

Corporate Power and Subordination

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Abstract Many people think that organizations, such as corporations, are agents. They can have beliefs and desires and intentions, and these are rationally integrated. Many other people think that asymmetries of power between agents are objectionable. They give rise to relationships of subordination and domination, akin to those of king to subject or master to slave. This paper combines these two thoughts. Together, they imply that the enormously asymmetric power organizations have over flesh-and-blood individuals, in the modern world, is objectionable: it subordinates flesh-and-blood individuals to corporations. This sheds light on how we should assess one of the key transitions of modernity: the move from a world of small-scale production to one in which the economic landscape is dominated by large, powerful organizations. And it illuminates how we should govern such organizations. It provides a novel argument for robustly regulating them, for strengthening unions, and for instituting stakeholder democracy. In short, clarifying the costs of managerial capitalism shines a light on how respond to it.

Keywords Group agents · relational egalitarianism · republicanism · managerial capitalism · stakeholder democracy.

1. Introduction

There was a time where the only secular organization of any real size was the state. Economic production, in particular, used to happen in small units. In the United States, we can date this time to at least the first half of the 19th century. Farms in 1800 were generally single-family enterprises. Most manufacturing occurred in the home. That which didn't was in the charge of artisans in small shops with a couple of apprentices. Distribution was almost all in the hands of an individual general merchant: he was an “exporter, wholesaler, importer, retailer, shipowner, banker and insurer” (Chandler 1977, 15). As the decades slipped by, American businesses specialized. Individual importers, exporters, bankers, shippers and insurers began to emerge. But such enterprises stayed small: they generally took the form of partnerships with two or three associates (1977, 36). There are of course exceptions—the Boston Manufacturing Company is a good example—but we can think of these as exceptions that proved the rule: up until around 1840, economic organizations in the United States tended to be “traditional, single-unit enterprises” (1977, 14). The United States, in 1840, was

dominated by small producers, not large organizations. And the United States was not exceptional in this regard: up until sometime in the 19th century, private organizations across the world were generally small and feeble.

Things began to change with the railroad. Railroads required an enormous capital investment and train timetabling needed central coordination. By 1860, the U.S. had built 30,000 miles of track, and the result was the first really large economic enterprises in American history. What began with the railroads spread everywhere. By the turn of the century, large organizations had come to suffuse the U.S. economy. Fuel came from Standard Oil; steel from U.S. Steel; telecommunications from AT&T. The scale of such organizations would have been unthinkable even sixty years prior. From then on, large organizations tightened their grip on the economic landscape. In the 20th century Ford, General Motors, IBM, JPMorgan Chase, Walmart all represented great concentrations of corporate power. In the 21st century, technology companies became new centers of corporate dominance: Google, Facebook, Amazon and Apple came to influence vast swathes of human life. These organizations are much more powerful than almost any individual and many of us are very dependent on them. Such organizations are creatures of modernity. We began with a world of small-time operators and, with modernity, shifted to a world of large, powerful private organizations. The invisible hand of the market was pushed aside by the visible hand of corporate power.

What should we think about this shift? In many ways, it has been enormously positive. Large organizations can simply do much more than individuals. We owe a vast proportion of our material wellbeing to corporations.¹ Yet this transition was never seen as an unalloyed good. Farmers, for example, famously complained about the railroads. Their complaint was that railroads charged them unfair prices to move their goods to market. The underlying worry, a worry that is also heard today, was that these corporations had monopoly power and used it to the detriment of consumers. Equally concerning has been a worry about monopsony power. The worry is that large companies are able to hold down wages to the detriment of workers. A third worry concerns government policy. In the United States especially, big businesses have a large impact on public policy: they spend a huge amount on lobbying, and this allows them to push policy in the direction that they favor.² The worry here is that policy that favors the interests of large corporations is not always in the interests of ordinary people. So many have felt there is something problematic about the enormous accumulation of power in the hands of such organizations; that the power of Standard Oil or IBM or Facebook is in some deep way objectionable.

In this paper, I want to identify a distinctive problem with the power of such organizations. The problems identified above are, in a certain sense, instrumental problems. The worry about monopoly or monopsony or corrupted policy is that it will have bad effects on individual citizens; monopoly will hurt consumers in their wallets, monopsony will hurt workers in their pay-checks and corrupted policy will, perhaps, do both. I wish to focus on what is, in some sense, a deeper problem. The problem is

¹ See e.g., Cowen (2019).

² See e.g., Gilens and Page (2014).

that the accumulation of power in the hands of organizations subordinates flesh-and-blood individuals to those organizations. It means organizations wield enormous power over individuals, which puts the individual under the domination of the organization. This view rests on two ideas. The first is that corporations (companies, firms) are not really just collections of people. Rather, they are agents in their own right. They can have beliefs and desires and intentions; they can act. The second thought is a relational egalitarian thought. It is that asymmetries of power between agents are intrinsically objectionable. Consider the relationship of master to slave or king to subject to lord to peasant. These are all relationships of asymmetric power, and that makes them relationships of subordination or domination. Such relationships are bad in themselves and people have a complaint against being subjected to them. When we combine these ideas, we get the conclusion that corporations, in virtue of the great power they wield over flesh-and-blood individuals, subordinate those individuals. By creating a world of enormously powerful organizations, we have created a class of corporate agents that rule over us.³

My aim in this paper is to defend and spell out this view. In Section 2 and Section 3, I'll motivate the two thoughts that underly it. In Section 4, I'll give a more detailed explanation of what the problem is. In Section 5, we'll look at whether we can address the problem by counterbalancing the power corporations have over ordinary people. In Section 6, we'll discuss whether we might address it by putting the superior power of corporations under external control. In Section 7 we'll distinguish the problem of corporate power, and the solutions to it, from that of managerial power. Generally, I think we can ameliorate the problem posed by corporate power. But we cannot eliminate it entirely; the move from a world of small-time operators to one of large, powerful organizations has come with an ineliminable cost.

2. Corporations as Agents

The view I am advancing depends on the idea that corporations are agents. So let's first discuss and motivate this idea. The idea here is simply that corporations can do things, and that they have beliefs and desires and intentions that are rationally integrated.⁴ Thus, when Nike believes that shifting production to Bangladesh will reduce costs, and when it wants to reduce costs, it's inclined to form an intention to shift production to Bangladesh. And this intention will lead it to establish factories in Bangladesh and close those in the West. None of this implies that Nike is conscious or has the same kind of phenomenology as flesh-and-blood agents. But one can have beliefs and desires and intentions without having any phenomenology. That is probably the most plausible construal of the mentality of an organization. Organizations are very different from you or I in their mental lives, but they share the

³ List and Pettit (2011, 182–185) advance a very similar idea. The distinctive contribution of this paper is to explore the idea in much more depth and to situate it in a relational egalitarian, rather than a neo-republican, framework. For the virtues of the relational over the neorepublican framework, see Kolodny (2019).

⁴ This is a very common view. For defenders, see e.g., List & Pettit (2011); Huebner (2014); Tollefsen (2015); Epstein (2015); Collins (2021).

essential features that make them agents. They can act, and they can have beliefs and desires that tend to conform to the canons of at least instrumental rationality.

Why think of organizations like this? There are three reasons. First and foremost, contemporary social scientific theories presuppose this way of thinking about organizations.⁵ Consider microeconomic theories of market structure. When we're trying to explain how competition works in an oligopoly, for example, we talk in terms of firms. We assign firms preferences and assume they can act to satisfy their preferences. Typically, the idea is that firms want to maximize profits and set their production at the level which does maximize their profits.⁶ It's not at all clear that one can easily replace this talk with talk of individual preferences. It might be that no individual in the firm has the preferences we want to assign to the firm. So, on the face of it, assigning firms preferences is an indispensable part of some of our best theories of market economics. Or consider international relations. *Realism* is the dominant theory in this field: it says that states have interests, and they act to safeguard their interests.⁷ No individual in a state has all the interests of the state. So, assigning organizations agency seems indispensable to our best theories in international relations. We should accept the presuppositions of our best scientific theories. So, we should accept that organizations are agents.

Second, the conclusion that organizations are agents seems to follow from the dominant account of (non-phenomenological) mental states: functionalism.⁸ Functionalists say that beliefs and desires and so on are just states that play a particular causal role.⁹ For example, a desire that P might be any state that, when combined with a belief that action A will bring about P, tends to cause action A. A belief that A will bring about P might be any state that is caused by the fact that A will bring about P, and when combined with the desire that P will tend to cause an action A. Any state that plays these roles, whether made of silicon or flesh or collections of agents, is a belief or desire. Very plausibly, many organizations do have states that play the relevant causal role. When a committee meets and agrees that closing a factory in Detroit will increase profits, this looks like a belief: such agreements are caused by the facts about profits, and when combined with the desire to maximize profits they lead to factory closings. And the organization looks like it also has such desires: when the committee decides that closing the factory will increase profits, then some executive does actually shut down the high-cost factory. So functionalism supports the idea that organizations have beliefs and desires (and some measure of instrumental rationality). That is all they need to be agents.

Third, let us look to ordinary language.¹⁰ It is a feature of how we ordinarily speak and write that we freely ascribe agency to organizations. We say that ExxonMobil worries about a repeat of the Valdez disaster, that the United States government wants to

⁵ For arguments of this kind, see Tollefsen (2002).

⁶ See e.g., Varian (2010, ch.27).

⁷ E.g., Sharp (2018, ch.2).

⁸ For this kind of argument, see Björnsson and Hess (2017) and Stohmaier (2020).

⁹ For this view, see Putnam (1967) or Lewis (1980).

¹⁰ For this sort of argument, see List and Pettit (2011, 1) and Epstein (2015, 198).

maintain hegemony in the Pacific or that Rolex believes in the value of fine craftsmanship. On the face of it, these locutions all ascribe mental states to organizations: we're not saying that any individual in ExxonMobil has the worries the company has. We're ascribing these worries to the organization. Plausibly, if we ascribe things certain properties when speaking ordinarily, that's evidence that they have those properties. Specifically, if we ascribe agency to organizations that is good reason not to endorse an account of agency that would make such ascriptions false. Precisely where this presumptive accuracy of ordinary language comes from is not entirely clear, but perhaps it is best construed as a principle of interpretative charity. Generally, we should interpret people in such a way to make their claims come out true, and so we should interpret "beliefs" and "desires" and "actions" in such a way as to make ascriptions of such things to organizations true. Of course, the functionalist theories of such things do, so I've suggested, do that. But even without such theories there is some reason to defer to ordinary language.

That outlines the *prima facie* case for thinking organizations are agents. In my view, the indispensability argument is most important: ascribing agency to organizations is essential to many of our best social scientific theories. Close behind is the argument from our best theories in philosophy of mind and of some lesser weight is the argument from ordinary language. Now, more could be said about each of these arguments. But it is a common view that organizations, such as corporations really are agents.¹¹ My aim in this section isn't to give a comprehensive defense of this view. It is just to explain what motivates it.

3. The Relational Egalitarian Premise

The second idea on which my position rests is the idea that asymmetries of power between agents are intrinsically objectionable. This idea is motivated by the fact it seems essential to explaining some deep intuitions. Consider the relationship between a king and one of their subjects or a master and their slave. Intuitively, these relationships are objectionable in two senses. On the one hand, they seem bad in themselves. It simply makes one's life worse to be enslaved or to be ruled over by a monarch. On the other hand, people have a claim against being in such relationships. We each have a moral complaint against being subjected to relationships of asymmetric power. Each person has moral reason not to subject others to such relationships. The objection to such relationships cannot, so it seems, be explained in purely instrumental terms. It might be instrumentally good to be ruled by a king; if the king is exceedingly wise and deeply benevolent, perhaps their rule would be better for their subjects than any other arrangements. Yet, still, there is something problematic about the relationship between king and subject. So the best explanation of these intuitions is that asymmetries of power are problematic in themselves. We have an objection against being subject to asymmetric power.

¹¹ See n.3.

It is worth spelling out the intellectual context of this idea. It is, at root, a relational egalitarian thought.¹² Relational egalitarians think that inegalitarian relationships are deeply problematic. This is how to interpret the idea that we have an objection to being subject to asymmetries of power. One should think such asymmetries constitute relationships of subordination and domination, or of social hierarchy, and we have an objection to being subjected to such relationships. This doesn't require that asymmetries of power are the only constituent of inegalitarian relationships. Kolodny (2014, forthcoming) suggests that such relationships are also constituted by disparities of consideration. One receives consideration when people defer to you in certain ways; they bow and scrape to you, and perhaps they pay special attention to your interests. He thinks, when some are shown more consideration than others, that tends to make them social superiors. But, even on this view, power asymmetries are also a constituent of hierarchy. So asymmetries of power between agents are problematic because they are a constituent of inegalitarian relationships. Since corporations are agents, it follows that it is problematic when corporations have asymmetric power over you.

Let's see how one might resist this claim. I've suggested that the best explanation of our initial intuitions is that any asymmetries of power between agents are problematic. But one might think this is too inclusive: perhaps only asymmetries of power between certain kinds of agents are problematic. And, indeed, perhaps only those between flesh-and-blood agents are objectionable. Corporations are not made of flesh and blood, ergo there is no problem with them holding power over us. I don't think this restrictive view can be maintained. It just doesn't seem plausible that *what you're made of* matters to whether an asymmetry of power is bad. Imagine, for example, that the simulation hypothesis was true: we're all simulations in a big computer, and so instead of being made of flesh-and-blood we're made of bits.¹³ This wouldn't, I suspect, matter one iota to whether slavery was objectionable. It is still bad for simulated people to subordinate one another. Or, to take another example, imagine that we encountered an alien species made of silicon. It would be bad to subordinate these aliens, even though they were made of very different stuff than us. It would be bad for aliens, also, to enslave us. We would have an objection against such an enslavement. These cases are somewhat fanciful, but our intuition about them is clear. What we're made of seems completely irrelevant to the normative issues around subordination.

One might adopt a different restrictive view. One might contend that only asymmetries of power between *conscious* agents are problematic. Plausibly, organizations are not phenomenologically conscious.¹⁴ So this would suggest that organizations cannot stand in objectionably inegalitarian relationships with ordinary people. But this also seems like an implausible restriction. To see this, it is important to distinguish this thought from a closely related, but narrower, thought. The narrower thought is that it is not morally problematic to have asymmetric power over nonconscious agents. The main idea behind this idea is that well-being is underpinned by consciousness: if an agent is

¹² For foundational works, see Anderson (1999) and Scheffler (2003). A similar sort of idea can be found in the writings of neo-republicans, most prominently Pettit (1997).

¹³ Bostrom (2003).

¹⁴ See e.g., List (2018). Collins (2021), however, denies this.

not conscious, then there is no way for its life to go better or worse.¹⁵ Additionally, one might think that only entities that can have well-being can make claims. So nonconscious entities cannot be harmed by or have a claim against being subjected to asymmetric power: they are not right kind of thing to have claims.¹⁶ This view would establish that there was nothing objectionable about subordinating organizations. But, and here is the key point, that is not what is at issue. You and I are conscious beings, even if Nike is not. The question is whether there is something objectionable when a (perhaps nonconscious) organization wields asymmetric power over us, not vice versa.

It seems that there is a problem with being under the asymmetric power of a nonconscious agent. To see this, imagine that we discovered that, shockingly, plantation owners in the American South were philosophical zombies. Although they had beliefs and desires and intentions, they didn't actually have conscious experiences. They never knew what it was like to see red or to feel the wind in their hair. This would seem not to change our assessment of American slavery any more than finding out that the plantation owners were made of silicon. Intuitively, the relationship between southern slaves and such plantation owners would be just as much a relationship of subordination as the relationship between slaves and actual plantation owners. But the view under discussion implies otherwise: it implies that the relationship between master and slave would be made less objectionable by our shocking discovery. And that makes this restrictive view seem implausible. So if asymmetries of power are problematic, it seems best to conclude that asymmetries of power between any agents are problematic.

Let's try to resist this claim in another way. Perhaps we should reconsider whether asymmetries of power are really problematic. One might think that the problem with a king ruling over their subjects is that it reflects or expresses the view that a king is morally superior to their subjects. On this view, relationships of subordination are constituted by the expression of views about differential moral worth. Asymmetries of power, then, are only objectionable because they very often do express such views. But that is merely a contingent connection: they need not always express such views. Now one might very plausibly claim that asymmetries of power between organizations and flesh-and-blood individuals do not express views about differential moral worth. We don't think that organizations are of superior moral worth than flesh-and-blood people. Plausibly, we think they have very little moral worth. We think their interests are only of derivative import and some think that we can't even really owe them anything.¹⁷ If so, there cannot be any inegalitarian relationship between organizations and flesh-and-blood citizens. The thing that constitutes such a relationship, the expression of views about unequal moral worth, is not there to be expressed.

This line of thought relies on an implausible view of what makes a relationship objectionably inegalitarian. Asymmetries of power are often morally problematic even when they don't express anyone's views about unequal moral worth. To see this, just think about a very simple case. Suppose two people are stuck on an island, and one of

¹⁵ For this kind of view, see Lee (ms).

¹⁶ For this view, see Lovett and Riedener (2021).

¹⁷ See List and Pettit (2011, 181–82) and Lovett and Riedener (2021).

them has a gun. The person with the gun wields power over the other person. They make them gather food and water; they make them get to work building a boat. Talk of unequal moral worth might be wholly out of place here. It might be that neither person thinks that the one with the gun is of superior moral worth. The armed person might think both that morality permits the strong to threaten the weak and that (luckily for him) his possession of a weapon makes him strong. But, he might think, there would be no moral problem if the situation was reversed. The unarmed person might think likewise or might have any set of beliefs whatsoever. Yet still, this sort of relationship is a deeply objectionable relationship. The only obvious way to explain that is by saying that asymmetries of power are bad in themselves. They don't need to express views about moral inequality to be problematic.

A different approach of this sort rests on the notion of 'consideration' introduced above. The thought is that when we bow and scrape to someone, we show them greater consideration than we show others. One might think that disparities of consideration wholly constitute inegalitarian relationships. On this view, asymmetries of power matter only because they tend to cause disparities of consideration. We tend to defer to people who have power over us, to treat their interests as more valuable than our own. But the asymmetries of power themselves don't constitute inegalitarian relationships. Does this mean that there is no problem with corporations having power over us? That is not clear, because the notion of 'consideration' is not, in truth, particularly clear. It is not obvious what it is to show a flesh-and-blood individual a certain level of consideration: the notion of consideration comes from Kolodny (2014), but all he gives us are some examples of it in play. It is still less obvious what it is to show consideration to a corporation. But there are ways in which we perhaps give corporations less consideration than flesh-and-blood individuals: we often do things to corporations (such as ending their existence for financial reasons) which we'd never do to a human being. So perhaps the power corporations have over us doesn't subordinate us to them after all; it might not generate a problematic disparity of consideration.

Unfortunately, this line of thought also rests on an implausible account of inegalitarian relationships. Such relationships are not constituted solely by disparities of consideration. To see this, simply consider the following case. Imagine that a kidnapper takes some people in his basement with the aim to extract a ransom. The victims do what the kidnapper says, because the kidnapper threatens to shoot them if they don't. But the victims aren't happy about it, and they make their displeasure very clear. They insult the kidnapper, they tell him about the low regard they hold him in, about the disgust with which they see him. In this case, the kidnapper receives rather less consideration than a normal person. Yet, still, the asymmetry of power in this case seems bad. The mere fact that the kidnapper holds enormous power over his victims, even if he does not exercise it to extract genuine consideration, generates an inegalitarian relationship. The explanation for this seems to be that asymmetries of power at least partially constitute such relationships.

So it seems that we should think asymmetries of power constitute objectionably inegalitarian relationships. Such asymmetries are not bad merely because they express views about differential moral worth or lead to disparities of consideration. And,

additionally, asymmetries of power between all agents constitute such relationships. A relationship of asymmetric power between a flesh-and-blood and a silicon agent, or a conscious and a nonconscious agent, is still an objectionable relationship of subordination. This underwrites the claim that asymmetries of power between agents are objectionable.

4. The Problem of Corporate Power

I have defended two premises. First, the powerful private organizations which dominate our world are agents. Second, asymmetries of power between agents are objectionable: they generate relationships of subordination. Together, these shed new light on our concern with concentrations of corporate power. In their day, corporations like the railroads or Standard Oil had enormously asymmetric power over flesh-and-blood individuals. In our days, corporations like Facebook and Amazon wield such deeply asymmetric power. These organization are all agents. And so these asymmetries of power are morally objectionable. The power Amazon wields over its employees and suppliers and customers subordinates them; it subjects them to an inegalitarian relationships. The flesh-and-blood individuals involved have a claim against being subjected to such relationships and are harmed by such subjection. This is a very deep problem generated by the transition from a world of small-time operators to one of large, powerful corporations. The power of the latter, as a constitutive rather than as a causal matter, generates relationships of subordination. We can call this *the problem of corporate power*.

Let's clarify the contours of this problem. First, there are several ways one might conceptualize the notion *power* in this problem. One might say that A has power over B when A can affect B's well-being; when A can make B's life better or worse. Or one might say that A has power over B when A can affect B's option set: they can restrict or expand what B is able to do. Or one might say that A has power over B when A can actually affect what B does: if A tries to get B to do something, that makes B more likely to do that thing. For our purposes, the choice between these different conceptualizations of power won't make much of a difference. On any of these ways of understanding power, corporations have a lot of it. They can affect people's well-being, their options and what they actually do. Yet my view is that the third position is most plausible, and so we will think of power as the ability to affect actions.¹⁸ A corporation has asymmetric power over someone when they can make a bigger difference to what that person does than that person can make to what the corporation does. This gives us a grip on what it means to say that an organization has a lot of power over flesh-and-blood individuals.

Second, different organizations have different levels of power over different people. Most corporations have most power over their employees. Amazon controls when its employees go to the bathroom; Facebook determines what projects its employees work on. Some companies have a lot of power over their customers; the railroads had enormous power over farmers. But in most cases, on the face of it, companies have

¹⁸ This view is also endorsed by Dahl (1957) and Harsanyi (1962).

less power over customers than they do over their employees. Many companies have a lot of power over suppliers. Walmart relentlessly presses its suppliers to cut costs: they do so, because being removed from Walmart is economically fatal.¹⁹ And many companies have substantial power over members of certain communities. Ford and General Motors, for examples, had a lot of power over people in Detroit, even those who didn't work in the automobile industry. Each of these power asymmetries generates the same sort of problem: a relationship of subordination. But the depth of the subordination differs depending on the specifics of the relationship.

That completes our outline of the problem of corporate power. To recapitulate the issue, this is a problem that is generated by one of the great transitions of modernity; the move from a world dominated by individuals and small organizations to that of one dominated by vast, enormously powerful, organizations. There is no turning back the clock on modernity: there's no going back to the world of the early 19th century. But perhaps there are ways to address the problem of corporate power. Perhaps we can ameliorate the threat of subordination posed by the concentration of power in the hands of vast private organization. In the rest of the paper, we will explore some possibilities. Unfortunately, my view is that there is no practical way to make corporate power entirely anodyne. There are ways to alleviate the problem, and some are very promising, but there is no full solution to the problem.

5. Counterbalancing Power

One way to address the problem would be to try to counterbalance the power of large organizations. Organizations have certain sources of power over ordinary people: they have vast resources, huge amounts of information and can act on a global scale. But perhaps we can give ordinary folk certain kinds of power that organizations lack. The most promising way to do this, I think, is to give flesh-and-blood people special rights that we deny to corporations. And we do this. We give individuals the vote, but we do not give corporations the vote. In many countries (although perhaps not the U.S.), individuals have important free speech rights that corporations lack. These plausibly give individuals a special source of political power, and that somewhat offsets the power of corporations. It diminishes the asymmetry between corporations and flesh-and-blood people. Yet it should be fairly obvious that this does not eradicate that asymmetry. Even though I have the vote and Nike does not, Nike is much more powerful than me. It just has vastly more resources than me, and the power this gives it is not outweighed by one measly vote. Giving us flesh-and-blood folk special rights is well worth doing, but it does not fully resolve the problem of corporate power.

A second way to counterbalance the power of corporations relies on a pluralistic view of relationships of subordination. In Section 3, I said that such relationships were in part constituted by asymmetries of power. But perhaps, as I said there, they are also constituted by inequalities of consideration. If so, that suggests a different way to prevent the asymmetries of power between organizations and individuals from creating inegalitarian relationships. We could offset the excess power of corporations by giving

¹⁹ Fishman (2006).

ordinary folk more consideration than we give to corporations. If inequalitarian relationships are constituted in part by asymmetries of power and in part by inequalities of consideration, then inequalities of power can be counteracted by reverse inequalities of consideration. If we show very little consideration to organizations, then, perhaps we can prevent their power from generating relationships of subordination.

Unfortunately, this approach does not seem to me very promising. For one thing, as we've already noted, it is very unclear what it is to show (or not show) consideration to an organization. Many acts of deference, such as bowing or curtsying, rely on the embodied nature of their recipient. It is not clear how we show lack of such deference to something without a body. Additionally, it seems to me implausible that consideration and power interact in the way this solution requires. Consider a version of the kidnapping case from Section 3: suppose you're under the power of someone with a gun, but society shows that person very little consideration. They've kidnapped you, but society heaps scorn on them (while it tends to show you exaggerated courtesy). It doesn't seem like these balance out; in this scenario you are still subordinated by the person with the gun. That suggests that either consideration is not an independent component of inequalitarian relationships or, if it is, power is prior to it: to assess how inequalitarian a relationship is we give much more weight to asymmetries of power than to inequalities of consideration. If either is true, then we cannot resolve the problem of corporate power by showing organizations little consideration.

It seems, then, that offsetting the power of organizations by giving individuals more power or more consideration does not wholly solve the problem of corporate power. Perhaps both help with the problem, but we need to look elsewhere for further solutions.

6. Controlling Power

Let's consider another strategy. Perhaps we shouldn't only try to counterbalance the power organizations have, but rather we should try to make the power asymmetry less problematic. How could one do this? One might think, here, that when one agent's use of power is under another agent's control, the first agent's power doesn't generate an egalitarian problem. Consider the power of police officers or elected representatives or bureaucrats. When a police officer can arrest you or not as he sees fit, that seems to subordinate you to the police officer. The way to resolve this problem, so it seems, is to make it so the police officer's power over you is under outside control. If the police chief would punish them (not) arresting you, then this means his hands are tied. He cannot just decide to arrest, and that makes his power over you less problematic. Plausibly the point generalizes. When someone's power over you is under control, that prevents it from subordinating you.²⁰

Let's say a little more about the relevant notion of control. The most straightforward way to understand this is in terms of causal counterfactuals. I have control over you, roughly, when I can make you do what I want. More precisely, suppose you have two

²⁰ For this point, see Pettit (2012, ch.5) and Lovett (2021). Ingham (2021) stakes out a similar position.

options, x and y . I have control over you insofar as, if I try to get you to do x , this causes you to be more likely to do x , and if I try to get you to do y , this causes you to be more likely to do y . Note three things about this definition. First, the notion of control so defined is scalar: I can have more or less control over you. Second, the relevant counterfactuals connect the likelihood of you doing something to my trying to get you to do it. The likelihood of you doing something is just the probability that you do it, and my trying to get you to do something is a specific kind of action (a trying). Third, note that the relevant connection is a causal connection. The key requirement is that my trying *causes* a change in likelihood. The general normative claim is that insofar as how A uses their asymmetric power over B is under someone else's control, this ameliorates the relationship of subordination generated by the power asymmetry.

If this is true, it opens up another way to address the problem of corporate power; we can put the use of such power under control. How do we do this?

6.1 State Regulation

A very standard, straightforward way to put corporations under control is via state regulation. Suppose a state punishes a corporation from doing certain things. It punishes it for paying its workers below a certain wage and for having them work in unsafe conditions. It punishes it for price gouging or polluting or stiffing its suppliers. Here the punishments might range from fines to dissolution; the key point is that they involve inflicting something on a corporation that is against its interests. This has two effects. First, plausibly, such state regulation just reduces the power of the corporation. It can affect the behavior of its employees or customer or suppliers less because the state will punish it for trying to affect them in certain ways. Second, and relatedly, the ability of the state to do these things to some extent puts the corporation under the control of the state. Both ameliorate the problem of corporate power.

How satisfactory is this solution to the problem? It is certainly helpful. But there are two drawbacks to this strategy. The first is a practical problem: no state really has the capacity to control the minutiae of corporate action.²¹ Such control would require a deep understanding of each corporation and a huge army of inspectors and enforcers. No state has these resources, and so practically speaking, state control can at best be a partial solution to the problem of corporate power. Second, relying on direct state regulation to resolve the problem of corporate power can backfire: it can exacerbate the problem of state power. States are more powerful than corporations, and if there is a problem with the relationship between corporation and individual, then there will also be a problem with the relationship between state and individual. This problem is exacerbated when the state has more regulatory power. Now the problem might be ameliorated in democratic states. If the people control what the state does, then perhaps that helps constrain the state. But in practice almost all actual democratic states

²¹ For a related concern, see González-Ricoy (2014, 242–43).

are very imperfect democracies: people have very imperfect control over the actions of their state. And so giving the state more power is not entirely anodyne.

That, to emphasize, does not mean that state regulation is not part of the solution to the problem. But it means that it doesn't fully resolve the problem on its own. We need to explore some other solutions.

6.2. Labor Unions

A different way to exert control over corporations is via other non-state organizations. The most obvious example is that of a labor union. Labor unions can coordinate the actions of workers and thus prevent a corporation from abusing its power over those workers. They do this in the same way that state regulation does it: it threatens to impose punishment (for example, in the form of strike action) on a corporation for actions it doesn't like. That controls the actions of the corporation. Here we are fighting organizational fire with organizational fire: the problem is that large, private organizations have a lot of power over us, and this solution is to set up adversarial organizations to control the use of that power.

How good a solution is this? As in the case of state regulation, there is an obvious worry about it backfiring. A labor union often has a lot of power over their members. It might be the setting up of such unions simply creates another organization to subordinate those members. How much this will be a problem will depend, I think, on how much those members can control the union. If they have fairly tight control over what the union does, then that will greatly reduce the concern. This makes it critical to ensure that unions are properly democratic. Obviously, this has been a problem in the past: many twentieth century unions were not very democratic at all. But this is a far from insurmountable problem, and unions today are typically much more democratic than the worst exemplars of the past.²²

A more serious limitation of this solution concerns whether it can feasibly be extended to those who aren't employees of the firm. Now it is of course possible for consumers to set up consumer protection groups and for local communities to set up, for example, environmental interest groups. Yet the power of these groups to punish a corporation is often less than that of a union. Consumer groups can be very effective to this end, but it is often much harder to organize numerous disparate consumers than to organize a much smaller number of co-workers. I suspect then that we shouldn't see citizen interest groups as a silver bullet for the problem of corporate power. They plausibly help with the problem, but they help mainly with the asymmetries of power between workers and corporations.

6.3 Stakeholder Democracy

Let's turn to a third, more radical, solution to the problem of corporate power. Many people support democracy in the workplace. They think that it's valuable for workers

²² For a discussion of this issue, see Benson (2002).

to have a say over how their corporation is run. In Germany, this is written into the laws on corporate governance: workers have representation on corporations' boards. This system of codetermination gives workers some ability to control such boards.²³ We can extend this idea. Let a stakeholder be anyone who a corporation has power over. As we've said, that includes consumers and suppliers and members of the community in which the corporation sells things or produces. All these groups could also have representation on a corporation's board. One could, for instance, have a board member elected by a corporation's customers. This would give these groups some control over the corporation, and so would help ameliorate the problem of corporate power.

The proposal here is to institute stakeholder democracy; it is to enfranchise all those the corporation has power over in the governing of the firm.²⁴ This proposal affects the corporation differently from the previous two proposals. The aim here is not to use some other organization—a state or labor union—to control the doings of the corporation. It is to reach inside the internal governing structures of the corporation to allow stakeholders to control those doings directly. Now there are challenges to doing this. For one thing, one would need to identify who the stakeholders are in each corporation, and this can be difficult. But this challenge is not intractable. The more someone is under the power of a corporation, the more obvious it will be that they are a stakeholder. For another thing, one will need to prevent the subversion of stakeholder democracy by specific groups of stakeholders, for example management. But this is a problem generated by any democratic system and does not seem intractable in other domains. One can set up democracies that are not controlled by a tiny group of elites. So it seems to me that stakeholder democracy might be a very important part of the solution to the problem of corporate power.

Let me sum up. I've proposed several ways to ameliorate the asymmetry of power between corporations and flesh-and-blood people. These are not meant to be exclusive; rather, they are meant to be part of a pluralistic way to address the problem. State regulation, labor unions and stakeholder democracy can all work together to help subject corporate power to control. The first two of these are familiar solutions to many of the economic ills of modernity. But the last, stakeholder democracy, seems to me the most promising proposal. It is this that, so it seems to me, has the potential to address the problem of corporate power most effectively.

7. The Problem of Managerial Power

I want to do one final thing in this paper: I want to distinguish the problem of corporate power from the closely related *problem of managerial power*. I've focused on how the emergence of large, powerful organizations has created a distinctive problem of subordination to these organizations. But, as Chandler (1977) emphasizes, this emergence also created a very powerful class of managers. These people were in charge of the resources and actions of these new organizations, and that often let them wield

²³ For a historical overview of codetermination, see McGaughey (2015).

²⁴ For this sort of idea, see Moriarty (2014).

enormous power. People like Lee Raymond, the powerful CEO of ExxonMobil, wielded great power over their companies and this gave them great power over other people. Managers have enormously asymmetric power over the lives of their workers: they tell their workers what to do. And they often have a lot of power over consumers and the people in the communities they do business in. If we should be worried about asymmetries of power, we should be worried about the asymmetric power such managers wield. It threatens the rest of us with subordination.²⁵

How do these two problems compare? They clearly overlap. Managers have power in virtue of having influence over powerful organizations. So the power of organizations lies at the root of both problems. Accordingly, many of the remedies for the problem of corporate power will also help with the problem of managerial power. State regulation, labor unions and stakeholder democracy can all put the exercise of a manager's power under control, by controlling the organization of which they are a part. Thus, it is perhaps best to motivate these reforms via the fact that they address both problems simultaneously, rather than only one of them.

Yet the difference between the two problems is still important. This is for two reasons. First, there are solutions to the problem of managerial power that do not work for the problem of corporate power. Managers can, so to speak, be controlled 'from the inside.' Corporations can write rules that bind how managers use their power, and sanction them for infringing the rules. That can leave managers with relatively little uncontrolled power. This is a familiar feature of bureaucracies: individual bureaucrats can be tightly controlled by a web of rules, and this can prevent any individual from having much discretion at all. In this case, each manager is controlled by their own organization. But this way of resolving the problem of managerial power need not resolve the problem of corporate power; a corporation can put all its managers under its control without it itself being under anyone else's control. This is also a familiar feature of bureaucracies: the bureaucracy as a whole might have immense power despite each individual bureaucrat being relatively disempowered. So one can solve the problem of managerial power without solving that of corporate power. Interestingly, it seems that one cannot do the reverse; any way of constraining an organization will also constrain the managers of that organization.

Second, there are normative ramifications to the fact that an organization, and not just its members, subordinates people. Consider, by way of example, compensatory duties. When you wrong someone, you owe them compensation for the wrong. If I step on your foot and break your toes, I should pay for your medical case. I don't have the same duty vis-à-vis some stranger's broken foot. Similarly, if I subordinate someone, I should compensate them for the subordination. If it were just the managers subordinating people, then they would have the compensatory duties as individuals. The corporation could get out of such compensatory duties by reshuffling its management. By firing the people who did the subordinating, nobody in the organization would have compensatory duties for that subordination. In contrast, if the corporation itself did the subordinating, then it still has a duty to compensate for

²⁵ For more on this problem, see Anderson (2017).

that subordination. It cannot get out of its duties via a personnel change. The point generalizes to other kinds of duties: often, when one does wrong that gives one many secondary obligations. So it matters whether it is an organization, or just its management, that violates people's claims against subordination.

None of this means that the problem of managerial power is a lesser problem than that of corporate power. Nor should we overstate their differences: they are overlapping problems, and for the most part they can be solved in the same way. Yet it does matter that these are different problems. We cannot simply reduce the problem of corporate power to the problem of managerial power.

8. Conclusion

Let me conclude. Modernity, as we all know, has come with many great changes to human life. Among these is the transition from a world of small-time operators to one dominated by large, powerful, private organizations. There is no real reversing this transition, and it has generated enormous material benefits. Yet it has also generated distinctive problems: these organizations subject flesh-and-blood people to relationships of subordination. I've sketched some ways to ameliorate this problem but let me be clear: I don't think this amelioration is ever going to be complete; we are never going to render corporate power entirely anodyne. Some level of subordination to organizations is just one of the many prices we pay for modernity. It is, however, worth being clear-eyed about these costs. As Christian List and Philip Pettit put it, it is worthwhile to avoid "liv[ng] in an illusory world" in which we are blind to the problem of corporate power (2011, 185).

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