

ROBERT S. TAYLOR



Exit Left

Markets and Mobility in Republican Thought

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Introduction

Arbitrary power is a pervasive feature of human societies. Women suffer in silence at the hands of domineering husbands who inflict psychological and physical abuse at will, unchecked by effective laws or cultural norms. Workers without meaningful options in life toil under the capricious rule of foremen, afraid to speak out against mistreatment for fear of losing their jobs. Residents of inner-city minority communities endure the daily humiliation of stop-and-frisks by police engaged in illicit racial profiling, while businessmen quietly pay bribes to corrupt officials with the discretion to grant or withhold essential permits. In each sphere, arbitrary power enables abuse and silences voice.

We rightly regard this subjection to others' wills with a special horror and dread, not just because it makes exploitation possible but because relationships built upon it are both mutually corrupting and morally stifling. Those people who exercise arbitrary power become arrogant and contemptuous as a consequence: they start to think of themselves as more than human, no longer bound by standards of fairness or decency, and to think of those beneath them as undeserving of respect, concern, or even simple courtesy. Those who have such power exercised over them, on the other hand, become degraded, anxious, and sycophantic: they lose their self-esteem, live with the gnawing fear of displeasing the powerful, and speak only with insincere flattery upon their lips—or with what is worse, the sincere flattery of those who have adopted their masters' views. Such mutual corruption reaches its nadir in the relationship between slaveowner and slave, but it can be found in less extreme forms in the relationships surveyed above, where it undermines the conditions necessary for reciprocity, mutual respect, and ethical development more broadly.

No contemporary school of political theory has been more focused on the singular evil of arbitrary power than republicanism, and no republican theorist has been more instrumental in the

revival of this tradition of political thought than Philip Pettit, whose *Republicanism: A Theory of Freedom and Government* (1997) and *On the People's Terms: A Republican Theory and Model of Democracy* (2012) jointly present a powerful philosophical defense of distinctively republican conceptions of justice and legitimacy.¹ In these two works, Pettit defends the priority of political liberty, understood as non-domination, i.e., immunity from arbitrary power. More specifically, he argues that one agent dominates or possesses arbitrary power over another when s/he has “the capacity to interfere with impunity and at will in certain choices that the other is in a position to make” (Pettit 1996, 578). If this interfering agent’s actions “track the interests and ideas of the person suffering interference,” however, then such interference does *not* qualify as an exercise of arbitrary power: when I give you the key to my alcohol cupboard with explicit instructions not to return it but upon twenty-four hours’ notice, you do not arbitrarily interfere with me if you refuse to return it to me immediately; rather, you act as my faithful agent, tracking my avowed interests (Pettit 1997, 55; Pettit 2012, 57). Unsurprisingly, then, the key to protecting political liberty on Pettit’s understanding is to guarantee as much as possible that interferers’ acts track the avowed interests of interfeerees, in which case those acts will be non-arbitrary.

I will discuss Pettit’s theory (and certain objections to it) in greater detail later, but for the time being I want to emphasize the central role that it gives to *voice*. In Pettit’s alcohol-cupboard illustration, what makes it possible for you to track my avowed interests is precisely my avowal: I provide you with explicit instructions, presumably accompanied by an explanation of why I am asking you to follow them (e.g., “I’m having trouble controlling my drinking”). Other conditions will need to hold in order for your tracking of my avowed interests to be reliable—competency

¹ I do not intend by this to downplay the important contributions of other scholars. Of special note in this regard are Quentin Skinner and Frank Lovett. Skinner’s pathbreaking works (especially Skinner 1998) recover a conception of freedom as non-domination from the Florentine and Atlantic republican traditions. Lovett’s writings, most recently his book *A General Theory of Domination and Justice* (2010), formalize and at times modify Pettit’s theory. I will frequently engage with Lovett’s work over the course of this book, as his approach is highly congenial to my own.

conditions (e.g., skill at hiding the key) and motivational conditions (e.g., willingness to perform the role faithfully), for instance—but on Pettit’s understanding of tracking the avowal condition looks to be a necessary one. Whereas arbitrary power silences voice, its negation requires voice.

His approach has immediate implications for how we evaluate state interference with our lives: such interference is arbitrary only when it fails to track “the welfare and world-view of the public” (Pettit 1997, 56). The priority of political liberty therefore requires those institutions that enable citizens to give voice to their interests and ideas, including the freedoms of speech, press, and assembly, the right to petition for redress of grievances, and most obviously the right to vote, whether for elected representatives or ballot propositions. This avowal condition is necessary but insufficient for reliable tracking, however, because the politically powerful must also be properly motivated to respond to these expressed interests and ideas, be it through electoral competition, judicial oversight, or monitoring by pressure groups and investigatory media. As Pettit argues in *On the People’s Terms*, the state will not become a dominating institution itself so long as the people share equally in control of the direction it takes, and equal control can only be secured in a properly structured constitutional democracy with a “contestatory citizenry” ready to speak out against arbitrary exercises of power (Pettit 2012, 5-6).

Is voice really the only way, however, to get interferers, be they private or public, to track the (avowed) interests of interferees? Return for a moment to Pettit’s alcohol-cupboard example. Suppose that, instead of having to rely exclusively upon you as my agent, I faced a continuum of agents offering different kinds of “commitment services” at various prices and quality levels and that I could freely choose between them and *exit* from my relationships with them if they proved unsatisfactory in some way (e.g., incompetent or unmotivated). Under these circumstances, voice would be largely superfluous: my preferences would be revealed not through explicit instructions

and explanations but rather implicitly, through choice and exit decisions; moreover, the pressures applied by exit would permit such a system to meet both the competency condition (wide choice and the possibility of exit would eliminate incompetent providers) and the motivational condition (exit, both actual and potential, would discipline providers). Given the right circumstances (*viz.*, a broad array of providers with diverse characteristics and services), free choice and exit can act as effective substitutes for voice, revealed preferences as effective substitutes for stated ones, in compelling interferers to track the interests of interfeerees. Moreover, if exit is a live option and this is common knowledge, then it may not need to be exercised. A credible *threat* of exit may be sufficient to motivate providers, allowing exit to act not merely as a substitute for voice but as a complement to it; in other words, potential exit can empower voice, forcing providers to heed the words of their clients, be they words of instruction, explanation, or complaint.

This possible role of exit as both a substitute for voice and a complement to it can also be seen in the examples that opened this book. The surest defense against domination for women in abusive marriages is exit: so long as divorce laws are liberal, restraining orders are effective, and reasonable employment opportunities and/or alternative marital prospects are present, wives can either flee abuse or credibly threaten exit in the hope of modifying spousal behavior. Similarly, empowered workers with many job options need not tolerate abusive foremen—and if capitalists are aware of this fact, they will rein in their supervisors for fear of losing good employees. Even in cases of racist cops and corrupt officials, exit may be a real possibility, albeit one much easier for the well-heeled: because the freedom to migrate between political sub-units is a characteristic feature of open societies, especially federal ones, their exploited citizens and businesses have the option of moving from poorly-run cities, counties, and states to better-run ones; moreover, if tax revenues move with them, the administrators of these sub-units may find it in their interest to fix

the problems in question, perhaps even before an exodus begins. Note that in each of these cases the right conditions must be present for exit to be effective at restraining arbitrary power: only if exit is legally enabled, economically feasible, and costly to potential abusers can it do its full job. Fortunately, however, these conditions for effective exit can frequently be created (if they do not currently exist) through a proper mix of constitutional, legal, and policy reforms; we do not need to rely on fortune, individual or social, to secure exit's benefits.

Given the promise of exit as a means of limiting arbitrary power, one might expect it to play a prominent role in contemporary republican writings, but it rarely does—and when it does, it is usually treated critically. Pettit offers numerous insightful remarks about the potential role of exit in limiting domination in the family (e.g., Pettit 2012, 158) and the market (e.g., Pettit 2007), but they are scattered and never systematized; moreover, he rejects the idea that geographic exit can limit state domination, for reasons that I will turn to in Chapter 4 (Pettit 2012, 161-2, 165-8). Lovett provides the only systematic and generally sympathetic treatment of exit in the republican literature, one that I will reference throughout the book, especially in Chapter 3 (Lovett 2010, 38-40, 49-52). Even in Lovett's works, however, exit plays a largely supporting role, and he focuses almost exclusively on its potential to curb domination in the economic sphere, with no sustained attempt to extend these insights to the domestic and political spheres.²

Other republicans are much more skeptical of the power of exit, whether in the economic or political spheres. Nien-hê Hsieh, for example, contends that “as an alternative to exit, workers need to be able to exercise voice—to have the capacity to express dissent without exiting,” which

² He gives notice at one point that “I will not discuss...the applications of JMD [Justice as Minimizing Domination] to questions of personal privacy, family, or gender equality” (Lovett 2010, 190). I must also mention in this context a piece by Mark Warren entitled “Voting with Your Feet: Exit-based Empowerment in Democratic Theory” (2011). Although not a republican work, Warren's article persuasively argues that the freedom to exit political parties and other civil-society organizations can reduce domination (684, 687). Like Pettit and others, Warren is highly skeptical of the ability of geographic exit (mobility) to reduce state domination (684n1, 686); given that political parties and pressure groups carry out most of their domination via the state, however, the mere ability to, say, switch parties will only go so far in limiting arbitrary power, especially where parties collude. I will return to these issues in Chapter 4.

can only be accomplished if the state “provides workers with the right to contest decisions within the context of the decision-making process internal to economic enterprises,” e.g., via unions; he worries that the various costs associated with exiting workplaces, including search and transition costs and the risk of unemployment and poverty, will suppress exit and thereby allow domination to persist if voice is absent (Hsieh 2005, 128-32, 134-5; cf. Dagger 2006, 162-3). Turning to the political sphere, Richard Dagger argues that the size, fragmentation, and especially high mobility associated with American cities threaten the conditions for democratic self-government and thus for the reliable tracking of citizen interests and ideas. The power of exit, rather than being a way to check arbitrary power, is instead its principal enabler: mobility detaches and alienates citizens from the places where they live and converts them into “citizen-consumers” who shop for cities as they shop for clothes, unwisely depending upon the “supposedly apolitical professionals” who run cities to offer a wide range of public services at moderate prices. Only a small, stable urban environment with public-spirited citizens can sustain republican liberty (Dagger 1997, 154-72). I will address Hsieh’s and Dagger’s concerns about exit in Chapters 3 and 4, respectively, but for now I should repeat what I said above: exit’s effectiveness as a check on arbitrary power depends upon certain conditions, ones that might require specific constitutional, legal, and policy reforms to establish; absent these conditions, exit may fail to curb domination or even exacerbate it.

This idea that exit can be a double-edged sword, stifling voice and triggering institutional failure in some contexts but amplifying voice and sparking reform in others, is the dual thesis of Albert O. Hirschman’s seminal work *Exit, Voice, and Loyalty*, the focus of my first chapter. The first part of his two-part thesis is much better known: exit may stifle voice by disproportionately encouraging the most motivated and advantaged parents, workers, voters, etc., to depart and thus abandon their more vulnerable compatriots, whose voices will be less powerful and effective as a

result. His best examples of such a process are wealthier families abandoning public schools for private ones and the black middle class deserting inner cities in the wake of desegregation (1970, 45-6, 51-2, 100-2, 109-12). The second part of his thesis, however, is less well known: voice is most effective when it carries a threat (implicitly or explicitly) to impose a cost on the powerful, and exit is one of the main things that makes such threats credible, especially when it is properly resourced; potential exit can empower voice by diminishing its threshold for efficacy and thereby encouraging it (1970, 55, 82-3, 85). Return to the abused-wife example: is she not more likely to talk back to her domineering husband when exit is feasible due to liberal divorce laws, etc.? The challenge is to determine the *net* effect of exit on the security of the most vulnerable, and there is reason to believe that this relationship is fundamentally non-monotonic: it first falls with the ease of exit, as the most advantaged leave and no longer raise their voices against abuse, but then rises again as even the less advantaged are able to depart or credibly threaten to do so (cf. 1970, 83). As I will argue in this chapter, the key to protecting the most vulnerable is therefore not to thwart exit but rather to “double down” on it, providing resources to the most vulnerable that make exit easier for them (e.g., better information, travel and relocation vouchers, a basic income, etc.).

Are there other policy initiatives to help the most vulnerable that the state should pursue? Rather than empowering voice indirectly by resourcing exit, the state could try to empower voice directly by a host of means. In the economic sphere, for example, it could directly supervise and regulate labor markets, blocking certain unconscionable contractual arrangements (e.g., perilous working conditions or very long workweeks) and generally rebalancing economic power in favor of labor. Alternatively, it could strengthen labor’s voice by requiring companies to have German-style works councils or other forms of labor participation in managerial decisions; less radically, it could simply encourage the formation of unions to bargain with management over wages and

work conditions. I will argue against such policy initiatives in this chapter, not on the grounds of efficiency or respect for property rights but rather for the purpose of reducing domination, in this case by the state itself. As I will show, such policies necessarily give a great deal of discretionary power to (quasi-)public agents, power that can and will be frequently abused for non-public ends. With rare exceptions, the state should only empower voice indirectly, whether by resourcing exit or by encouraging competition so as to expand the range of exit options—though as I will show in Chapter 5, even these techniques can carry certain risks for republicans.

Having established the preceding theoretical framework, I will then use it over the course of the next three chapters to analyze domination and the best means for reducing it in the spheres of family, market, and state, respectively. Turning first to the family in Chapter 2, I examine the way that asymmetrical, gender-based power relations within households make women vulnerable to abuse by boyfriends and especially husbands. The principal line of defense against such abuse is the legal possibility of exit as secured by liberal divorce laws (e.g., the “no-fault” divorce laws in place throughout the U.S.), which have been favored by republicans from John Milton (2010) to Philip Pettit (2012, 115). But such measures are insufficient: intimidation by husbands and the risks of unemployment and poverty (especially for wives with limited job-market experience and poor marital prospects) may effectively deter exit and allow abuse to continue even where there is a formal right to leave. Whether by enforcing restraining orders, financing shelters, or offering vouchers for job (re)training, the state can take additional steps to make exit more feasible and threats of it more credible for the most vulnerable women. By contrast, *directly* enhancing voice in this context is hard to imagine. Would it require micromanagement of the household division of labor by connubial “regulators”? Legislating and then enforcing internal democracy or at least a formal proceduralism (e.g., Antioch College-style “intimacy contracts”)? Even if we suspended

privacy concerns, such measures would require that state enforcement agents be given a kind and degree of discretionary power that would expose couples to abuse and simply replace one kind of domination with another. If we want to minimize the sum total of private and public domination in marriage, we will need to limit the state to indirect methods of empowering women's voices.

Next, in Chapter 3, I look at the conditions for republican freedom in markets, especially labor markets. Republicans have historically been of different minds about markets: some, such as Rousseau, reviled them, while others, like Adam Smith, praised them. Present-day republicans have generally made their peace with markets, but without much enthusiasm. I will argue in this chapter that the proper republican attitude toward competitive markets is celebratory rather than acquiescent and that republicanism demands such markets for the same reason it requires the rule of law: because both are crucial institutions for protecting individuals from arbitrary interference. In the context of labor markets, where workers are vulnerable to domination from managers and capitalists, securing competition and free exit requires what I call an "Anglo-Nordic" package of policies, including informational campaigns, labor-market reform, aggressive antitrust, capitalist demogrants, and a basic income. Alternative approaches of the sort I surveyed above (e.g., labor-market regulations, works councils, and unions), which try to empower voice directly rather than indirectly, run the risk of increasing total domination by giving discretionary powers to public or private agents: these powers are required to assess where voice is being silenced and to redress it, but they can and inevitably will be misused in the pursuit of private ends, be they financial (e.g., bribery), tribal (e.g., bureaucratic-class interests), or ideological. Again, the safest approach from a republican point of view is one that resources exit and promotes competition (Taylor 2013).

I move in Chapter 4 to the third and final sphere, the state. The role of exit in minimizing state domination may seem quite limited due to its high cost, especially at the national level. This

might explain why mobility (geographic exit) has played almost no role in republican defenses of federalism and political decentralization more generally, be they in the writings of Montesquieu, Rousseau, Kant, and Publius or in contemporary works.³ However, the cost of exit is much lower from political sub-units such as cities, counties, and states/provinces, and the freedom to migrate between them is a characteristic feature of open societies, especially federal ones; such relatively low exit costs and free movement even describe some international systems such as the EU, apart from language barriers. In such contexts, exit can offer a means of escape from state domination for both citizens and businesses, as I argued earlier. Also, if political institutions are designed so that exit imposes heavy costs on the leaders of those political sub-units—if they lose tax revenue as a result, say, whether directly or via revenue-sharing systems—then the voices of citizens and businesses will be indirectly empowered, and leaders will find it in their interest to be responsive and pro-active about abuse. Some of the policy initiatives discussed above, especially travel and relocation vouchers, can do double or even triple duty across the three spheres, in fact, providing resources for exit whether the source of abuse is domestic, economic, or political. To be sure, the role of voice remains extremely important in the political sphere and increasingly so as we move from local to state to national governments: at this point in time, at least, escaping from abusive national governments is quite hard for all but major corporations and a global elite; as a result of this, exit exerts little discipline on nation-states, aside from narrow policy arenas (e.g., corporate taxation). Still, I will argue in this chapter that, with good institutional design and resourced exit, market-like mechanisms can play a larger role than normally thought possible in disciplining the state and restraining arbitrary power, a role that becomes increasingly important the lower we go

³ Contemporary republicans are eerily silent on the issue of federalism. It receives favorable mention by Pettit (1997, 179) and a few others, but with little explanation other than a repetition of traditional republican concerns about the centralization of power as a threat to liberty. I should note that, in contrast to the political-theory literature, mobility plays a key role in the economic literature on federalism: see, for example, the important works of Buchanan (1996), Weingast (1995), and especially Tiebout (1956), which I will discuss in Chapter 4.

in the hierarchy of political sub-units and the more those sub-units resemble firms competing for mobile “citizen-consumers” in a locational marketplace (cf. Dagger 1997, 154).

Even if policy instruments are well chosen, however, and focused on indirectly enhancing voice through expanded choice and resourced exit, state domination remains an ever-present risk, especially as the state grows in size and power. First, even the policies I recommended above are liable to abuse because their execution requires discretionary power: when we examine antitrust authorities or welfare administrators, we will see their need for discretion in selecting targets for prosecution or in determining eligibility for benefits, discretion that can be directed towards non-public ends. Second, even if these problems can be avoided (by rendering benefits unconditional, for example), the state will still have to raise revenues to fund the policies, and the more revenue it needs to raise, the more difficult raising it will be due to tax avoidance and evasion, which will itself require increasing the power and discretion of revenue agents. Lastly, the more powerful a state becomes—the more it can command persons and resources via taxation and regulation—the more attractive a target it ends up being for capture by rent-seeking interest groups, who can then turn its public power to non-public purposes. Greater state power, even for initially benign ends, can enable greater domination and subsequent abuse of unorganized interests by organized ones.

Once republicans recognize these public-choice insights, they will see the need to adopt a comparative-institutional method. If escalating state efforts to counter private power with public power will at some point increase rather than decrease total domination, then republicans will be forced to weigh the evils of private domination against the evils of the public kind at the relevant legislative and policy margins. Rawlsian “burdens of judgment” will inevitably come into play at this point: even when republicans are assessing the same evidence, they will disagree with each other about the required tradeoffs (Rawls 1993, 54-8). Among the causes of disagreement will be

their differing assessments of the nature and extent of private domination, of the efficacy of state responses to such domination, and of the possibility of keeping the state and its agents limited by genuinely public purposes as state power grows. In short, even if republicans share the very same normative and theoretical commitments, they will arrive at rather different conclusions about the proper size and scope of state power: some will be small-government republicans, like Friedrich Hayek (1960), while others will be big-government ones, like Michael Sandel (1996, 2012). This reasonable pluralism in republican policy commitments will be the subject of Chapter 5.

These considerations suggest a modest approach to international republicanism, to which I will briefly turn in the conclusion. Republicans of all stripes should be able to coalesce around a minimal global republicanism dedicated to free trade and free migration as means for checking arbitrary power, be it economic or political, at the national level. Economic concentration and the opportunities it creates for dominating consumers and employees are less problematic when trade and migration are free, as global competitors in product, service, and labor markets will find it in their own interest to limit the market power of would-be national monopolists and monopsonists. Free migration also offers a refuge to the victims of totalitarian and authoritarian regimes around the world, which remain the greatest threats to republican liberty internationally. Granted, this is a stopgap measure, but one that, in combination with political criticism and economic pressure, can eventually encourage the internal political changes that will finally allow these nations to be integrated into the global order of open societies. Ever mindful of Kant's warning that a world state would be a "soulless despotism" and a "graveyard of freedom" (1996, 336 [8:367]), we can instead focus our political energies on the less ambitious but also safer project of fostering global competition and the free movement of products, people, and ideas across borders, whose success would be a humble but worthwhile approximation of Kant's own inspiring republican vision.

Chapter 1: Exit, Voice, and Credibility

Albert Hirschman's *Exit, Voice, and Loyalty* (1970) was his single most influential book, though its impact was much greater in political science and sociology than in his home discipline of economics (Adelman 2013, 446-9). Over the decades, it has received even more citations than his landmark study in development economics, *The Strategy of Economic Development* (1958).¹ Whereas the latter work questioned existing orthodoxies in that field, including its practitioners' moves towards more rigorous mathematical modeling, the former took broader aim at the parent discipline. In it, Hirschman condemns "the economist's bias in favor of exit and against voice" and singles out Milton Friedman's educational-voucher scheme for special attention (Hirschman 1970, 16-7). Friedman, Hirschman complains, sees "withdrawal or exit [from underperforming schools] as the 'direct' way of expressing one's unfavorable views of an organization. A person less well trained in economics might naively suggest that the direct way of expressing views is to express them!" Relatedly, he also takes Friedman to task for denigrating democratic alternatives to exit (which Friedman dismisses as "cumbersome political channels" [1962, 91]), asking "what else is the political...process than the digging, the use, and hopefully the slow improvement of these very channels?"

So far, so familiar to Hirschman's readers. What may be less well remembered is that he levels even stronger criticism at political theorists and practitioners for their own peculiar sins:

But the economist is by no means alone in having a blind spot, a "trained incapacity" (as Veblen called it) for perceiving the usefulness of one of our two mechanisms. In fact, in the political realm exit has fared much worse than has

¹ The former had 16,619 citations and the latter 9,473 as of June 2015 (<http://scholar.google.com/>); they together make up over half of Hirschman's Google Scholar citations. *The Rhetoric of Reaction: Perversity, Futility, Jeopardy* (1991), which I will discuss at the end of this chapter, comes in a distant sixth at 1,105 citations.

voice in the realm of economics. Rather than as merely ineffective or “cumbrous,” exit has often been branded as *criminal*, for it has been labeled desertion, defection, and treason. (Hirschman 1970, 17; cf. 98, 109-12)

For this reason, he announces that one goal of his book is to “demonstrate to political scientists the usefulness of economic concepts” like exit (19).

In this chapter and throughout the remainder of my book, I hope to revive this neglected aspect of Hirschman’s project by demonstrating to republican political philosophers the utility of exit as a mechanism for limiting domination in the domestic, economic, and political spheres. I will begin by reviewing the dual theses of *Exit, Voice, and Loyalty*: the first, better known thesis that “the presence of the exit alternative can tend to atrophy the development of the art of voice” as well as the second, lesser known thesis that “if voice is to be at its most effective, the threat of exit must be credible, particularly when it most counts” (43, 85). I’ll then go on to argue that the *net* effect of exit on the security of the most vulnerable members of society, even if it is initially negative, can be made positive by cutting exit’s cost to such a point that even the vulnerable can take advantage of it or at least credibly threaten to do so. Finally, I will warn against the adoption of policies that, rather than empowering voice *indirectly* by cutting exit’s cost, try to empower it *directly* by a number of means. As I will maintain, such policies necessarily give a great deal of discretionary power to (quasi-)public agents, power that can and frequently will be abused in the pursuit of non-public ends. If the state wishes to minimize overall domination (both private and public), it should limit itself to empowering voice indirectly by resourcing exit and encouraging competition so as to expand the available range of exit options for the vulnerable. Working with rather than against the grain of competitive markets will prove to be the best means of advancing progressive republican ideals.

Hirschman's Dual Theses

Hirschman's first thesis is the best known and the one most frequently associated with the book, especially by its many fans in political science and sociology. As he declares in his pithiest rendering of it, "the actual level of voice feeds on *inelastic demand*, or on the lack of opportunity for exit" (34). Hirschman's central concern here is that *exit will undermine voice* across a variety of social contexts by encouraging the most motivated and advantaged participants to depart when institutions start to fail, in the process abandoning their most vulnerable associates, whose voices will be less powerful and effective as a result.² Whether we consider the customers of a bungling state-monopoly railroad or the stockholders of an underperforming corporation, the lesson is the same: "those customers who care most about the quality of the product and who, therefore, are those who would be most active, reliable, and creative agents of voice are for that very reason also those who are apparently likely to exit first in case of deterioration" (44-7; cf. 55).

Hirschman's most powerful—and disturbing—examples of this phenomenon at work all involve deepening divisions of class and race. Consider first his education example: specifically, parents choosing between public and private schools for their children. If public schools begin to deteriorate for whatever reason,

increasing numbers of quality-education-conscious parents will send their children to private schools. This "exit" may occasion some impulse toward an improvement of the public schools; but here again this impulse is far less significant than the loss to the public schools of those member-customers who would be most motivated and determined to put up a fight against the

² Republicans are generally partial to a *prioritarian* interpretation of freedom as non-domination: i.e., they recognize the importance of providing greater protection for the more vulnerable members of society (e.g., Lovett 2010, 201; Pettit 2012, 89-90). For the purposes of this book, I will also adopt this prioritarian reading. For a broader defense of prioritarianism, see Parfit 1997.

deterioration if they did not have the alternative of the private schools. (45-6)

Given the expense of private education, these parents will likely be wealthier than average, too, thereby increasing the existing income stratification between public and private schools (45n2). Moreover, exit (or the threat of exit) will be a much more effective disciplining device in private education than in public, further exacerbating quality differences between the two: “exit is not a particularly powerful recuperation mechanism in the case of public schools—it is far more so in that of private schools which have to make ends meet” (52). Thus, deterioration in public schools when private schools are an exit option can trigger a runaway process, one characterized by ever-escalating quality and income stratification caused by the most motivated and advantaged parents abandoning the public sector.

Next consider his neighborhood-decline example, which involves a toxic combination of class and racial division. Hirschman begins with an overall description of the problem:

When general conditions in a neighborhood deteriorate, those who value most highly neighborhood qualities such as safety, cleanliness, good schools, and so forth will be the first to move out; they will search for housing in somewhat more expensive neighborhoods or in the suburbs and will be lost to the citizens’ groups and community action programs that would attempt to stem and reverse the tide of deterioration. (51)

Beginning in the 1960’s, racial desegregation in the United States—residential, occupational, and educational—started to provide educated middle-and-upper-class black families a path out of the ghetto, but as certain members of the Black Power movement noticed at the time, these improved opportunities for talented individuals levied costs on the group: by removing their best educated, most civically-active residents, integration helped place black-majority districts on a downward-

spiraling trajectory of neglect, decline, and further “black flight” (109-12).³ In this case, at least, the promise of escape from racial apartheid was both a blessing and a curse, though for different segments of the black population.⁴

These two examples and others Hirschman uses in his book diminish exit’s appeal, but as I hope to show, what he takes away with one thesis he basically gives back with the other. Given how little noticed this second thesis has been, I shall start with Hirschman’s rendering:

The chances for voice to function effectively as a recuperation mechanism are appreciably strengthened if voice is backed up by the *threat of exit*, whether it is made openly or whether the possibility of exit is merely well understood to be an element in the situation by all concerned.... [While] the *effectiveness* of the voice mechanism is strengthened by the possibility of exit...the threat of exit must be credible, particularly when it most counts. (82-3, 85)

In other words, voice is most effective when it (implicitly or explicitly) carries a threat to impose a cost on the underperforming institution, one that will be noticed by its managers, and exit is the key thing that makes such threats credible, especially when it is properly resourced and therefore practicable. To put it differently, exit can *empower* voice by lowering its threshold for efficacy and thereby encouraging it. Consider divorce, for example: if a husband knows that his wife can feasibly exit the marriage (due to “no fault” divorce laws, shelters, restraining orders, good work and/or marital opportunities, etc.), he is much more likely to listen to her complaints and modify his behavior—but if so, that makes her voice more effective and consequently more likely to be

³ This “black flight” was paralleled by “white flight” from the inner cities. Although racism played the principal role in the latter, even a “moderate urge to avoid small-minority status” could have triggered it (Schelling 1978, 154).

⁴ A very closely related phenomenon can be found in the precipitous decline of HBCUs (Historically Black Colleges and Universities), whether in terms of student enrollment, endowments, surviving institutions, or even SAT scores. As Charlayne Hunter-Gault (2014) explains, HBCUs “once held a monopoly. Today, they struggle to compete with elite colleges that have stepped up recruiting for the best and brightest black students.”

put to use.⁵ Thus, in cases such as this one, exit might very well be “off the equilibrium path,” to use the language of game theory: if the threat of exit is credible and the abusive parties therefore yield, the threat won’t have to be exercised, i.e., no exit will occur.⁶ As Hirschman himself notes, the threat may not even have to be explicitly made: even if “the possibility of exit is merely well understood to be an element in the situation by all concerned,” offenders may *preemptively* yield in order to avoid the cost of potential exit (82). Thus, when exit is effectively resourced and this fact is common knowledge, silence can sometimes speak as loudly as words.

With Hirschman’s second thesis in view, we can now see that exit’s *net* effect on voice is likely to be ambiguous in sign: exit may remove the best and most driven backers of institutional change, depressing the overall exercise of voice (first thesis), but it can also render the voices of those who remain behind more effective, thereby encouraging their exercise (second thesis). For our purposes here, however, we should be focusing on a slightly different desideratum: not voice per se, but rather *the security of those most vulnerable to institutional failure*. How is *this* likely to vary with the cost of exit? As I’ll suggest here and argue throughout the book, the relationship will be a non-monotonic one: that is, the security of the most vulnerable will initially suffer when the cost of exit falls from a prohibitive level because the most advantaged will then leave and no longer raise their voices against abuse, but it will rise again if the cost continues to fall to a point that permits even the least advantaged (and therefore most vulnerable) to exit or at least credibly threaten to do so. In short, a falling cost of exit will first decrease and later increase the security of the most vulnerable, holding out the possibility that at a low enough cost of exit their security may actually be greater than it was when exit was prohibitively expensive and all individuals, the

⁵ See Weinstock (2001, 81) for an application of this lesson to political secession: geographically-based minorities are more likely to have their complaints about majority abuse heeded when they enjoy an entrenched right to secede.

⁶ Whether exit will be off the equilibrium path or not will depend upon many factors, including whether information (e.g., about the value of available actions to affected parties) is symmetric, parties are rational, etc.

most and least advantaged alike, were trapped together in dysfunctional institutions.

As the earlier divorce example suggests, however, exit costs are not brute facts of nature, outside our control; rather, their level is partly determined by public policy, and legal and policy reforms can therefore potentially lower them. For an abused wife, the right to unilaterally initiate divorce proceedings—and the knowledge that the exercise of this right will be insulated through state provision of various protective services (shelters, restraining orders)—will unambiguously lower the cost of exit and thereby empower voice. Were the right merely a formal one, we might wonder whether it would not redound to the benefit of abusive husbands, who could threaten to leave dependent wives in penury at a moment's notice, but so long as exit costs are *sufficiently* reduced through protective services, “community property” rules that guarantee wives an equal share of jointly acquired assets, state provision of welfare benefits and job retraining, etc., even a vulnerable wife can exit or credibly threaten to do so and be better off than she would have been in a world where divorce was illegal. What this suggests is that the solution to the problem of the suppression of vulnerable voices by exit (first thesis) may be *more and better resourced* exit, not less, because if the cost of exit can be reduced enough, vulnerable voices will be empowered in a manner that leaves them better off than they would have been in an exit-free world. Hirschman's second thesis, in short, has the potential to give exit back the good reputation that his first thesis took away.

In light of this finding, let us now revisit Hirschman's education example and Friedman's voucher proposal. If the most motivated and advantaged parents abandon failing public schools, it is indeed likely that the least advantaged will suffer—but why? On Hirschman's reading, this occurs for two interrelated reasons: first, the least advantaged lack the financial means to follow the most advantaged out of the failing state schools and must therefore remain behind with their

diminished voices; second, state schools are much less responsive to exit pressures than private schools are, so that the threatened departure of advantaged parents will do little to improve them, further widening the income and quality gaps between the private and public sectors. As I noted above, however, these are not brute facts of nature; rather, they are the result of deliberate policy choices. Suppose instead that the least advantaged *did* have the financial means to join the most advantaged and that public schools *were* reasonably responsive to exit pressures. How might this be brought about? Any policy reform that allowed parents to exit underperforming state schools with their per-capita share of educational expenditures for that school (or, better, with an income-scaled share so that poor parents received much more than rich ones) would have this tendency: it would give poor parents the means to escape bad public schools, and it would make those bad schools pay the price in terms of reduced resources; this latter effect could even be heightened by tying administrator and teacher salaries to their available resources, putting every educational tub on its own bottom, as with private schooling. Friedman’s voucher proposal would be one way to achieve this, but other, less radical approaches are also available, including public-school-choice systems that use charter and magnet schools in combination with free parental choice of schools to pluralize public provision and encourage competition and accountability. Here, lowering exit costs and enhancing responsiveness can place otherwise vulnerable parents and their children in an even better position than they would occupy in a world that denied exit to both rich and poor.⁷

What if this last claim is incorrect, though? That is, what if the just-described alternative world of universal “free exit” was actually *worse* than a “no-exit” world? Perhaps a world where rich and poor are trapped together in public schools is better for the poor than free exit because in

⁷ The most respected analysis to date of charter-school performance, produced by Stanford’s Center for Research on Education Outcomes (CREDO 2013), finds that charter-school students who are in poverty and/or English language learners enjoy “significantly stronger growth in reading and math than their counterparts in TPS [traditional public schools]” (76-7). Similar results have been found in randomized controlled trials, e.g., Gleason *et al* (2010, 9-12).

a free-exit world income and quality stratification will still exist (albeit in a more tempered form than in a “partial-exit” system of escape for the wealthy alone), but in a no-exit system everyone would be in the same boat and would consequently be properly motivated to row together for the common good. Even if this idealized picture of a no-exit world were accurate, we would have to ask whether it was politically feasible, and in this case (and others to be discussed throughout the book), it is highly unlikely to be so. First, the right to send one’s children to private schools has been constitutionally entrenched for nearly a century (see *Pierce v. Society of Sisters* [1925]), so the children of the rich cannot be dragooned into the public-school system against their parents’ will. Second, even if they could be coercively enrolled in public schools, their parents would still have the option of self-segregation by income *within* the state system given (1) the very localized nature of educational finance, at least in the U.S., where per-pupil expenditures vary enormously across school districts, and (2) free residential mobility across those same districts, which is also constitutionally entrenched (see *Saenz v. Roe* [1999]). Even in the unlikely case that educational finance became significantly more centralized, there would still be a great deal of exit (whether to the private sector or within the public sector via residential mobility) by the well-heeled. Thus, the choice is not between free-exit and no-exit worlds; rather, it is between free-exit and partial-exit worlds—between a world where everyone has the ability to exit and a world where only the advantaged have that ability—and the former is clearly preferable if we prioritize the protection of our most vulnerable citizens against institutional failure.

We started this section by examining the legitimate concerns of both Hirschman and his many devotees in political science and sociology about the tendency of exit to silence vulnerable voices (first thesis). As we have seen, however, exit can also empower those voices by rendering them more effective (second thesis), and policy reforms that reduce the cost of exit for the most

vulnerable and improve the responsiveness of institutions via competition can make their threats of exit increasingly credible and thus persuasive, whether in the context of abusive marriages or deteriorating public schools. This potential role of properly-resourced exit in improving security for the most vulnerable against neglect and abuse at the hands of violent spouses, cosseted state employees, and others in positions of power should be of special interest to republican political theorists, who seek to minimize domination by making interference by authority figures track the avowed interests of those with whom they interfere. As Hirschman's second thesis demonstrates, exit can act as a complement to voice, giving vulnerable citizens a persuasive means to sway and even check the exercise of arbitrary power...and failing this, it can provide a substitute for voice, offering a means of escape from such power, if only it is properly resourced.

Defining and Differentiating Exit and Voice

Before discussing direct versus indirect strategies for empowering voice, I would like to pause for a moment and turn to something that has been done only implicitly so far: defining and differentiating exit and voice. I delayed this task until now because our everyday understandings of exit and voice were sufficient to make Hirschman's examples intelligible. From this point on, however, we need to be a little more precise in how we define them, distinguish them from each other, and differentiate their subtypes so as to avoid confusion. Here are Hirschman's definitions:

Management [of a dysfunctional organization] finds out about its failings via two alternative routes:

- (1) ...some members leave the organization: this is the *exit option*. As a result, revenues drop, membership declines, and management is impelled to search for ways and means to correct whatever faults have led to exit.

(2) ...the organization's members express their dissatisfaction directly to management or to some other authority to which management is subordinate or through general protest addressed to anyone who cares to listen: this is the *voice option*. As a result, management once again engages in a search for the causes and possible cures of members' dissatisfaction. (1970, 4)

Exit, then, is separation: the attempt not simply to leave a dysfunctional organization but also to escape its authority and the various obligations of membership in it. Voice, on the other hand, is standing one's ground, staying and fighting for change within an organization, which can take a variety of forms: speech (e.g., criticisms, reform proposals), organization (e.g., rallies, caucuses), voting (e.g., elections, recalls), etc. As we saw previously, all of these have their analogues in the spheres of family, market, and state.

Moreover, in each of these spheres, exit and voice can take both legal and illegal forms. Consider the political sphere, for example. (I will look at the economic sphere [labor markets] in the next section.) Legal forms of exit include emigration from a nation-state or internal migration across political jurisdictions in a federal system; giving up membership in a political party might also qualify. Legal forms of voice will include petitions, protests, running for office, and voting. Some illegal forms of exit might be described as "exiting in place," be they complete or partial, violent or nonviolent: a citizen might (partially) exit the state (or one of its jurisdictions) *without moving*. Secession would generally be a complete, violent form of "exiting in place," as might a rebellion or revolution; at the other extreme, civil disobedience would be a partial and nonviolent form: the peaceful, public, and conscientious refusal to obey certain laws because they (or maybe other laws) are unjust. Pettit, despite his generally skeptical attitude towards exit in the political

sphere (2012, 161-2, 165-8), believes that these illegal forms of exit can serve as a check on the abuse of state power: “to the extent that the possibility of popular, successful resistance is on the cards—to the extent even that it is on the cards as a matter of common belief—the influence of the people over government can be established on a robust basis and can constitute a real form of power” (2012, 173; cf. 137-40, 174, 202, 219-20, 223, 225).⁸ Illegal varieties of voice are also common in the political realm, ranging from the overstepping of reasonable bounds on rights of speech, press, and association (e.g., unfurling an anti-capitalist banner from a corporate building during an Occupy protest) to the corruption of officials (by means of bribery, blackmail, etc.).

It can be difficult at times to distinguish between exit and voice, especially in the political sphere. For example, if a voter decides not to vote, or perhaps even refuses to register, is that exit or voice? One could think of it as a sort of “exiting in place,” because the voter decides to remain in a jurisdiction but reject the responsibilities of active citizenship. Silence can often be a potent way of voicing one’s opinion, however, not unlike a deliberately spoiled ballot, say, or a vote for “none of the above.” This ambiguity may explain why some scholars treat voting inconsistently. Mark Warren, for example, classifies the “right to vote” as a “voice-based inclusion” at one point in a recent article (2011, 683), but then deems “voting for a nonincumbent party or candidate” to be a “form of exit” ten pages later (693). For simplicity, I will always regard voting as a kind of voice in this book, but I do recognize that in certain contexts or given certain motives it might be better treated as a type of exit. Similar things might be said of other political actions, e.g., revolt: is it violent, peremptory voice or an attempt to escape from existing authority without moving? I will have more to say about these myriad kinds of exit and voice, how they relate to one another, and their ambiguities over the course of the book, but they are sufficiently delineated for now.

⁸ Strictly speaking, Pettit does not consider civil disobedience to be a form of “resistance,” but instead a limit case of “contestation, a way of opposing laws within the system” (2012, 137-8).

Direct versus Indirect Empowerment of Voice

I said earlier that voice is most effective when it (implicitly or explicitly) carries a threat to impose a cost on an underperforming institution, one that will be noticed by its managers, and that exit is the *key* thing that makes such threats credible, especially when it is properly resourced and therefore practicable. Are there not other means, though, of making threats credible? As the previous section indicated, there are many illegal ways to empower voice through increasing the credibility of threats, such as a history of violence when demands are not met, but set these aside for the time being. In many societies, voice is directly empowered by the institutions of electoral democracy: competitive elections, universal suffrage, freedoms of speech, press, and assembly, public financing of campaigns, etc. These institutions give citizens a means to influence the state without exiting: if state agents do not heed the public's voice, they may be removed from office by angry voters, whether directly (elected representatives) or indirectly (political appointees). If this direct form of empowerment works in the political sphere, why not extend it to the economic sphere, say, by various reform measures? More generally, why can't the *direct* empowerment of voice supplement, substitute for, or even entirely replace the *indirect* empowerment exit offers?

The answer, in brief, is that such empowerment threatens even greater domination, not by private agents, but rather by public (or quasi-public) agents. As Pettit warns, "while the state has to guard people against private domination...it also needs to guard against itself practicing a form of public domination" (2012, 3). He identifies "three dangers" that may lead to such domination:

The first is the danger of elected politicians usurping the influence of the people under motives of self-interest. The second is the danger of private lobbies usurping that influence out of a desire to push government in a direction that does not necessarily have popular support. And the third is the danger that unelected

authorities...might gain a hold over government policy that is not sensitive to popular demands. (2012, 231-8, here 231)

The first two dangers will be familiar to students of public-choice economics: legislators, in their pursuit of winning electoral coalitions and/or bribes, will do the bidding of factions instead of the general public, commonly by passing inefficient laws that have concentrated benefits but diffuse costs, such as protective tariffs, agricultural subsidies, and tax breaks (2012, 232-5; cf. Buchanan and Tullock 1962, 283-95). In such cases, the state itself is effectively captured and used by rent seekers as an instrument of domination and exploitation.

Even if legislators were saintly, however, the third danger would offer yet another point of access for private interests of many sorts due to the *discretionary power* necessarily possessed and exercised by unelected authorities. As Pettit reminds us:

The fact that in practice many decisions will have to be left to government under the best imaginable regime of popular control raises the spectre of abuse in this range of discretion. Abuse might consist in the authorities smuggling some self-serving candidates into the set of policies between which a decision has to be made in any area, or indeed keeping some popularly acceptable candidates out of that set. Or it might involve the authorities taking advantage of loopholes in the process available to resolve policy disputes in any area for their own special benefit or the benefit of cronies. (2012, 176; cf. Lovett and Pettit 2009, 23-4)

Even public-spirited legislation will need to be implemented by unelected authorities—be they political appointees or bureaucrats with civil-service protections—and that implementation will necessarily involve discretionary power: the implementing authorities will have to interpret laws, pick enabling policies, and decide how (and even whether) to enforce those policies in particular

contexts, given limited implementation and enforcement resources (see Hamburger 2014). Also, no amount of guidance and oversight by elected executives, legislatures, and courts can possibly ensure that this power will always be used for its intended ends given the immense ambition and complexity of modern legislation. Unelected officials will therefore often be able to abuse their sizable discretion in pursuit of non-public ends, whether financial (e.g., bribes or offers of future employment from those they regulate), tribal (e.g., the protection of bureaucratic-class interests by, for example, a mutual agreement to slow down work in order to boost leisure and cut stress), ideological (e.g., the alleged harassment of so-called “patriot” groups by the IRS), etc.

I want to emphasize here that it is their *ability* to abuse, not actual abuse, that constitutes domination. As Pettit affirms, “the grievance I have in mind is that of having to live at the mercy of another, having to live in a manner that leaves you vulnerable to some ill that the other is in a position arbitrarily to impose” (1997, 4-5). Such vulnerability is wholly consistent with that other rarely or never engaging in such abuse; even authoritarian political systems sometimes have civil services that are rather clean (e.g., Singapore). The problem is that so long as civil servants (such as police officers and tax officials) have the kind of discretionary powers described above, those who are subject to their authority are quite likely to fail what Pettit refers to as the “eyeball test,” i.e., the ability to “look others in the eye without reason for the fear or deference that a power of interference might inspire” (2012, 84; e.g., see Dewan 2014 on IRS use of civil-forfeiture laws).

But how are these dangers related to the direct empowerment of voice? Consider a labor-market example. Suppose we were to discover that workers in a particular industry (e.g., hospital nurses) were subject to the monopsonistic or oligopsonistic power of local employers and were therefore vulnerable to domination and exploitation. One way of rectifying this would be indirect empowerment of their voices by enhancing their exit options through travel/relocation vouchers,

antitrust laws, capitalist demogrants, a basic income, etc. Direct empowerment of voice would be another possibility, though, whether as a supplement to or a substitute for indirect empowerment. It might take the form of state supervision and regulation of workplaces in order to prevent abuse (call this the “regulation option”) or of mandatory labor participation in decision-making, up to and including labor representation on corporate boards (call this the “participation option”).

Let us first look at the regulation option, which attempts to rebalance the power of capital versus labor with the police powers of a democratic state. In uncompetitive labor markets of this kind, capitalists and their managerial agents will be in a position to exercise arbitrary power over their employees. A democratic state may, through detailed workplace rules, counter such power, but given that this conflicts with the interests of capitalists and managers, workplaces will have to be carefully monitored to ensure compliance, and regulatory agents will need powers to match in order to both *assess* (via surprise inspections and video surveillance, say) and *redress* (by jail time, fines, or perhaps just new or modified rules) the employer abuse that silences labor’s voice. But such powers run the risk of increasing overall (i.e., private plus public) domination, because monopsonistic and oligopsonistic firms are now exposed to the same sort of arbitrary power that they exercise over their own employees: regulatory agents, given their wide remit to stop abuse, must be granted discretionary powers of a kind that can themselves be readily abused, especially in light of the complexity of the regulatory task and the limited ability of other state authorities to provide effective oversight due to that complexity. Regulators might use these powers to demand bribes from employers in return for leniency, to pursue the interests of their bureaucratic class in future employment in the industry as consultants, or even to harass employers as part of personal or ideological vendettas. Unsurprisingly, republicans are well aware of these risks. Frank Lovett, for example, maintains that these “workplace regulations” and other efforts to “regulate...social

relationships,” while perhaps useful for stopping certain “gross abuses,” will often just substitute one form of domination for another:

There will always be discovered new and ever-more subtle means of converting material advantage into domination. In the long run it is unlikely that public policy could ever keep pace with, much less anticipate, such innovations—except perhaps with a regulatory structure so dense and intrusive as to raise serious objections on other grounds. (For starters, a state powerful enough to accomplish this task might itself become a great source of domination.) (Lovett 2009, 825-6)

In contrast to intrusive workplace monitoring and intervention, government delivery of resources that empower workers in labor-market choices can remain largely aloof from relations within the firm, trusting instead that free exit will discipline owners and managers and prevent them from dominating their employees.

Turning now to the participation option, we can see the same logic at work, leading to the same dangers. The democratic state can demand that monopsonistic or oligopsonistic employers include employees in their decision-making processes (e.g., via German-style “works councils”), but because such inclusion is contrary to their business interests, the state will once again have to give regulators the necessary discretionary powers to monitor, assess, and redress employer non-compliance. Else, employers will just create procedural “work-arounds” to bypass the influence of laborers: managers are ultimately responsible to the owners who hire, fire, and promote them, and thus in the absence of effective state monitoring and enforcement they will follow their lead, not that of labor.⁹ As we have seen, though, these same monitoring and enforcement powers can

⁹ This problem might be solved if workers *were* the owner, as in associational market socialism. But the transition to socialism can itself create enormous risks of state domination, especially given the likely resistance of capitalists and landowners to property confiscation: either the state must become powerful enough to expropriate the expropriators,

be abused by regulators, threatening an increase in overall domination. Again, state provision of resources that empower workers (e.g., capitalist demogrants that allow them to set up their own businesses, perhaps along participatory lines, or at least credibly threaten to do so) offers a safer way to protect them from the market power of monopsonists and oligopsonists.

Direct empowerment might take a third form, however, one in which the state encourages (or perhaps just ceases to oppose) the creation of countervailing forms of market power; call this the “privatization option.” In a labor market with a monopsonist, for example, the state might try to encourage the formation of a union monopolist to counter its market power. It could do this by no longer applying antitrust laws to unions, by enforcing closed-shop and union-shop agreements (which would otherwise be conspiracies in restraint of trade), by requiring employers to engage in collective bargaining with their organized employees, or even by turning a blind eye to union violence or threats of same. The resulting bilateral monopoly would restrain discretion but leave wage determination to the relative bargaining power of the two sides (Nicholson 1995, 729-30). Such an arrangement would have the advantage of removing state regulators with easy-to-abuse discretionary powers from the scene, but only if rights to organize were protected across *all* labor markets: if workers needed a state discovery of monopsony or oligopsony power in their industry in order to unionize, then we would once again need state regulators with discretionary powers of monitoring, assessment, permitting, and enforcement to make such a determination and grant the required permissions—but as we saw with the regulation and participation options, these powers are readily abused in the service of non-public ends.

Therein lies the rub, however. The danger of directly empowering voice is not necessarily decreased by replacing state power with non-state (here, union) power: fighting fire with fire still

threatening everyone’s liberties, or it will be recaptured by these ruling classes in a similarly dangerous reactionary backlash. (The 1973 Allende/Pinochet “transition” in Chile provides an instructive historical example of the latter.)

risks burning all involved. This fact is apparently why Pettit dislikes what he calls the “reciprocal power” strategy for minimizing domination, which involves countering private power with more private power (1997, 67-8). Pettit’s understandable concern with this kind of solution is that by it “arbitrary interference and domination may be reduced, but it is not ever going to be eliminated,” because the residual mutual interference involved fails to “track the interests and ideas of those who are affected” (67). Even worse, systematic government efforts to enhance the market power of one side against the other may have the (net) effect of increasing domination, especially given that, as I just noted above, the only way to avoid reintroducing state regulators with discretionary powers is to allow workers to unionize across all labor markets, including those where employers lack significant market power and where unionization would therefore *increase* the capacity for domination and exploitation, in this case of employers by employees.

The case I’ve just made against the regulation, participation, and privatization options is preliminary and admittedly sketchy, so I will have more to say about them in Chapter 3; I’ll also look at analogous options in the domestic and political spheres in Chapters 2 and 4, respectively. At this point, however, I should indicate that if these three options were the only alternatives to doing nothing *and* if we believed that the market power of employers was a much more serious problem (actually and potentially) than that of employees, then we might be justified in pursuing one or more of them with caution in the hope that the *net* effect would be to reduce the scope for domination and exploitation. But as I’ve argued so far in this book and will continue to argue in the chapters ahead, these are not our only options, which is fortunate given the serious risks they involve. The indirect empowerment of voice by promoting competition and resourcing exit is an attractive alternative, one that involves substantially less risk of exacerbating the very problem it seeks to solve—though certainly not zero risk, a caveat to which I will return in Chapter 5.

The Rhetoric of Reaction?

Given that this chapter began by trumpeting its concern for the most vulnerable, readers may be forgiven for wondering whether the policy preferences expressed throughout—including support for school choice and skepticism regarding labor-market regulations, co-determination, and even unions—are really consistent with such concern, especially in light of their association with political forces that often appear more interested in the welfare of the most advantaged than that of the most vulnerable. Even worse, I have helped myself (especially in the previous section) to a form of argument that Hirschman has labeled “the single most popular and effective weapon in the annals of reactionary rhetoric,” viz. the *perversity thesis*: “any purposive action to improve some feature of the political, social, or economic order only serves to exacerbate the condition one wishes to remedy” (1991, 7, 140). Do these features of my book’s text hint at a darker, more reactionary subtext?

As for my employment of the perversity thesis, we should recall what Hirschman himself repeatedly said about it:

To show how advocates of reactionary causes are caught by compelling reflexes and lumber predictably through set motions and maneuvers does not in itself refute the arguments, of course.... The fact that an argument is used repeatedly is no proof, to be sure, that it is wrong in any particular instance. I have said so here and there already, but it bears repeating quite bluntly and generally: there certainly have existed situations where well-intentioned “purposive social action” has had perverse effects.... (1991, 164, 166)

I believe that existing institutions and current proposals for the direct empowerment of voice are in precisely these “situations”: as I have argued and will continue to argue, direct empowerment

runs the risk of increasing net domination—and even barring this possibility, it is less effective at reducing it than indirect empowerment because it subdues private domination only at the cost of inadvertently enabling a certain amount of the (quasi-)public kind.

Moreover, by making the case for indirect empowerment, I am making a case *for* reform, not against it. Nor is indirect empowerment a recipe for *laissez-faire*; rather, it demands specific forms of state action across a range of social contexts—domestic, economic, and political. What is true is that these reforms will require a redirection of state interventions so that they work with rather than against the grain of competitive markets, and to this degree they may overlap with the policy preferences of some on the political right. This overlap doesn't make the policies any less progressive, but it does make them more pragmatic, and appropriately so: progressives should be open to adopting whatever policies appear likely to improve the security of the most vulnerable, even if they rely more heavily on market forces than progressive policies heretofore have. Much as John Roemer thinks that “socialists have made a fetish out of public ownership” and that “the choice of property rights over firms and other resources is an entirely instrumental matter, which should be evaluated by socialists according to their various propensities to induce the [equalities] with which socialists are concerned” (1996, 307), I fear that progressives have made a fetish out of social democracy and have as a result given insufficient attention to other means of reducing domination and exploitation. This book is intended as a corrective, then, to this tendency, for the benefit of progressives generally and progressive republicans more specifically. The market may ultimately prove to be a better friend to the most vulnerable than the forum, as counterintuitive as this possibility will undoubtedly be for progressives of all stripes (cf. Elster 1986).

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