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Do Employers Have Obligations to Pay Their Workers a Living Wage?

Javier Hidalgo¹

A COMMENT ON Jeremy Snyder (2008), “Needs Exploitation,” *Ethic Theory & Moral Prac* 11(4): 389–405.

ABSTRACT

Jeremy Snyder argues that employers have obligations to pay their workers a living wage if workers stand in relationships of dependence with their employers. I argue that Snyder’s argument for this conclusion faces a dilemma. Snyder can adopt either a descriptive or a moralized account of dependence. If Snyder adopts a descriptive account, then it is false that dependence activates obligations to pay a living wage. If Snyder endorses a moralized account of dependence, then Snyder’s argument is circular. So, Snyder’s argument fails to establish that employers have obligations to pay their workers a living wage.

CONSIDER THE FOLLOWING case. A multinational corporation operates an apparel factory in a poor country. This corporation wants to hire more workers. Leticia is unemployed and lives in severe poverty. The manager of the factory hires Leticia and she starts to work at the factory. The corporation does not pay Leticia enough for her to fully satisfy her basic needs, even though the corporation can reasonably

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afford to pay Leticia more in wages. Nonetheless, this employment relationship – all things considered – benefits Leticia. She is better off as a worker in the factory relative to her other (bad) options. Leticia can now, at least, escape extreme poverty. Assume also that this employment relationship does not have negative effects on anyone else.

So, the following claims are true about this case:

1. Leticia consents to work in the factory.
2. Working in this factory makes Leticia – all things considered – better off than she otherwise would have been.
3. Leticia’s employment in the factory does not have bad effects on any third parties.

Some business ethicists argue that, if (1–3) are true, then it is morally permissible for the corporation to employ Leticia or, at least, that it is morally better for the corporation to hire Leticia on these terms than it is for the corporation to refrain from hiring her at all (Zwolinski 2007). Jeremy Snyder disagrees. In his paper “Needs Exploitation,” Snyder (2008) argues that employers act impermissibly if they fail to pay their workers a living wage, where a “living wage” is a wage that is sufficient for workers to satisfy their basic needs. Thus, Snyder’s argument implies that the corporation’s treatment of Leticia in the above example is objectionable. According to Snyder, it can be morally worse for an employer to hire a worker and fail to pay her a living wage than it is to refrain from hiring this worker at all, even if this employment relationship is consensual and mutually beneficial. Snyder is offering an account of exploitation. This account holds that an employer exploits a worker if the employer gains advantage from a worker while violating a duty to provide this worker with sufficient compensation to satisfy her basic needs.

Snyder’s argument begins with the idea that we have general duties of beneficence to ensure that everyone can meet their basic needs. But duties of beneficence are “imperfect” duties. This means that we have considerable discretion in deciding how we should satisfy duties of beneficence. Yet imperfect duties of beneficence become stringent, “perfect” obligations when we stand in certain relationships with other people. Snyder claims that, when we enter into certain relationships with other people, we acquire special obligations to satisfy the basic

needs of the other participants in these relationships—general duties of beneficence become specified through interactions with particular people. Snyder argues that relationships of dependence activate special obligations. He claims that the degree to which people are “responsible for another’s well-being will be determined by the degree to which the relationship marks a dependence of one person on another” (Snyder 2008: 397). Snyder endorses the following view:

Dependence Thesis. Person A has a perfect obligation to ensure that person B can satisfy B’s basic needs if B depends on A for B’s material support.²

Snyder (2008: 397) defines dependence as follows: person B stands in a relationship of dependence with person A if B would expect to receive all or part of B’s material support for meeting B’s needs through B’s relationship with A. Employees generally depend on their employers for financial support. This relationship of dependence imposes special obligations on employers to ensure that their workers can satisfy their basic needs. So, if the dependence thesis is correct, employers have obligations to pay their workers a living wage.

But there are problems with Snyder’s account. To see why, let’s first focus on clarifying the meaning of “dependence.” What does it mean to say that a person is dependent on another person? We can interpret the concept of dependence in either a descriptive or a moralized sense. A descriptive account of dependence goes like this:

Descriptive Account. Person B is dependent on person A if B receives material support from A and B expects A to provide B with material support for B’s needs.

On the descriptive account, people stand in relationships of dependence when these people have actually formed certain expectations about who will provide them with support. In contrast, a moralized account of dependence holds:

² Snyder also holds that person A has a duty to ensure that another person B can satisfy her basic needs only if A can reasonably assist B without seriously compromising A’s own well-being. But I will ignore this complication here.

Moralized Account. Person B is dependent on person A if B receives material support from A and B should expect A to provide B with material support for B's needs.

So, a moralized account says that a person stands in a relationship of dependence if this person ought, in some sense, to expect someone else to provide her with support, regardless of whether this person actually does expect this support. Snyder appears to endorse a moralized account of dependence. Before I discuss Snyder's position, I want to first consider the descriptive account of dependence in order to explain why it is untenable.

As I noted, the descriptive account holds that we are dependent on other people if we actually expect these people to provide us with material support to satisfy our basic needs. If we understand dependence in this descriptive sense, it seems false that dependence necessarily generates special obligations. Here is an illustration. Suppose that Bob is a painter. Bob manages to secure a grant from an anonymous benefactor to support his artistic career. But this grant will run out after a year. The anonymous benefactor makes it clear that she reserves the right to refuse to renew the grant and that she will likely discontinue it after the year is out. Bob becomes dependent on this money. Bob uses this grant in order to meet his material needs. Bob lacks any other source of income. Bob is also very confident about his promise as a painter. He forms the expectation that his benefactor will continue to provide him with financial support because Bob thinks that the benefactor will recognize his potential. However, the anonymous benefactor discontinues the grant after a year.

In this example, it seems that the benefactor does not acquire a special obligation to satisfy Bob's basic needs in virtue of the fact that Bob depends on the benefactor. Bob's benefactor made it clear to him that she waives any responsibility for meeting Bob's needs. The mere fact that Bob becomes dependent on his benefactor's money does not show that the benefactor acquires a special obligation to Bob. If the benefactor had purposefully or negligently led Bob to believe that the benefactor would continue to support Bob, then perhaps the benefactor would have acquired an obligation to support Bob. However, the benefactor in fact did none of these things. So, Bob and the benefactor lack the right kind of relationship to activate genuine special obligations. Thus, descriptive dependence fails to ground special obligations

to satisfy basic needs. We are unable to impose obligations on other people merely by expecting them to provide us with material support.³

Snyder recognizes that that the descriptive account of dependence is problematic. Snyder (2008: 398) notes:

If my society says that I should be able to rely on my wife to provide all my dinners and a clean house, I may feel dependent on her to do so; such norms, though, are arguably deeply suspect.

We can be wrong to expect people to support us. If our expectations are misguided or normatively suspect, then we actually do not stand in a relationship of dependence. Snyder seems to endorse a moralized account of dependence in order to avoid problems with the descriptive account. He suggests that person B is dependent on person A when B should expect A to provide B with material support. Snyder (2008: 398) refers to this kind of dependence as “normatively adjusted prospective dependence.”

However, the moralized account of dependence threatens to make Snyder’s argument circular. To recap, Snyder is committed to the following two claims:

Dependence Thesis. Person A has a perfect obligation to ensure that person B can satisfy B’s basic needs if B depends on A for B’s material support.

and:

Moralized Account. Person B is dependent on person A if B receives material support from A and B should expect A to provide B with material support.

But what does the “should” in the moralized account mean? At first glance, it seems to mean:

³ As I indicated, it is more plausible that person A can acquire an obligation to person B if A purposefully or negligently encourages B to expect that A will help B to satisfy B’s basic needs. However, this more constrained version of the descriptive account also will not support Snyder’s conclusion, as it is doubtful that employers in general do purposefully or negligently encourage their workers to form this expectation. We can, at any rate, simply stipulate that the multinational corporation in my initial example does not purposefully or negligently encourage Leticia to expect that the corporation will pay her a living wage.

4. Person B should expect material support from person A if A is obligated to provide B with material support for B's needs.

Consider Snyder's example of a husband who expects his wife to clean the house and cook dinner. The husband should not expect his wife to perform these tasks. Why not? Well, the wife lacks an obligation to perform these tasks on her husband's behalf. So, the husband's expectation that his wife will cook and clean for him is unjustified. Consequently, the husband is not in fact dependent on his wife.

If (4) is true, then workers should expect material support from employers if employers are obligated to provide workers with this support. Yet, if Snyder accepts this extension, then Snyder appears to be committed to the following claim:

5. Person A has an obligation to person B to provide B with material support for B's needs if B is dependent on A and B is dependent on A if A has an obligation to B to provide B with material support for B's needs.

If Snyder is committed to (5), then his argument is circular. In order to argue that an employer is obligated to pay workers a living wage, Snyder would first need to establish that these workers are dependent on their employer. But Snyder could only establish that these workers are dependent on their employer by arguing that the employer has an obligation to provide these workers with material support to satisfy their basic needs. So, Snyder's argument fails to provide independent support for the conclusion that employers have perfect obligations to pay their workers a living wage. Someone who disagrees with Snyder's account could simply deny that employers have special obligations to their employees by denying that workers have good moral reasons to expect employers to provide them with enough material support to meet their basic needs. This objector could claim that it is morally permissible for employers to refrain from paying their workers a living wage. On this view, workers should not expect benefits from their employers. But, if workers should not expect benefits from employers, then workers are not dependent on employers in the right sense to activate special obligations.

Snyder's account faces a dilemma. Snyder can opt for the descriptive definition of dependence. But, as we have seen, dependence

in the descriptive sense does not generally ground special obligations. Alternatively, Snyder can endorse a moralized account of dependence. However, if Snyder accepts a moralized account of dependence, then Snyder's argument is circular. Both options fall short of establishing that employers have special obligations to their workers. Thus, Snyder's argument fails to show that employers have special obligations to their employees to pay them a living wage.

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