KANTIAN DISTRIBUTIVE JUSTICE AND LOW ABSOLUTE EARNINGS OF WORKERS

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February 2006

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This research report has been planned and written under the invaluable supervision of Professor Thaddeus Metz, University of the Witwatersrand. Professor Metz's recommendations, guidance and review notes are interspersed throughout this research report, and are gratefully acknowledged.

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2. Rawlsian distributive justice
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1. INTRODUCTION AND EMPIRICAL FACTS

Overview

Many individuals working in South Africa earn extremely low wages. I begin by briefly discussing these low wages, and examine their implications for the shareholders (owners and controllers of businesses) in South Africa. I argue that shareholders, in particular, have a moral duty to increase the absolute level of the wages of their lowest paid workers. In this essay I choose to examine this argument in the context of Kantian distributive justice.

Kant's Formula of Humanity[1] states that an act should be judged morally right or wrong by whether it treats the humanity or autonomy of another person as an end in itself, and not merely as a means. This requires that moral agents should always treat other moral agents with respect and dignity.

Distributive justice concerns structures of allocating justice. The Penguin Dictionary of Philosophy defines it as the principles of "the right way of allocating benefits and burdens"[2] as opposed to compensatory (or commutative) justice which examines the appropriateness and timing of exchanges necessary to address past injustices.

Distributive justice, at least for a Kantian, is likely going to be a 'patterned' theory of justice, which is described by Robert Nozick when he says that "…the task of a theory of distributive justice is to fill in the blank in "to each according to his ___""[3] where the blank could be a pattern of things such as the value of a person's actions and services; moral merit; entitlement of holdings (howsoever justly acquired); and many other factors.

I seek to join distributive justice and Kantianism together to evaluate the moral status of the lowest paid workers. I propose a just means of allocating the benefits of wages according to the work performed that shows respect for workers' autonomy.

The question I address in this essay is, "Does Kantian distributive justice obligate shareholders of companies to increase the very low level of absolute earnings that currently exist for some workers employed in the formal sector in South Africa?" This question involves several weighty components, being Kantianism, distributive justice, shareholders, absolute earnings, employment, and the South African formal sector. Each concept is dealt with below, so as to provide a broad definition of the context in which I answer this question. In order to provide this answer, I develop and defend a Kantian "maxim" which shareholders must act upon if they are to treat the humanity of their lowest paid workers according to Kantian distributive justice. I also explain why compensatory justice is not solely relevant to shareholders' required actions. Several different types of objections are pressed against the Kantian maxim, and are replied to.

Why should Shareholders address the lowest levels of earnings?

In an economy like South Africa's that has the capitalist feature of legally-enforced property rights, shareholders are the owners of a firm because they are the ones who risked their own wealth when buying a company's income-producing assets. In terms of any company's contracts, other stakeholders in a firm (such as debt lenders and creditors) have a prior claim to settlement of amounts owing to them in terms of the underlying trade or capital advances that these stakeholders engaged with the firm – but nothing further. After legal settlement of stakeholders, all residual income that arises from a company's assets remains the property of shareholders. This residual income remains *theirs* to hand over should they choose that the company raise wages for their lowest paid employees.

A Marxist argument against the shareholders' claim would say that it is the workers who rightly own the firm's residual income in the first place, albeit that the income is in the shareholders' possession. The workers' labour entitles them to this residual income, which should not necessarily accrue to the property owners:

> Private property represents the products of labour as if they were things: it is the alienation of labour from itself. Capitalism, in which labour is treated as a commodity, further intensifies that alienation and generalises it throughout all levels of society. The end of alienation therefore requires communism: the abolition of private property in general and wage labour in particular.[4]

My application in this essay is limited within the current South African capitalistic economic model insofar as private asset ownership is concerned. Although state socialism (but not Marxism) has permeated business ownership throughout

South African history, labour has always been treated as a commodity distinct from property ownership. Therefore in the empirical context of today's shareholders' property ownership, I make the explicit assumption in this essay that it is these property owners who can rightfully distribute their residual income as they see fit.

A more important distinction applies as to why it is the *shareholders'* own money to give away. If a capitalistic firm's managers decided to spend extra towards the lowest paid wage earners, a potential conflict of interests could arise between owners and managers of a company. Milton Friedman frowns on these types of practices in the context of his stockholder theory of business responsibility, when he says that such expenditure would amount to:

> imposing taxes (on the firm), on the one hand, and deciding how the tax proceeds shall be spent, on the other… the doctrine of 'social responsibility' involves the acceptance of the socialist view that political mechanisms, not market mechanisms, are the appropriate way to determine the allocation of scarce resources to alternative uses.[5]

This split in corporate objectives between owners and managers of a firm is often called the "agency argument" and leads to "the possibility of conflicts of interest between the (shareholders) and management of a firm… (because of) a possibility of conflicts of interest between the principal and agent"[6] (where principal is the shareholders and agent is management.) I am not concerned with the agency problem in this essay because the duties of a firm's managers are ignored; only the obligation of the shareholders to spend more of their own money on the poorest workers in their firm is considered.

Formal sector private and public shareholders are arguably the only economic players who can make any meaningful improvement the earnings levels of the poorest workers in South Africa because of the size of the formal sector, as referred to by Statistics South Africa when the agency summarises that “formal sector employment significantly outnumbers informal sector employment.”[7]

Formal sector means public and state-owned companies operating in South Africa – both of which are both owned by shareholders. Public companies are those owned by shareholders either through the stock exchange or through equity investments. Companies such as Eskom and Transnet are state-owned corporations. However, these state enterprises are also run along commercial profit-making principals, making the state’s “shareholding” in this context the same as that of a public company.

Shareholders employ vast numbers of workers in South Africa. But then why does the duty of promoting just outcomes fall to shareholders? In Kantian ethics, *all* moral agents have a duty to help others.

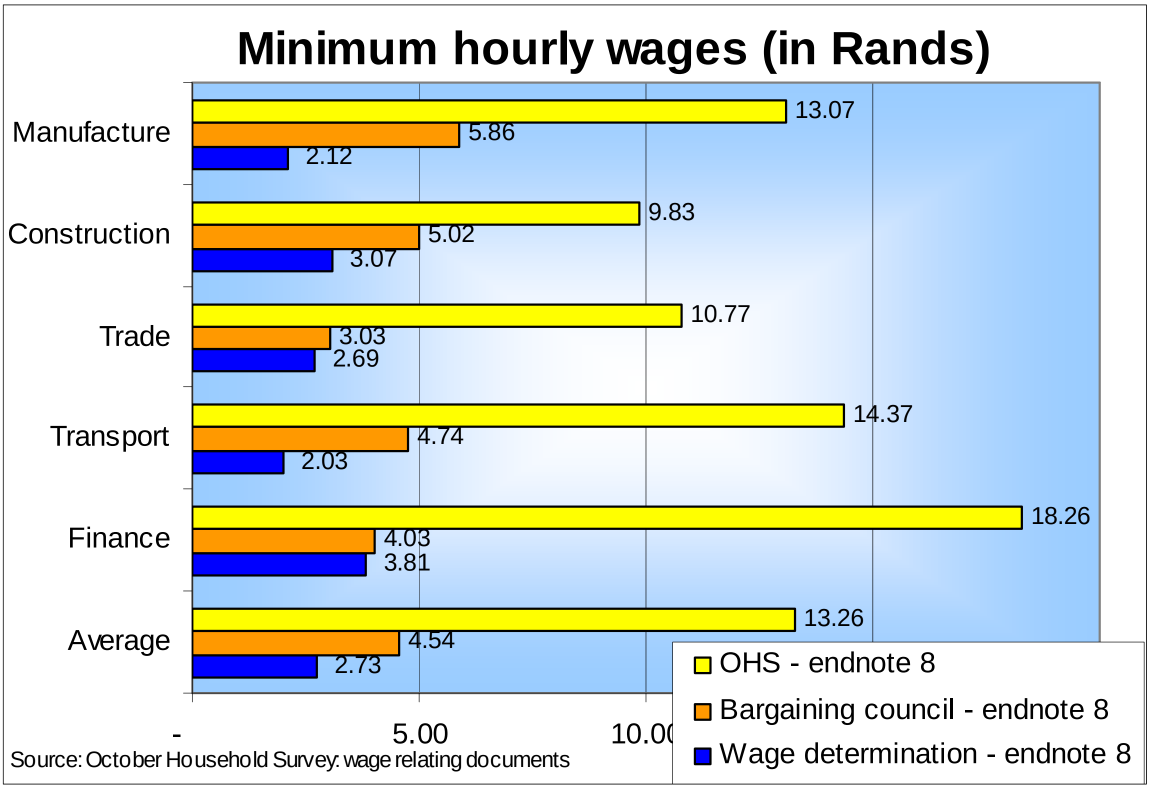
It is arguable that other stakeholders in a business (e.g. customers, suppliers, the government, lenders, the public at large, etc.) also have a duty to promote just outcomes for a company’s lowest paid workers. However, in the context of a business, I am especially concerned with shareholders as *they* are the ones most directly capable of dispensing economic fairness to the lowest earning workers.

From this point onwards, I specifically ignore other stakeholders, given their more ancillary duties (if any) to a company's lowest paid workers.

Overview of Earnings in South Africa

As the graph below shows, the average actual minimum wage being paid over to workers is R13.26[8] per hour or R2 355 per month.[9] In the lowest paid industry on the graph (Construction), the minimum wage averages R9.83 per hour or R1 746 per month.[10] Later in the same survey from which the graph is drawn, it is pointed out that mean hourly wages for unskilled Agriculture workers per the OHS is R2.54[11], which amounts to just R451 per month.[12] Unskilled Domestic workers are the next worse-off per the OHS, at just R4.10 per hour[13], which amounts to R728 per month.[14]

These data are the most recently published comprehensive statistics on the matter, but were drawn only in 1997 and published in 2000. Factors such as inflation and worker demands have undoubtedly pushed up wages since then – but it is plausible that very low level of earnings has not changed significantly for many workers.



Furthermore, South Africa has one of the highest income distribution inequalities in the world. The Gini coefficient measurement of earnings equality measures income distribution where 0 is absolute equality of income and 1 is absolute inequality. If each quintile of the earnings population received exactly 20% of earnings, the Gini coefficient would be 0.

> The Gini coefficient for the country as a whole was 0,56 in 1995, and 0,57 in 2000. These values are high, and are comparable to other countries with a high degree of inequality in income distribution such as Brazil and Ecuador.[15]

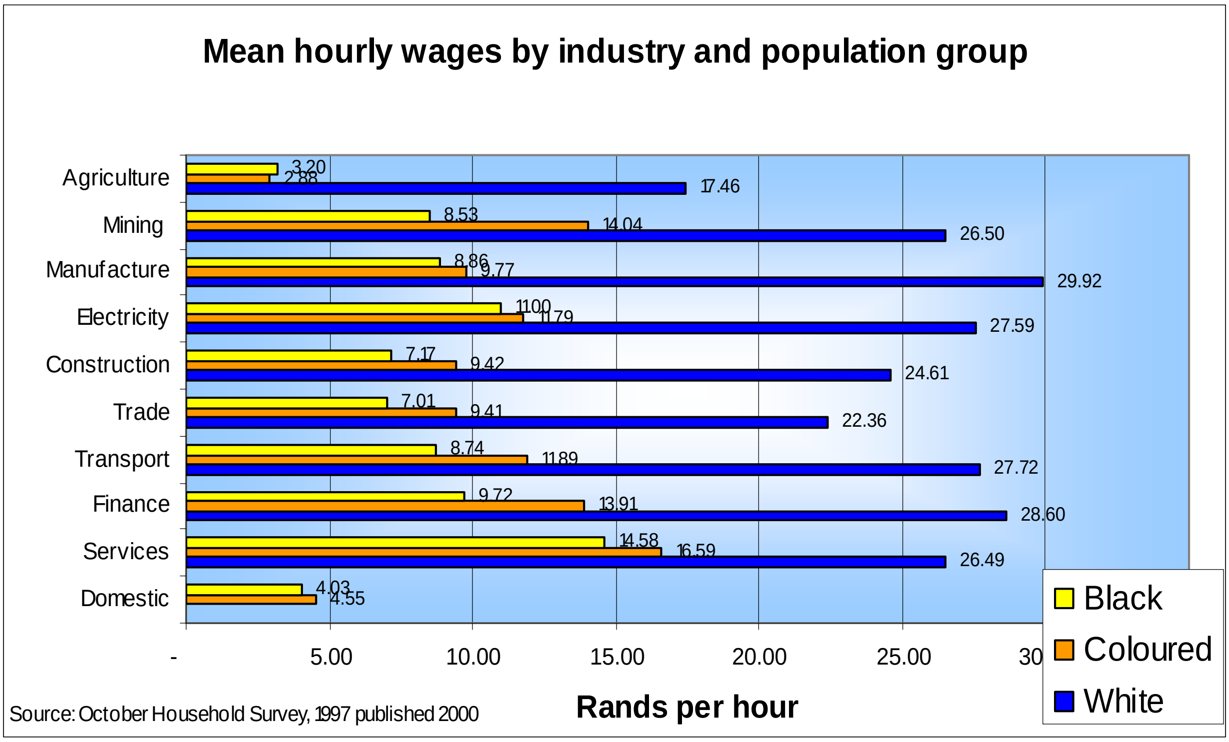
I am *not* going to be concerned with the problem of how to increase the earnings levels of the poorest earners *relative* to the higher-earning citizens, as my reference to the Gini coefficient might suggest. That point is that it is apparent from the data that the earnings floor of poor workers could be easily raised in light of how high the ceiling is for other workers. That debate leads to issues of Chief Executive Officer (CEO) earnings levels, international trade imbalances, and a host of other (important) debates. The problem I examine pertains more fundamentally to the absolute low level of income received by the poorest workers. Given the basic economic requirements to buy some form of shelter and purchase the minimum number of kilojoules needed for daily survival, it is reasonable to point out that the point of diminishing marginal utility for some earners is reached much more quickly than for poor workers with lower income profiles.

Issues of Unemployment

South Africa still has a significant unemployment problem in spite of its sustained recent upwards economic growth cycle. The causes of this unemployment problem are widely debated, complex and somewhat uncertain. I focus only on the ambit of the distribution of earnings to employed workers. I specifically exclude issues of unemployment as the discussion would become insufficiently focused. It is also worth noting that employment / unemployment is not a zero-sum game. In an open and growing economy like South Africa's, employment and unemployment (and the issues of distribution of earnings and resources therein) are mutually exclusive, but are not jointly exhaustive. This is because the unemployed can become employed without any of the pre-existing employed workers necessarily losing their jobs, or having their earnings profiles unduly diluted.

Issues of Compensatory Justice, and a move to Distributive Justice

Skewed income distributions can be attributed to many different factors, and one of the most important things to consider in the South African situation is race. Consider some related race-based earnings profiles in the following graph:[16]



Apartheid legislation is now gone, but, as seen in the graph, its effects are clearly evident in today's economy. The main historic causes of skewed racial income distributions can be linked to the apartheid legislation effects of preferential job reservations for whites, together with the migratory cheap labour practices used by the large mines when seeking unskilled black labourers. In today's economy which is free from formal racial constraints, what sustains or reproduces these effects? Anecdotal evidence points towards racial prejudices and stereotypes that still remain. However, I believe that three formal factors are: historic injustices in education levels among different population groups, which manifest themselves in today's earnings abilities; racial aspects of urbanisation trends (with a much higher, but declining, black rural element); and even the recent advent of large numbers of foreign black individuals competing for poorly-paid jobs in South African cities. A compensatory justice argument would therefore appear to exist, which requires earnings rectification for the lowest black earners because of all these causal historic injustices in their earnings ability. In current debates, the strong compensatory justice argument calls for rectification through direct redistribution and allocation of wealth to previously disadvantaged individuals from those economic participants who benefited from the racial legislation of the past. A weak argument calls for access to better wage equality in the present for previously disadvantaged individuals, and has manifested itself in legislation[1] around affirmative action employment requirements and quotas for shareholdings by previously disadvantaged individuals and their firms.

However, upon further analysis, it would appear that compensatory justice is not the full answer to the problem of very poorly paid workers in today's economy:

i) For most of the twentieth century, dramatically skewed racial earnings profiles arose because shareholders of (for example) mining companies practiced discriminatory race-based employment policies. Does this give rise to a claim for entitlement by lowest black earners against today's shareholders?

[1] or industry charters, agreed together with government and private economic players

Shareholders of a company come and go every day through trading their investments. Who is the wrongdoer who can be attacked for compensation *today*? Even if detailed knowledge is held of who the previous shareholders were, in many cases these previous shareholders are now represented by a different generation of descendants, many of whom might have sold their investments and who may not even have any resources. Therefore if one is to make the argument that current shareholders must pay more to black workers, it is not clear that this can be true for reasons of compensatory justice. Furthermore, today the weak-form of compensatory justice has successfully resulted in a large class of black shareholders. So the extension of this kind of policy would be that black shareholders would need to pay compensation to black workers. This dilutes the compensatory justice argument further – and also serves to point out that a distributive justice discussion is required to address, *inter alia*, broader issues of economic justice between shareholder and labourers.

ii) In many instances it is now a different generation of participants who now suffer poor absolute levels of income – so how does compensatory justice work out here? Indeed, are the descendants of those who were wronged in the past now better off than they would have been, had the injustice not taken place? It is doubtful if any definitive answer can be given to this question, but empirical comparisons between South Africa's general standard of living and those of its (also mineral-rich) neighbours like Botswana and Zambia suggest that today's descendents *are* better off. So do today's descendents still warrant compensation for past injustices? Although very low levels of income still persist in South Africa, these economic levels are arguably higher than had the injustices not taken place.[2] Therefore, there probably is little argument for extended compensation for past injustices here either.

iii) From a different angle, note that earnings profiles have taken on some different and blurred racial characteristics post-1994. Some white people are now also getting paid very poorly, and so the issue of low wages becomes not exclusively an issue of historic race, and therefore not solely of compensatory justice. The South African Institute of Race Relations found the following absolute and relative shifts in household incomes between 1998 and 2004:[3]

> Among the poorest households (less than R9 600 a year), the African share dropped from 91% to 87% and the African number from 3.70 million to 3.12 million. The white share increased from 3.4% to 5.1% and the white number from 140 000 to 183 000.[17]

Concomitant with current racial shifts in earnings abilities, shifts in education patterns can plausibly be expected to manifest themselves in future income distributions. Although many rural and black citizens receive still sub-standard education, this hang-over from apartheid is no longer definitively pre-determined for young black citizens who now have access to open (but often expensive) education, bursary programmes, and other such avenues of advancement.

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[2] This statement does not endorse or support the prior injustices; it is merely pointing out an empirical economic advantage which the injustices left over for current day South Africans when compared against similar countries, albeit that a multitude of other factors contributed to today's higher South African income standards. However, the effects of a century of discrimination in the mining industry - an industry which built the early South African economy - also need to be included in any analysis.

[3] These data are for household income and are therefore not directly comparable with the earnings profiles of individuals given earlier. However, these data are presented in this part of the essay as, in the absence of post-1997 information from the October Household Survey, they are a useful update regarding recent race-based income trends.

Given these earnings and education shifts, distributive justice and not merely compensatory justice must be analysed.

Before I shift attention to distributive justice for the remainder of this essay, note that these arguments against compensatory justice are not jointly exhaustive on the issue. These compensatory justice arguments can definitely be questioned and replied to: however it is my intention here simply to illustrate that these arguments provide a reasonable basis for *not* resting with compensatory justice alone, and moving towards a study of distributive justice in the context of the earnings levels of the worst-off workers. The controversy around compensatory justice in modern South Africa will continue for many years and should permit many *other* arguments - including the possibility of interesting non-compensatory justice debates.

2. RAWLSIAN DISTRIBUTIVE JUSTICE

From the Agriculture worker example given in the introduction, how can an economically-active, employed person build a life plan and be treated with dignity on income of just R451 per month? At almost zero cost to the business itself, the shareholders of many businesses could enable a life plan to be built by their poorest employees who have very little other chance of building a life plan.[4]

I focus on the issue of raising the earnings levels of the poorest workers in *absolute terms*, so that their standard of living can therefore be improved to a very basic level of income. This approach sets aside issues of poverty which arise due to one party obtaining more than another in a *relative* sense. So, for instance, I am not claiming that a wealthy shareholder has to pick up the costs of his workers' lifestyle aspirations.

The importance of increasing the lowest earners' absolute level of earnings is highlighted by Nagel, when he writes that

> I believe also that the degree of preference to the worst off depends not just on their position relative to the better off, but also on how badly off they are, absolutely. Alleviation of urgent needs and serious deprivation has particularly strong importance in the acceptable resolution of conflicts of interest.[18]

From almost all ethical perspectives, poverty is an injustice that requires serious attention. The relevance of the question I pose in the introduction is brought into

[4] The assumption of "at almost zero cost to the business itself" is a very big assumption, which is critically examined in an Objection later in this essay.

focus by Nagel when he says that "… it is appalling that… so many people (have been) born into conditions of harsh deprivation which crush their prospects for leading a decent life."[19]

From an approach somewhat related to Nagel's, John Rawls's *Justice as Fairness*[20] sets out the principles through which distributive justice is meant to secure equality for participants in a well ordered society. But what does distributive justice require? What type of justice-allocating pattern or structure should be present? I focus on aspects of Rawls's Difference Principle whereby social and economic inequalities are justified only if they benefit the lot of the least advantaged. According to Rawls it is the worst-off participants who warrant the main attention of our institutions of distributive justice in the distribution of scarce economic and social resources. A free and fair society should set up certain structures and principles to discharge its moral responsibilities towards maximising the lot of the worst off, when compared against the outcomes from any other type of allocating structure. I make a small departure in this essay from the broad Rawlsian theoretical intention to *maximise the lot* of the worst off when I focus more on simply providing a decent *minimum* for the worst off.

For the remainder of this essay I intermingle these Rawlsian distributive justice ideas with the moral foundation presented in Immanuel Kant's Formula of Humanity (FOH). While integrating distributive justice ideas into the FOH, I conduct a moral enquiry into South African formal sector shareholders' obligations towards increasing the wages of the lowest paid workers. This is done with the aim of establishing a just means of allocating the benefits of wages according to the burdens of work performed, thereby expressing respect for workers' autonomy.

3. KANTIAN ETHICS

In order to establish a moral foundation for answering the question posed in the introduction and in the context of distributive justice overviewed in section 2, I now present a detailed account of Kant's Formula of Humanity. Following this, section 4 then describes why the existence of a very low absolute level of earnings is immoral under the FOH.

Kant's FOH[21] is one version of Kant's "Categorical Imperative".[22] The categorical imperative is commonly interpreted as having three inter-linked principles: one is the principle of universalisation; another is the idea that we are the authors of our moral law which we should abide by; and the other is the FOH which states that an action is wrong if its "maxim" treats the humanity of another person merely as a means, and not as an end in itself (the concept of a maxim is explained in detail later in this section.) The Penguin Dictionary of Philosophy says that the FOH "implies respect for persons, but also self-respect; it rules out slavery and servility alike."[23] The FOH requires that moral agents should always treat other moral agents as an end in themselves – i.e. with respect and dignity. In Kant's writings, human beings are deemed to have moral status because of their humanity, and not, for example, merely because of their being members of the species *homo sapiens*. Kant's understanding of 'humanity' is a complex matter. O'Neill interprets Kant's concept of humanity as meaning that humanity is *finite* in rational agency in several ways.[24] Humans never have a complete list of possible actions in a given circumstance, and seldom can we completely predict the consequences of these actions. Furthermore, we are greatly dependent upon one another if we are to achieve any of our autonomy and goals, and we are therefore obliged to help one another towards achieving these ends.

To treat someone as an end in him / her self involves the moral actor having genuine and true regard for that person's own autonomy, and never treating that person as "…*merely as a means* for arbitrary use by this or that will."[25]

If a moral actor demonstrates apparent regard for another person's autonomy, but secretively holds ulterior motives in his action, then such action cannot be considered as treating the other person as an end in him / herself. This holds true even if the ulterior motives were *not* manipulated for the moral actor's own selfish ends. The mere deception of the other person through ulterior motives involves breaking the FOH principle of faithful regard for the other person's own self-determination. Similar to deception, if an actor employs coercion, force or even pure paternalism towards another person, then any element of treating that person as a fundamental end in him / herself is broken. Only actions which are committed out of true respect for the autonomy of others can be held up as having regard for others as an end in themselves.

To treat another person merely as a means would entail using her (for whatever purpose we have in mind) without assuming that she is acting with her own autonomy and life plans - without consideration for her own ends. So, drawing from the quote earlier, forced slavery of another person by his owner only for the owner's own selfish ends, would definitely fall into that category. This is distinct from using another person as a means but without using her *merely* as a means.

Using her as a means would permit using her with her consent for mutual self-interest – for example, a *bona fide* exchange of money for a service she renders: I am also making the assumption here that the “service” is a normal type of service without a material compromise against her dignity or humanity or by reducing her to a mere tool without appreciation for the value of her personhood. For example, opponents of prostitution frequently argue that prostitution’s main impermissibility lies not in the sexual act, nor in the lack of self-dignity that can be associated with the prostitute’s act. Rather, the impermissibility lies in the fact that someone is using money as an *instrument of control or coercion* over the prostitute, in simply exploiting him / her merely as a means for their own selfish ends, and against any regard for the prostitute’s own ends of self-respect and humanity.

Kant goes further to say that by *not* helping others in need, one still fails to treat them as ends in themselves. This imposes an obligation on moral actors to go out of their way towards helping secure the ends (life plans) of others. This obligation might be thought to be onerous. O’Neill interprets this obligation when discussing our obligations towards the hungry, but limits it as follows:

> …the requirement of treating others as ends in themselves demands that Kantians standardly act to support the possibility of autonomous action where it is most vulnerable… They cannot of course do everything to avert hunger: but they may not do nothing… We cannot share or support *all* others’ (ends) *all* of the time. Hence support for others’ autonomy is always selective.[26]

The question of how to be “selective" is a difficult and complex issue. Briefly, O’Neill says that Kantians should not rank actions by their likely outcomes of satisfaction and happiness for everyone, in contrast to what a Utilitarian might do. Rather, a Kantian selects an action by its “overall contribution to the prospects for human autonomy”[27]. Her examples of what one could actively do when confronted with her example of hunger extend to things like “the provision of clean water, of improved agricultural techniques, of better grain storage systems… (that) help transform material prospects (for autonomous action of others.)[28] In this context, the FOH therefore requires action based on fundamental concerns for the autonomy of others as an end in themselves. The proper treatment of the autonomy of one’s fellow humanity is the primary objective, not their happiness. For shareholders, this means tackling the prospects of autonomy for those who are close at hand to them and about whom the shareholders *can* do something. This would definitely extend to employees under their control who earn very low wages.[5]

Whether or not the end is actually achieved is of indirect relevance because Kant’s writings are not founded on consequentialism. In Kant’s view the moral significance lies in whether the actor has performed a proper action and with a genuine and correct intent. In explaining the categorical imperative, Kant says “If the action is represented as a good *in itself*… in virtue of its principle, for a will which itself accords with reason, then the imperative is categorical.”[29]

[5] The meaning of “very low wages” insofar as it applies to autonomy is explored later, in section 4.

In Kant's writings, a "maxim" establishes whether an act treats autonomy properly. It marries an action with its purpose, and Kant maintains that maxims should be based on rational action consistent with the FOH. A maxim is not a law or duty, but a principle one may or may not follow. Kant calls it a "subjective principle of action… (that) contains a practical rule determined by reason… on which the subject *acts*."[30] For example, sometimes "I tell lies" is mistakenly deemed to be a maxim that is always wrong (because lying is degrading), but "I tell lies" in fact is not a maxim but merely an action as yet unmarried to a purpose. *Duties* include concepts such as must, should, and ought to. Maxims do not include these commands. So a maxim would be "I lie to obtain money", whereas a duty is "I must not lie to obtain money" (or, "I must not act on the maxim of lying to obtain money".) Kant illustrates the maxim of making false promises to others (*an act*) simply for the *purpose* of obtaining money from them under a false pretense - because the actor would be making use of others merely for an end they cannot share.[31]

Importantly, morally-required maxims are principles that agents should follow independently of any anticipated consequences. Also, a maxim might not treat someone merely as a means, but might still fail to treat someone as an end in itself. In the *Groundwork*, Kant gives the example of a talented man with many uses to others, but who simply gives his life over to pleasure and does not use his talents towards helping others. Kant frowns on that type of maxim when he says that "… it is not enough that an action should refrain from conflicting with humanity in our own person as an end in itself: it must also *harmonise with this* *end.*"[32] In other words, Kant is extending the FOH to show that it applies towards both self *and* others. Although the talented man is not using others as a means, he *is* failing to treat them as an end in themselves.

4. A KANTIAN ARGUMENT FOR A SHAREHOLDER DUTY TO RAISE WAGES

In the context of the FOH, I make the moral judgment that shareholders should not treat their workers merely as a means to the shareholders' profit-orientated ends. Morally, shareholders should show respect for the workers' vulnerability and appreciation of the workers' autonomy. Shareholders have the following duty that they should choose to act upon towards their lowest-earning employees: It is impermissible for shareholders not to improve the quality of respectable life plans of their poorest workers, in order for the shareholders to accumulate still greater profits for themselves.

The point at which shareholders should give up some of their profits towards their workers' life plans is not measured here in numerical terms. For instance, I specifically avoid the term "minimum wage" as that economic concept is fraught with many empirical difficulties[6] that are not relevant to this enquiry. I am examining the *principle* of the very lowest level of earnings necessary to support a basic life plan, whatever that 'lowest level of earnings' happens to be in monetary terms for a particular set of workers at a particular location and point in time (and therefore independent of minimum wage quantifications.) I define "basic life plan" in the context of the Kantian Formula of Humanity idea of an individual being able to secure a minimum amount of autonomy for him / her self.

[6] To back up this claim, "…the data presented would suggest that regulated minimum wages, particularly for workers in less skilled occupations, bear little discernible relationship to actual earnings. To date, there are no regulated wage rates for the lowest-paying industries" (page 22 of the *Mean and Minimum Wages* survey (see reference in end note 9.))

Rawls draws on an identical concept when defining “primary goods”[33] as “these goods are things citizens need as free and equal persons living a complete life.”[34] Rawls lists five aspects to primary goods, three of which represent political features of social relationships between citizens (and which do not directly concern us here.) The fourth and fifth kinds of primary goods are defined as:

> Income and wealth, understood as all-purpose means (having an exchange value) generally needed to achieve a wide range of ends whatever they may be (and) the social bases of self-respect, understood as those aspects of basic institutions normally essential if citizens are to have a lively sense of their worth as persons and to be able to advance their ends with self-confidence.[35]

These two ideas draw on aspects of sufficient money and wealth, and also a sense of autonomy, and are therefore most relevant to understanding what a “basic life plan” might require. In practice, the lowest level of Rand earnings could be taken as sufficient income to support a typical small household’s functions in order to allow its members to live with some dignity. This could include basic food costs, a small transport stipend, rudimentary housing with heating and water, and perhaps a modest amount for clothes[7]. Things like medicine and education would need to be provided by the South African government (which is another debate entirely.)

So, for instance, it would be degrading of a shareholder not to pay out sufficient wages for a typical mineworker to travel home to his family in a far away town

[7] It is difficult to list these items without being somewhat patronising: individuals will always allocate their basic priorities in a very different fashion which suits them.

every so often (over-and-above the basic living expenses the miner has to fork out), supposing the shareholder can afford to do this with relative ease.[8] If a worker has basic food security and proper shelter and hygiene, then that can be held as sufficient to function with autonomy and self-confidence in the worker's life. It would *not* be degrading of a shareholder in terms of the FOH if he were to ignore certain Utilitarian arguments to give up his wealth right to the point where the shareholder's wealth is equal to the worker. For example, Peter Singer expresses that demand when he says that "(everyone) ought to give up as much as possible, that is, at least up to the point at which giving more would begin to cause serious suffering for oneself and one's dependents – perhaps even beyond this point to the point of marginal utility…"[36]

My claim is effectively that the R451 per month earned by the poorest workers cannot possibly be considered a wage sufficient on which to build any decent life plan. Shareholders are in a unique position to promote the minimal outcome of allowing the poorest workers to earn enough to support a basic life plan for themselves.

[8] Again, the assumption of affordability by the shareholder is examined critically in an Objection later in this essay.

5. OBJECTIONS, REPLIES AND COUNTER-RESPONSES

I have maintained that Kantianism is correct and that it entails that shareholders are treating workers disrespectfully if they do not boost wages because of a desire to amass wealth selfishly for themselves. I turn now to press objections against this argument. Why might low absolute earnings levels *in fact be just* under the FOH? Does Kantian distributive justice really require higher wages?

i) Increase wages to lose competitiveness?

I have made the explicit assumption throughout this essay that a firm can afford the increase in wages for its worst-off earners. Arguably, the burden on a firm to increase wages can be too great, at least if other firms do not also increase wages. What if a firm *just cannot afford* to increase the lowest wages, or will lose competitiveness and go out of business if it does – does this then make the firm immoral? In other words, does “ought to” imply “can”? Therefore, the objection is that the duty of shareholders simply *cannot* be constructed as having to increase the wages of its worst off workers, because of the risk that the firm will lose competitiveness and possibly go out of business.

The counter response to this objection is discussed in two parts: the first deals with a proper understanding of the relevant duty – i.e. that shareholders are actually *not* obliged to lose competitiveness or go out of business. The second answer queries the objection’s assumption that some businesses are in fact likely to go under if they raise wages to their worst off workers.

For a start, the FOH requires that a maxim originates from intentions which are married with a right action. A maxim is *not* designed with a focus on the consequentialist outcomes from the right action. But what if this action towards the worst off employees *is likely to* result in the shareholders going out of business? Do the shareholders also not owe it to themselves to stay in businesses in this process? The economic consequences of brutal competition remain present, and what help does it matter if shareholders raise wages for their worst-off employees but terminate their own economic existence in the process? I am examining the case of a truly marginal firm here, which is completely different from a situation where shareholders have enough profit easily to afford the increased wages but are simply being stingy and selfish.

Kant uses his first example in illustrating the Formula of Humanity to say, *inter alia*, that a suicidal man owes it to himself to stay alive in order that he treats himself as an end in himself. This treatment appears independent of the other obligations this man still has to others.[37] In other words, the FOH requires respect for self, such that the shareholders also have a duty under the FOH to preserve and regard their own ends of economic survival. Where is the respect for oneself if the shareholders are unnecessarily giving all their money away to the point where, ultimately, shareholders lose their own ability to create a life plan? It is plausible to note that the FOH does not extend the shareholders' morally-required maxim into something different like "I give so much that my business fails for the sake of others". Therefore, the objection which says that firms increase wages to lose competitiveness is invalid when interpreted in terms of Kant's FOH, because this is neither what is required and nor what concurs with the shareholders' concerns for distributive justice for their lowest-earning employees.

From an economic point of view, is the assumption valid that a firm will go out of business if it increases wages? The answer to this counter-argument is necessarily a consequentialist one, and is discussed here because the assumption is not correct that a firm will likely fail if it increases the wages of its most marginally-paid employees. Of course a 'small' increase in wages for the lowest earning employees can result in a fatal labour cost increase for a company. However, very often a firm can also achieve a stimulus to its own profitability and survival through empowering its workers.

A recent survey on employee productivity and commitment found that:

> …as little as 1% greater employee engagement could result in sales increasing by as much as 9%... people were a company's most valuable asset, and when they positively engaged in a company's activities payback could be impressive.[38]

Terms like "positive employee engagement" can mean many things in the hands of an employment survey. Certainly, it could be argued that this includes paying employees a minimally decent wage; it probably also means allowing employees to foster a sense of dignity and autonomy within their workplace. But then a chicken-and-egg situation still arises – what if the firm just cannot afford to make the prior commitment to basic decent wages before employee “engagement” (and therefore productivity, and therefore profitability) result? Colloquial evidence often points to short term wage-freezes being accepted by employees in order to help the failing firm survive into the future (combined with other motivating factors, most notably an “empowering” promise of re-building the company, meaning better wages for the workers.)

Therefore in this extreme case scenario, it appears as if the FOH duty to create autonomy amongst workers remains incumbent on the shareholders without threat to the shareholders’ own long term profitability, albeit through the means of raising productivity. The starting point (of fostering worker autonomy) is congruent with the demands of the FOH. And as the answer to this objection has shown, even if simplistically, that raising wages is unlikely to entail the firm going out of business. However, there is a further assumption embedded in this response: that the stimulus to employee productivity from wage increases responds immediately enough to lift earnings and enable the company through the short term. This is arguably a safe assumption to make, as worker output is often quick to reflex in creative ways, even when hampered by other limitations in the business (such as capital inadequacies, etc.)

However, I reiterate that even this consequentialist counter-response might not *always* hold true – there *will* be occasions when a firm fails due to raising the wages of its worst-off employees. The important fact is that, even in this extreme scenario, this possibility of business failure does not undermine the fundamental purpose for shareholders to follow the duty of increasing employees' basic life plans when they can with relative ease. Indeed, in this extreme scenario, if the consequences of raising basic wages for the worst-off employees are so immediately dire, then it is highly likely that the firm would not survive in business for very long anyway due to other factors and threats which descend so quickly upon a vulnerable business. In any event, it is fair to note again that shareholders are *not* obligated to give up so much to their poorest workers up to the point where the business fails. That would extend much too great a burden upon the shareholder, beyond any requirement of what he / she is obligated to give up. As a further point, giving up so much of the shareholders profit that the business fails does not properly constitute the duty's requirement. The duty I have developed in this essay does *not* say that *all* firms should increase wages of their worst-off employees (even though the conclusion to the arguments in this essay should hold true for all South African firms.) Instead, there is a subtlety as the duty says that it is immoral of shareholders not to give up some of their *profits* in order to improve the quality of the basic life plans of their poorest workers. If the shareholders are not making any profits, then there is also nothing for them to give up! Pragmatism dictates that if a firm is truly marginal, then paying its worst-off employees a wage below the basic life plan standards is better than no wage at all, or, not preserving the shareholders' own ends of survival. Does this mean that the ends of the poorest paid workers are above the shareholders' profit? No, definitely not. The duty places the onus on the *shareholders* to distribute to the poorest employees, and in any event we have explicitly assumed a capitalistic company wherein profit to the shareholders comes prior to wages to the employees.

ii) Rawlsian counter-argument against raising wages

A Rawlsian counter-argument *against* raising wages is that it would cause less growth and ultimately lower wages in the long run. This economic argument says that raising wages goes against the economics of scarce resources. If firms pay higher wages, they might not compete as effectively or draw as much investment, hence making things still worse for workers in the long run. Perhaps the starting point of this objection sounds Utilitarian (and therefore largely non-Rawlsian), but the objection of maintaining lower wages is distinctly Kantian as the (long run) effect allows for the creation of more autonomy and self-fulfillment. Low wages facilitate economic growth and therefore more primary goods and enjoyment of life, etc. To put the point another way: raising wages must at least be *likely* to promote autonomy if the shareholders' duty is going to be morally required.

Under Rawls's difference principle, social justice requires a set of wages which allows for at least a minimally decent standard of living within the total economic constraints afforded to the set of wages which the shareholders can distribute. In other words, inequalities are to benefit the worst off in the distribution of shareholders' limited wage resources. Therefore very low wages for some workers would *not* be unjust if it means that the worst-off individual earners would nonetheless receive more in the long run than they would have under other regimes of distribution.

Therefore, assuming that shareholders can feasibly afford small increases in the wages of the lowest earners (as proven earlier in my response to objection (i)), then shareholders *do* have a duty to eradicate very low wages even if it means causing lower economic growth etc. in the short term. In the long term, as also mentioned under (i), marginal output is very likely to rise above the initial wage cost and stimulate shareholder returns. In the case of public entities who cannot afford to increase the lowest workers' wages, could this mean that the public (i.e. the taxpayer) would end up supporting the initial increase in wages? Therefore might the poor end up paying for increases in earnings to the poor? In this case of a public shareholder, the same counter argument is used: a long run increase in profits appears certain above the initial cost stimulus in higher wages for the lowest earning employees.

But surely many shareholders – even those who are earning super profits – will reject the idea of supplementing their employees' fair wages, even if these wages are insufficient in FOH terms? Many shareholders will revolt against this idea and interpret it as a distasteful form of moral redistributive socialism, and withdraw their investments – even if the idea to supplement wages is not a legal obligation but merely driven by popular ethical sentiment and peer pressure. Or will shareholders shy away from their investments? I believe that South African shareholders are not ignorant of the moral needs incumbent upon them towards social spending on their employees. There is a real understanding of the duty to take voluntary (but not legislated) action towards alleviating the lives of the previously disadvantaged. Testimony to this is the fact that all listed companies on the JSE Securities Exchange publish “social investment reports”. Such reporting is recommended in various JSE and other codes, and might even gain legal backing. The bigger companies on the JSE publish this information in completely separate reports, and vie with each other for prestigious awards. Most South African corporates follow the idea that ‘charity begins at home’ and spend on employee and employee-family welfare (as well as donating to charities and other actions which are perhaps more supererogatory.) I discuss this phenomenon more fully in the fourth objection below.

Strictly speaking, the cold economic theory of reducing profits by lifting wages does predict lower long term investment, and thereby lower economic growth and lower long term wages. But the reality is not a zero-sum game where profit has to suffer at the hand of increased wages. As proven above, the two are quite capable of mutual reinforcement. Furthermore, many profit-owners have proven themselves quite willing to support levels of wages at a basic life plan level, without withdrawing their capital to any level that is disadvantageous to workers’ incomes. The risk of lower long term wages for employees is therefore not a significant argument against the duty for shareholders to give up some of their profits towards the basic life plans of their poorest workers.

iii) Nozickian arguments

Nozick's entitlement theory says that an economic participant should "…find acceptable whatever distribution resulted from the party's voluntary exchanges."[39] In other words, if workers consent to the wages that are set by the market, then those wages are just in-and-of themselves. This is because the worker voluntarily chooses to participate in the wage-setting market and has no entitlement to anything beyond the agreed upon wages. In the view of Nozick, it is impermissible for a poorly paid worker to claim a wage greater than his or her marginal productivity deserves, as this would cause

> a deep suspicion of imposing, in the name of fairness, constraints upon voluntary social co-operation (and the set of holdings that arises from it) so that those already benefiting most from this general cooperation benefit even more![40]

The "benefiting most" part of this quote relates to Nozick's analysis of Rawls's difference principle, where the worst off participants are already receiving their best possible share of outcomes because of the completely fair wage they earn on Nozick's free market. Nozick's view finds support with Friedman when Friedman expresses contempt for promoting desirable social ends as "(the) catchwords of the contemporary crop of reformers… preaching pure and unadulterated socialism."[41] Treating an employee as an end in herself entails allowing her to determine her own life. Should she choose to enter the wage market, then the FOH would support the idea that the market pays her as an end in herself according to her worth and that she receives this amount under a free and open contract. So here, the FOH is congruent with Nozick's view.

But what about where she is economically defenseless and is treated *merely* as a means by a ruthless employer on the market, who seeks to extract work from her for a completely unfair wage? Well, the FOH would *not* advocate protecting vulnerable workers from the market (indeed, *all* workers could be argued as being vulnerable – and in any event the FOH is not a 'protectionist' type of theory) but the FOH *would* seek fairness / respect where a worker presents labour in support of her shareholders' profits and she is exploited. What does this "exploitation" involve? It could be that the marginal output of the lowest paid workers is often not correctly measured or recognised. But this response does not really address the issue of the employee's minimal basic life plan (it is too contingent on counter-claims by the shareholder to the shareholder's evaluation of the employee's real product.) The Marxist argument in the introduction says that the marginal output of the lowest paid worker is unreasonably withheld by shareholders from the worker. Some of the shareholder's total product (i.e. the profitable result which is greater than the sum of just the employee labour plus shareholders' risk capital) should be apportioned back to the employee as it never really belonged to the shareholder in the first place. In the modern South African capitalistic context, this argument probably only leads to the compensatory justice arguments given earlier (the worker should be given a higher portion of earnings based on historic impediments towards achieving any

more meaningful productivity.) We are interested in the distributive justice answer to the issue of what fair wages the lowest paid worker should receive.
An important argument of Rawls’s is that the *form* of the worker’s consent to her wages is a very important consideration as to whether or not true justice is being met. Rawls’s patterned theory of justice requires that fair outcomes can come about only through respect for *free and equal persons*. Does the worker earning R451 per month really have any choice in throwing herself onto the wage-setting market? If the worker has no other opportunity *but* to accept the very low wages, then her consent to the wages *cannot* be held up as being just. This is because the shareholder is overriding the employee as an end in herself for the selfish purposes of the shareholder, through using her urgent need for survival above the employee’s autonomy. Anecdotally, the poorest workers often wait until they can find gainful employment at salary levels above a very basic level – until the worker’s need for food and basic survival is so urgent that she is forced to accept the drudgery of a (most often full time) very low paying position.

Are shareholders obliged to factor this necessary ingredient of free and equal persons into account when determining their workers' wages? Yes, indeed. This does not mean that shareholders are obliged to grant *all* workers fair equality of opportunity, in some sort of morally socialistic manner. Rather, it means that the shareholders need to take cogniscance of the true manner in which they use their workers as means in order to extract their profits (remembering that using others as means which they reasonably consent to is permissible under FOH.)

Indeed, Nozick uses the example of “the fact that a thief’s victims voluntarily *could* have presented him with gifts does not entitle the thief to his ill-gotten gains.”[42] In recognising an employee’s basic life plan needs, the concept of free and equal persons is completely integrated as a component of Rawls’s difference principle. If the shareholder is to give up some of his profits under the duty of raising wages to improve the quality of the basic life plan of his poorest workers, then that sacrifice of profit must be made out of genuine respect for the workers’ autonomy and ‘free and equal personhood’.

But what about an extreme example of, say, a young Zimbabwean refugee who accepts rock-bottom wages in a South African textile factory? The Zimbabwean does not have a work permit and she is only too genuinely delighted to have a job in a safe country and will accept absolutely any wage, albeit one which is well below the breadline. Does this shareholder have an obligation to increase the Zimbabwean’s wages?

If ever there is an example of when a shareholders’ moral behaviour should be amplified, this is it. In paying wages to the most vulnerable and weakest of employees, the shareholder has a definite Kantian obligation to recognise and increase the Zimbabwean’s possibility for autonomous action. Nozick’s libertarian view that the shareholder is entitled to pay her what ever low wage she asks for amounts to exploitation because this low payment abuses her economic vulnerability solely for the shareholder’s selfish ends. In fact, besides paying a fair living wage, the employer should also actively seek a South African work permit for his Zimbabwean worker in order to safeguard her dignity.

A counter-argument against this action would say that this obligation cannot possibly be extended to all Zimbabwean refugees. Or that the shareholder is being patronising in overriding the worker's (misguided) desire to maintain a low wage. While these arguments may be true, they are not relevant as it is the shareholder who has an obligation simply *not* to use his workers merely as a means, and to rise above using the worker's fear as a means to the shareholder's selfish ends. As mentioned earlier, the Kantian obligation to help the ends of others is necessarily selective towards those whom the moral actor *can* actually do something about. (And furthermore, I do not address the broader issues of unemployment.)

iv) Efficiency, low self-esteem, and choice

How *efficient* is the act of increasing the lowest wages toward achieving the purpose of more autonomy for the lowest paid workers? Increasing wages is merely the *means* of trying to ensure more autonomy for the lowest paid workers. But there is no guarantee that this will actually happen, as the means will not necessarily achieve the *end* of the creation of autonomy. Indeed, the means of remunerating the lowest-paid workers more might possibly even *thwart* their basic life plans in ways other than the firm going broke.

The following real-life example from my experience with a casino operator demonstrates this efficiency problem. The firm's shareholders recognised themselves as ethical beings, and expressed a concern that the life plans of many of their employees were not being met. Indeed, most of the employees who were earning less than R2 500 per month were living in the nearby squatter camp and had no realistic life chances whatsoever. The firm had the luxury of enjoying above-average earnings growth for its shareholders. Although a stimulus to worker productivity from wage increases factored in the firm's decision, the shareholders' main intent was a will to lift the worst-off employees' life prospects in a similar way to the thesis I defend. The shareholders' neo-Kantian intents lead them to act outwardly toward increasing wages above the rate of inflation, above the rate of increases in employee productivity - and eventually above the casino's own high earnings growth rate. This situation became untenable for the shareholders as the long-term outcome was certain to be wage increases which, ultimately, would completely erode their profits. The shareholders' desire to help the lowest paid employees achieve their life plans ended up with the result of spoiling these employees like children, who simply demanded more and more increases over time. Eventually a massive strike resulted, which was hugely detrimental to both shareholders and all employees. The shareholders demonstrated actions with noble intentions towards the lowest paid employees. However their actions were inefficient as the shareholders conceived themselves as knowing *how* to achieve the goal of the workers' basic life plans through simply paying wage increases. (Note however that the shareholders did not demonstrate any paternalistic actions towards the workers as the shareholders did not coerce or otherwise manipulate the workers into certain actions.) However, the shareholders neo-Kantian actions did have an effect of fueling massive lifestyle and financial aspirations, which created false expectations because the shareholders could not fulfill these aspirations indefinitely. It seems as if the “basic” part of building an employee’s life plan had been surpassed at some point, and the efficiency of giving employees higher wages was completely lost in spite of the shareholders having acted sincerely. As a brief aside, it is interesting to consider whether there was simply an element of so-called “white guilt” in the shareholders’ actions towards increasing the wages of their worst-off employees. “White guilt” could have arisen from the fact that most of the shareholders were historically advantaged white South Africans whereas the worst-off workers were unvaryingly black and previously oppressed. Did the shareholders’ neo-Kantian intents spring from their desire to make themselves feel happier through alleviating some of their guilt about their economic wealth (and coincidentally others’ poverty, in the process)? This could quite possibly be true, although it is probably not directly relevant as the shareholders still managed to act on a proper maxim towards the worst-off employees. Even if the shareholders possibly *did* act out of guilt, they did so not merely to feel better about themselves, but rather acted fundamentally out of a genuine desire to help the ends of their worst-off workers. This does not make the shareholders ‘good people’ (the FOH does not inform virtue-based moral theory) but does distinguish the shareholders as having performed the right act under the FOH.

The FOH definitely requires willing the creation of more autonomy amongst employees – but what is there to indicate that higher wages are the correct or efficient means? John Rawls touches on what I believe is an excellent description of autonomy when he emphasises that his account of primary goods

> Does take into account, and does not abstract from, basic capabilities: namely, the capabilities of citizens as free and equal persons… that enable them to be normal and fully cooperating members of society over a complete life and to maintain their status as free and equal citizens.[43]

Perhaps the idea that should be expanded upon from the above is the element of autonomy involving freedom. Autonomy and freedom are very expansive concepts, but they are *not* concepts which are necessarily informed by financial earnings. Why not? Largely because many generations of people have achieved autonomy and freedom in the past with very little monetary resources (or just enough to feed themselves with) through using other means such as religion, self-belief and empowerment, etc. So if one follows a maxim of increasing life plans for the worst off, how is it best achieved? Is money really a helpful conduit to autonomy and building life chances?

Money might be a guarantor of better freedom and autonomy, but then it would appear we also have a 'relative autonomy' problem to deal with. This is because money is certainly not the *only* source of autonomy, but it is an indicator of the ability of autonomy to flourish. In turn, this would mean that an impermissibility of low earnings is due to the feelings of inferiority they cause among the poorest, relative to the greater autonomy enjoyed by higher earners. The moral issue of inferiority relative to others is one which Nagel, for example, is sympathetic to. If autonomy means the ability to realise ends of one's choice, and if low-self-esteem inhibits one's ability to realise ends of one's choice, then feelings of inferiority might be relevant to an appraisal of worker autonomy. Therefore we return to the main moral problem that an impoverished person cannot build *any* of his life plans on R451 per month – or can he?

As I mentioned earlier in this essay, poverty is a great injustice that requires our moral attention - largely because poverty is a great inhibitor (but not necessarily an annihilator) of autonomy.

Many shareholders appear to realise that creating autonomy for low earning employees is a function of many other things besides just wages. In following a sentiment expressed by O'Neill when she describes our Kantian obligations toward persons, shareholders could take action based on the following:

> If the aim of beneficence is to keep or to put others in a position to act for themselves, then emphasis must be placed on "bottom-up" projects, which from the start draw on, foster, and establish indigenous capacities and practices for self-help and local action.[44]

For example, almost all large corporates in South Africa run basic education and literacy programmes. Medical aid and HIV / AIDS services are almost standard, and sponsorships of community projects are common. Perhaps, then, the answer to empowering autonomy does not lie in the individuals' wages, but in the empowering of broader community socio-economic factors. *Ipso facto* shareholders appear have a duty to perform this broader function which most are already fulfilling. Therefore it would appear that the question might need to be expanded slightly, to declare that shareholders have a duty rather to increase the *total* amount they spend on their lowest earning employees in order to secure greater Kantian distributive justice and therefore autonomy for their workers. However, in this context, our broad conclusion about shareholders' obligations to their lowest paid workers is still the same.

A distinction is important between direct wage increases and indirect sponsorship of tools aimed at achieving an employee's life plan. The indirect tools (such as education, for example) are also more efficient as they will ensure "take-up" of these tools / costs only by those employees who *want* to try build a life plan – and thereby any potential issues of lack of employee choice are negated through the employee's active participation in the tools. Properly conceived and presented (with the intention of providing real life plan benefits to employees), such tools are most efficient means of securing increases in basic life plans for marginal employees, because unlike monetary wages they cannot be easily squandered on things other than what they are created for. But what if the tools are *not* properly presented? Say the programmes backfire and result in employees who become overly dependent on the tools, or employees who lose confidence in the process? Even so, shareholders would have acted correctly because they took a means which was likely to achieve the ends that O'Neill talks about above. Even though the actual result might not be as intended, according to Kant it is the end and the means to it that are morally important and not the actual consequence itself. This conclusion also holds true for my original example of the casino operator that increased wages for the worst off workers. Although the workers striked and thereby harmed themselves (as well as the shareholders) in the long run, the shareholders still acted correctly. The shareholders increased wages as a plausible means of furthering the ends of workers' autonomy, and thereby followed the fundamental moral requirement in the maxim of increasing the basic life plans for their worst-off workers.

These tools also obviate the problems of low self esteem. The employee who is currently at the bottom of the wage ladder might suffer the relative dishonour of low wages because of the very low economic contribution the employee makes to the company, but the employee's FOH future life plan alternatives are firmly established. The sponsored tools (if done properly) promote a massive sense of hope in the employee for stability, growth and anticipated financial earnings capability – and thereby autonomy.

6. CONCLUSION AND PRACTICAL RECOMMENDATIONS

Current South African stakeholder theory includes ‘equity’ claims arising from compensatory justice issues. However, based on the arguments in this essay, I believe we can now see that there is also a definite independent moral duty in distributive justice for shareholders to increase the amounts that they spend on their worst-off employees - but not necessarily just the wage costs for these employees.

So who takes the first step to implement this moral requirement? The issue of responsibility is now broadened – corporates *really* must do more. I have overviewed strategies for shareholders to deal with the very low wages that exist in South Africa, and given recommendations based on the arguments and objections in this essay.

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as the “Average data” shown in Figure 6 of the survey. This would indicate that the method by which I calculated “Average data” for OHS is reliable.)

The OHS survey is “carried out by Statistics South Africa (and) measures actual earnings of individuals” (page 4.)

“Wage determination” is defined on page 5 as “administrative instruments drawn up by the former Wage Board in terms of the Wage Act of 1957. They provide for legislated minimum wages in sectors and areas in sectors and areas where workers are not sufficiently organised to regulate themselves in terms of bargaining council agreements.”

“Bargaining Councils” are defined on page 5 as “These councils are established in terms of the Labour Relations Act of 1995. These councils bring together representative employer associations and trade unions who together establish minimum wages and conditions for the sector and geographical area/s in which they operate.”

[9] using a standard of 8 hours per day and 22.2 working days per month.

[10] *Ibid*

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[12] using a standard of 8 hours per day and 22.2 working days per month.

[13] *Mean and Minimum Wages* Figure 7, page 12 (see method given in 11 above.)

[14] using a standard of 8 hours per day and 22.2 working days per month

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