

Interview on Global Justice

1. Do you see any chance of solving the problem of global justice and severe poverty? Which role should or could philosophers play?

It does not seem likely that we will ever overcome domination based on violence and the threat thereof. There is a better chance that massive and severe poverty will once be a thing of the past. But how many human beings will our unjust economic arrangements kill in the meantime? Currently they produce some 50,000 premature deaths from poverty-related causes every day.

As for the role of the political philosopher: ‘Philosophy’ means ‘love of wisdom,’ and wisdom, one might say, is understanding what matters. For many contemporaries, including philosophers, the question what matters boils down to what we care about. This is a paradoxical reduction, because people — initially, certainly, when they begin their adult lives — care deeply that what they care about should be *worth* caring about. Philosophers have not been much help, lately, in giving us ways of evaluating and critically modifying what we care about. Many have rejected the very search for such standards as inseparably tied to an outdated metaphysics or as incompatible with the pluralism of multicultural societies. And some have then seen it as their task to cure us of the ambition that their reductionism presents as incapable of fulfillment.

What we should expect from philosophers is that they will once more have interesting things to say about what matters and, specifically, about what matters morally. When they will, they may well contribute substantially to the movement toward global justice — by being society’s gadfly or conscience if you prefer. This will require work not merely in moral or even political philosophy proper, but also work in economics, health policy, political science, history and the law, because any truly adequate approach to global justice requires a great deal of knowledge of facts, causalities and historical-political possibilities.

In doing this sort of trans-disciplinary thinking, political philosophers have, for now, one great advantage over professionals in those other fields, economics and political science especially, where pressures toward conformity are so much greater. Political philosophers know that, no matter what they say, they will neither be offered consultancies, overpaid stints at the World Bank or IMF, pages in the *Economist*, nor be completely shunned by their peers for challenging the reigning orthodoxy. (I have been amazed to find how strong such pressures are in academic economics and how much of the production in that field therefore works backward: from the desired conclusions to the supporting arguments.) So long as political philosophy remains marginal, the pressures toward conformity are not too great and, in any case, partly compensated by there also being, in academic philosophy, a good bit of cheer for the outliers, oddballs, eccentrics and underdogs. Thus, I expect more good, unbiased, multidisciplinary work on global justice issues from the present generation of young political philosophers than from the academics in the other relevant disciplines. I know a fair number of them and am quite impressed by their willingness to learn what they need to know and to think on their own.

2. Do you believe free markets institutions can help the global poor? If you believe so, do you think that poor countries should protect their industries while rich countries should not? Would you support an *pro infant industries* theory?

Of course free market institutions can contribute to the eradication of poverty! This is why it is so disheartening that — despite all the free-market rhetoric of recent years — the more affluent countries are so forcefully insisting on withholding the benefits of free markets from the poor. By

giving them free access to our huge markets, we would greatly help the global poor by giving them opportunities to work themselves out of poverty. By denying them free access to our markets, we are denying them such help or, as I would put it more strongly, harming and often killing them in large numbers.

Under the WTO regime, the affluent countries (less than 16% of the world's population with 79% of the global product) have successfully insisted on being entitled to continue trade barriers such as quotas, tariffs, "anti-dumping" duties, export credits, and huge subsidies to their domestic producers, for example. These trade barriers have killed millions of people in the poorer countries, as is implicitly recognized even by pillars of the establishment such as Nick Stern, former Chief Economist at the World Bank. He calculated that each textile job saved by protectionism in one of the rich countries costs 35 textile jobs among the poor. Stern also pointed out that the rich countries spend over \$300 billion annually on export subsidies for agricultural products alone, roughly six times their total development aid. He said that cows receive annual subsidies of about \$2,700 in Japan and \$900 in Europe — far above the annual income of most human beings. He estimated that full elimination of agricultural protection and production subsidies in the rich countries would raise agricultural and food exports from low and middle-income countries by 24% and total annual rural income in these countries by about \$60 billion (about three quarters of the global poor live in such rural areas). He also cited protectionist anti-dumping actions, bureaucratic applications of safety and sanitation standards, and textile tariffs and quotas as barriers to poor-country exports. Stern was especially critical of escalating tariffs — duties that are lowest on unprocessed raw materials and rise sharply with each step of processing and value added — for undermining manufacturing and employment in poor countries, thus helping to confine Ghana and Cote D'Ivoire to the export of unprocessed cocoa beans, Uganda and Kenya to the export of raw coffee beans, and Mali and Burkina Faso to the export of raw cotton.

In some cases, such rich-country protectionism goes blatantly beyond what even the skewed rules of the WTO permit. But what can poor countries do about it? They can bring the case before the WTO and, after a long and expensive arbitration process, they may well win. But such a victory will bring the unfair trade barriers to an end. Such a victory merely allows the winner to impose matching counter-tariffs on imports from the losing state, if this losing state upholds its barriers. Poor countries have indeed won the entitlement to impose such counter-tariffs, but they have rarely actually imposed them — often from fear of angering a much more powerful trading partner. The persistence, despite rising global wealth, of massive poverty worldwide is an indictment of WTO globalization, but not of free market institutions.

The second issue you raise in your last two questions is much harder. I believe that no general answer can be given. Much depends here on how global institutions are designed and also on the particular situations of specific countries. To illustrate: It is quite possible that infant industry protections would help poor countries in the context of a global order in which the affluent countries practice protectionism against goods and services the poor seek to export — but that the same infant industry protections would not help poor countries in a hypothetical alternative context in which their goods and services could be exported unimpeded. It is also quite possible that infant industry protections are unnecessary or counterproductive in labor-intensive industries in larger poor countries, but useful in capital-intensive industries in smaller poor countries. Those who believe there is one correct answer — yes or no — for all possible scenarios are, in my experience, driven by ideology more than by an empirically sensitive concern for poverty eradication.

3. Some people believe that humanitarian aid can work only if the country receiving the aid has capitalist institutions (no protectionism or immigration barriers). What is your point of view?

I believe that, typically, market institutions are helpful while protectionism and immigration barriers are not. Nonetheless, the belief you cite is far too sweeping to be credible. The easiest way to defeat it is by counter-example. Think of the so-called Asian tigers (Hong Kong, Taiwan, Singapore, and South Korea) during the 1950s and 1960s. These countries received a lot of aid and experienced astonishing economic growth even while they protected their infant industries through a variety of serious trade barriers. In those days the United States, eager to establish healthy capitalist economies as a counterweight to Soviet and Chinese influence in the region, allowed the “tigers” free access to its market even while they maintained high tariffs to protect their own. Today, the rich countries are simply unwilling to grant the poor countries similar access and also charge exorbitant entry fees — for instance, in the form of economic rent for their “intellectual property” — for what limited market access they are willing to grant.

Some will say that the Asian tigers would have thrived as well, or even better, without protectionism. I do not feel confident to take a stand on this hypothetical question one way or the other. Whatever the answer may be, the story of the Asian tigers shows conclusively that humanitarian aid can work even with protectionism and immigration barriers in the receiving country.

4. Why do you think economists have not found a way to solve the problem of global poverty?

I don’t agree with your premise that economists have not found such a way. To be sure, many economists say very silly things about world poverty and its persistence — basically because they get paid, and paid well, for such “expert” pronouncements. But serious, open-minded economists know well enough how to reduce world poverty quickly and effectively. The bottleneck problem here is not knowledge, but political will. To go back to the topic of protectionism, there is no serious doubt that, if the affluent countries abolished trade-barriers against commodity imports from the poorer states, employment and wages there would rise considerably and poverty would consequently decline substantially. The same is true for abolishing trade-barriers against labor imports so as to allow people from poor countries to offer their services in richer ones. We may not know the exact magnitude of these effects, but we certainly know the direction. If the barriers remain in place nonetheless, this is because of a political decision by rich-country governments to serve their farmers and corporations even at the foreseeable cost of aggravating poverty abroad. Examples could be multiplied. We know that poverty would decline if we withheld recognition from the worst, most illegitimate rulers in the poorer countries, denied them — wholly or in part — the resource, borrowing, treaty, and arms privileges of which I spoke earlier. But again the rich countries are unwilling to withhold such recognition mainly because they need the natural resources of the poor countries and are willing to pay anyone who can effectively deliver these resources no matter how hated, brutal, oppressive, corrupt, undemocratic, and unconstitutional his or their rule may be. We know that health among the world’s poor would improve greatly if they could buy advanced medicines at competitive market prices instead of facing, as they do now, exorbitantly higher monopoly prices. We know how pharmaceutical innovations could be incentivized and rewarded in a different way that would not exclude the poor from their benefits. One example, which I have written about extensively, is the creation of a second type of

pharmaceutical patent that rewards inventors not with monopoly pricing powers but in proportion to the invention's impact on the global burden of disease. Any inventor firm would be free to choose either the conventional patent or the new Patent-2. If it chooses the latter, its patented knowledge is treated as a public good, making the new medicine available for generic production worldwide. This is not the only plausible proposal for a sustainable and systemic reform of the existing pharmaceutical patent system. But it suffices to show that what we are lacking on the poverty front is not knowledge but political will.

The premise of your question is continuous with a sentiment that is widespread in the rich countries. People think that the affluent countries have already spent near-infinite amounts of money on poverty eradication, without result, and that it would be pure foolishness to spend any more. There are three things to be said in response. First, the one trillion Dollars spent on official development assistance in the last few decades is not as large an amount as it sounds. The world spends a trillion Dollars *each year* on the military — 2.2% of the annual global product. Today, official development assistance runs at about \$100 billion annually, which is about 0.28% of the gross national products of the affluent countries and 30% of the collective annual shortfall of the global poor from the World Bank's higher poverty line (defined in terms of annual consumption expenditure per person that is equal in purchasing power to \$786 in the US in 1993).

Second, the vast majority of official development assistance is spent for the benefit of agents capable of reciprocation — on actual or potential political allies and campaign contributors at home and abroad. The USAID's web portal made this point with disarming frankness: "The principal beneficiary of America's foreign assistance programs has always been the United States. Close to 80 percent of the U.S. Agency for International Development's (USAID's) contracts and grants go directly to American firms. Foreign assistance programs have helped create major markets for agricultural goods, created new markets for American industrial exports and meant hundreds of thousands of jobs for Americans." Only about one tenth of what is labeled official development assistance is actually spent on poverty eradication or what the OECD calls basic social services — defined as basic education, primary health care (including reproductive health and population programs), nutrition programs and safe water and sanitation as well as the institutional capacity for delivering these services. Even if we add to this properly targeted segment of official development assistance the roughly \$7 billion individuals give to international non-governmental organizations, the total comes to about \$17 billion annually, which is about 0.048% of the gross national products of the affluent countries and just 5% of the collective shortfall of the global poor from the World Bank's higher poverty line. To be sure, the money spent on poverty eradication has often been spent poorly. But even if it had been spent wisely, it would have been far too little to achieve anything like the eradication of severe poverty on earth.

Third, what the affluent countries give with one hand they take back with the other. In fact, they take back vastly more. Intellectual property rights cost the poor countries tens of billions in economic rents, greatly aggravate their disease burdens and stifle their efforts to catch up. Trade barriers cost them around a trillion dollar annually in lost export revenues. Further hundreds of billions are lost through resource exports that enrich and entrench wholly illegitimate tyrants and juntas. Some \$500 billion are illicitly transferred each year from poor countries to rich countries: the fruits of bribery and corruption, embezzlement, smuggling, trafficking, tax evasion, and strategic transfer pricing. And tens of billions more are transferred — as you Argentines well know — in order to service the debts that earlier tyrants and juntas incurred for the sake of wasteful and self-enriching expenditures.

5. You have proposed institutional reforms (such as the Global Resources Dividend, the reform of patent rules and the reform of the four international privileges¹) as a way to aid the global poor. But your proposals seem utopian.

Firstly, voters do not have incentives to inform themselves properly on how institutions affect the global poor. Many voters might not take the global poor problem into account when going to the polls. Secondly, politicians do not have enough incentives to care about the global poor. They try to satisfy the needs of the people who will vote for them, to be reelected. Thirdly, rich country *A* will prefer to free ride on the help that other rich countries will provide for the global poor, and so will the other rich countries. One could say that because of this prisoners' dilemma situation, nobody will help the global poor.

How can this situation be solved?

You give three good reasons for doubting that my institutional reform proposals are realistic. In response, let me first say that political realism is a matter of degree: Some important change may be unlikely and yet possible nonetheless. Conditions that block change may themselves change or be changed. Consequently, the time frame also matters: Something that is very unlikely to happen over the next decade may be a lot less unlikely when we look a full century ahead. To illustrate both points, think of the abolition of slavery — of how completely unrealistic that appeared toward the end of the 18th century when the slave trade was extremely profitable and the economy of the colonies was centrally based on the exploitation of slave labor.

Analogues to the three reasons you provide existed then as well. The citizens of the colonial powers had no incentive to inform themselves about the conditions slaves were subjected to. Directly or indirectly, nearly all of them benefited handsomely from slavery. Nonetheless, a few determined people, motivated by religious and other moral reasons, started an abolitionist movement that made it increasingly difficult for their compatriots to support slavery. Here the working class people of Manchester played a crucial role when, in 1787, they joined the uphill battle against slavery with a petition signed by 11,000. The campaign against slavery endangered their livelihoods, because much cotton from slave-labor plantations was processed in Manchester. And most of these workers were already much poorer than citizens of today's wealthy democracies can even imagine. Those who had no money to give supported the cause in whatever way they could. Women especially, though greatly constrained by law and convention, supported the movement, contributed needlework with anti-slavery images and inscriptions ("Am I not a Woman and a Sister?"), and refused to buy sugar (slave-grown on the West Indies).

These ordinary people did not look the other way, doing their best to remain ignorant of the great crime their country was involved in. They did not blame it all on the African slave hunters or on Liverpool merchants or British politicians. They did not point to other countries to exonerate their own. They did not plead poverty, powerlessness, or ignorance. Nor did they take refuge in the thought that people of their own low station cannot be held responsible for their country's crime. Nor were they deterred by the low odds of success. These working-class men and women of eighteenth-century Manchester understood better their shared responsibility for the misery inflicted half a world away than do today's sophisticated journalists and political philosophers. If they were able to recognize and stop their country's crime, then so can citizens of today's affluent countries in Europe and North America.

¹ See Pogge, T., **World Poverty and Human Rights: Cosmopolitan Responsibilities and Reforms**, Cambridge, Polity Press, 2002.

The example goes some way toward putting your first reason in perspective: Yes, voters in today's affluent countries do not find it in their own best interest to inform themselves and to insist that their country's foreign policy should not perpetuate the problem of world poverty. Nonetheless, such voters *can* be responsive to moral reasons, can inform themselves, can insist on a minimally moral foreign policy. This possibility presents an opportunity to inform and sensitize voters. Here it is especially important, in my view, to explain to people that the problem of world poverty — although it is the largest human-made disaster of all time (killing as many people every three years as perished in the entire Second World War, concentration camps and gulags included) — is tiny in economic terms: Although half of all human beings live in severe poverty, their aggregate shortfall from a minimally decent standard of living amounts to merely one percent of the gross national incomes of the affluent countries. We citizens of these wealthy countries do not realize that it is for the sake of truly trivial gains that we are keeping half of humankind in misery. The fair share of a serious poverty eradication program that the United States would have to shoulder — about \$100 billion annually — is no greater than the cost this country is currently expending on the occupation of Iraq, for example.

Imagine citizens in the richer countries fully understood the economics of world poverty. Imagine they understood that a serious global poverty eradication effort would reduce their incomes by only one percent. Would they vote to continue to keep billions in poverty for the sake of that extra one percent? I think most would not. Most would support and even demand a serious poverty eradication effort that would, first and foremost, abolish the great burdens rich societies are now imposing on the global poor. They would demand abolition of the vast debt burdens and abolition of the huge mark-ups on essential drugs that are privately owned through monopoly patents. And they would demand abolition of the recognition now granted to wholly illegitimate rulers — recognition through which the rich countries effectively authorize any person or group holding effective power in a poor country (regardless of how such rulers acquired or exercise it) to sell the country's resources and to spend the proceeds of such sales, to borrow in the country's name and thereby to impose debt service obligations upon it, to sign treaties on the country's behalf and thus to bind its present and future population, and to use state revenues to buy the means of internal repression.

So, even if you are right that we cannot expect much moral leadership from politicians and that politicians will always try to get reelected by satisfying the voters, even then we can realistically hope for change initiated by the voters whom such politicians in the affluent countries must be responsive to. We can get these ordinary voters to insist that they would rather do without those extra few hundred Dollars each year that are now purchased for them at the cost of unimaginable deprivations including 18 million poverty related deaths each year.

When, as a consequence of pressure from below, politicians develop a concern for global poverty, then they can find ways to mitigate or overcome the free-rider problem which you gave as your third reason for skepticism. It is true that governments and corporations compete in the international arena and that each is trying hard not to fall behind in this competition and not to be unfairly handicapped through unilateral moral efforts and restraints. But this fact does not foreclose the possibility that affluent governments and corporations can be brought to do a lot more by accepting and complying with legal rules that apply to them all and thereby relieve each of the fear that its own restraint will unfairly disadvantage it and cause it to lose ground against its competitors. Successful efforts to reduce poverty within states exemplify this model of structural reform rather than individual moral effort. And so do successful international initiatives to deal

with collective-action problems, as exemplified by the Montreal Protocol on substances that deplete the ozone layer or the Kyoto Protocol on greenhouse gases (which came about despite being boycotted by the United States, the world's greatest polluter).

Knowing the enormous magnitude of death and destruction caused by world poverty, one is inclined to assume that many things must go right for such a huge problem to be solved. But, to the contrary, many things must go wrong for it to persist on such a massive scale year after year. In particular, many features of our global institutional order must all be designed and adjusted without giving weight to the imperative of poverty avoidance. And the overwhelming majority of the affluent must manage to avoid facing up to what we are doing. Despite its terrible magnitude and destructiveness, the world poverty problem is fragile. A well-organized and intelligent effort by even just a few thousand people could trigger its defeat, as the Manchester mobilization of 1787 triggered the defeat — some decades later — of slavery. I cannot tell you that this will happen, or even that it is likely to happen in our lifetimes. It is not inevitable by any means. But I am certain that it is possible and certain that we must try.

6. How would you implement the Global Resources Dividend that you propose? Would it work as a tax on natural resources consumption? Will it need an enormous bureaucracy? How would you control corruption and enforcement?

The GRD proposal envisions that states and their governments shall not have full libertarian property rights with respect to the natural resources in their territory, but can be required to share a small part of the value of any resources they decide to use or sell. This payment they must make is called a dividend, rather than a tax, because it is based on the idea that the global poor own an inalienable stake in all limited natural resources. As in the case of preferred stock, this stake confers no right to participate in decisions about whether or how natural resources are to be used and so does not interfere with national control over resources, or eminent domain. But it does entitle its holders to a share of the economic value of the resource in question, if indeed the decision is to use it. This idea could be extended to limited resources that are not destroyed through use but merely eroded, worn down, or occupied, such as air and water used for discharging pollutants or land used for farming, ranching, or buildings.

The GRD is levied on resource-producing countries, rather than individuals, and leaves such countries free to collect the needed funds in any way they like. However, such countries are very likely to pass on the cost of the GRD to the buyers of natural resources whose global market price will therefore increase by the amount of the GRD levy or something close thereto.

I do not believe that the GRD scheme would require a global enforcement bureaucracy. It would, of course, need to be backed by sanctions. But sanctions could be decentralized: Once the agency facilitating the flow of GRD payments reports that a country has not met its obligations under the scheme, all other countries are required to impose duties on imports from, and perhaps also similar levies on exports to, this country to raise funds equivalent to its GRD obligations plus the cost of these enforcement measures. Such decentralized sanctions stand a very good chance of discouraging small-scale defections. Our world is now, and is likely to remain, highly interdependent economically. Most countries export and import between ten and fifty percent of their gross domestic product. No country would profit from shutting down foreign trade for the sake of avoiding its GRD obligation. And each would have reasons to fulfill its GRD obligation voluntarily: to retain control over how the funds are raised, to avoid paying extra for enforcement measures and to avoid the adverse publicity associated with non-compliance.

To be sure, such a scheme of decentralized sanctions could work only so long as both the United States and the European Union continue to comply and continue to participate in the sanction mechanism. I assume that both will do this, provided they can be brought to commit themselves to the GRD scheme in the first place. And this is the great difficulty, once again: how to mobilize the political will. Here my hope has been that those committed to ending poverty worldwide and those aware of the threat our planet faces from resource depletion and pollution can join forces to mobilize for the GRD which, after all, would have substantial ecological benefits by reducing the share of non-renewable resources in global consumption expenditure.

Proceeds from the GRD are to be used toward ensuring that all human beings can meet their own basic needs with dignity. The goal is not merely to improve the nutrition, medical care and sanitary conditions of the poor, but also to make it possible that they can themselves effectively defend and realize their basic interests. This capacity presupposes that they are freed from bondage and other relations of personal dependence, that they are able to read and write and to learn a profession, that they can participate as equals in politics and in the labor market, and that their status is protected by appropriate legal rights which they can understand and effectively enforce through an open and fair legal system.

You are right to worry about a huge new bureaucracy with a \$300 billion annual budget. However, I did not conceive this agency as one that initiates projects in the way poor-country government agencies, NGOs (such as Oxfam), international organizations (such as UNICEF), and rich-country development aid ministries do. Rather, I envisioned this agency as one that carefully monitors and assesses the long-term impact of such projects undertaken by others — such impact assessments are amazing rare and sloppy in the world as it is — and then disburses its money so as to replenish the funding of the best projects and organizations. If it turns out that micro-lending really works in enabling poor people to work their way out of poverty, then the GRD Agency could provide funds to expand micro-lending and perhaps to subsidize it as well so as to get the interest rate reduced from the customary 20% annual rate down to say 10%. The GRD Agency would not be wholly free of corruption, to be sure. But there is plenty of corruption in governments and corporations pretty much everywhere. Military procurement, for instance, is notoriously corrupt in rich and poor countries alike; and, sadly, armies still kill rather efficiently. An international GRD Agency could be set up to be much less vulnerable to corruption than military procurement because it could be much more transparent and could assign a central monitoring role to representatives of the global poor.