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# The capacity to choose: reformulating the concept of choice in economic theory

Mark S. Peacock

**Abstract:** Despite being conceived as a 'theory of rational choice', orthodox economics fails to ascribe to human beings the ability to choose in a meaningful sense, something philosophical approaches to economics have long noted and tried to remedy. Tony Lawson's critical realism is one attempt at a remedy. If, following Lawson, one conceives of choice as a 'capacity' of human beings, critical realist analysis suggests a distinction between humans' *possession* and their *exercise* of this capacity. If one can sustain this distinction, one should be able to distinguish cases in which agents actually exercise their capacity to choose from those in which they do not. Investigation of this distinction does not, however, lead to the desired distinction between such cases. Consequently, a reformulation of the notion of choice is required. An implication for economic theory – namely, the possibility of conceptualizing 'exploitation' – is discussed.

**Keywords:** critical realism, naturalism, analogy, exploitation

## Introduction

In his analysis of choice, Tony Lawson tries to tread a path between the philosophical poles of 'determinism' and 'free-will'. Central to his critical realist ontology is a distinction between an agent's *possession* of a capacity (or power) to act and the *exercise* of this capacity. Applied to human choice, the distinction should allow us to distinguish between individuals' possession of the capacity to choose and their exercise of this capacity. This would allow us to conceptualise choice without proposing that it be ubiquitous. In other words, the distinction between the exercise and the possession (but non-exercise) of the capacity to choose holds out the prospect of ontologically rooting a distinction between

situations in which an agent may be said to choose and those in which she does not. This essay explores the possibilities embedded in the exercise/possession distinction and asks how far it can take us in the search for a theory of choice. Various interpretations of the distinction are discussed but none is adequate to the task, and so an alternative is offered. The alternative points us towards a way of conceptualizing 'exploitation'.

## The power to choose

Amongst critical realists, Tony Lawson's work is noteworthy for its detailed analysis of choice. [1] Indeed, choice is the premise of Lawson's social ontology. The premise is of strategic import in the field of economics which is widely held to be based on a 'theory of (rational) choice'. Lawson (1997: 9, 30) argues that economists' 'theory of choice' allows the agents it models little leeway to make anything worth calling a 'choice'. Let us consider the notion of rational choice to ascertain how much freedom of choice orthodox economics attributes to agents.

A plausible reconstruction of agents' freedom to choose in orthodox economic theory is as follows. Any agent's freedom to choose is constrained. 'Constraints' in rational choice theory resemble a perimeter or boundary outside of which the choices of an individual cannot step; for instance, if \$100,000 stands at my disposal, I cannot choose acts of consumption which involve expenditure beyond this; my choices are constrained by the feasible set of options which cost \$100,000 or less. However, within this feasible set, an individual is 'free' to choose whichever consumption bundle accords with her strongest preference. Presented thus, the agent of rational choice theory would seem to possess absolute freedom of choice within the feasible set but no freedom to choose a consumption bundle beyond it. Lawson (1997: 8-9) challenges this presentation of orthodox theory. He argues that orthodox economics conceives of choice, even within the feasible set, as something dictated by an agent's preferences; her preferences determine the choice. And if agents' preferences *determine* their choice in this way, orthodox economics cannot be held to model agents so that they may be said to 'choose' in a meaningful way, let alone 'freely'; rather, their choices are, as it were, pre-programmed by their preferences. To defend the role of freedom of choice in orthodox economics, one could cast it philosophically as a form of *compatibilism*. According to compatibilism, the determination of the

agent's 'will' is compatible with freedom. That is, 'freedom' to choose is compatible with the determination of the agent's choice by her preferences. We may, according to the compatibilist, speak of 'unfreedom' only if an agent's course of action is determined by forces *external* to her, e.g., if she is coerced by another person to perform action *X*, or if some drug is administered to the agent which makes her act in a particular way. Thomas Hobbes (1968/1651: 189) offers a classical account of compatibilism when he describes freedom to consist in 'the absence of external Impediments' to action. But if external impediments are absent, compatibilists hold an agent's action to be 'free' even if it is 'internally' (that is, psychologically) determined by preferences, desires or inclination. Lawson rejects the compatibilism of rational choice theory. Its compatibilism follows from the theory's 'deductivist' structure (Lawson 1997: 16-20); that is, the goal of rational choice theory is to deduce unique choices of individuals from their preferences and the constraints facing them. Once a deductivist structure is seen to be desirable to the theory, any notion of choice, according to Lawson, is merely apparent, for agents have no scope to do other than that dictated to them by their preferences. For Lawson, neither external impediment nor internal determination of action is compatible with freedom of choice.

Lawson provides good grounds for reconceptualising choice if we are to rescue the notion from the ruins of orthodox economics. As a preface to examining his alternative, I propose one desideratum of a theory of choice, namely, that it be able to conceptualize two different types of situation: those in which agents do not have choice; and those in which they do. This would allow a theory of choice to make sense of the everyday linguistic formulation: 'I didn't have any choice', which someone says of herself after performing a (usually regrettable) action. Critical realism's distinction between the *possession* of a capacity to choose and the *exercise* of this capacity holds out the prospect of making sense of this distinction; for people who say they had 'no choice' could be conceived as those who possess but do not exercise their capacity to choose in a given situation, whereas people who do choose both possess and exercise this capacity. Furthermore, paths to human emancipation would take the form of giving those who currently have no choice in certain situations the ability to exercise choice in such situations. In what follows, I investigate how far critical realism brings us in conceiving choice adequately.

## **Agents, powers and their exercise**

Lawson (1997: 9, 21, 174) conceives choice as a 'power' (or 'capacity', 'potential' or 'capability' to act); 'any individual' who possesses this power 'could always have acted otherwise'. With this, Lawson tries to banish determinism. A 'power' is possessed by an 'agent' by virtue of that agent's 'structure'. When activated, this power, in conjunction with others, has a causal influence on events. When it is not activated, the power is possessed by the agent but is unexercised and therefore does not influence events (or only does so by the absence of its exercise).

This ontological picture was first worked out by Roy Bhaskar for the natural world. In line with critical realism's 'naturalism' (i.e., the view that the methods for studying the natural world are broadly applicable to the study of the social world), Lawson repeatedly draws analogies and illustrates his arguments with examples from the natural world. In what follows, I explore one such analogy to see how far it takes us in understanding choice. I should note, before commencing this investigation, that, by using such analogies, Lawson does not hold the social world to be homologous to its natural counterpart; rather he tries to shed light on the social world using familiar examples from natural science as an aid to understanding. Indeed, his work is peppered with illustrations from the natural world involving autumn leaves and the effect of gravity, the conductivity of copper, and cows with a disease which makes them 'mad' (Lawson 1997: 21, 22, 28-9, 123, 221, 227). As with all analogies, the one I explore forthwith has limits, and my explanation aims to make these limits clear. The analogy concerns gunpowder: a sample of gunpowder has a molecular structure which gives it the ability (power) to cause explosions; the gunpowder possesses this power whether or not the power is activated; the power can be activated if one ignites the gunpowder, but if it is not ignited, gunpowder nevertheless possesses the power to cause explosions although it might currently be in an inert (non-activated) state (Lawson 1997: 21). One may ask whether, in analogy to gunpowder, one can distinguish an individual's possession of the power to choose from its exercise.

### *The case of choice*

In the case of choice, the 'agent' is a human being who, by virtue of her structure, possesses the power to choose. This power is the individual's ability to

have done other than she actually did: 'if under conditions  $x$  an agent in fact chose to do  $y$ , it is the case that this same agent could really instead have not done  $y$ ' (Lawson 1997: 30). How are we to conceive the difference between the *possession* of a power to choose (analogous to gunpowder's ability to cause explosions) and the *exercise* of this ability (analogous to the igniting of gunpowder and its actually tending to cause explosions)? As a thought experiment, I offer, in what follows, a 'strict naturalist' interpretation of the possession/exercise distinction by comparing humans' ability to choose and gunpowder's ability to cause explosions. First, though, I wish to consider one way in which Lawson does *not* conceive the distinction. He does not say the following:

At time  $t$ , an agent,  $A$ , activates her power to choose and hence performs an action,  $\Phi$ ; after time  $t$ , she can no longer activate her power to choose with regard to  $\Phi$  because  $\Phi$  is over and done, it belongs to the past, and cannot be undone or chosen differently. Hence, at the time of acting, an agent is able to do otherwise, but after  $t$ , it is impossible for  $A$  to do other than she did at  $t$ .

If he conceived the distinction thus, Lawson would merely be stating the obvious fact that we cannot change the past, for the past is irrevocably and indisputably determined once we view it from the present. Conceptualizing the distinction between the possession and the exercise of the power to choose in this way would be equivalent to (and no more exciting than) saying that a particular sample of gunpowder exploded yesterday and hence that sample (today) no longer has the power not to explode yesterday. Lawson is looking for something more significant than this; his interest is in choices we are making or will make, not in those we have made. And so we return to the question: How are we to conceive the difference between individuals' possession of the power to choose and their exercise of this power?

Let us, then, turn to the strict naturalist interpretation of the distinction. Presumably the actualization of a person's ability to choose lies in her acting, because when a person acts, 'in any situation, he or she could really have acted other than he or she did' (Lawson 1997: 174). Let us compare gunpowder and human beings to appreciate the distinction I am pursuing. The general form of the relationship between the powers of an 'agent' (meaning *all* and not just human agents) and the exercise of those powers is as follows:

- 1a) X (the agent) *possesses* a structure, S, which gives it the *power* to Y.
- 1b) The *exercise* of this power means that X tends to cause Y. [2]

Applied to gunpowder we have:

- 2a) Gunpowder *possesses* a structure which gives it the *power* to cause explosions.
- 2b) The *exercise* of this power means that gunpowder tends to cause explosions.

Applied to the human individual we would say, in exact analogy:

- 3a) A human being *possesses* a structure which gives her the *power* to have done other than she actually did.
- 3b) The *exercise* of that power means that she tends to have done other than she actually did.

This cannot be what Lawson means, for we have gone astray with 3b): nobody has ever done (or tended to do) other than they did (or tended to do) in a given situation. 3b) reveals a familiar logical problem encountered in attempts to refute determinism (Nesbitt and Candlish 1978: 417 note 2). If we wish to refute determinism, though, we do not have to show that a person is capable of the impossible feat of doing what she did *and simultaneously* doing otherwise (i.e., doing *x and not doing x* at the same time); rather, we need to show that agents are capable of doing other than they did *instead* of doing what they did at any particular time.

This logical problem arises if we take naturalism too literally and thus draw too close an analogy between cases like gunpowder's ability to cause explosions and humans' ability to do other than they did. The crucial difference between the two cases is that the exercise of humans' power to choose consists in a *counterfactual* (the ability *to have done other than she actually did*); in contrast, the exercise of gunpowder's power to cause explosions consists in an identifiable causal tendency (to cause explosions) – a 'factual' rather than a counterfactual, as it were. If we consider the converses of 2b) and 3b), the problem becomes particularly clear:

- 2b)' the *non-exercise* of gunpowder's power to cause explosions entails that it did not tend to cause an explosion.
- 3b)' the *non-exercise* of humans' power of choice entails that the individual did *not* tend to do other than she did.

In 3b), 'not tending to have done other than she did' simply means *tending to have done what she did* (if we cancel the double negatives – 'not' and 'other'); but 'tending to have done what one did' is the trivial empirical description of what human beings always do. We have not learned anything useful about human beings here in the way that we have learned something about gunpowder when we distinguish the possession and the exercise of its ability to cause explosions. The analogy between gunpowder's power to cause explosions and humans' power to choose is not close enough to shed light on the latter. This could be one reason Lawson (1997: 60, 223) supports only a 'qualified naturalism'. We must therefore rule out this strict naturalist interpretation of what Lawson means and conceptualise the distinction between possessing and exercising the ability to choose in a different way.

### *A posteriori identification of causal powers*

Let us pursue a variation of our gunpowder plot and ask how we find out about gunpowder's causal powers. According to transcendental realism, scientists ascertain the structure of an agent through empirical investigation. From the agent's structure, scientists deduce its causal powers (an ability to cause explosions being one such power in the case of gunpowder). The identification of this structure reveals the agent's 'real essence' by virtue of which it possesses its causal powers. After the *a posteriori* identification of the agent's structure, anything answering correctly to the name by which we describe the agent (be it gunpowder, nickel or carbon monoxide) *must* possess the causal powers identified in empirical investigation (Bhaskar 1978: 209-10, 214). So, in the case of human choice, rather than starting with what agents do (i.e., choose), we could try to identify (empirically) humans' real essence, i.e., what structures they possess by virtue of which they necessarily possess certain causal powers like the power to choose.

Lawson (1997: 31) seems to hold that he proceeds along these lines, for he states that he derives the existence of choice '*ex posteriori*' (sic). [3] Yet it is hard to find a derivation of choice in his work which proceeds from empirical investigation. Sometimes he simply asserts that people possess the power to choose, e.g., in the question: 'what is implied by the reality of people making choices?' (Lawson 1997: 30) Sometimes he treats the existence of choice conditionally, e.g., in the question: 'if choice is real any agent could always have done otherwise' (Lawson 1997: 9, 30; 1994: 269). Finally, he sometimes draws



support for the reality of choice from economists' acknowledgement of 'an intuition that human beings possess the capacity of exercising real choice' (Lawson 1997: 8). Thus he describes choice as a 'convenient, widely accepted' feature of human behaviour and deduces his social ontology using the existence of choice as a premise (Lawson 1997: 9, 56, 175). None of these strategies constitutes the sort of *scientific* investigation which Bhaskar envisages when he describes how scientists derive the powers of natural agents like gunpowder. Lawson's first strategy is just an assertion; the second addresses choice only as a hypothetical given without substantiating it; strategy three appeals to an everyday 'intuition' about choice, but a scientific realist cannot rely on lay intuitions if a distinction between scientific knowledge and everyday belief or intuition is to be maintained; relying on economists' acknowledgement of choice is also unstable support for choice, especially in light of Lawson's well aimed criticisms of economists' scientific credentials. Can we improve on these derivations of choice?

What would an empirical investigation of human beings look like if it were to allow us to identify their structure and deduce therefrom their power to choose? One possibility is that we observe people's behaviour in the hope that we could deduce their power to choose from it. But however long we watched, we would not see any person 'doing other than he actually did', and hence it is hard to see how we could observe anything which would allow us to deduce that humans possess a power enabling them to do *other* than they actually do. If we are to deduce causal powers in the way Bhaskar envisages, however, we need some empirical pointer (equivalent to gunpowder's actually causing explosions) which would lead us to infer the existence of such a power. An alternative might be to observe something *inside* human beings themselves (not their outward behaviour) by virtue of which we could deduce their power to choose. We might, for instance, find something by virtue of which humans possessed a 'free will' which enabled them to do otherwise. There are two drawbacks with this approach:

- (a) Those who, hitherto, have looked deepest 'inside' people (i.e., cognitive scientists) are usually the firmest deniers of the existence of free will. Hence, relying on 'empirical scientific investigation' might not yield results amenable to those, like Lawson, who combat determinism.
- (b) We are in danger of confusing a philosophical issue with an empirical one; for whatever we discover lurking in human beings will only allow us to settle the issue of free will and determinism if this

issue is an empirical one. Traditionally, discussion of free will and determinism has been a metaphysical pursuit, and therefore not one which will be settled by empirical investigation.

Lawson, sensibly, does not suggest that one deduce humans' power to choose from an empirically identified structure of humans. Instead, it is by philosophical fiat that he resolves the issue: he declares the capacity of choice to be 'analytic' to the notion of 'intentional human agency' (Lawson 1997: 56). An empirical problem thus disappears and is replaced by a conceptually necessary relation. [4] The only grounds Lawson offers for stipulating this relation are those of everyday plausibility. That Lawson does not try to establish empirically that human beings possess the capacity of choice might relate to the constructive role the concept of choice plays in his work; for the existence of choice forms the premise for his deduction that the social world be 'open', and, being a premise, it might be held to lie beyond justification (Lawson 1997: 30). Nevertheless a social ontology is only as good as the premise from which it is derived, and hence we require more than intuitive plausibility, convenience or the stipulation of an analytical relation between intentional human agency and choice if we are to ground the distinction between the possession and exercise of humans' power to choose. Lawson's analytic relation, with its mention of intentionality, gives us a lead in conceptualizing the distinction between possessing the power to choose and exercising it.

### *Intentionality and choice*

One could try to distinguish the possession of our power to choose from its exercise in a different way. If, as Lawson holds, the capacity of choice is analytic to the notion of *intentional* human agency (Lawson 1997: 56), perhaps we can distinguish intentional actions from non-intentional behaviour as a way of getting to the distinction between actions in which choice is exercised and actions in which it is not; for in light of the analytic relation between intentionality and choice, the power to choose must be exercised in intentional actions but not in non-intentional behaviour. Terminological caution is required: 'actions', for Lawson, are by definition intentional – they are goal-directed and done for reasons (Lawson 1997: 174; 2003: 47-8). 'Actions' therefore involve choice. 'Behaviour', on the other hand, is not necessarily intentional. Can 'non-intentional behaviour' lead us to a distinction between the possession and the exercise of the power to choose?

The converse of Lawson's analytic relation between choice and intentional action implies that non-intentional behaviour involves no choice. Consequently, the set of non-intentional behaviour will be coterminous with behaviour in which choice is not exercised. To make the distinction, though, we must distinguish behaviour which is intentional ('actions') from that which is not. Lawson's work is ambiguous on this matter. He asks whether '*all* human behaviour or human doings can correctly be described as intentional'; his answer is that it '*can mostly* be described as an action (and therefore as intentional under some description)' (Lawson 1997: 175). Alternatively, he writes: 'Most human behaviour appears to be intentional under some description, although not all things done in an act, and certainly not all the consequences of it, need, or typically will be, intended' (Lawson 1997: 175). If we can identify a set of human behaviour which is non-intentional, and hence one in which choice is not exercised, we might claim that this set involves behaviour by agents who possess the capacity to choose but do not exercise it. Let us explore the matter more closely.

One can easily think of examples of non-intentional behaviour: involuntary twitches of the arm, an increase in one's heart-rate whilst jogging, stertorous breathing in one's sleep and even somnambulation may be deemed non-intentional under any description; hence they all answer to the description of 'behaviour' but not 'action' which means they do not involve choice. The problem with such examples is that they are not of great social scientific import. If, of course, non-intentional behaviour has implications for action, it becomes social scientifically interesting (e.g., an increased incidence of snoring amongst married men might lead to a high divorce rate). But non-intentional behaviour only becomes interesting because it impinges on the realm of action which is intentional and involves choice. And if non-intentional behaviour is the realm of people who possess but do not exercise the capacity to choose, it does not have an obvious bearing on social phenomena.

Bhaskar (1989: 105) gets us a little closer to social scientifically interesting phenomena which do not involve choice when he distinguishes *things which people do* ('actions') from *things which happen to people*. Let us now ask whether things which happen to people are such that the people to whom they happen do not exercise their capacity to choose. If people to whom things happen possess but do not exercise the capacity to choose, we have arrived at the distinction we have

sought all along – between possessing and exercising the capacity to choose. Let us explore an example.

Anthony Giddens (1982: 31) invites us to conceive a person, *A*, who injects another, *B*, with a drug which immobilises *B* and renders her unconscious; *A* thus has *B* entirely under his control and can do anything to *B*. Something has obviously 'happened' to *B*, and in her immobilised state, further things might happen to her. *B*, furthermore, cannot exercise her capacity to choose. Does this give us the distinction between exercising and possessing this capacity? Giddens thinks not. He holds that *B*, when she is drugged, is not an 'agent' at all: not only *does* she not act; she *cannot* act ('acting', for Giddens, involving what it does for Lawson, namely an ability to have done otherwise). Consequently, *B* not only cannot *exercise* her capacity to choose when she is drugged; it is not obvious that she even *possesses* this capacity when drugged. Only when she returns to her normal state may we say of *B* that she possesses this capacity. Should we accept Giddens' conceptualization and thus relinquish the distinction between possessing and exercising the capacity to choose in this example?

One could argue against Giddens' interpretation by claiming that *B* is an agent whose causal power to act intentionally and with volition has merely been *put out of service* by the drug. This is different from saying that, whilst drugged, *B* is *dispossessed* of this capacity. Those who resist Giddens' interpretation would thus characterise *B* as possessing but not exercising the capacity to choose, rather as one might say that someone possesses the ability to swim even though he is currently reading a book in a café. An adherent of Giddens' interpretation, though, may counter that *B* and the swimmer who is reading are different cases: the swimmer can 'switch on' (that is, exercise) his ability to swim at any time (assuming there is water nearby in which he can swim); *B*, on the other hand, cannot 'switch on' her agency (and hence her ability to choose) without undergoing a *change of state*; whilst she is drugged, she is not a human agent and only becomes one through a change of state (from an unconscious, drugged to a conscious human being). The issue is important for critical realism's depiction of 'agents' and their possession of powers, and it impinges on the following examples:

- 1) Does gunpowder possess the power to cause explosions when it is wet?
- 2) Does a dog possess the ability to bite when it is muzzled?
- 3) Does a sample of water to which salt has been added possess the power to boil at 100°C?

Negative answers to all three questions could be justified because, to (re)possess their respective powers, each of the three agents would have to undergo a change of state (just as *B* would if she is to possess the capacity to choose again): the gunpowder would have to be dried, the dog's muzzle taken off, and the water desalinated. As described in the above questions, the 'gunpowder' is not gunpowder but *wet* gunpowder, and wet gunpowder does not have the power to cause explosions; the 'dog' not a dog but a *muzzled* dog which does not have the capacity to bite; and the 'water' not water but saline solution the boiling point of which exceeds 100°C. Similarly, *B* in Giddens' example is not a person but a *drugged* one; were the drug to have permanent effect or make her fall into a coma, it would indeed be plausible to say that *B* would never again possess the power to choose, for she is no longer an agent. For present purposes, though, I remain agnostic about the correct characterization of *B*. The reason for my agnosticism is that Giddens' example is extreme and of marginal significance to the social sciences. Although I see Bhaskar's 'things which happen to people' as being of import to social analysis, Giddens' example does not take us very far here. Giddens recognises this himself; indeed, the purpose of his example is to show that cases of apparent 'absolute power' (as *A*'s power over *B* seems to be when *B* is drugged) are not useful in conceptualizing power in social relationships. If *A* is to have power over *B*, then *B* must be able to *do* something which *A* can use to his own advantage; in *B*'s immobilized state, *A*'s 'power' over *B* is useless to *A*. Meaningful power relationships, Giddens (1979: 149) argues, are always reciprocal, for they always involve *B* acting (doing something) and hence entail that *B* retain a modicum of power herself with which to do the things *A* wishes her to do. This thought leads us to a different example of something which happens to people.

Gerry Cohen (1988: 245) asks us to imagine a person, Smith, who wants another, Jones, to leave the room. Cohen compares two ways in which Smith can bring this about:

Scenario a): Smith drags Jones to the door and pushes Jones out.

Scenario b): Smith threatens to shoot Jones unless he leaves, whereupon Jones leaves the room.

In scenario a), Cohen argues, Jones does not 'do' anything because he cannot be said to have 'chosen' to leave. Cohen's 'doing something' is thus equivalent to Lawson's 'acting' in that it necessarily involves intentionality and choice. But Smith's manhandling of Jones, Cohen holds, does not mean that Jones is

prevented from exercising his power to choose; rather, he does not possess the power to choose because he does not *do* anything in scenario a). Instead, something happens to him. In scenario b), by contrast, Jones *does* something; he leaves of his own volition; that is, he *chooses* to leave.

Let us consider scenario a) in more detail. Note first, that, unlike Giddens' *B*, Jones, when he is dragged and pushed out of the room, is fully conscious but unable to resist Smith. Jones is thus more like an *agent* than Giddens' *B*. Jones, though, is *physically overpowered* by Smith. Physical overpowering might have application in the social sciences but, once again, we may contest its significance in social life. Although it certainly occurs, it is marginal compared to another concept to which I wish to contrast it, namely *force*. Consider some examples of people of whom we say that they are forced to do something:

- v) workers can be forced to take poorly paid and dangerous jobs;
- w) immigrants might be forced to live in undesirable parts of a city;
- x) artists are forced to pander to commercial pressure rather than produce works which they think worthy of the name 'art';
- y) economists are forced to analyse the social world using mathematical methods in order to get their work published in journals considered reputable by most economists.

Common to these examples is that those described do something they would rather avoid. More generally, people are *forced* to do things when they have two or more options facing them, neither (or none) of which is a desirable option. And because they are confronted with options (all undesirable), those depicted in the examples *choose* to do what they do. People who are physically overpowered, by contrast, are not faced with options and hence do not choose.

Returning to Smith and Jones, Cohen holds that only of scenario b) (Jones leaving the room after Smith threatens to shoot him) should we say that Jones was *forced to leave the room*. Being forced to do *x* is not only compatible with exercising one's power to choose to do *x*; exercising one's power to choose to do *x* is actually a *presupposition* of being forced to do it (Cohen 1988: 241, 145). There is a *prima facie* paradox, here, because choosing to do *x* and being forced to do it are apparently mutually antithetical. Not so, argues Cohen, because, in scenario b), Jones is 'doing' something (that is, 'acting', in Lawson's sense – intentionally and with volition), which is not the case in scenario a). The paradox disappears

if we conceive 'being forced' as an *action*. What makes leaving a room after being threatened an action is that Jones has two options: (i) staying put and being shot (assuming that Smith will carry out his threat), and (ii) leaving the room. If Jones selects option (ii), he not only leaves; he *chooses* to do so. If we compare Jones to the drugged, immobilized and unconscious person of Giddens' example, the drugged person cannot be forced to *do* anything because, in her drugged state, she cannot do anything at all; hence she cannot choose between options. Hence, although A's control over the drugged B is, in one sense, absolute, A cannot use this control to her advantage because, to attain that control, she has had to put B into a state of complete uselessness (Giddens 1982: 31); A can no longer force B to *do* an action, *x*, because to be forced to do *x*, B must be able to *do x*; and to be able to do *x* requires that B can choose to do *x*.

Of the class of cases in which things happen to people, then, there is a subset in which people are forced to do something; Jones being threatened is something which happens to him and he is forced to leave the room. Those who are forced both possess and exercise the capacity to choose which is what makes such choices unpleasant. The distinction between possessing and exercising the capacity to choose is therefore not relevant to such cases, for it is not the case that those who are forced to do something possess but do not exercise the power to choose, whilst others, who are not forced, do exercise this power. Neither is the distinction between non-intentional and intentional behaviour of relevance because Jones, when he is forced to leave the room, acts intentionally.

Two objections to this position come to mind:

- (i) By holding that the distinction between possessing and exercising the power to choose is not relevant to cases of force, we are in danger of neglecting this distinction altogether, at least for the purpose of social theoretic analysis. This might disturb critical realists for whom the possession/exercise distinction is embedded in their ontology.
- (ii) We must ask whether an account of 'force' which ascribes a 'choice' to agents is discerning enough to ground a distinction between people who choose and are forced to do something, and people who choose but are not forced; for we are in danger of concluding that, even when we are forced to do something, we choose to do it, and hence there is no essential difference between people in this respect – we are all 'free to choose' whatever we do, even when forced.

Regarding (i), the elision of the possession/exercise distinction in the realm of human choice does not pose a challenge to the critical realist ontology. That is, even if we hold that human beings, *qua* 'agents', always exercise (and never merely possess) their power to choose in everything they do, we are not denying the distinction between the exercise and possession of powers. As Lawson (personal communication) writes, it is not anomalous to critical realism's social ontology to hold that some powers must be exercised if the agent to whom those powers belong is to exist at all. As an example, he cites the heart's exercising its capacity to pump blood which is a presupposition of its ability to exist (as a functioning heart). Similarly, to be a human agent (that is, one who acts), a person must exercise her power to choose. What would be a mistake, according to Lawson, would be to assume of certain powers that they are always exercised when in fact they are not. This is the criticism he levels at neoclassical economics which holds that a human being's capacity to choose *rationally* is exercised in all human action. This, Lawson holds, is false, for the exercise of rational choice is not a presupposition of the existence of human agents; choices, although they can be rational, are not always so. Elsewhere, Lawson (1997: 62, 106) refers to this as the error of 'actualism', that is, reducing a capacity which can (but does not have to) be exercised to the actualization of that capacity.

The second objection raises the following point which we should try to avoid: if everybody who performs action *x* exercises choice in doing so (including people who are forced to do *x*), it seems that we are all free to do *x* whether or not we are forced to do *x*. This obliterates a distinction between those who are forced and those who are not, for they all supposedly act freely (because they exercise their choice). This position, as the objection brings out, is untenable. To avoid it, we must turn our attention away from the distinction between possessing and exercising the power to choose and focus instead on the *options* between which people choose. We should, that is, make sure we can resist the following argument:

The plight of people who are allegedly 'forced' to do something may be dismissed because such people could have chosen otherwise and are therefore not actually forced to do what they claim they are forced to do. That we are forced to choose *x* means that there were other options available (otherwise we would not have had a choice, and without a choice, we could not have been forced).



In what follows, I present a way of resisting this argument.

A condition of being forced to choose  $x$  is that none of the available options was 'acceptable' (Cohen 1988: 246, cf. 255-6). We may add to this condition a second, namely, that being forced to choose  $x$  means that  $x$  was not itself a desirable option (although it was probably the least undesirable available). If we return to Smith and Jones, what makes Cohen's scenario b) one in which Jones chooses to leave the room is that he has an alternative – staying in the room and being shot by Smith. For Jones, this is not an acceptable alternative and hence he leaves – he is *forced* to leave; his act is intentional and he exercises his power to choose. We may now address the utterance: 'I didn't have any choice'. The Jones of scenario b) would be perfectly justified in saying: 'I didn't have any choice'. But 'not having any choice' does not mean that the person could not exercise her power to choose (to do otherwise); rather it means that no other way of exercising it was reasonable – she chose the least evil because it was 'least unacceptable'. Hence, 'I didn't have any choice' is not to be taken literally but is to be given the sense of 'having no acceptable alternative to an undesirable action'.

The foregoing raises a question about the meaning of 'could have done otherwise'. Here we must introduce a distinction between different 'abilities to do otherwise', namely between the *formal* and the *substantive* ability to do otherwise. To unlock this distinction, let us consider an example presented by Nesbitt and Candlish (1973). A bank robber orders a bank teller at gunpoint to 'hand over the money'; the bank teller obliges and empties the contents of his cash till into the robber's bag. Nesbitt and Candlish suggest that the teller could not have done otherwise. They are correct if they mean he could not *substantively* have done otherwise. They consider an objection to their view which is expressed by saying: 'What do you mean, couldn't have done anything else? He was quite capable of hanging onto the money, wasn't he?' (Nesbitt and Candlish 1973) *Formally* (but not *substantively*), the objection is valid: the bank teller could indeed have done otherwise, for 'not being able to do otherwise' does not mean 'being incapable of doing anything else'. That is, formally, the teller has an option different to handing over the money, namely, refusing. But considered *substantively*, the teller could not have done otherwise because 'it would have been unreasonable to have *expected* him to do anything else [except hand over the money]' (Nesbitt and Candlish 1973: 327). The other option facing the teller (in the example, to risk being shot) is unacceptable; the teller's formal

ability to do otherwise and thus to exercise his power to choose is empty and worthless. Hence we may say of the teller that he was forced to give the money to the bank robber. Similarly, Dostoyevsky's Sonya (*Crime and Punishment*) is formally free not to become a prostitute – she has other options (one of which is letting her consumptive mother and her siblings starve to death); but given the unacceptability of these other options, she was forced into prostitution.

Cohen discusses the unemployed workers of Hazleton, Pennsylvania. Such workers had alternatives to taking hazardous jobs with the mining corporation, Beryllium, in the 1950s, and for some, these other options, e.g., leaving their hometown and seeking work elsewhere or becoming unemployed, were acceptable. But for other workers who cherished ties to their family, friends and community, leaving Hazleton was an unacceptable option (as was remaining in the ranks of the Hazleton unemployed). Such people might well have said that they 'had no choice' but to work for Beryllium; what this means is that the other options were unacceptable and so they accepted the hazardous job as a last resort – they were forced to do so (Cohen 1988: 240-1, 250-1, 259); their formal freedom to do otherwise was without consequence. Let us compare two hypothetical workers, both unemployed and living in Hazleton. Their different values, commitments and conceptions of the good life mean that only one is forced to take a job. One, for example, might be forced to take a job at Beryllium because he cannot give up his attachments to his community and family in Hazleton and because he cannot accept the thought of being unemployed; these values and attachments are not necessarily things he chose. The other worker might have no attachment to community and family; she might find leaving Hazleton and working elsewhere quite acceptable. The sorts of people we are and the attachments and commitments we have determine what we can and cannot substantively choose, what is acceptable and what not, and thus whether and when we are forced to do things. Such commitments and attachments form non-volitional determinants of our freedom.

There is an important difference between cases like Jones being forced to leave the room by Smith's threat toward him and the case of Beryllium. In the Jones case, Smith performs an act (the threat to shoot Jones) which forces Jones to leave the room. Smith's action – we may call it an act of *coercion* – is instrumental in bringing about Jones' action. Beryllium, however, did not force workers to work for it in the same way. Beryllium did not openly coerce workers to work for it (via threats, at gunpoint etc.); rather, it *exploited* the

circumstances the residents faced and made offers of employment which many could 'not refuse'. In the following subsection, I show how the foregoing analysis can lead to the conceptualization of 'exploitation' in economics. Before turning to this, though, I conclude this subsection with a historical example. It concerns the presuppositions of capitalist production, as Marx describes them in his discussion of 'primitive accumulation'. Marx ([1867] 1972: 742) is concerned with the freedom of those who, with the emergence of capitalism, become workers. Under previous modes of production, such people were slaves or serfs, and upon becoming workers they become free 'in a double sense'. First, workers are not directly bound to the means of production and do not belong to a slave-owner or landlord; they therefore confront owners of the means of production as legal equals and legally free agents. Second, workers are 'free' of the means of production – 'footloose and fancy free' (*los und ledig*), as Marx writes. Under serfdom, by contrast, the means of production (land) were directly accessible to them. Marx's irony cannot be missed, here, and it plays on the distinction between formal and substantive choice. Formally, wage workers are free to enter into contractual relationships with capitalists as they please; they are formally free to do otherwise. But in light of the divorce of the workers and the means of production, workers' formal freedom to choose whether to work, for whom, how long, etc. is not translated into substantive freedom. Formally, that is, workers have a choice, viz., to work or not to work for a capitalist. But not working for a capitalist is an unacceptable option (and, in Marx's time, entailed starvation); hence, we may say that workers were forced to work for a capitalist – there is no acceptable alternative. Although this lack of substantive freedom of choice does not play a role in Marx's notion of exploitation, in the following subsection, I develop a notion of exploitation from the foregoing analysis of choice.

### *Implications for economic theory: conceptualizing exploitation*

The term 'exploitation' plays little role in modern economic theory. [5] One reason for this is that economists examine *voluntary* decisions, contractual agreements such as employment decisions being paradigmatic examples. Economists' conceptualization of 'voluntary' rules out exploitation; for as a condition of their rationality, individuals are deemed prudent enough not to bind themselves to, or enter into, agreements which are exploitative. Although rational choice theory imposes no *a priori* conditions on the relative shares of the gains to the parties from an agreement, it stipulates that all parties must

(expect to) be at least as well off after the transaction than before it takes place. If all parties enter agreements because of the prospect of gain, none can complain that she is exploited. The previous analysis suggests, to the contrary, that exploitation has a place as a normative category of economics even if we maintain the focus of analysis on *voluntary* decisions and agreements; for, as we saw in the previous subsection, an agreement entered into voluntarily can be exploitative *if a person is forced into it*, e.g., a decision to work for Beryllium. Being forced into an agreement entails that there are no reasonable alternatives to the (undesirable) option actually chosen. Even when there is no act of coercion from a third party, it may be said that the agent was forced. Consider an example. If an agent, *A*, is faced with a choice between (i) working for less than one dollar a day in a factory in which health and safety conditions are poor and (ii) being destitute, then there are grounds for saying that the agent's choice to work for that wage and under the stipulated conditions is both rational and voluntary. One may also say that the employment relation is exploitative. The example is relevant to the practice of multinational corporations which employ workers in the developing world at far lower wages and under worse conditions than their counterparts in the developed world. A corporation which employs workers as depicted may be said to be exploiting the situation of many workers whose only alternative – destitution – is so unreasonable that they have 'no choice' but to work for the multinational in question. The workers who choose to work for the corporation are, as rational choice theory holds, better off accepting work than not, yet the gain to them from doing so and the voluntary nature of their choice to work should not stop us from censuring a corporation which employs people under such terms.

At a general level, there are two essential components to the claim that an agent be exploited:

- (a) Doing *x* is undesirable (hazardous, degrading, etc.) for agent *A*.
- (b) *A* may have alternatives to *x* but none is "reasonable".

Two remarks must be made in relation to this claim. First, that *A* is exploited is compatible with *A*'s benefiting from *x* (*vis-à-vis* any available alternative to doing *x*). Second, the undesirability of *x* suggests a 'subjective' element to the notion of exploitation, namely *A*'s judgement that *x* be undesirable. One question here is whether this subjective element be a necessary component of the theory. That is, if *A* is to be deemed 'exploited' when she is forced to do *x*, is it necessary

that she herself conceives of herself as being exploited? Or may external observers judge *A* to be exploited even if *A* does not see herself in such terms? An example of *A* being exploited without characterizing herself thus occurs when *A* has become so inured to her lot that she accepts it without protest or negative feeling. Indeed, the most successful kinds of exploitation are those in which the exploited come to adapt to their condition and do not perceive themselves as being exploited (cf. Sen 1999: 15). Consequently, an agent may be deemed exploited even if he does not agree to this characterization of his situation. Therefore it is not a necessary condition of being exploited that the exploited person feels exploited. We must finally ask whether *A*'s subjective judgement that she is exploited is a sufficient condition for correctly classifying her thus. Clearly it is not a sufficient condition, for *A*'s feelings of disgruntlement and dissatisfaction with her lot – however intense and genuinely felt – might belie the 'objective' circumstances of her life. For instance, if *A* is excessively pampered and spoilt, she might feel exploited at having to do the smallest household chore, yet, if this is the sort of chore which normal people in *A*'s society are required to do from time to time, *A* has little occasion to claim she is exploited; rather she is probably engaged in an exercise of whining. There is clearly much more to be said on this complex topic, but I take my leave of the discussion here, having provided the rudiments of a theory of exploitation.

## Conclusion

To sum up, the distinction between possessing and exercising the capacity to choose has not yielded a framework for analysing social scientifically interesting cases of limited choice or force. Instead, being forced, or 'having no choice' is best represented by Cohen's Smith-Jones example (scenario b), by Nesbitt and Candlish's bank teller and by Marx's emerging workers in the process of primitive accumulation. Because they are all subject to force, they, of necessity, have options between which they can choose. Hence, of none of them may one say that they do not or cannot exercise their capacity to choose. Choose they did, and what makes their situation one of force is that the options facing them are all undesirable; but it is better to choose an undesirable option (leaving the room, handing over the money or working for a capitalist) than to choose an unacceptable option (being shot or starving to death). The theory of choice worked out above grounds a notion of exploitation which economic theory, in its current state, lacks.

## Endnotes

[1] This essay offers no general introduction to critical realism or to Lawson's work. The reader is recommended Lewis (2004) for a concise introduction.

[2] 'Tends to cause' because the exercise of an agent's power will not necessarily have an unmediated impact on events and hence *actually* cause Y; the workings of the agent's causal powers might be counteracted by other causal forces operating conjointly with those of the agent in question. On tendencies, see Lawson (1997: 22-3).

[3] Presumably he means either that he derives the existence of choice 'ex post' or that the knowledge that choice exists is 'a posteriori'.

[4] I describe the connection between choice and intentional human agency as 'conceptually necessary' because of Lawson's use of 'analytic' which implies conceptual rather than natural necessity. For the ascription of a *naturally* necessary relation, Lawson would have to appeal to a *posteriori* scientific knowledge about humans which, I have argued, he does not have.

[5] An exception is the work of experimental economists who characterize some experimental subjects as 'exploitation averse' (e.g., Fehr and Fischbacher 2005). However, 'exploitation' here involves non-reciprocal behaviour on the part of people whom one faces in social dilemma situations, e.g., the prisoners' dilemma. This is different from the notion I adopt in this section.

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