots etc. to them. For some time, it was a contest

between sweatshop activists, companies' public-relations department, the media and the public. In 1997 Ian Maitland stimulated academic interest by publishing a paper in which he challenged the 'non-debate' among the academia on issues pertaining to the sweatshops (1997). According to Maitland, the main question is: what are appropriate wages and labour standards in international sweatshops? He decided to "use the investigation of sweatshops as a setting for trying to adjudicate between competing views about what the standards should be" (2005[1997], pp. 598-599). For Maitland, sweatshops exemplify an instance of globalization and implies "a transition from regulated domestic economies to an unregulated world economy" (2005[1997], p. 600). He outlines three options regarding what is ethically appropriate wage in international sweatshops. The first requires the multi-national companies (MNCs) to pay by the standard of the home-country. This he regards as untenable and unrealistic. The second requires that sweatshops workers be paid 'living wages' which allows the worker to live in dignity as a human being. The third is the classical liberal standard which does not refer to the income per se but on market determined level. Maitland aligns himself to the last position, against the position of two business ethicists whom he cites namely Thomas Donaldson and Richard DeGeorge. The main reason behind his choice is that increased wages is injurious to the local economy and can lead to more poverty by the withdrawal of the MNCs. Scores of papers followed suit from the invitation of Maitland on sweatshops, in series of exchanges in journals, institutes and research centers, conferences, newspapers and tabloids regarding what fair wage is in sweatshops and what the right work and right working conditions should be. Here we can only represent the major trends and key issues.

The debate that followed Maitland's paper was dominated by writers with backgrounds in economics and moral philosophy, with supporters and opponents of sweatshops on both sides. Benjamin Powell, David Skarbek, Jagadish Bhagwati and Matt Zwolinsky are the key supporters of sweatshops conditions from economic and moral perspectives respectively.

Powell and Skarbek set the tone for the arguments in a working paper for the Independent Institute titled “Sweatshops and Third World Living Standards: Are the Jobs worth the Sweat?” (Powell & Skarbek, 2004). Their main position is that while sweatshops wages are low by US standards, they compete favourably with the average living standards of people in the third world countries under consideration. They also claim that when compared to the wages of workers in other sectors, the wages of sweatshop workers are higher and their working conditions better. Based on a World Bank report which estimates that more than half of the population of the poor countries live on less than \$2 a day, they argue that “working in the apparel industry lifts employees above (and often far above) the £2 per day threshold” (Powell & Skarbek, 2004). They challenge claims that sweatshops exploit workers in the Third World, since data shows that these workers are often better-off than most people in their countries. Their arguments are also informed by the opinion of other economists who have conducted studies on wages by MNCs. Studies by (Aitken, Harrison, & Lipsey, 1996) found that MNCs pay higher wages while (Feenstra & Hanson, 1997) found that MNCs improve the lives of workers by increasing the demand for labour. (Budd, Konings, & Slaughter, 2002) and Budd and Slaughter (2000) suggest that wages of Third World workers rise with improvements in the profit margins of MNCs. Brown, Deardorff and Stern (2003) summarize the literature documenting the benefits MNCs provide for Third World workers. Powell and Skarbek therefore are persuaded to agree with the conclusions drawn in those studies. In another paper Powell argues that sweatshops constitute a necessary stage in economic development of any nation and cannot be avoided. He wrote that “sweatshops appeared in Great Britain in the late eighteenth century and persisted there until the early twentieth century. In the United States, the first textile sweatshops appeared in the early nineteenth century in Rhodes Island and Massachusetts. Virtually every wealthy country in the world had sweatshops at one point in their past” (Powell, 2014).

Matt Zwolinsky represents one of the most erudite opinions in support of sweatshops conditions from a moral theory point of view. His position is best captured in series of articles, the first of which is: “Sweatshops, Choice and Exploitation” (Zwolinsky, 2007). In this paper, Zwolinsky’s key arguments are his emphasis on free choice, his rejection of the idea of just wage or exploitation and his opposition to any form of external intervention from third-parties. In his opinion, sweatshop workers know what is good for them and their choices always reflect their interests and authenticity since they are always better off by the choices they make (Zwolinsky, 2007). Based on what he calls the non-worseness case (NWC), he claims that sweatshop jobs are the best they can find. A just wage for him is a wage agreed to by the worker. As an objection to those who claim that the rights of sweatshop workers are being violated by low wages and bad working conditions, Zwolinsky’s answer is that “the fact that a worker loses his rights is a consequence of the autonomy of his choice not an objection to it” (2007, pp. 692-693). Furthermore, he denies the case of exploitation, although he cites two established opinions that hold contrary convictions, namely Alan Wertheimer (Wertheimer, 1996; 2005) and Ruth Sample (Sample, 2003). The position of these writers which derives from what they call the ‘interaction-principle’ is that exploitation occurs when there is a mutually beneficial relationship between two groups or persons, and when one is profiting at the expense of the other. Zwolinsky draws on related opinions (Anderson, 1996) who oppose the restriction of importation of sweatshops materials and (Krugman, 1997) who is opposed to changing labour laws in host countries to improve working conditions, while defending classical economic labour laws. Likewise, consumer boycotts should be discouraged (Kristof & Wudun, 2000) while sweatshops should indeed be cheered because it creates more jobs for the poorest people of the developing countries. In a joint paper, Powell and Zwolinsky (Powell & Zwolinsky, 2012) respond to objections. This paper mainly clarifies their collective support for sweatshops. According to them “the fundamental moral reason to oppose it (anti-sweatshop

movements) is that it hurts those who can least afford to be hurt” (2012, p. 451). There, they also defend the claim that it is up to sweatshop workers to choose between improved wages or improved working conditions but not both, since one must be a trade-off for the other. In summary therefore Zwolinsky and Powell, and the other authors who support sweatshops (Krugman, 1997; Sowell, 2004; Reed, 1991; Niclas, 2003; Powell & Clark, 2013) do so on two moral grounds namely the weight of choice and the ethical grounds of welfare for greater number of people, since higher wages come with threat to jobs. Like Ian Maitland’s paper these authors also land on the same grounds of consequentialism.

In the camp of ethical theory are also those who oppose sweatshops based on some moral positions. Here Denis G. Arnold and Norman E. Bowie (2003; 2007) and Arnold and Hartman (2003; 2005) are outstanding, but also important are the perspectives expressed by Joshua Preiss (2014), Michael Kates (2015) and Michael Kates and Michael Coakley (2013). In “Sweatshops and Respect for Persons” Denis Arnold and Norma Bowie apply the ‘Kantian doctrine of respect for persons’ to the problem of sweatshops. According to them, “MNEs operating in developing nations have an obligation to respect the humanity of their employers” (2003, p. 224). This obligation they say arises from Kant ‘s categorical imperative which requires that in view of the autonomy, free will and dignity of sweatshop workers, respecting them requires that MNCs should treat them as human persons, as ends and not as mere means to the MNCs’ goal of higher profit. They support the payment of ‘living wages’ because “doing so helps to ensure the physical well-being and independence of employees, contributes to the development of their rational capacities, and provides them with opportunities for moral development. This in turn allows the cultivation of self-esteem” (2003, p. 234). Also, respecting workers demand providing them adequate protective outfits as well as improve unfit working conditions such as “repetitive motion injuries, exposure to toxic chemicals, exposure to airborne pollutants such as fabric particles, and malfunctioning machinery” (Arnold &

Bowie, 2003, p. 231). Finally, they argue that in addition to abstaining from disrespecting person directly, Kant also requires that we cannot be indifferent to the conditions of the poor workers (Kant, 1990), since this will amount to a denial of respect. Added to the Kantian view is the capability approach to freedom advocated by Amartya Sen (Sen, 1999) which added to Kant's they adopt as "a dual theoretical foundation for (the) defense of human right" among sweatshop workers (2003: 224). The United Nations, they argue, endorses such a regime of rights like freedom from injustices, right to respect and right to decent work without exploitation etc. which obliges global actors to respect such rights (Human Development Report, 2000). Denis Arnold and Laura Hartman encourage employers of sweatshop labour to engage in forms of 'positive deviancy' as a way of exceeding the demands of market determined conditions (2005). Such expressions of higher levels of moral imagination should accompany the globalization of labour in the world today (Arnold & Hartman, 2003). Their aim for marshalling all the arguments in favour of Kantian ethics, was to disprove the widely held opinion that "it is too abstract and formal to be of any use in practical decision making" (Arnold & Bowie, 2003, pp. 221-222). They thus attempt to rehabilitate Kantian ethics to make it useful for adjudicating in the practical case of sweatshops.

Alongside them are also other moral opinions offered in opposition to sweatshop practices. Joshua Preiss (2014) proposes a systematic response to the arguments of economists and moralists like Benjamin Powell and Matt Zwolinsky. He claims that "sweatshop labour undermines a compelling vision of free markets" and the moral relationships formed by "those who participate in them" (2014: 56). He directs three arguments to contravene what he considers the three key positions of economists and moralists who support sweatshops. These arguments are the economically inspired non-worseness claims (NWC), the opinion that sweatshops represent unavoidable low-wages and that third-party interventions are in themselves violations. For Preiss, it is the economists who show a lack of understanding of

moral principles since economic analysis by its nature often rely on comparisons or outcomes, rather than having an independent ground for their positions. According to him, in debates about justice like this one “philosophy or ethics bring in values other than income, like freedom, rights, entitlements, status, comparative well-being, fairness or reciprocity” (2014, p. 57). He upholds the claims of Arnold and Bowie that managers of MNCs are unfair to sweatshop workers and have obligations to respect their workers’ dignity by raising their wages and improving their working conditions. Michael Kates (2015) challenges the ‘choice argument’ of Zwolinsky and Powell and the claim that it is impermissible for third-parties to intervene. He states as the key aim of his paper “to specify the conditions under which it is morally permissible to interfere with sweatshop workers’ choice” (2015, p. 191). For Kates the choice argument is quite popular among writers such as Bardhan (2005), Bhagwati (2004), Kristof (2006; 2009), Martinez-Mont (1996), Zwolinsky (2007), all claiming that the autonomy of sweatshop workers implies that such a choice should not be interfered with. On the contrary, Kates contends that on closer inspection, the so-called free choice is not actually voluntary as it appears (Cohen G. A., 1983; Cohen G. A., 1987); Olsaretti (1998; 2004) but rather is a form of coercion, since no other alternatives exist for workers in the poor developing countries, considering their backgrounds conditions (Barry & Reddy, 2008; Walzer, 1983; Nussbaum, 2000). For him it is within the means of the MNCs to create alternatives through ‘positive deviancy’ (Arnold & Hartman, 2005; Hartman, Arnold, & Wokush, 2003). Kates is convinced that the only way to take the autonomy of sweatshop workers seriously “is by regulating sweatshop labor” (Kates, 2015, p. 192). Kates believes that increasing minimum wage will have a multiplier effect among the poor population because it will increase consumption and stimulate new start-ups (Coakley & Kates, 2013).

Gordon Sollars and Fred Englander (2016) seek to advance the debate by resolving what they perceive as confusion in the exchange of opinions between the hardline consequentialist

economists and their opponents, the moral theorists. On the economics side, they draw on the empirical work by Neumark and Wascher (2002) which studied the relationship between minimum wages and job security. It is believed to “represents the most comprehensive review of evidence regarding the impact of minimum wage up to this time” (Sollars & Englander, 2016). Neumark and Wascher found as sustainable the traditional consequentialist view of economics that enforced minimum wage reduces employment of low-wage workers. Based on the reliability of results of the various researches, Sollars and Englander are persuaded to believe that legislation on minimum wage and the demand for living-wage do endanger jobs and might increase poverty in cumulative terms, especially for the least advantaged and dispensable non-skilled and low-skilled workers. Armed with these economic conclusions they challenge the assumptions of Preiss and Coakley & Kates who deny that paying living-wage will make more people worse off. They argue that to be valid “sweatshop arguments must be sensitive to economic analysis” (2006: 5). The authors however think that the case of exploitation levelled against MNCs can be sustained if they are taking advantage of their position as the stronger party, just as low wage might not be exploitative based on economic analysis. For them it will depend on the MNCs’ competitiveness and survival. Thus, the economic relationship is exploitative if the workers are denied a living wage when profit margins are rising.

6.3 Transnational Labour Market and Normative Reconstruction

What is at stake in the task of determining the justice of sweatshop market relationship according to recognition theory amounts to reconstructing existing sweatshop labour market relationships and criticizing sweatshop labour market arrangement in the name of a more comprehensive realization of the recognition norms which are presently underpinning them. In what follows, I will organize my analysis according to (a) low-wage, (b) meaningless work and

(b) working conditions while drawing on the relevant portions of the same academic debates already reviewed. But let me first make some general remarks about the opinions expressed in the debate just reviewed regarding the labour market which pertain to both wages, types of work and working conditions.

As we saw in the debate, there are both economic and moral arguments supporting low-wage and opposing sweatshop labour conditions. In relation to wage-levels, many of the arguments of economists are empirical as they contain observations and statistics about income levels of different working groups. The main normative grounds that the economists stand to defend their position is that of utilitarianism and consequentialism. According to these theories, morality of an action is determined by its effects and outcomes only. However, when it comes to wages the empirical claim by economists that increase in wages lead to job-loss has recently been challenged (Card and Krueger, 1995; 2003). But a more serious reason to reject their positions from a recognition-theoretical perspective is that economics seeks to justify a labour relation by means other than by the standards of labour-market legitimacy or by norms which are constitutive for the relationship between employer and employee. Another reason why we should reject utilitarianism and consequentialism is because, in this case, they discount the subjects who are working and speak of possible effects on the wider society, the anonymous others. So, it leaves unaddressed the question of whether the relationship between sweatshop workers and their employer is fair or not. Matt Zwolinsky's choice argument is right that choice has a transformative power. But it is not the case, at least according to recognition theory, that choice constitutes sufficient condition to justify an action or to forbid intervention. The legitimacy of labour market begins with choice (this is also entailed by the recognition norm of autonomy) but it cannot end with it, because the market must also provide the institutional conditions for the subject to realize the choice. In other words, people who cooperate in the market must depend on each other for the realization of their freely chosen aims. Thus, the

choice argument shows a one-sidedness that is common with liberal arguments. Both Zwolinsky and Powell try to expand the choice argument to working conditions too, by arguing that workers choose to work in deplorable conditions than having no work at all, which I believe is why many people are calling for more sweatshops in the third-world. This is not acceptable on grounds of respect recognition. Another serious reason why I think that Zwolinsky's arguments is not compelling from a recognition-point of view is that his position is contradicted by daily experiences of regulation in the labour market. The minimum/living wage policy and safety and respect regulations are operative in many societies today. What this shows is that the determination of wages or the working conditions are not to be left in the hands of the employers. It also shows that the legitimacy of the market lies beyond choice. In choosing to work, subjects do not choose oppression or abuse. Zwolinsky neglects this bit. It is not surprising that he vacillates on issues of exploitation and beneficence. The moral arguments against low-wages are no less problematic. The Kantian ethics has much merit, especially by specifying the normative weight of subject's autonomy. Arnold and Bowie already doubt the practical utility of Kant's framework but try in their essays to refurbish it for practical purposes like this. The normative weight of respect demands that workers enjoy their rights which accrue to them as moral subjects. But it is unclear how subject's autonomy can provide the moral basis for obligations arising from tangible achievement or work done by subjects. More surprising is that nowhere in their arguments did they defend the importance of giving workers any voice by letting their opinions count, as a practical way of restraining the market. Joshua Preiss and Michael Kates suggest alternative norms like freedom. They prefer to view the market as a relationship. In so doing, they successfully challenge choice and economic arguments. Unfortunately, they do not develop these alternative norms in ways that could be fruitful for sweatshop labour market as a sphere of intersubjective cooperation.

Although these alternative arguments have their merits, I believe that a recognition-theoretical perspective holds more promise for many reasons. The first is that the market is to be evaluated based on norms which it already embodies as basis of its legitimacy, thereby requiring no additional justification. Second, recognition norms are differentiated into species which facilitates the normative evaluation of specific levels of the labour relationships or aspects of the subjects who participate in the market institution. Third, the market is interpreted as an intersubjective sphere and recognition as an intersubjective norm against subjective normative arguments like the choice-argument. Finally, normative reconstruction goes in line with the very same demands by workers themselves or their supporters such as the Students' Movements Against Sweatshop labour. In this way, it corresponds to ongoing struggles for recognition in the sphere of the market sphere, the dynamics of social change and institutional improvement. Let us now look at the three aspects of the labour market viz. low wage, meaningless work and working conditions and the normative arguments of recognition as they relate to these problems.

6.3.1 The Case of Low Wage

In the market as a sphere of recognition, wage is usually the commonest currency of esteem as recognition for subject's achievement and the contribution she makes to the market and the common good. What this implies is that it is through the work that the subject does that a part of her skills becomes objective. It makes it possible to know the talents and skills a worker has by means of which she contributes to shared goals. When this is recognized it reassures the subject that her contribution has public worth and helps her to develop and enjoy self-esteem. In the debate the main issues relevant to wage revolved around a) the moral force of choice on the part of sweatshop workers and the limitations it places on third-party intervention, b) the justification for higher wage and its implications for job-loss as an unavoidable consequence. c) the issue of exploitation. Theoretically exploitation can be proved by showing that the

employer benefits disproportionately in a mutually beneficial relationship. But if we can establish through normative reconstruction that wage-level is unfair in sweatshops, it follows that exploitation occurs in sweatshop labour market.

I have said above that most economic arguments that support sweatshops rely on the normative weight of consequentialism and utilitarianism and I have given reasons why they are unsatisfactory as normative grounds for market justice from a recognition-theoretical perspective. Recognition-inspired analysis does not focus only on outcomes but on the legitimacy and the moral foundations of the market. The basic claim is that in relation to wage, esteem is supposed to be regulated by the nature and value of the contributions that the workers make. Recognition therefore seeks to make evident to what extent the reward for the labour of workers reflect the actual contribution that they make. Honneth argues that recognition should be such as to enable the full-time worker to satisfy the demands of social esteem in relation to those with whom she cooperates. There is evidence from literature that the wages within sweatshops are low and the working conditions deplorable, which is why they are evoking international moral concerns in the form of a struggle for recognition. A report on low living wage in Bangladesh says that “too often, workers do not share in the benefits of economic growth, and their wages and working conditions put them at physical risk and mire them in a vicious cycle of poverty” (Khan, Anker, Anker, & Barge, 2016). Powell furnishes empirical evidence of low wage among sweatshop workers but justifies it on other grounds. In the statistics provided by Powell, workers earn as little as \$0.33 per hour of work and in some cases about 0.03% of the overall value of the items produced. What this example shows is that wages are low. To that extent, we can say that if sweatshop workers earn so low as to be unable to attribute much value to themselves and their work by the way their employers treat them, then it amounts to misrecognition. It then means that their employers do not recognize the value of their contribution by intentionally under-valuing their work. Thus, low wage shows that little

or no value is attached to their forms of self-realization. The debate on wages also revolves around the moral weight of choice. The arguments given by Zwolinsky shows that he is inclined to a subjective understanding of freedom of choice as an action of the individual driven solely by subjective personal-interest. This is clear from the opening lines of his paper: “for the most part, individuals who work in sweatshops choose to do so” (2007: 689). In his more detailed account of this autonomy-exercising choice, Zwolinsky explains it as transformative if it is “an exercise of an agent’s autonomy”, “reflects the agent’s free will”, “are expressive of the agent’s authentic self”. Alternatively, choice is transformative if it stems from an agent’s desires, goals, projects (2007:691). I accept that choice has a moral force. However, we learn from Honneth’s intersubjective account that economic choices are such that they cannot be made much less executed outside of market institutions where subjects interact with other subjects. In fact, institutions preempt choices, inviting subjects to formulate aims that can be redeemed in social institutions like the market through mutual recognition. The only way subjects can meet their choices is by engaging with others in the production and consumption of goods and services. In the language of freedom, we learn from Hegel and Honneth that making a choice is an expression of reflexive freedom, considered inadequate for the proper realization of individual freedom because reflexive freedom needs to be objectified in the social institutions to be realized. Drawing on Isaiah Berlin (Berlin, 1969) Honneth (2017) shows why a moral choice as such is incomplete because such a choice needs the institution of the market to redeem its content. The examples that Zwolinsky pick, such as sexual consensus or the case of non-interference in the religious interests of a neighbor, refer not to the key institutions of social reproduction and therefore intentionally underplays and conceals the institutional and inter-subjective character of freedom in the market sphere. Since my arguments present an intersubjective reading of human freedom, rather than the subjective version, I shall have to dispense with Zwolinsky’s overly subjective perspective as fundamentally incompatible with

my vision. The justice of sweatshop labour and low wages cannot be justified on grounds of choice alone. But before leaving this point, I need to respond to an objection which can arise in view of my explanations regarding the institutional character of choices. As common with economic arguments one might say that if the subject is not happy with the work or the conditions, he might as well withdraw or discontinue. It might even be the case that more people que up in front of sweatshops factories seeking jobs, which suggests that they are better off working in it. Whether they leave or stay in the job is immaterial, because to have a job is a need that must be satisfied since it is the basis of esteem-recognition and everyone needs work for basic need satisfaction (Smith N. , 2009; Honneth A. , 2014)). However, it is important to underline the fact that all jobs are carried out in circumstances in which the choices for them are only redeemable institutionally; to talk about choices in isolation of institutional frameworks and their regulations is to tell only half of the story.

Having said that, it should be clear by now that third-party involvement in restoring confidence to the transnational market is warranted on the same grounds of market normativity as Michael Kates argues (2015). Once unjust practices begin to threaten the market and undermine its legitimating criteria, social outrage rises, invoking third-party interference. The example of minimum wages in many countries show that market regulation is an essential and indispensable accompaniment to the market process. Although conditions of transnational market cooperation do not make it easy to mobilize or to realize, evidence suggests that sweatshop factories are now under different degrees of regulation. Authors have specified the different formats that sweatshop regulations have taken in the recent years following global outrage against poor wages (Roberts, 2003; O'Rourke, 2006). Of course, Honneth had specified in his theory, drawing on Karl Polanyi's theory of countermoves, that social and political forces rise to protest social arrangements when they increasingly bring forth injustices. Political forces will then be needed to restore confidence back to the market. This has been the situation during

riots, protests or boycotts, good example is the Students Anti-sweatshop Movement. The positive effects of such regulations are clear (Harrison & Scorse, 2006) because the protests brought the MNCs like Nike, Levi-Strauss, Rebook, Gap etc. to implement ethical sourcing by forcing their suppliers and contractors to improve the working conditions and benefits of workers (Roberts, 2003). In many societies, governments impose living wages to enable workers to enjoy better esteem, to satisfy their needs more, to enjoy more respect and be self-realizing. Today in the UK and US for instance, retail giants have organized themselves under ethical associations like the Fair Labour Association (FLA) and Ethical Trading Initiative (ETI), to mention only a few, with the stated objectives to end sweatshop practices and pay improved wage under better working conditions. Although some of these initiatives are self-driven on the part of the MNCs, it did not come without a struggle on the part of the general-public nor is it maintained without the help of political forces. The success of third-party intervention in reining in the abuses of the MNCs tells us that the market seems incapable of correcting itself because of the pressure of competition, self-interest and profit-maximization. The patchy successes being recorded in the improvement of sweatshop wages and working conditions reinforce the thinking that market normativity depend on the realization of the recognition norms already mentioned, like reasonable wage. This shows that at least the market can realize individual freedom. Today most states impose living/minimum wages by specifying the lowest minimum of wages for workers. The reason is clear. While the case for minimum wage has been made, it needs to be added also that such an increment should also be justifiable by the prevailing economic performance of the firms. It is a form of misrecognition for firms (MNCs) to record rising profits while at the same time failing to pay workers living wages.

I explained earlier that exploitation would follow in sweatshop work if unfair wages can be established. It seems to be evident by now. Exploitation occurs in market relationships when employers take advantage of the workers due to unequal market-power (Forst, 2001,

Wertheimer, 1996,2005; Sample, 2003; Snyder, 2010; Pogge, 2005). Zwolinsky, thus unable to deny the case of exploitation forcibly introduces another variable of ‘neglect’, the intention of which is to show that though the MNCs might be guilty of exploitation, they have a better moral standing for doing something to ‘help’ third world countries rather than those who fail to do something altogether. It is not difficult to see that this subterfuge is futile because the case of exploitation and just wage applies when there is cooperation or interaction, not when there is none. Paul Krugman reminds liberal economists that, unlike a general case of global poverty and absolute want (Pogge, 2005), the case of sweatshops is morally provocative because the form of poverty endured by sweatshop workers is for the benefit of the MNC and the richer nations (Krugman, 1997). It is instructive that Sollars and Englander (2016), who sought to play the role of arbiter in their paper, admit in their analysis that a case of exploitation can be sustained against MNCs based on Weithermer’s interaction-principle, because MNCs take advantage of the vulnerability of the sweatshop workers. For these authors, a relationship is exploitative if, given due consideration to the competitiveness and survival of MNC, they still retain a disproportionate amount of the surplus from a business relationship between them and the sweatshop workers. Such an expropriation of the labour of another is only possible, it has been argued, due to the relations of unequal power (Forst, 2001). Put in terms of recognition, we can then say that MNCs or their subcontractors misrecognize their third-world sweatshop workers, by intentionally placing little value on their labour in the form of low wage, while keeping a larger share of the benefits. They clearly understand these workers might be in a vulnerable or desperate condition. Let us round off this section with an illustration. Michael Zuckoff wrote a weekly series for the *Boston Globe* under the caption ‘Foul Trade’. There he tells the story of a young Indonesian girl named Yati who was engaged in the production of Reebok footwear. Her monthly wages amounted to only 0.03% of the share of money paid by MNCs to the supplier. The supplier was paid for material and labour only 10% of the total

market value of a pair of Rebook footwear which sold in the US shops for \$60 a pair. Her extremely low wage amounted to lack of social-esteem. She lived under the condition of extreme poverty with neither a decent home nor adequate material provisions (Zuckof, 1994). It is plausible to conclude that based on the evidence so far reviewed and the foregoing analysis that MNCs are benefitting disproportionately from the relationship with the sweatshop workers. This then reinforces the moral basis for making a case of low wage as unfair and unjust. Seen in this light, the demand for higher wage for the sweatshop labourers is a demand for adequate recognition for their contribution and therefore for justice and the realization of individual freedom.

6.3.2 The Case of Working Conditions

Alongside low wage, bad working condition is a crucial point for recognition-theory, because it is related to rights of workers to safety at the workplace and exposure to danger during work. In April 2013 Rena Plaza in Bangladesh which hosted sweatshop factories collapsed killing 1,134 workers with 2,500 persons wounded. Earlier in 2012, another sweatshop factory in Dhaka Bangladeshi caught fire and killed a total of 117 with many wounded. Much earlier, at the turn of the last century, in 1911, this time in New York, there was also the Triangle Shirtwaist Factory fire which killed 146 workers and wounded 71. All these events point to some of the worse working conditions in sweatshops. There are many other scenarios not involving deaths but also deplorable and abusive. The issue before us here is to determine whether bad working conditions constitute unjust treatment of sweatshop workers and a form of misrecognition. My argumentative strategy is to invoke the norm of respect and to reflect, where necessary, aspects of the opinions previously canvassed in the debate. From literature we get a litany of market practices that are acceptable from the employers' point of view. Examples mentioned in literature include lack of safety provisions in terms of protective outfits, lack of compliance with safety and fire regulations at the construction of factory sites,

coercion and intimidation of workers, denial of 'rights to intermittent rest during work' or use of toilets, excessive standing or sitting, absence of representation in decision-making, prohibition of unionism and ban on freedom of association etc. For instance, Zwolinsky wrote that physical and psychological abuses common with business managers like rape and threat to sack are among "some actions managers might take or threaten to take which would violate an employee's rights" (2007: 711). So, my claim is that in sweatshop production sites or working relationships where these practices obtain, in whatever dimensions and details, that they amount to misrecognition, injustice and violation of the rights of workers. This is because these practices violate respect and need for protection of subjects while at work. They chose to work, but not to be abused. According to theory of recognition, the normative status of worker as rights-bearing subjects is a part of their individual freedom which employers are obliged to respect. The employer is expected to treat the worker as a possessor of rights, because the worker is autonomous, has free will and can exercise responsibility. Only when the employer treats the worker with respect does her rights become realized in market practices. Respect also requires that the worker's opinion counts in decisions that affect her. It can be realized through unions by means of which worker's voice is heard in decisions made within and about the workplace. In terms of recognition we say that the worker has rights which cannot be violated without normative implications (Honneth, 2003, 2014; Schaub and Odigbo, 2018).

We find in sections of the literature review copious references to labour-market rights. When captured they are not well developed in the sense of being defended from the point of view of rights. For instance, Arnold and Bowie in their moral defense of anti-sweatshop movements make clear that workers deserve respect (2007; 2003) and that one of the correct ways to meet this obligation is for MNCs to meet the minimum safety standards and comply with demands of worker-respect. Their observation is correct, just that Kant's theory does not clearly establish a link between the autonomy of the subject and the sphere of action, which is why

Honneth has frequently emphasized the defects of the Kantian notion of respect as being too thin to be of use in practical evaluation of markets (Honneth A. , 1995, pp. 171-173). Although Zwolinsky and Powell emphasize the moral force of choice, they ignore the obligation it imposes on employers of labour to respect not just the choice itself, but also the normative status of subjects as autonomous and choice-making beings. In one place Zwolinsky argues that the choice arguments “gives us reason to think sweatshop workers prefer and voluntarily choose the package of ‘employment with rights-violation’ to the package of ‘no-employment plus no rights violation’” (2007: 711). This trade-off argument dominates the opinions of sweatshop protagonists. It is to be found in Powell, Zwolinsky and Maitland. In the paper co-authored by Matt Zwolinsky and Benjamin Powell, they argue that wages and working conditions are co-determined (2012: 455) contrary to position of anti-sweatshop protagonists like Arnold and Hartman (2006; see also Bama Athreya, 2008). According to these sweatshop protagonists “compensation can be paid directly as wages or indirectly as benefits, which may include health, safety, comfort, longer breaks and fewer working hours” (2012: 455). These pro-sweatshops writers indicate conditions such as inhaling toxic chemicals or airborne particles with a potential to cause cancer or lead to untimely death.⁴¹ They argue that for sweatshop workers, one, but not both, can be obtained at the same time. Employers, they argue, on the other hand are indifferent as to whether to improve working conditions or increase pay when it has a direct impact of productivity levels. The picture changes markedly however, once we view rights as an inter-subjective act of recognition, so that we can capture the relational character of this sphere of action and the duty it imposes on employers with whom workers cooperate. To the extent that workers are not treated with respect we impute a violation of right as a form of misrecognition of the workers, because even workers in a transnational situation

⁴¹ In their article, Powell and Zwolinsky are inclined to the worrisome position that while some dangerous chemicals might be rightly disclosed among workers in developed nations, no such needs arise among sweatshop workers in poorer nations.

also deserve respect. As already stated, the normative relationships present in the market can be captured by a well differentiated theory of recognition. Here subjects' status as autonomous brings with it claims regarding respect. The norm of respect and its attendant rights have been institutionalized. Without the institutionalization of the market norm of respect, which promotes the equality of subjects and forbids the treatment of subjects as slaves, there will be no basis for insisting that bad working conditions violate the rights of workers in sweatshop establishments. In other words, such a normative status empowers subjects to have their rights respected within institutional arrangements and place a limit to the way they can be treated in the workplace. It obliges employers to recognize their workers as subjects of rights and empowers workers to demand respectful treatment from their employers. To this extent, the arguments of normative reconstruction corresponds to some of the arguments already presented in the debate by anti-sweatshop defenders like Arnold and Bowie, although the foundations are a bit different. According to this narrative, market participants have a normative status in the form of rights which regulates how subjects relate to each other in that sphere of action. Examples of such rights include but are not limited to: the right to safe working condition, to air one's opinion and self-determination, not to be coerced, to rest, not to be misinformed etc. It is impossible and unnecessary to exhaust the list. But the point is that respect means nothing if it does not amount to rights that can be respected by others with whom we interact. The orientation to define respect as rights is one of the Hegelian legacies of locating norms in social practices rather than in abstract free-standing fashion if it is "to be of any use in practical decision making" (Arnold and Bowie, 2003: 222). As Honneth argues, the normative watershed that we call modernity implies the institutionalization of such rights as respect for persons. This entails that the individual now understands himself as a possessor of rights and deserving of respect, especially within spheres of cooperation like the market. According to Honneth "in legal relations, which unfolds according to the model of mutually granted equal rights (and

duties), they are to understand themselves as legal persons owed the same autonomy as all other members of society” (1995: 140; see also 142). It is these same underlying principles which establish the threshold of what is to be considered morally acceptable within market interactions. It takes the shape of respect or recognition expected by each market participants that has the character of publicly justified standards whose social application can accordingly be subject to rational objections and doubts. Convinced of the normative basis of the market transactions, these workers not only lay claim to the right to work but in addition also demanded for worker-respect in the form of worker safety, worker-health and overall improvement in working conditions (Honneth, 2014: 227). We have reasons to conclude that working condition that violate rights of workers to safety and dignity wrongly disrespects them and amounts to misrecognition.

Respect for workers is about how they are treated within the market relations. Arnold and Bowie present the most convincing arguments in addition to Joshua Preiss. They argue for instance that to respect sweatshop workers, MNCs or their agents or host- government agents should refrain from coercion, either of a physical or psychological manner, because it violates the normative status of workers as free people. They also demand that if we respect people as ends in themselves then that demands that workers be not exposed to physical or chemical danger where they work. It also means that they should be given protective outfits and requires that employers should not be indifferent to the sufferings of workers. Preiss points out more markedly that following the economic case on the part of employers implies a significant infringement of the Kantian duty of respect for sweatshop workers. He argues that respect comes with rights to decent and fair treatment which the choice to work in sweatshops doesn't override. In *Freedom's Right*, Honneth dwells on respect within the workplace and specifically emphasizes the same range of respects such as rights, safety and protective materials: “if worker safety...are demanded, then workers must be convinced that the labour contract

obligate employers to provide protective measures” (2014: 227). Although it took the labour movements a long time to get employers of labour to respect workers by improving workers’ safety and working conditions, workers could only make such demands based on the market’s own normative underpinnings. In due course, following sundry forms of normatively-inspired resistance, measures were introduced as ways of protecting labourers from the adversities of unregulated labour market. This was achieved in the nation-state by means of laws obligating employers to respect fixed hours of work, introduce safety precautions, and even pay compensations in case of work-place injury. It is worth emphasizing that the normative force of those legislations did not just derive from the parliaments, but rather from the normative status of the workers themselves who are to be respected for their status as moral agents who take part freely in the market sphere. We must see this as one of the requirements of their individual freedom. The struggle for the recognition of their rights as workers and the legislations that followed means, according to Honneth, that “they no longer had to regard their situation as inevitable or as the result of uncontrollable economic processes” (2014: 241). Rather, they understand themselves as taking part in a relationship of mutual dependency, recognition and freedom. In his objections to Powell and mainline economics, Joshua Preiss argued that sweatshop labour undermines a compelling vision of free markets (2014: 55). He raises the two important questions: do managers regard sweatshop workers as fellow human-subjects worthy of respect or as disposable tools in the pursuit of profit and other ends? (2014: 57). If they regard them as human beings worthy of respect, what effect should it have in terms of the way they treat the workers and what restrictions should be introduced to the workplace ethics? It is not difficult to see that the intentions of managers can be deduced in the ways that they treat their workers, if we take as our guide the recognition norm of respect. In the UK for instance this right has been passed as law, that is, as an Act of Parliament (Health and Safety at Work Act 1974) which now makes it a crime to expose workers to dangerous working

conditions. These legal obligations also apply to UK firms operating outside the country. The weakness of regulation in the developing countries could be the main reason why these abuses are prevalent. But based on evidence before us, that is, practices which violate the norm of respect, we can say that such rights-violations are forms of misrecognition and that it can be corrected for the realization of justice in the marketplace. Only if sweatshops are regulated can disrespect be curtailed or eliminated (O'Rourke, 2006). In some countries workplace rights are strictly enforced. Government regulations prohibit exposure of workers to high risks or lack of adequate protective clothing. In all, only by respecting workers can bad working conditions be discontinued, and it can only be stopped through improvement in the work-settings and in the respectful treatment meted out to workers themselves in their status as sweatshop workers.

There is also a dimension of respect realized in co-determination. I observed earlier in this section that Arnold and Bowie's account of the Kantian norm of respect fails to capture the full implications it has for working conditions. It also fails to capture some of the crucial aspects of the same norm of respect like co-determination and the principle of discursive bargaining. I consider this a big omission because of the load-bearing role of the right to co-determination. It is load-bearing because the potential to realize respect of workers through granting of workplace rights in sweatshops can depend to a large extent on the presence of unions and the practice of engaging with employers through dialogue and exchange of perspectives. Preferably, when workers are represented in the workplace decisions then issues such as rights be treated with the importance it deserves. Honneth argues that "wage-labourers' rights to co-determination in the workplace" has to be respected if the market is to benefit all participants (2014: 250). According to Honneth, co-determination makes possible "generalizations and switching of perspectives required for negotiation" which will cause them to "take greater account of the underlying principles of the cooperation when it comes to defining their interests" (2014: 193). I think that the principle of co-determination as a fundamental

component of the right owed to workers is to be affirmed, as a way of holding back market abuses. Capitalists know very well that respecting the right to co-determination, through involving workers in the major decisions regarding how the workplace is run, will significantly reduce workplace abuses. This also explains why it is being opposed from many quarters. However, in the context of today's labour market, we should agree with Honneth that the decline in co-determination is to be taken as a major misdevelopment, because it undermines the realization of market norms especially those of respect. If it affects the situation of workers in the nation-states, it is even worse for workers in the sweatshops of the transnational market sphere. Violation of the rights of expression of opinion constitutes a form of disrespect, especially in areas of weak market regulation.

6.3.3 Meaningless Work

Meaningless work violates production-need, one of the three key norms that regulate the labour market, the others being respect and esteem. Of the three, meaningless work has received little attention among scholars. In the debate reviewed it hardly gets mentioned at all, although it is quite well developed in Honneth's theory. But although the labour dimension of the market as a relationship of recognition has enjoyed more attention among scholars (Jutten, 2015; Smith, 2009), production-need hardly gets mentioned (Schaub & Odigbo, 2018). Honneth already argued that the structural re-organization of labour had a de-socializing effect on subjects, one of which is the continuous loss of meaning and the other de-skilling of workers both of which negatively affect recognition. The introduction of machine of course displaced human beings, but this was not the aspect that Honneth worried so much about. He talked about two key features relevant to the norm of production-need. Of the first problem, Honneth wrote that "under the pressure of productivity, work will become ever more 'mechanical' thus eventually making all productive activity unworthy of recognition" (2014: 223). As Honneth argues the hoard of industrial workers at the base were now involved in forms of work "whose monotony

and heteronomy were so great as to prevent any chance of recognizing one's place in the system of the social division of labour" (2014: 240). Two, the robotization of work meant that workers were continuously de-skilled to fit into simpler and more routine works, which gave neither meaning nor satisfaction. Part of the reorganization of labour that appeared in the market was the assembly-line and similar mechanization, which enabled professional managers to rationally break work down into minimal individual movements with the implication that "it entailed the dispossession and devaluation of worker's craftsmanship" (2014: 236). Workers used to have control over their skills but now under the new re-organization of work "their skills were expropriated and placed in the hands of for the purpose of accelerating production" and therefore such "de-skilling processes would be viewed as an attack on the traditional self-understanding of the industrial workforce" (2014:236). The idea that man is an active and productive being is not new in philosophical literature and it is a need that is constitutive of market relationships and should regulate recognition in the productive sphere in the form of need. It has been referred to as "development and exercise needs" which forms "part of the economic sphere by virtue of the fact that in the case of adults in full-time employment, the greatest part of their productive activity takes place during working hours" (Schaub and Odigbo,2018). Development and execution of skills refers to the two aspects of needs which Honneth already shows are continually infringed on in today's labour relations in the form of de-skilling and meaningless work. These two market practices are prevalent in transnational market sphere, especially among the sweatshop workers. Details of production patters in sweatshops are typical of assembly-lines where workers do routine and robotized works requiring little or no skills like fixing buttons on clothes, folding, ironing, floor cleaning etc. This means that production-need is not recognized and might never be satisfied. But according to the normative importance of production need, employers have an obligation to provide their workers the kinds of meaningful job that is challenging and rewarding. At the same time, they

should desist from practices that cause the de-skilling of their workers which of course amount to great loss of recognition. To do this is to misrecognize such needs in workers and to devalue them in terms of bargaining power and sense of satisfaction in the work they do. In line with Honneth's observation, Harry Braverman has argued that incessant breakdown of the labour process into simplified operations is part of the new capitalist production culture that leads to the inexorable conversion of mass labour into the most elementary form without "skill, knowledge, and understanding of the production processes" (Braverman, 1988). Although this is a form of misrecognition that is less spoken about, however we now see that viewed from the point of view of recognition, it assumes quite an importance since it is related to a subject's sense of fulfilment which is related to the kind of work that a subject does. Since these de-skilling practices and other forms of production-need misrecognition occur in the sweatshops and based on our approach of normative reconstruction they constitute normative violations since the employers do not recognize their workers in the way that their status as workers require. A more difficult question, which is beyond what I can fully settle in this thesis is whether some kinds of work is avoidable under the new shape of modern capitalist labour re-organization.

6.4 Conclusion

What our normative reconstruction has shown is that based on a theory of recognition, labour market injustices can be captured as forms of misrecognition in the transnational market sphere. We have demonstrated that low wage amounts to a violation of esteem, that bad working condition amounts to a violation of respect and that meaningless work is a form of misrecognition because it denies workers the capacity to acquire skills and the opportunity to apply it during work. It seems to be clear that MNCs control market forces which they utilize to their advantage by keeping wage low to maximize profits, implementing hazardous working

conditions to save costs and introducing measures that de-skill workers and make them less valuable. Understandably, one of the incentives of MNCs to move in the poorer nations of the world is to get lower bargains for labour. However, our reconstruction has shown that exploitation and injustice results when workers are paid very little which amounts to very little recognition from the significant others. In other words, employers return no proportionate value for their labour. In so doing, they misrecognize their workers through violations of their normative status. This is without prejudice to the fact that these workers freely choose these sweatshop employments as the next-best alternatives. It is also without prejudice to the claim in some quarters that MNCs and their subcontractors might indeed be paying better than the employments of the informal sector. What our reconstruction demonstrates is that the fairness of a market relationship lies in the relationship between the employer and the employee and not between different forms of employment and the comparative level of wages they pay. At the same time, the MNCs can only pay according to the level of what is generated from their economic cooperation. We have also shown that bad working conditions are forms of normative violations because the status of workers as autonomous subjects forbids instrumentalization. It shows that judgement about market relationships cannot be settled on the opinion or perspective of employers alone, but on the normative foundations of the market institutions. Both the demand for work-esteem and work-respect are institutionalized in the market, therefore no view of market relationships that neglect these norms can represent an acceptable or morally convincing account of the morality of market relationships. By the same token, we have shown that routine and unchallenging tasks are not suited to satisfy workers because they make no demand on their initiative. It harms the workers through a subtle process of de-skilling in order gradually and eventually to render them less valuable in terms of wages. This claim is only likely, but not necessarily so. Its validity will be context-specific, because the nature of market labour today determines the kind of work that is to be available on offer.

The normative foundations to which we defer is that of recognition and have argued that the practices listed like low wages, rights violation, meaningless work all violate the relevant norms of recognition that regulate each sphere of action.

CHAPTER SEVEN

SWEATSHOP AND TRANSNATIONAL CONSUMPTION JUSTICE

7.0 Introduction

In this chapter I turn to the consumption dimension of the transnational market. My aim here is to reconstruct consumption practices among sweatshop workers to identify and justify possible injustices or forms of misrecognition. Consumption injustices among sweatshop workers have featured very little in the academic debates on sweatshops, while none has been done so far from the point of view of recognition. I want to fill this gap by offering a recognition-theoretical account of consumption practices among sweatshop workers. Since the consumption dimension is an integral part of the transnational market, this chapter is necessary to complement the dimension of production. In the first section I detail the normative foundations of consumption in recognition theory. I also go beyond Honneth's account of the supply-side by including the demand-side, which helps to open-up more conceptual space to capture more forms of misrecognition which otherwise would have fallen out of view (7.1). Following that, I engage with the relevant sweatshop debates and some statistical data that relate to poverty and the different ways that transnational consumption practices affect the sweatshop workers (7.2). The three identified norms of need, esteem and respect in consumption which according to my analysis are respectively regulated by 'care', 'purchasing power' and 'consumption rights' are then discussed separately in relation to relevant arguments as it concerns sweatshop workers: (a) poverty and lack of basic needs-satisfaction, (b) poor purchasing power and lack social esteem, (c) deception, lack of discursive bargaining and consumption disrespect (7.3). Then I offer a summary of my arguments in my conclusion (7.4). I defend the position that employers are obligated to ensure that their full-time workers can

satisfy both consumptive-need and consumptive-esteem, which are both violated by poverty and lack of purchasing power, and that the rights of consumers are violated by intentional misinformation about the content and quality of products as well as by the proliferation of fake and substandard products in the transnational market. Both violate the normative promise of the market since consumers are intentionally misled, owing to little or no regulation, through deception into buying things that are substandard and harmful. These conclusions will orient my discussions.

7.1 Normativity of Consumption

Let me first establish the diverse ways in which the consumption sphere is said to be normative from a recognition-theoretical point of view. The first point is that consumption is an activity with moral implication from which obligations can be drawn and blames imputed. Like production, consumption is a sphere of freedom and therefore of justice. The consumer market is regulated by the norms of respect, need and esteem. The normativity of the consumer market, especially about consumption-esteem, has been underemphasized by Honneth in his recognition theory, which had led to an almost exclusive focus by scholars on production-esteem and the achievement principle in the context of shared goals. (Jutten, 2015; Smith, 2009; Seglow, 2009; Zurn, 2005). However, there is need to emphasis that esteem also derives from consumption and that there is a close link between respect, on the one hand, and material and esteem needs, on the other (Schaub and Odigbo,2018). I will make these distinctions clearer before moving ahead with the discussions here. To say that the consumer market is regulated by esteem is to say that through consumption a subject realizes an aspect of her desires, preferences and tastes. In what subjects consume, it is possible to get an insight into whom they are and the kinds of things that appeal to them. Also, that the consumption dimension of the market institution is seen as a sphere of needs means that its general

acceptability is dependent on its promise to provide for the material and esteem needs of the people. In like manner, consumer market as a sphere of respect refers to the fact that people who take part in consumption are rational and autonomous subjects and can deliberate on choices and options. For this reason, it is a sphere of rights. This means that there are certain claims which consumers can make of their fellow market cooperators like producers, promoters, regulators or sellers of commodity when it comes to issues of information about products. These are dimensions of recognition which have implications for justice in the consumer market.

In his reconstruction of the sphere of consumption Honneth first speaks of the market as a ‘system of needs’, following Hegel. According to him the primary reason for the existence of a consumer market is to satisfy basic needs. Which is why for Hegel the act of consumption represents an intersubjective quality of being recognized (2014: 199). Therefore, bread riots and protests were regular occurrences during the early stages of the capitalist market as people demanded the actualization of their normative claims to consume and meet their basic material needs (in return for their cooperative activity). This much is clear and correct. In another sense it is also true that only when what people consume is expressive of their preferences and ethical commitments can they be said to realize themselves through their consumptive activity. However, Honneth is less blunt when it comes to the dependence of esteem on consumption. He wrote that “by the means of opportunities offered by the market, subjects would learn to see themselves as consumers who are free to determine their personal desires, and thus their identity, in the search for the acquisition of commodities” (Honneth, 2014: 199). Honneth recognizes that beyond the satisfaction of needs, it is also a part of the “capitalist culture” that subjects are always willing to enjoy the “symbolic value of commodities” (2014: 212) and hence develop the motivational disposition to appropriate goods. For Honneth, however, consumption “contributes little to individual self-esteem” (2014: 223). Thus, only indirectly

does he grant that self-esteem is also dependent on consumption. The dominant impression one gets is that Honneth is critical of consumption-esteem because of its close link with luxury consumption. He condemns “ostentatious consumption in the interest of displaying status” (2014: 200) as an objectionable form of materialism and wasteful spending driven by unethical advertising and manipulation of the masses. For now, we can focus on the positive rather than the negative dimensions of esteem-consumption. Perhaps the best way to explain the importance of consumption esteem is to say that consumption esteem is violated when poverty makes it impossible for subjects to have the purchasing power to consume according to their preferences and ethical commitments, that is, their view of a good life. This explains the frustration that accompanies poverty because the poor do not have the means to reflect their true tastes or their ethical commitments in their consumption practices. The other value and norm which regulate the sphere of consumption in addition to needs and esteem is respect which often comes in the form of rights. Forms of respect that pertain to consumers include right to full and correct information on products, the right against deception, the right to the safety of products etc. This entails that the content and packaging of commodities do not undermine the subject’s desire for satisfaction through the consumption of that product. It also requires advertisements to be free from manipulation or deception. For Honneth, the norm of respect requires also that the principle of co-determination or discursive bargaining be operative in the market too, so that consumers’ voice can be represented in the decision about what is made available for consumption or how it is produced. Discursive mechanisms are an instrument for market restraint (Honneth, 2014: 203-204; 213; see also 221). The middle Honneth also emphasized the norm of respect as constitutive of market relationship (2003: 139). In short, for Honneth the entire sphere of consumption is a relational sphere of recognition and represents different dimensions of the “intersubjective quality of being recognized” (2014: 199). These norms, according to Honneth, are the grounds for market legitimacy:

the market for consumer goods represents an abstract medium of recognition that enables subjects to realize their individual freedom together through complementary activities. Consumers recognize producers as enabling them to satisfy their needs, just as producers recognize consumers as enabling them to earn a livelihood” (2014:200)

The three norms of need, esteem and respect will be the normative reference point for our analysis which will be based on the statistical data provided, on information from the debate and other anecdotal materials from the media and popular press. Now let us look at the trends in standard of living among sweatshop workers.

7.2 Sweatshop Consumption Debate

The reason why I bring in the sweatshop consumption debate is to explore other opinions and statistical data regarding consumption practices among sweatshop workers in order to reflect their normative implications. In turn, the findings that emerge from here will be further analyzed using the recognition norms already identified in the last section. Let us begin with the opinions on the relationship between wages and living standards. The Global Living Wage Coalition (2016) defined living wage as follows:

Remuneration received for a standard work week by a worker in a particular [time and] space sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include good, water, housing, education healthcare, clothing and other essential needs including provision for unexpected events (2016: 16)

This definition is contained in a study published under the title “Living Wage Report for Dhaka, Bangladesh and Satellite Cities: Context of Garment Industry”, focusing on Bangladesh, one of the biggest host-countries of sweatshop labour. According to this report, over four million people work in garment industry in Bangladesh, accounting for more than 85% of the country’s total export. But although such could be a key driver of socio-economic development towards middle-income status among the workers, “too often, the workers do not share in the benefits of economic growth, and their wages and working conditions put them at physical risk and

mire them in vicious cycle of poverty” (2016: 3). They suggest that employers should pay at least living wage to lift the workers out of poverty. The Wage Indicator Foundation in Amsterdam (Guzi, Kabina, & Tijdens, 2016) agrees with the definition of living wage, while offering the main difference between it and the case of minimum wage. According to the report, while minimum wages are often laid down by law and constitute legal obligation, they can fall below the poverty line if unrevised. Living wages are not covered by law, are not fixed but fluctuates with price levels all through. The living wage is generally higher than the minimum wage and is often calculated according to family type and living costs including ‘composite food basket’ which reflects the actual food consumption in a country or region, cost of housing according to family size, transportation and discretionary expenses like illnesses, accidents etc. ideally placed at 10% of living wage at each time. They cite living wage as a human right according to the International Labour Organisation (ILO,2008) and the 1948 United Nations Universal Declaration of Human Rights. Ethical scholars have also argued in defense of living wage along the lines of respect. Dennis Arnold and Norman Bowie believe that living wages are also an obligation arising from respect for workers, hence they calls on the MNCs to pay living-wages to sweatshop workers. They rely on Kant’s moral philosophy, invoking the dignity of the human person, which they believe provides a clear basis for grounding the obligation of employers to the employees about adequate wages and living conditions. As a guide, they adopt the United Nation’s Development Program’s categorization of poverty which distinguishes between extreme or absolute and relative poverty. Whereas extreme poverty pertains to the inability to meet food requirements, relative poverty and human poverty refers to absence of income necessary to satisfy non-food needs and other basic human capabilities respectively (UNDP Poverty Report 2000). To ensure that sweatshop workers do not live in extreme and relative poverty, it is the employers’ duty, they argue, to respect the workers by providing enough income to secure food to enable the workers to obtain the minimum calories

intake for them and their families, and shelter, energy, transportation and basic healthcare defined in line with the UNDP standards:

at a minimum, respect for employees entails that MNEs and their suppliers have a moral obligation to ensure that employees do not live under conditions of overall poverty by providing adequate wages for a 48-hour week to satisfy both basic food needs and basic non-food needs (2003: 234)

They argue that doing this helps to ensure the physical well-being and independence of employees. It also contributes to the development of their rational capacities and provides them with opportunities for moral development. This in turn allows for the “cultivation of self-esteem” (2003: 234). Accordingly, anything less than this means that MNCs or their suppliers are not respecting employees as ends in themselves (2003: 234). These authors derive much of their arguments from Kant’s deontological ethics of duty, insisting that employers have an obligation to secure the survival and well-being of their workers.

Evidence from Latin America suggests that any form of compulsory wage-floor is injurious to the economy and by extension to the standard of living of low-income workers themselves. A study of eight countries in Latin America namely Argentina, Bolivia, Brazil, Chile, Colombia, Honduras, Mexico and Uruguay suggests that while the impact is positive in some countries, it is negative in some but “the central message is that minimum wage has impacts on wage settings far beyond what is usually contemplated” (Malony & Mendez, 2004). It is positive for redistribution of wealth and has the potential to reduce poverty and even foster growth, but the larger concern in the literature “is that the secondary effect through the creation of new rigidities in the labour market and the potential decrease in employment opportunities may offset the gains” (Malony & Mendez, 2004). For Benjamin Powel, enforcing any form of minimum wage is harmful for the third-world economies, while arguing that the sweatshop workers earn better and live better than comparable employment from the other sectors. In an article on comparative standard of living among sweatshop workers and other workers in the

informal sectors Benjamin Powell and David Skarbek (2004: 1-18), defend economic arguments for low wage among sweatshop workers. They state that their main interest was to compare sweatshop wages among different employers and its relationship “to standards of living in the countries in which they employ workers” (2004: 4). They compare the income and living standards of sweatshop workers of some given countries, and the income of the workforce in other sectors of that same country in which the MNCs operate. They found out that the workers of sweatshops earn relatively higher (and lived relatively better) than the other workers in the informal or formal sector of the economy. This makes them to conclude that sweatshops workers are doing well in comparison to other workers in the same social environment. From the data supplied by the authors, the workers in developing countries earn \$0.13, \$0.44 and \$0.34 per hour in Bangladesh, China and Indonesia respectively which they admit “are low by US standards” (2004: 5). In short for them “sweatshop wages raise workers’ standard of living higher than a significant fraction of the populations” (2004: 10). Based on the evidence from related opinions, Ludwig von Mises (1998), Joel Mokyr (Mokyr, 2009) (Mokyr, 2009), Donald McCloskey (McCloskey, 1985), Peter Lindert and Jeffrey Williamson (Lindert & Williamson, 1985) Peter Stearns (Stearns, 2007) Powell argues further that (2014) the poverty of sweatshop workers today are inevitable and consistent with their level of productivity. What brings relief and better living standards, he believes, is the rising productivity of the working population through more sweatshop work which translates into higher GDP. This increases the overall wealth of the nation and by extension improves their own conditions. He cites the example of rapid economic growth among some East Asian nations like South Korea, Taiwan, Hong Kong and Singapore as evidence that they progressed gradually from the poverty of sweatshops to the emergence of a prosperous middle-class who are rich enough to afford the good life they desire. However, studies in Bangladesh show different results (Khan, Anker, Anker, & Barge, 2016). This study called the Living Wage

Report for Bangladesh, Dhaka and Satellite Cities shows that garment workers in Bangladesh were the among the lowest earners. The garment workers earned lower than the World Bank Poverty Line Wage of Tk7,418 as median and lower than the living-wage benchmark of Tk16,460 (\$214) for Dhaka City and Tk13,630 (\$177) for Satellite Cities where the sweatshops are located. Although the wage of the lowest government worker stood at Tk10,000, lower than the standard living wage, the government worker and workers in other sectors like fisheries, construction, manufacturing, agriculture earned better than all garment workers. Since majority of the sweatshop workers fall within the income level of the minimum wage, they conclude that “a minimum wage of Tk5,300 per month is too low for a family to be able to afford a decent life in a major city or urban area” (2016: 45).

There were also arguments that relate to workers as consumers. As we already saw in the last chapter, Matt Zwolinsky’s paper “Sweatshops, Choice and Exploitation” (2007) occupies a central stage in the debate on sweatshops by basing the core of his argument on the transformative force of moral choice on which he bases “the moral legitimacy of sweatshops” (2007: 689). It merits further consideration here because his opinion has come to be challenged by business ethicists. His claim about living standards is that whether sweatshop workers can afford their daily needs or not, their consent to work in sweatshops should override any objections anyone might have about it and should forbid any third-party interventions. In the introductory section of his paper, Zwolinsky sets the tone for his paper, starting out on the premise that whether sweatshops do evil to their workers, such as paying wages that are unable to secure a meaningful livelihood, will depend on workers’ consent to the conditions of sweatshop labour. And if they do, this shows that they view the benefits as considerable (2007: 690). Business ethicists and moral philosopher including Honneth, object to one-sided evaluations of benefits, arguing that the choice of workers under such circumstances cannot be adjudged as free, if they are condemned to work in those circumstances due to the sheer

necessity of survival. In like manner Richard De George (1993) argues that in the developing world the necessary conditions are lacking for the operation of perfect or competitive market in a benign way which is why workers lack the wherewithal to challenge market forces by themselves.

There are economists who reject the mainstream classical economic positions about sweatshops in relation to their wages and living standards. At the height of the students protests in many United States colleges against sweatshop living conditions, the Academic Consortium for International Trade (ACIT), a sweatshop solidarity group circulated letters to college-heads urging them not to heed the demand of the students to boycott sweatshop products because boycotts will harm the sweatshop workers more by denying them a means of livelihood. In response, Scholars Against Sweatshop Labour (SASL) passed a circular among its members which was signed by 434 members, 73 of them economists. A member of this SASL has written an essay about the morality of sweatshop living standards which deserves more detailed attention here. In this paper entitled “Why economists are wrong about sweatshops” John Miller, himself an economics scholar makes a case of their concern (Miller, 2003), arguing that while MNCs are not obliged to pay home-country wages, they should not infringe on already established local standards. His essay represents a good summary of economic opinions in defense of anti-sweatshop movements and better living standards for the sweatshop workers. He draws attention to the claims by liberalization and pro-globalization economists regarding the importance of abiding by local laws in host countries (Weidenbaum, 1999; Waldinger & Lapp, 1993; Irwin, 2002; Sengenberger, 1994). According to him, although evidence exist that abiding by local laws will improve the living standards of sweatshops workers (Portes, 1994; Roberts & Bernstein, 2000), the MNCs nonetheless frequently disobey such host-country laws. He argues that MNCs disobey not only host-country laws but also home-country standards and even their own company’s code of conducts. He cites studies which show that MNC engage in

routine violations of local laws regarding minimum wage and other sundry abuses (Kernaghan, 2000; Martin, 2001; Kheel-Centre, 1998; McClymer, 1998). The situation of abuse is even worse in countries where core international labour conventions have gone unratified, where local labour laws are non-existent or where unions are repressed as in South Asian countries like Indonesia, Malaysia, Thailand etc. Secondly, he denies that without regular control from government and other forms of social interventions like those undertaken by social movements, as economists often claim, that market forces can deliver better living standards to the people on its own accord. This has been one of the key arguments of economists like Benjamin Powell (2004; 2014) and other supporters of free market economy. According to John Miller, this is not true and in fact “distorts historical records”. His position on this matter agrees with Honneth’s who has shown in his reconstruction of the modern consumer market that without the regular protests and regulations by government the so-called free market would have run out of controls. To illustrate this position, John Miller argues that the fact that sweatshops survived and thrived in the US long after their industrialization and the rise to enviable GDP, shows that without law enforcement, sweatshop labour will continue to thrive. There are private studies (Kutnets, 1955), and also official government reports (US Department of Labour Report 2001) which indict firms. If exploitation is a common temptation in capitalism, then it is false to leave the allocation of benefits generated from the market in the hands of producers and employers alone. After all, labour laws, he argues, are usually drawn up to protect the working population, but are frequently violated. Hence the emergence of sweatshops, where rock-bottom wage is the norm rather than living wages: “minimum wages are well below the level necessary to lift a family of three above the poverty line, the usual definition of living wage” (Miller 2003: 96). Furthermore, he argues that low wages result from a disproportionate distribution of the overall wealth created. It could be for this reason that profit margins of MNCs which employ sweatshop workers continue to rise while poverty is also increasing

among the workers. According to Miller, the spiral down-effect of rock-bottom pay of course is that these workers cannot see any improvement in their lives, no matter how hard they work. This makes Miller to conclude that, regardless of how they came to take the jobs or if the alternatives they face are worse or not, “if the workers...are paid less than a living wage” then it must be that “they work in a sweatshop...” (2003: 99). Miller states that even as economists do not agree to any universal standards, they should agree that severe exploitation is condemnable. This is so because a working condition in which the worker is unable to meet basic needs and still cannot opt out is comparable to slavery (2003: 101). Therefore, he adopts the proposals made by Prasad Monica et. al. (2004) and Robert Pollin et. al. (2001) that a 1.6% increment in the retail prices of products could be adopted, since it can improve the lives of sweatshop workers while not constituting any additional production cost for the MNCs or their contractors. The final point made by Miller, relevant for my purpose here, is the further justification he provides for why students’ activism is specifically directed against sweatshops and not generally against the condition of millions of other poor people elsewhere. To provide an answer to this question, Miller draws from Paul Krugman, an ardent liberal economist and supporter of sweatshop labour (Krugman, 1994; 1997). Krugman wrote that the moral revolt against sweatshop conditions, rather than against poverty as such, arises from the fact that, unlike third-world farmers who are poor but work on their own, “women and children in the sneaker (sweatshop) factories are working at slave wages *for our benefits* and this makes us unclean” (Krugman, 1997 emphasis IMO). Miller considers this judgement analogous to Marx’s (1969) analysis that commodities are bearers of social relations and social relations in turn have implications for justice. After all, if the MNCs are not benefitting from cheap labour, they would have no incentives to be in third world. But to be fair in its operations, the third-world sweatshop workers also need to benefit as much as a decent life from that market relationship with MNCs. Let me leave the debate at that. In the following section, I would like

to re-examine the market relationship of sweatshop employers and workers to account for its morality from the point of view of recognition according to the ideal of individual freedom.

7.3 Recognition and the Transnational Consumer Market

So far, we have reconstructed the key empirical and normative arguments about sweatshops in relation to the consumption dimension of the market. By pointing out that moral obligations arise when people cooperate in the market for the exchange of goods and services across borders, John Miller has here reconnected us to our original motif. He has cleared an entry point from which our recognition-theoretical normative reconstruction can take off. I would like to pursue this argument further by re-engaging with the key issues of the debate. Now, the question is, how does normative reconstruction help us to show that some consumer-market practices within the sweatshops sometimes violate its constitutive norms thus resulting in injustice? What are those instances? Since we have earlier shown the norms that are constitutive of the economic sphere, normative reconstruction can demonstrate injustices by pointing out the diverse ways in which the three norms of consumption namely esteem, neediness and respect are violated. At the same time, such an analysis will also be sensitive to economic realities. The arguments following will be discussed in three parts according to the key recognition norms: (a) poverty as violating the principle of care (which regulates neediness); (b) lack of purchasing power as a violation of esteem and (c) lack of voice, practices of deception, absence of co-determination, suppression of unions etc. as violating the rights of subjects. Let us now deal with each case after the other in the light of recognition norms.

7.4.1 Poverty and Lack of Basic Needs

The descriptive account of sweatshops is that it is a place where workers are characteristically poor, abused and exploited. Poverty here means inability to meet daily needs such as food, housing, transportation, clothing etc. As we saw in the debates, the studies cited about the living

conditions of the sweatshop workers show that relative to their locations, they predominantly live in poverty. The first point to note, from the point of view of recognition theory, is that the fact of being poor is not a normative violation. We consider poverty a form of normative violation under economic cooperation if the workers on full-time employment do not earn enough to afford basic needs, especially if the situation is avoidable.⁴² Under normal economic conditions, the decision to pay workers enough to meet their needs lie with their employers, which is why it is normative, in the sense that this is what they are expected to do. With the evidence that profit margins are high, it seems correct to argue for the payment of wages that make it possible for the workers to live above poverty. For instance, the report by Living Wage Coalition on wage distribution in Bangladesh point out that the garment industry has a potential to lift the workers above the poverty line. It estimates that living wage for the Dhaka City region stands at Tk16,460 (\$214) and for the satellite cities it is Tk13,630 (\$177) while noting that “these estimates are more than twice the minimum wage in the garment industry in Bangladesh” (2016: 9). But the income of garment workers is also lower than the minimum wage, placing them at the lowest rung of the income ladder below workers in the other sectors like fisheries, manufacturing, construction. The reason for the large gap “is due to low wages in the garment industry” which make majority of the workers to live below the city poverty line, if they do not take on overtime work (Khan, Anker, Anker, & Barge, 2016). John Miller argues that transnational economic cooperation should serve the dual purpose of meeting the needs of the MNCs and the needs of the workers as well, and that the MNCs can achieve this without any threat to survival. The grounds of market legitimacy is that it is to provide for the basic needs of the workers as the basis of its acceptability in the eyes of its participants. Whenever market relationships are such that this expectation is not met, workers will have a

⁴² What it means for the situation to be avoidable is when the situation is not because of general economic downturn like in depressions or when there are no major challenge or disaster facing the employer like bankruptcy or liquidation. In other words, a profitable company should be expected to pay living wages.

justifiable reason to claim exploitation and misrecognition. Recognition theory is saying that the market is also a sphere of care in which the needs of participants matter. Because the consumer market is a sphere of care, it demands that employers should take the material needs of their workers into consideration. The living condition of their workers should concern the employers. To recognize a worker as needy requires caring about them regarding to what extent their basic needs are satisfied. But what is not clear is how much is enough for basic needs. Ian Maitland and economists are right to argue that it is unreasonable to expect MNCs or their contractors to pay home-country wages. None of the arguments in support of better pay for sweatshop workers demand that they be paid according to the standard of Western countries. The debate has been whether payment should be at the discretion of MNCs, adjust to the minimum wage or be revised to meet the standard of living wages, which as we have shown above might not be protected by the law. Usually the “calculation of living wage for a family follows specific country conditions derived from the World Bank database” (Guzi, Kabina, & Tijdens, 2016), which in turn depends on the Purchasing Power Parity Index also from the World Bank International Comparison Program. To this extent, we can fault economic and moral arguments which object to the enforcement or elimination of minimum/living wages on at least two grounds. Economists have not been able to contradict the position that MNCs have enough profits to pay minimum/living wages, higher than what they pay now, from the point of view of company performance. This probably explains why they improved pay-levels across many sweatshop locations at the rise of public outrage and the onset of more intense regulation (Roberts, 2003; Harrison & Scorse, 2006). We now know that many of the top brands like Nike, Gap, Reebok, Adidas etc. introduced improvement reforms that relate to wages and living standards of their worker, thereby improving in their understanding of the market a sphere of care. Secondly, it is not by a comparison of sweatshop wages to lower wages of the informal sectors of the economy (the next likely alternatives of sweatshop workers) that it can validate

the practice of low wages, since it is also necessary to evaluate the relationship between the sweatshop employers and the workers. I think this is one of the core strengths of the recognition theory when it lays emphasis on the nature of the market as a sphere of cooperation between subjects, not merely an abstract platform of demand and supply. This is part of the reason why Honneth is critical of the science of economics due to its inclination for abstract theory, but today some brand of economics now distance themselves from this tendency (Leonard, 2000; Card & Krueger, 2015; Miller, 2003). Unlike the economic arguments which focus exclusively on the sweatshop workers and their informal neighbours in the host-countries, transnational normative reconstruction based on recognition expands the view by bringing the other partners like the MNCs, their contractors as well as consumers in the market cooperation into perspective. Thus, Honneth's emphasis on mutual recognition places the demands of justice on the normative relationship that is operative between workers and employers. Accordingly, it is these employers who owe the workers the responsibility to see that their participation in market relationship does not frustrate their legitimate normative expectations in the same way that workers owe their employers loyalty. The living condition of sweatshop workers is an issue for transnational normative reconstruction because the sweatshop workers are in a direct relationship of mutual-recognition, mutual-cooperation and mutual-dependency with the MNCs, their subcontractors and the consumers of the finished products etc. This relationship brings with it moral obligations that cannot be shirked off at will. The possibility of workers realizing their freedom depends on the way they are treated by their employers, which basically places the burden on them. Low-wages amount to low recognition because as vulnerable consumers, they would be reduced to poverty in the absence of a reasonable income. In this sense, income levels are a measure of the recognition which these workers enjoy. It also determines the quality of life which they can afford as consumers. If low wage among sweatshop workers causes poverty, then we must understand poverty as a form of

misrecognition because in the failure in the obligation of the employers to pay the workers well in relation to what they generate lies the explanation for the poverty of these workers.

But there is also another way to look at the negative outcomes like job-loss that accompany increase in wages sweatshops, which economists rely on to argue that increase in wages will have harmful effects. It's probably not as straightforward as they claim. In their paper entitled "The Ethical and Economic Case for Sweatshop Regulation" (2013), Mathew Coakley and Michael Kates argue that the welfarism argument is lopsided. According to them it revolves on the premise: 'regulating sweatshops will lead to a decrease in sweatshop employment', which has been challenged as shown in studies already cited. The scenario changes markedly, argues Coakley and Kates, if the premise is expanded to read that 'regulating sweatshop labour will lead to greater overall harm to workers than not regulating sweatshops'. For them, this expansion makes it possible to "compare its expected costs and benefits in terms of (overall) human welfare" (2013: 554, insertion IMO). These authors argue that better wages can stimulate a multiplier effects on poverty reduction because it improves the lives of the sweatshop workers themselves but also because improved consumption stimulates economic growth in other commodities and services sectors in the local economy. This is reasonable. This makes them conclude that, it is better that wages of sweatshop workers meet the living wage mark, since the benefits outweigh the losses. But a more compelling reason why their arguments are brought in here is that Coakley and Kate's thesis pleads the case of the market as a sphere of interaction and mutual recognition, which the economic arguments often ignore. Coakley and Kates bring into the picture not only the sweatshop workers and company owners but also the would-be consumers of sweatshop products who might be willing to pay higher prices for the sweatshop goods (assuming that producers are willing to shift the costs to them). In a study to this effect about the willingness of the US consumer to pay more for sweat-free products (Prasad et al, 2004) the authors find that over 40%, without any persuasion, are willing

to pay more. The reason is that consumers are directly benefitting from the sweatshop conditions. Coakley and Kate's analysis are more comprehensive leaving none of the key players in the market relationship out of the picture. After all, if truly Zwolinsky and Powell wish to defend their position on grounds of 'welfare for a greater number of people' then according to Coakley and Kates, increase in wages "is exactly the kind of change that ought to be regarded as highly desirable (even more so) once the potential increase in employment arising from additional worker spending on local goods and services is factored in as well" (2013: 555). For Coakley and Kates increase in wages will have a trickle-down effect on poverty-reduction across the board. On another score, the expanded-picture argument helps us to capture the reason for the moral revulsion which made US students to protest sweatshop conditions⁴³. If they are not in any way implicated in the conditions of poverty in which the sweatshop workers are living, how come they revolted against it? The students might be having a feeling of low self-worth and disrespect because they enjoy products of abuse produced in sweatshop conditions, while the men, women and children who produce the clothes and shoes they wear are unable to afford the necessities of a good life. That feeling alone, they argue, creates the moral impetus for their rejection of textiles, footwear and apparels (TFA) produced under sweatshop conditions. It fits the framework of the market as a relational sphere, by bringing into the picture all those that are involved in the market including workers, investors as well as consumers of these products. No need to say, these protests have led to a wave of improvements in sweatshop working conditions since MNCs and the vending outlets demand for better deals for the sweatshop worker (Harrison & Scorse, 2006). Therefore, it brings into question the long-held credo among economists that increase in wages always have negative

⁴³ It is said that the owner of one of the expensive brands Kathleen Gifford broke down in tears on a television shown, when activists played a clip on the condition of families who produce the bags, among them children of school-age. Jeff Bellinger was being funded by the US government to conduct researches on the conditions of work in sweatshop sites across the world.

outcomes (Neuwerk & Wascher, 2007; 2002; Alaniz, Gindling, & Terrel, 2011; Besma, 2014; Bird & Manning, 2008; Gindling & Terrel, 2007). As Joshua Preiss (2014), Honneth (2014), Arnold and Bowie (2007; 2013) have argued forcefully, economic activities are also human actions that can rightly be evaluated based on norms and relevant values, not merely on grounds of demand and supply. Honneth already decried the role of economics which “played an unfortunate role in this interpretative conflict from the very beginning” (2014: 184). Based on this expanded view which brings the consumers and employers into the picture, John Miller tells us that Paul Krugman (1997) and Jagdish Bhagwati (1997), themselves protagonists of liberal understanding of the market adjudge that market relationship as unfair, when calculated entirely on economic grounds. Krugman is convinced that the moral revulsion among US students is justified in the disproportionate benefit of MNCs and the US consumers on the sweats and exploitation of vulnerable poor-countries workers. Miller tells us that Jagdish eventually disagrees with Powell’s position (2007; 2014) that sweatshops characterized by very low wages and poor living standards is the inevitable route of economic growth for developing nations. His position is contained in an op-ed comment published by the *New York Times* in 1997:

Sweatshops indeed existed in 19th century Britain during early industrialization leading to a burst of social legislations to rid the country of these ills. But nothing requires us to go that route again. Nations should join nongovernmental groups like the International Labour Organization to rid the world of sweatshops. In addition, we require multinationals to apply our (US) own labour, safety and environmental standards when they manufacture abroad. In Rome, they must not do as Romans do but as we do. Their example would spread (1997)

John Miller argues further that even in the US sweatshops still exists. According to him, they disobey local labour laws as well as their own companies’ ethical codes and in some cases, collude with repressive regimes to enforce slave labour and violate human rights. For these reasons, Miller is convinced that without strict government regulation, in both host and home-countries of the MNCs, abuses will continue to escalate. If this is true, it means that in countries

which have moved from low to high-income, it would have required the regular and firm intervention and control of regulating forces for the market to improve the lives of workers and society at large. Therefore, it is reasonable to agree with Miller that the moral arguments about the market proposed by liberalization economists, admit less than the truth. But the merits of these observation for normative reconstruction is that they show the various ways that employers neglect the rightful benefit of workers. In other words, the moral grounds for a fair market relationship is routinely ignored or violated by the MNCs. Under such a situation, it is not surprising that a claim for misrecognition is valid and that a struggle for recognition goes on in the defense of the workers.

7.4.2 Lack of Purchasing Power and Low Social-Esteem

Let us turn to the norm of esteem and the various ways this form of individual freedom is being violated in relation to the consumption rights of sweatshop workers. What is at stake here is not only about workers earning enough to support a living wage, but also earning enough to consume according to their preferences. Also, the norm of respect, which will be discussed next, is implicated as well in the violation of esteem. This is because deception and manipulation do impede the capacity of the subject to satisfy his/her taste. It also frustrates the chances of realizing one's authentic personality and desire through consumption. We have said in chapter one that the recognition norms are permeable. A lot of theoretical efforts is going on to unpack them and arrive at some form of comprehensive taxonomy or to make recognition a whole project of social research (O'Neill & Smith, 2012). The arguments about esteem, in so far as it is about income levels, also hold for esteem. They are like the flip sides of a coin. Like production esteem, consumption esteem is a dimension of individual freedom. In choosing what to consume, consumers should be able to do so according to their tastes and preferences. Honneth puts it beautifully by saying that in the very act of choosing or selecting what to consume from a multiplicity of options "subjects will see themselves as consumers who are

free to determine their personal desires and thus their identity in the search for the acquisition of commodities” (2014: 199) At the same time, being able to satisfy basic consumption needs does not suffice for consumption-esteem. For unlike general needs, consumption esteem reflects the identity of the consumer in a very peculiar way. Because it contributes to the subject’s realization of herself, consumption is an expression of the subject’s freedom. The only way this form of freedom can be realized is when the subject expresses her authentic personality through consumption and then it becomes a basis for recognitive affirmation of other individuals who cooperate. We see that it starts with the wages and continues with the increased capacity to pick and choose according to one’s preferences. In daily experience consumption helps subjects to develop self-esteem. Under conditions of poverty, social-esteem is threatened because poor consumers cannot consume according to their preferences, that is, they cannot reflect their identity through their consumption habits. Anyone who is unable to meet the demands of basic needs usually cannot meet the demands of social-esteem, because its only when one has satisfied basic needs (or more commonly so) can she now pick and choose according to preferences. Is this not why Hegel and Honneth speak of the rabble as a social reject lacking not only in material possessions but also on appropriate conduct? Social-esteem therefore refers to the social-self developed in relation to one’s standing with other social actors and reflects the value and worth enjoyed by the subject in relation to others’ perception of oneself. Low self-worth can either happen due to lack of disposable income or the absence of products that take into consideration consumptive preferences and ethical commitments of subjects. One of the ways this concept of social-esteem has been captured is by linking it to the visible expression of the inner will of the subject through possession of property or through consumption, as Jeremy Waldron has argued. He argues that the history of a person’s will can be reconstructed through the trajectory of his personal possessions, which bear the imprint of his identity over time. Because subjects maintain a very close relationship

to their own properties or the things which they consume, it has a strong influence on their identity and to a significant degree on their esteem (Waldron, 1988; Honneth A. , 2014).

As we saw in the debate, this point about the importance of choice as a reflection of the preferences of the subject was the launching pad of Zwolinsky's choice arguments. Although used in relation to productive-labour, it is no less applicable to consumption. He wrote that "one way choice can be morally transformative is if it is an exercise of an agent's autonomy" because "we believe they reflect the agent's will or because they stem from desires". They are "expressive of the agent's authentic self" (2007:691). Among the sweatshop workers the lack of purchasing power means that things that appeal to them or interest them, are unaffordable, because their wages are too low. In this way, they cannot satisfy those things which truly satisfied their sense of self-understanding. But it matters for an analysis of transnational market because the hope of individual freedom based on recognition, in the way that Honneth developed it, is frustrated. It is frustrated because the sweatshop workers never have enough income to purchase or enjoy those things which truly reflect their preferences, tastes and identities. To that extent we say that the promise of individual freedom as it relates to esteem is violated, hence it we can defend a claim of misrecognition. I have said earlier that Honneth's defense of consumption misrecognition is inadequate because he does not offer robust arguments that capture consumption-esteem because he argues mainly from the supply-side, which means that he is more focused on forms of violations that occur at the time of purchase like deception and manipulation. My contention is that arguments from the demand-side like the one on lack of purchasing power helps to capture more abuses and forms of misrecognition would have fallen out of view. Not only those who are manipulated in their consumption choices, as we will see in the next section, but also who cannot afford to consume according to choices are misrecognized. If recognition theory claims that consumption-esteem is a legitimate normative expectation from the market (Schaub & Odigbo, 2018) to that extent, it

should be a cause of worry and a form of misrecognition, when it fails to redeem this promise. Much of the academic debates does not reflect this because they are focused on achieving the benchmark of minimum/living wages. There is no doubt that if workers can be paid living wages, it will go a long way in helping them come closer to the satisfaction of consumption-esteem. To conclude this section on consumption-dependent social esteem, it is important to emphasize that the way in which one chooses to consume and the means to support it is an expression of one's freedom and identity. Subjects might choose or avoid to consume one good in place of the other according to their preferences or might avoid one thing according to their idea of the good, according to their ethical commitments. In both ways what we consume is reflective of our dispositions and convictions. But the important thing is that the market should make such consumptive options realizable. What am not sure of, in the circumstance of the academic debates, is whether this too is to be blamed on the employers. It might lie beyond them, in the wider socio-economic realities of each society or region, because MNCs cannot pay levels of wages that can empower sweatshop workers to consume according to their preference always. Much will depend on the economic performance of the society in relation to general increase in the GDP or whatever means through which people can increase their disposable income. But it doesn't violate the claims that sweatshop workers are not adequately recognized as deserving of consumption-esteem, since the market promises that.

7.4.3 Lack of Voice and Consumption Disrespect

The dimension of respect I want to explore here is one based on subject's autonomy and is about their rights which derives from the subject's capacity for deliberative capacity. This capacity is always at play in the market dimension of consumption, although not often emphasized. Much of the debate, as we have seen, focus on the labour market and the issues of poor wage and bad working conditions of sweatshop workers which we have explored in the previous chapter. Maitland's seminal paper makes references to repression among

sweatshop workers, just as Zwolinsky deals with autonomy-exercising and preference-evincing, but in relation to the labour market. But it creates the impression that only in working conditions and its many abuses are the market-rights of subjects violated. The consumer-rights we want to explore here, unfortunately but also understandably, does not feature much in the debate at all. It is a pointer to the fact that sweatshop consumption has not attracted much attention as an area of academic interest, even though consumption is an integral aspect of the market. Our discussions will rely on the scanty evidence available, although some of the claims we shall make are self-evident in the sense of being common knowledge. Therefore, we can make inferences about right violations relevant for consumption disrespect with illustrations about market operations in the developing world based on the assumptions of recognition theory.

Honneth speaks of rights of consumers in three ways. The violations and forms of misrecognition that occur in the market sphere of consumption follow either all or some of these trends. One, he speaks of the consumer as a subject of right in the sense of having a right to correct product-information regarding safety, quality, use, durability etc. (2014:203). This means that for the market to facilitate the realization of freedom, the consumer is to have all the information that can help her make up her mind about whether to buy the product or not. Today this involves making clear to the consumer the circumstances of production, including what is used in producing the item in question and the conditions under which it is produced. Environmental conservationists now demand that products should also contain their carbon footprint, so that consumers do not consume in ignorance what they may have objected to or at least avoided were the correct information available. There are many examples of movements that seek to enthrone this form of accountability about products like the Kimberly Process for diamonds, Ethical Trading Initiative for apparels and wears, fair-trade for farm produce etc. Experience shows that transnational market often fails in this regard. Although it

is not a situation that exclusively pertains to sweatshop consumers, it is also true that it affects them. Proliferation of fake and sub-standard product is widespread among the developing nations, which of course is a violation of their right to quality products. Many of the inferior products do not originate from local market but from far away countries such that even where market regulators are active in home-countries, the producers of fake products escape their control and successfully export/circulate these fake products within their own nations or into other nations. Honneth also speaks of the rights of consumers to express their preferences regarding what is to be produced so that the market can also provide for their own needs. This is achieved through co-determination (2014: 218). The way this normative expectation of consumers is violated is that subjects never get a say about what is produced and for whom it is produced or the way it is produced. For Honneth the market can only provide for everybody's needs if there is a process of exchange of perspective between consumers and producers where this information is passed on. In this way the market can avoid producing what nobody needs or neglecting to produce for the needs of some, no matter how obscure. But there is also more to it. Is it not the right of the consumer regarding whether her opinion counts in the whole process of market-consumption decision making in the first place? One might say the parliament or representative democracy or international labour and quality-control organizations, or some other online means of public opinion polls, but it is essential that the opinion of consumers count regarding the market's capacity to produce for the needs of everyone. In terms of recognition, we can say that if the opinion of subjects is not reflected in the decision-making process of what gets produced, there is still a deficit of recognition. This is a practice that is violated frequently in the market, but even more especially within the transnational market of sweatshops consumers because no one takes their opinions into account on how the market is arranged.

In the context of the sweatshop workers and the arguments under consideration, Powell and Zwolinsky's 'choice argument' arguments are relevant for a discussion of disrespect. They deserve further attention here because, in the way their arguments are framed, it provides some justification about market practices of disrespect on grounds that it is part of the package of their choice. By inference their argument also seems to suggest that producers are free to offer anything in the market and that consumers are free either to buy or not to buy. But more seriously these authors fail to address the more important normative implication of autonomy as it relates to respect, which is that having a choice also implies that workers or consumers also have voice to be heard and respected. In other words, any consumption market practices that ignores the voice or autonomy of subjects violates them in relation to their rights to be heard. In his defense of the right of consumers to full and correct information from the demand-side Honneth makes clear the importance of consumer respect. It is also easy to imagine that the forms of autonomy violating practices like deception, misinformation which Honneth speaks of in *Freedom's Right* also obtains in the developing countries where sweatshops are predominantly located. These practices are found in the regulated countries of the West where government agencies are vigilant, so it's only more likely that they would be operative in the developing countries where agencies responsible for regulation are much weaker. In these developing countries, fake products, products mislabeling, misinformation and all forms of subtle maneuvers are prevalent. The evidence for this can be gleaned from series of the proliferation of fake products, mislabeled products and the high incidence of consumer dissatisfaction and injury following consumption. In the pharmaceutical and cosmetics sector for instance we hear of treatment failures, skin-burns, damage and dysfunction of organs caused by fake drugs and medicines. Also common is explosion and fire in electronic and electrical products just as the news of food poisoning, contamination and sale of expired products. All these are indications of the level at which the rights of sweatshop consumers get violated by

the producers or marketers in the consumer market at the expense of the sweatshop workers themselves.

7.4 Conclusion

In this chapter my aim was to explore the various ways that consumption plays out in the lives of sweatshop workers in order through it to offer a critique of the transnational dimension of the market based on the norms of need, esteem and respect. We were able to reflect empirical, economic and normative arguments about sweatshop workers, with trends in their income and consumption patterns. In view of the debates and the analysis, it should be clear by now that it is only by paying sweatshop workers minimum/living wage can they hope to escape acute poverty and thereby meet their consumption needs of individual freedom which the market promises. When it comes to forms of violations, it was necessary to expand on the outlook of Honneth which was restricted by an exclusive focus on demand-side of violations. With the introduction of the supply-side, it was possible to see additional forms of violation. The question was not limited to the satisfaction of consumers when they buy, but also expanded to capture the perspective of whether the consumers have the wherewithal to buy in the first place. Only by this kind of theoretical adjustment were we able to capture violations that relate to total lack of purchasing power as a form of normative violation. It is now clear that there are many forms of violations against the norms of need, esteem and respect, although in the case of consumption-esteem it is not straightforward if employers can be blamed for it. However, there is ample grounds to impute misrecognition of sweatshop workers by their employers especially for failing to pay living wages. There are also grounds to blame producers for sub-standard products and intentional mis-information. To that extent, all forms of fake and substandard products are forms of normative violations. Like others they are often victims of misinformation, mislabeling, concealment, deception and manipulation. These are market

practices that constitute normative violation because they mislead the consumers in their capacity to make informed decisions about goods to buy for any use at each moment. In other words, producers and marketers misrecognize the normative status of subjects as desiring respect. Arguably, this is the worst form of normative violation we find in the transnational consumer market because of absence or weak regulation on the part of government agencies or absence of enabling laws. What is more, the consumers of the products made by sweatshop workers are not respected as consumers, because they can only exercise their deliberative capacity and moral responsibility in relation to a product if they are made aware of the relevant aspects of the conditions of its production. This probably explains why students of US colleges demanded the boycott of sweatshop products as a way of attracting better wages for these workers.

GENERAL CONCLUSIONS

I set out in this thesis to make Honneth's theory of recognition and his method of normative reconstruction fruitful to the analysis of specific problems in the domestic and transnational economic spheres. While the method of normative reconstruction as a form of immanent critique was used all through this work, there are four original contributions in this thesis. Two relate to the domestic sphere and two to the transnational sphere. In both spheres, I suggested amendments to Honneth's theory before using it for the evaluation of case studies, one taken from the production dimension of the economic sphere and the other from the consumption dimensions. They are:

- (a) Development of a mixed-model interpretation of Honneth's concept of social freedom which consists in the combination of the weak social-freedom and individual freedom as a framework for justice in the domestic economic sphere
- (b) The application of the mixed-model to case-studies of low-wage and luxury-consumption representing production and consumption problems of domestic markets respectively.
- (c) Transposition of the method of normative reconstruction to the transnational economic sphere and the generation of the market model the theory of recognition.
- (d) The application of the transnational model of normative reconstruction to the case-study of sweatshops including its production and consumption dimensions.

(1) Let me add a breakdown of these contributions. In chapter two I suggested an amendment to Honneth's notion of justice as social freedom. I agree with Honneth's assumption that freedom enjoys normative primacy in modern societies. Accordingly, institutions of modern society are to be counted as just to the extent that they provide the social conditions for self-realization for all their subjects. The specific model of freedom that Honneth defends as

satisfying the demands of justice in the domestic case is strong social freedom according to which the freedom of one subject is the condition for the freedom of the other in the mode of mutual recognition and complementarity. Friendship is the social reality that Honneth uses to illustrate this form of freedom which represents the criterion of direct, first-order, non-accidental, intentional completion. I call this the strong model of social freedom. However, even this characterization still leaves a lot of ambiguities in Honneth's account. It is not clear whether direct intentional completion or justice requires that all the members of a given society has the same amount of resources in terms of egalitarianism or whether justice will be realized if everyone has enough for self-realization. In the end, I arrive at two models of social freedom the strong ontological model which I attribute to Honneth with many possibilities for further interpretations such as egalitarian mutuality, first-order intentions etc; and the weak model which affirms completion but according to the second-order of intentionality. This model only demands state regulation to make the market secure everyone's sufficiency. At the same time, the weak model is also to be accompanied by individual freedom such as the achievement principle beyond the threshold of sufficiency. Of course, what this means is that the legitimacy of the market as facilitating the realization of the aims of all members of society can be redeemed. Contrary to an egalitarian conception of social freedom, the weak model opts for a sufficientarian model, which requires that for justice to be reached in the market it is not necessary to achieve economic egalitarianism or that everyone be equal but only that everyone has enough in terms of sufficiency. My claim is that working for everyone and not for the few should satisfy the demands of social freedom and justice in the market. The main difference between the strong and the weak models is that whereas regulation is not enough for Honneth, it is enough for the weak model. Besides, the achievement principle is not compatible with the strong version whereas it is compatible with the weak model after the sufficiency threshold. It is not clear whether Honneth would insist on egalitarian equality of members in terms of access

to resources as a condition for justice. Although regulation cannot eliminate income asymmetry among members of a given society, I do not see it as incompatible with the demands of justice. I argued further that, we should think of the weak model of social freedom as sufficientarian standard that needs to be complemented by standards of individual freedom that can be involved to justify inequalities above the threshold set by weak social freedom.

(2) In chapters three and four I engaged with two specific problems in the economic sphere reflecting the productive and the consumptive dimensions respectively. For the labour-market I dealt with the problem of low-wage while for the consumer-market I dealt with luxury-consumption. My recognition-inspired analysis according to the standard of the weak model of social freedom revealed that contrary to mainstream economics--which adjudges wage as fair if it follows the forces of demands and supply--the current and prevalent policy of minimum/living wage for workers at the lowest rung shows that justice can be realized in the labour-market by making the market work for everyone, so long as these wage-level enables the workers to be self-realizing, that is, adequately recognized according to the demands of respect, esteem and need. It shows also that what people earn is not what they produce, as is often mistaken to be, but a share of the volume of social wealth, which means that people's wages will continue to grow whether there is a substantial improvement in the value of their contributions or not. I also pointed out other ways through which society today realizes social freedom according to the weak model, like welfare services, recruitment by quota, imposition of wage floors. The next thing that my analysis makes evident is that the labour-market can also find normative justification based on the merit or the achievement principle, according to the standards of individual freedom. This is a position which later Honneth of *Freedom's Right* seems to have abandoned, but my argument is that once the threshold of sufficiency has been attained for all members of a given society, people still deserve to be recognized for their individual achievements.

The case of luxury consumption is different and even peculiar. Very much unlike labour market where wage is exchanged directly for labour, luxury consumption is different because it is an action market participant engages in for the purposes of satisfying esteem which is a legitimate market norm of consumption. Moreover, luxury is a relative term which means that what may be a luxury here or today might not be a luxury tomorrow or elsewhere. In affluent societies conspicuous consumption is promoted by government for political and economic purposes. As Fred Hirsch opined ‘when everyone is on tip-toe no one sees better, but if you are not on tip-toe, you can’t see at all’. Since there is hardly any basis for condemning luxury when considered from the positive angle, my interim conclusion is that it doesn’t of itself violate any market norm. However, I also follow Honneth to consider its many side-effects. Guided by the benchmark of weak social freedom, my reconstruction reveal that producers cannot be blamed for their choice of what to produce because the market is also supposed to support the realization of their authentic aims. Although decision is made by subjects not to invest in less lucrative sectors but instead in the profitable sector of luxury, they have not infringed on any market norms and cannot be blamed for it. The blame for high cost of basic things or their unaffordability is to be borne by the government which is supposed to make the market to realize weak social freedom so that everyone will have enough to satisfy basic needs, realize esteem and enjoy respect. This explains why government provides subsidies for health items and agricultural products while imposing heavy taxation on luxury. However, luxury consumption violates the demands of mutual recognition and weak social freedom if a few members of society enjoy luxury while many are still unable to enjoy basic needs. The implication of this is that luxury consumption, which is an expression of individual freedom, can be justified under market relationship if everyone has met his basic needs. This conforms to the criterion of comfortable living which I established as a working standard below which is to be considered market failure and misrecognition.

(3) Chapter five dealt with the theoretical demands of making Honneth's framework amenable to the altered context of the transnational economic sphere. Honneth does not deal with this context at all in *Freedom's Right*, so there are no proposed templates. What we find in *The Idea of Socialism* are suggestions about how non-governmental organisations (NGOs) can help mobilize the global public or every participant in the transnational market sphere towards the realization of socialism. I first explored the three ways of looking at the market that we encounter in the world and which can thus be turned into the subject matter of normative reconstruction. The first is normative reconstruction under the circumstances of the ethical-life in which members have a strong form of solidarity because they share an ethical outlook and are committed to provide each other all the social relations and conditions for self-realization for each other. The next circumstance of normative reconstruction is within the market where those engaging in productive and consumptive cooperation do not share political or cultural similarity, unlike in the case of ethical-life, but active forms of market-based interaction. I call this the market model. Finally, I considered the socialism model which was invented by socialist and can be invoked by anyone all over the world to turn the market relations into relations of social freedom. This last model, as I demonstrated, is beyond the scope of normative reconstruction because it invokes norms like economic equality and solidarity that have not yet been institutionalized in the market. In my next step, I then assessed the plausibility of each of these three models against three contexts of application namely the national context, the partially integrated regional contexts and the transnational contexts. I found that only the 'market model' of normative reconstruction is compatible with the transnational economic context which does not represent relations of social freedom but relations of individual freedom. Neither a fully integrated market (to the level of ethical-life) is present at the transnational sphere for the purposes of social freedom. But we still have market relations at the transnational level with in-built norms of recognition. I then used the sweatshops as a case-

study because it represents as a good instance of transnational economic cooperation. This phenomenon has enjoyed a lively media reporting and has been animated by statistical and theoretical debates in the academia. Also considered is how normative-reconstructive based on the norms of recognition differs from other approaches in the ways that the problems are considered and resolved. Therefore, the extent to which the labour and consumer market violate the norms of esteem, respect and need was assessed in chapters six and seven.

(4) About the transnational labour market, the economic arguments reflected the relative advantage sweatshop labour brought to their third-world locations in the form of jobs and wages, while the moral arguments dwelt on choice and its related implications. There were arguments that showed that the MNCs don't pay living wages, whereas it is required of them to do so, to enable the workers live better. My strategy was to show that the transnational sphere is a sphere of intersubjective recognition. This made it possible to reflect a more inclusive picture of the market as a sphere of interaction and cooperation between the sweatshop workers and the MNCs and their sub-contractors, which trigger claims of recognition. I demonstrated that the liberal arguments could not capture this dimension because of their subjectivism and consequentialism. Thus, by following Honneth to emphasise the intersubjective conditions of justice based on recognition, I was able to show that low wage and bad working conditions constituted forms of normative violations among sweatshop workers. Specifically, low wage violated the sweatshop workers because their employers attribute little or no value to their work evidenced by low wage. Thus, it prevents the men and women who worked in sweatshops from attributing much value to their forms of self-realization. Low wage is very prevalent either because of the weak institutional contexts of the poor countries for being unable to enforce minimum wage legislations or because the MNCs frustrate this by exercise of more market power. However, the MNCs cannot be blamed for all the woes of the sweatshop workers. I also accounted for why simplified, routine and automated forms of work common among sweatshop

workers is a consequence of restructuring and reorganisation of labour which breeds the injustice of de-skilling and casualization of labour common in today's capitalist market. So, by means of that I demonstrate that meaningless work cannot satisfy the desire in subjects for work and meaningful contribution. Finally, I show that unsafe and unhealthy working conditions, lack of voice especially prohibition of unionism represented according to our analysis forms of disrespect and injustices.

The transnational consumption market was also dealt with in chapter seven. All the aspects of consumption were not well reflected in the academic debates on living standard which basically revolved around minimum vs living wage. Nowhere in the debate do we get a consideration of various forms of disrespect which relates to consumption that Honneth points out in his reconstructions. This shows that labour market dominates the discussions on economic justice even at the transnational level, which is why the theory of recognition is a more embracing approach since it opens more space for the consideration of the market relationships in its many dimensions. Reflected in my work is the supply-side perspective, which I introduced to widen the theoretical space. I found three forms of violations in the sphere of transnational consumption. I argued that MNCs should pay living wages that is appropriate to the location to enable their workers meet basic needs, and that they should respect their workers by not banning unions and labour/consumer associations. However, consumption esteem is much more demanding, because it requires earning enough disposable income to be able to consume according to preferences. This is not primarily within the capacity of MNCs who employ sweatshop workers but arise from the socio-economic condition of the country. To that extent the MNCs cannot be held responsible on grounds of recognition theory. Breaches of respect abound in the consumption dimension of the transnational market through the proliferation of fake and substandard products. All these practices in the transnational sphere of consumption

frustrate the hope of subjects who work in sweatshops to realize different dimensions of their individual freedom.

While the identified problems at the national and the transnational spheres have been fairly resolved, new questions continue to emerge. With the rise of globalization and the trend towards universal normative self-understanding, it is not clear to what extent the structural conditions are already in place to trigger a demand of social freedom. As we saw, Honneth is already calling on NGOs to invoke the demands of social freedom everywhere in the world. But it is not clear whether this framework is to be limited to nation-states or to the global market sphere and if so, how can it be realized? It is not clear the best way to transform the global public sphere into potent instruments for social change without recourse to state apparatus of power or the multinational firms who might be benefitting by the status-quo. It is not clear to what extent international normative instruments, treaties and guidelines like the ones provided by International Labour Organisations, United Nations, World Trade Organisation can become grounds for market legitimacy and critique according to the demand of critical theory. Sometime living wage is perceived as a right and defended based on the provisions of International Labour Organisation (ILO) and the United National Human Rights Declaration (UNHD), but then does the responsibility to realize these standards fall on governments, employers, or who? Solidarity is a theme that appeared repeatedly in my analysis which begs the question of whether and to what extent it can provide the independent normative grounds of market evaluation, especially at the transnational level. Honneth makes clear that advertisement infringes on the opportunities for social freedom in the market, yet it remains unclear to what extent it infringes on the operations of reflexive freedom and how such a claim can be established. While rights arise on grounds of the autonomy of subjects and their status as citizens, it is also unclear to what extent these two classes of norms which affects market analysis for instance, can be reconciled from a critical theory point of view. Therefore, research

in this area is far from concluded. But where this project stops, other efforts can also continue to suggest answers to these and other questions that arise in the market sphere as a sphere of cooperation and mutual recognition.

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