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**What We Owe to the Global Poor: Political
Philosophy Meets Development Economics**

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1. Introduction: Global Justice and Growth Economics

1.1 Rawls's *Law of Peoples* (LP) argues that well-ordered societies owe a duty of assistance to “burdened” societies, non-aggressive societies lacking appropriate traditions, resources or technology, to be well-ordered.¹ Where others argue for global egalitarianism, or insist that duties to developing countries are negative duties to terminate injustice, Rawls proposes a positive duty to assistance in the development of just or decent institutions – a daunting task still, because one cannot easily assist with institution-building, and also because many societies will qualify as burdened. Yet economic inequalities between well-ordered societies as such are, for Rawls, a matter of moral indifference. More than is often appreciated, this view turns on a macroscopic empirical claim: that the quality of domestic institutions is crucial for economic growth.²

¹ Unless otherwise noted, Rawls quotes are from LP. Many thanks to Eric Cavallero for most helpful comments, to Lant Pritchett and Dani Rodrik for conversations about development, and to Caroline Siebold for most valuable research assistance.

² Well-ordered societies, in LP, are all liberal or decent peoples. Liberal peoples have “a reasonably just constitutional democratic government that serves their fundamental interests; citizens combined by what Mill calls ‘common sympathies;’ and finally, a moral nature” (p 24). Decent societies are societies meeting basic requirements of “political right and justice and lead its people to honor a reasonable and just law for the Society of Peoples” (pp 59/60). Many considerations that bear on what well-ordered societies owe burdened societies within LP are identical to those that bear on what developed countries owe developing countries as we commonly understand those notions. While there are differences because “well-ordered” societies are defined in terms of their political nature, whereas “developed” societies are defined in terms of their economic level, I treat these questions as more or less interchangeable and indicate where they come apart. I talk rather crudely about developed/industrialized/rich societies (or countries) in opposition to developing societies/countries. This blurs differentiations, and runs the risks of creating a picture in which “they” appear only from a viewpoint of what “they” are to “us” (as argued by Said (1994)), but for the purposes of this study no harm is done.

In September 2000, the U.N. General Assembly concluded their meeting with a declaration committing their governments to freeing the world from extreme poverty. Endorsing a set of specific development goals, this historical document was called the Millennium Declaration. Two years later, the High-Level Panel on Financing for Development, charged with exploring possibilities for financing these goals, submitted its report, known as the Zedillo report. That report's first recommendation insists that

[e]very developing country needs to set its economic fundamentals in order. No country can expect to achieve equitable growth, or to meet the International Development Goals, unless it focuses on building effective domestic institutions and adopting sound policies including: Governance that is based on participation and the rule of law, with a strong focus on combating corruption; disciplined macroeconomic policies; a public expenditure profile that gives priority to investment in human capital, especially basic education and health, the rural sector, and women; a financial system that intermediates savings to those capable of investing efficiently, including microfinance borrowers, women, and the rural sector; a funded, defined-contribution pension system that will promote saving in the short run and, supplemented by a tax-financed scheme to assure a minimum pension, will secure adequate, universal pensions in the long run; capacity building focused on developing a positive institutional environment progressively more able to implement the policies listed above; protection of property rights and a regulatory environment that effectively protects workers rights and the environment.

Thus before making other recommendations, the commission emphasizes the importance of domestic institutions for economic growth.³

1.2 I argue that LP proposes a plausible view of what developed countries owe developing countries. Rawls formulates a stringent duty (putting the status quo to shame) in a philosophically sound manner that has a genuine chance of persuading policy-makers, while integrating normative argumentation and empirical claims in a way that does justice to both in a domain in which claims about facts and claims about values are

³ The Millennium Goals (to be reached by 2015) are: to cut in half the proportion of people living in extreme poverty; to achieve universal primary education and gender equality in education; to accomplish a three-fourths decline in maternal mortality and a two-thirds decline in mortality among children under five; to reverse the spread of HIV/AIDS and to provide assistance to AIDS orphans; and to improve the lives of 100 million slum dwellers. Cf. U.N. site for a statement and progress report: <http://www.un.org/millenniumgoals/index.html>. For the Zedillo report, cf. <http://www.un.org/reports/financing/>.

intricately intertwined. Rawls gives us, in his words, a *realistic utopia*. He proposes a normative framework within which especially the Millennium Declaration finds its place. To make my case, I use two argumentative devices. First, I develop the Rawlsian view through an assessment of the Rawls-Pogge debate. Pogge's account of the duty to developing societies differs from Rawls's in major points and contains forceful objections that must be rebutted for Rawls's view to have any plausibility. Second, I consult answers to an empirical question discussed by growth economists, to wit, why are some societies poor and volatile, and others wealthy and stable? The most promising answer (highlighting domestic institutions) supports Rawls. Unless that answer prevails, Rawls's account is implausible. The reason why empirical matters are central for assessing what the global poor are owed is this: It is widely agreed that there is a duty to support the global poor, with disagreement remaining about the nature of this duty (normative question). Once such a duty is in place, we must ask more precisely about its content, which draws on the question of what makes countries wealthy (empirical).⁴ What it makes sense to impose as a duty must be influenced by what makes countries do well. The content of the duty, in turn, affects its scope and limits (normative).

At any rate, it should be plausible that sensible views on what societies owe to each other must be informed by views on what determines growth. If (e.g.) geography is economic destiny, it is implausible to claim that some countries are poor because others impose an economic system that harms them. Yet then the moral arbitrariness of

⁴ By "nature" of the duty I mean whether it is a positive or negative duty, and by "content" I mean whether it is a duty to transfer resources, assist in building institutions, etc. A positive duty requires us to do something good for somebody else, whereas negative duties require not to do something bad. Negative duties are commonly agreed to have some priority over positive duties. It is largely for determining the priority that this duty gets that it is of considerable importance to assess whether developed societies' duties towards developing societies are positive or negative.

geography generates a positive duty to help them. If growth depends on domestic institutions, development aid should take the form of support in building institutions, rather than resource transfer. If geography trumps, we may be able to say that “it is the fault of developed countries that certain institutions are in place now” (they derive from colonialism), but that does not entail that “it is their fault that developing countries are *poor*.” If institutions trump, the inference holds. So, indeed, what determines the wealth of nations bears on what societies owe to each other.⁵

1.3 While I take LP to present a *realistic utopia*, the philosophically most plausible account of global justice may differ from LP. A realistic utopia is relative to a point in time or state of affairs. What is a realistic utopia in the early 21st century may differ from what is such a utopia generations later. Perhaps at some point what counts as a realistic

⁵ (1) Beitz (2000) expresses wide-spread skepticism about the normative importance of the question of what makes countries rich or poor. He says that, first, the question is hardly settled; second, is hard to make sense of, since there are always many factors responsible for growth in any country; third, that not much depends on it, since this question can at most determine the *content* of the relevant duty. While Beitz is correct that this question is not “settled,” it has been much discussed recently, and substantial progress has been made. Beitz is too pessimistic thinking the question may be meaningless: sorting out relationships among causal factors that, on the face of it, are impenetrable is what econometricians do for a living, just as philosophical analysis sharpens distinctions that on the face of it seems rather blurred. While Beitz is correct that this debate influences what we must conceive of as the content of the duty, it *also* affects its nature. Note that Pogge (2002) argues that this duty is a negative duty to rectify injustice because it is the fault of developing societies that developed societies are poor. If, however, the causes of economic growth are domestic, then this view loses plausibility. *Pace* Beitz, empirical questions are crucial for assessing what societies owe to each other, and this study explores this in detail. (2) As a matter of professional hazard, philosophers tend to downplay the importance of empirical questions for normative inquiries. It is not only the quality of our treatment of such questions that suffers from such abstention, but also the impact that political philosophy has outside philosophical circles. However, one drawback of resorting to debates at the research frontier of empirical sciences is that their contributions will have to be simply quoted in a philosophical study. (3) Cohen (2003) argues against the constructivist approach to justice and thus against the relevance of empirical facts for what justice is. However, that debate bears on our questions at most to the extent that we may have to distinguish more carefully between what justice is and what it requires under certain circumstances. Thus I will ignore that debate. (4) O’Neill (2000), p 115 is concerned that using the term “global justice” seems to “beg questions by presupposing that the topic under discussion is a single regime of justice for the world.” I do not understand the term along such lines: all I mean by it is that we are talking about justice at the global level.

utopia coincides with the most plausible account of global justice. We may have reached that point: I take no stance on that matter. However, what I take to be a constraint on such a utopia here and now is, first, that individuals live in peoples, groups that, whatever else is constitutive of them, are tied by what Rawls calls “common sympathies” (p 24), that are, and for which individuals desire to be, the primary locus of social, economic, and political structures that persons belong to. Second, I assume that individuals desire for their people to have the right to self-determination, and that, barring unacceptable effects on others, this right should be granted. Third, I assume that citizenship in a self-determining people, though morally *arbitrary* (“nobody chooses one’s place of birth”), is not morally *irrelevant*: moral equality across persons is consistent with governments giving special consideration to its citizens and citizens to each other.⁶ Any cosmopolitanism disregarding these constraints fails as policy-guiding philosophy for now, even if it appears in the philosophically most plausible accounts of global justice.⁷ I doubt very much that it does, but cannot argue that view here.

Section 2 starts discussing Pogge’s account of what developed countries owe the global poor. Section 2 also introduces the debate about the sources of wealth and shows how it bears on questions of global justice. The upshot is that one of Pogge’s three

⁶ In this last point, I follow Blake (2003).

⁷ As Buchanan (2000) points out, individuals do not now generally live in *peoples organized by their own governments*. Yet that is no objection to the claim that LP is a realistic utopia. The first goal towards realizing global justice is to make sure that appropriate groups of common sympathies are organized by governments. LP allows both for the formulation of that vision and for the formulation of a vision of how peoples should relate to each other. One may also object that Rawls’ account has no larger claims to being a realistic utopia than cosmopolitanism. After all, there is a massive disconnect between peoples and existing states: getting from existing states to a society of peoples would involve breaking up some states and changing the borders of others. So policy makers today may have little use for LP either. However, self-determination is widely acknowledged as a legitimate goal of peoples, with disagreement persisting about the precise circumstances under which it can be brought about against resistance, about the legitimacy of outside help, etc. Cosmopolitan ideals are considerably less well entrenched.

reasons for claiming that developed societies owe developing societies rectification of injustice fails, and that his proposal for the content of the relevant duty (Global Resource Dividend) is philosophically unconvincing. Section 3 develops the Rawlsian view according to which the content of the duty is assistance in institution building. Section 3 argues that the nature of that duty is positive. In addition, there are bilateral or multilateral duties of rectifying injustice, but their existence is consistent with the claim that what developed countries per se, at the aggregate level, owe developing countries is a positive duty. The challenge is to defend that view against Pogge's remaining arguments that developed countries owe a negative duty of rectifying injustice to developing societies. The more prominent of them is that they inflict an injustice on developing countries by imposing a global order that works to their detriment. Section 4 rejects that view. Section 5, finally, explores some remaining questions, to wit, whether inequality as such among peoples matters and whether the *content* of the duty to the global poor is larger than Rawls allows although its *nature* is positive. While I argue that inequality as such among peoples does not matter, I also argue that, quite plausibly, Rawls's view of the content of the duty will have to be modified. However, the relevant modification is available within Rawls's system. Section 5 also revisits my claim that Rawls's account is a political philosophy for the Millennium Declaration.

2. Pogge and Resources

2.1 Pogge argues that the global political and economic order is unjust and imposes a negative duty on developed societies to rectify this injustice.⁸ His proposal for how to discharge this duty is to eliminate severe poverty by adopting a Global Resource

⁸ We will talk a lot about this "global political and economic order:" cf. 4.1 for some more explanation.

Dividend (GRD), which taxes the extraction of resources for the benefit of developing countries. Pogge's account stands in opposition to Rawls's, who conceives the duty to developing countries as positive (since he does not develop it within a view that takes the global order to be unjust) and proposes support in institution-building as its content. Pogge's view is therefore a source of formidable objections to Rawls's that must be addressed. This section does part of that work, and empirical matters will play a central role. After discussing Rawls in section 3, we resume that work in section 4.

GRD primarily applies to non-renewable resources (minerals, fuels), but is also extendable to renewable resources (soil, air; cf. Pogge (1994), p 200).⁹ Pogge insists

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 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 holder to a share of the economic value of the resource in question, if indeed the decision is to use it. (Pogge (2002), p 196f).

Pogge offers three ways of articulating that the global system is unjust and requires rectification, rather than voluntary aid.¹⁰ While he does not endorse one over the others (considering each plausible), he suggests that all approaches can agree on GRD:

Shared Institutions: There is a shared institutional order shaped by the better-off, in virtue of their superior military and economic power, and imposed on the worse-off. This order is implicated in the reproduction of radical inequality in that there is a feasible institutional alternative under which

⁹ Pogge offers the first systematic defense in Pogge (1994); the most recent version is in Pogge (2002), chapter 8, which is a defense revised in light of discussions by Kesselring (1997), Reichel (1997), Kreide (1998), Mandle (2000), and Crisp and Jamieson (2000). Crisp and Jamieson doubt that this tax can be extended to non-renewable resources, and that it helps us preserve resources such as wilderness and biodiversity. They also utter doubts about how GRT applies to different countries, in particular countries in economic transition. For the sake of the argument, I grant that these problems are solvable.

¹⁰ Cf. also Nagel (1977) for a rejection of a conception of development aid as charity. Nagel points out two undesirable features of thinking about the duty to give along such lines: first, it will be up to the giver when more is supererogatory; second, it does not question people's entitlements to what they are asked to donate.

severe and extensive poverty would not persist (e.g., one brought about by GRD). The persisting inequality cannot be traced to extra-social factors that affect different human beings differently.¹¹

Uncompensated Exclusion: The better-off enjoy ample advantages in the use of a single natural resource base from whose benefits the worse-off are largely, and without compensation, excluded.

Violent History: The social starting positions of the worse-off and the better-off have emerged from a single historical process that was pervaded by massive, grievous wrongs. However, a morally tarnished history should not result in radical inequality, given that all people who live nowadays live *because* there was such a morally tarnished past. (Had the past been different, different people would be alive today, and different considerations would apply to them.)

Only the second view supports the view that it is a resource tax, *rather than anything else*, that the global poor have a claim on. However, as Pogge points out, the others are compatible with most measures improving the lot of the global poor.

2.2 Growth economists and economic historians have long been discussing what makes countries rich or poor.¹² This debate gained new sophistication through the use of econometric techniques that allow for the testing of broad hypotheses about the causes of

¹¹ For this view, cf. also Pogge (1989), chapter 24. Pogge (2002), p 198, defines radical inequality in terms of the following five conditions: (1) The worse-off are very badly off in absolute terms. (2) They are also very badly off in relative terms – very much worse off than many others. (3) The inequality is impervious: it is difficult or impossible for the worse-off substantially to improve their lot: and most of the better-off never experience life at the bottom for even a few months and have no vivid idea of what it is like to live in that way. (4) The inequality is pervasive: it concerns not merely some aspects of life, such as the climate or access to natural beauty of high culture, but most aspects or all. (5) The inequality is avoidable: the better-off can improve the circumstances without becoming badly-off themselves.

¹² This article touches on questions of development. The field of development is shaped by substantial disagreements. There are four major questions. The first is how to define “poverty,” major disputes being whether poverty should be understood absolutely or relatively, and in terms of, say, consumption expenditure alone or in terms of a set of conditions that cannot be aggregated into any single index. The second is whether the goal of development should be economic growth (that is, raise of income levels), assuming that growth solves all other problems eventually, or whether development should be thought of in terms of several goals (as captured, e.g., by the U.N. Human Development Indicators). The third is whether what is required for development is more money or better spending. The fourth is whether there is “one way or many” for successful development: that is, is there a recipe for successful development as captured, for instance, by the neo-liberal “Washington Consensus,” or are there country-specific ways in which successful development depends on local factors? While the empirical literature that I resort to is in terms of growth, I do not think that I use it in a way that is biased against major views in this debate. At any rate, social indicators like life expectancy, school enrollment, infant mortality, and child malnutrition are closely related to per capita income.

growth against cross-country data. For two reasons this debate bears on Pogge's proposal. First, it moves at the aggregate level at which Pogge says that the global order as such is unjust.¹³ Second, Uncompensated Exclusion is plausible as a reason for why the present order is unjust *only if resources are crucial for a country's wealth*, and this debate allows us to assess that claim. Since that claim is crucial, I pause to elaborate.

One may reject this claim by saying that the basis for taxation is not a causal link between resource possession/consumption and a country's level of wealth, but the sheer fact that *commonly* owned resources are *differentially* used.¹⁴ Uncompensated Exclusion talks about "advantages" *in* the use of a single resource base," rather than *through* such use. Yet on this view, consumption should be taxed while it is not claimed that (a) what is being consumed is (cumulatively) in short supply in countries benefiting from GRD;¹⁵ or that (b) the differential possession/consumption of what is being consumed *causes* the problem the taxation is supposed to solve (radical inequality). Without these claims, the

¹³ Pogge (forthcoming) points out that social sciences are reluctant to asking macroscopic questions; cf. also Pogge (2002), p 14-15. Well, upcoming are the relevant bits of social sciences.

¹⁴ That they are so used is not in dispute. Cf. *World Resources 1994-95*, p 4: "The pattern of natural resource commodity consumption and its environmental consequences is closely associated with the pattern of economic relationships between North and South. Over the past two decades, most natural resource commodity prices have declined in real terms (adjusted for inflation), intensifying economic pressure on countries of the South, for whom such commodities constitute a principal export. At the same time, natural resource commodities have become less important to the economies of most Northern countries, whose primary exports are high-value manufactured goods and services. The result is an unequal distribution of the benefits derived from use of the Earth's natural resources."

¹⁵ Many if not most countries in Sub-Saharan Africa are resource-rich, cf. chapter 1 in Veit (1998), and *World Resources 1996-1997*. Note also that the world is not running out of resources. *World Resources Report 1994-95*, p 5: "Evidence suggests, however, that the world is not yet running out of most nonrenewable resources and is not likely to, at least in the next few decades. By a number of measures, reserves of energy and of subsoil minerals are more abundant, and real world prices for such commodities are generally lower today than 20 years ago, despite global consumption. Moreover, new technology is increasingly making possible substitutes for many traditional natural resource-based materials. Technology development is also yielding to more efficient means of providing light, motive power, and other energy-related services. Such changes are paving the way to economies less dependent on natural resources. When shortages do emerge, experience and economic theory suggest that prices will rise, accelerating technological change and substitution."

fact that resources are used differentially may still be problematic, but it hardly makes our economic order *fundamentally unjust*, as Pogge claims it is. From the standpoint of equality, this state of affairs may be objectionable, but without those two claims no further inferences about justice are emerge. Thus Uncompensated Exclusion is plausible as a reason for why the present order is unjust only if resources are crucial for wealth.¹⁶

Yet the claim that resources are crucial for wealth, and thus Uncompensated Exclusion is not supported by any current view on what determines a country's wealth, as I argue next. Yet while Uncompensated Exclusion is the only reason for thinking the present order unjust that leads to GRD (rather than other proposals for the content of the duty), this point does not disqualify GRD as a redistributive mechanism to compensate for injustice. For Shared Institutions and Violent History are compatible with many redistributive mechanisms without especially pointing to any one. However, GRD must then be assessed by arguments *other than* that it is recommended straightforwardly by one approach to the question of why the global order is unjust. So let us look at the debate about the sources of growth. There are three major views on this question:

Geography: Growth is primarily determined by factors such as location, climate, endowment of natural resources (including soils), disease burden, and thus agricultural productivity, quality of human resources, and transportation costs.¹⁷

Integration: Growth is determined by market integration. Leading international policy makers from the World Bank, IMF, WTO, and OECD frequently make the case that integration into the world economy is the surest way to prosperity.¹⁸

¹⁶ The view that natural resources are crucial for development is also present in Beitz (1979), part III, section 2. Defending Pogge against objections by Kesselring (1997), Kreide (1998) insists that Pogge's taxation is for consumption, not possession of resources. My argument should show that it does not matter whether we talk about possession or consumption. Uncompensated Exclusion assumes that, in some sense, resources belong to humankind in general. While I grant that claim, this view is problematic, not because it is demonstrably false, but because it is hard to see how to respond to somebody who doubts it. Unless this joint-ownership assumption holds, differential consumption is unproblematic.

¹⁷ This view is captured in Diamond (1997), and defended also by the development economist Jeffrey Sachs (cf. Gallup, Sachs, and Menninger (1998), Sachs (2001)).

Institutions: According to this view, the economic prosperity of states depends on the quality of institutions, such as stable property rights, the rule of law, bureaucratic capacity, appropriate regulatory structures to curtail at least the worst forms of fraud, anti-competitive behavior, and graft, the quality and independence of courts, but also the cohesiveness of society, existence of trust and social cooperation, and thus the overall quality of civil society.¹⁹

One may find it odd to ask which of these theories wins, since any country's prosperity will depend on many factors, including those championed by these theories, mixed with history and human choices. Also, factors that are causally relevant for growth influence each other. A country has an easier time integrating its economy globally if it has stable institutions, and successful integration facilitates the maintenance of such institutions. A country has difficulties in trading if it is landlocked and far from markets. The absence of debilitating epidemics favors stable institutions, but such institutions may also contribute to the capacity to control diseases. Abundance of resources, on the other hand, can lead to the creation of rent-seeking institutions, a phenomenon known as *resource-curse*.

Not only do these factors influence each other, but prosperity itself, the *explanandum*, affects the factors that supposedly cause it. It may be *because* a country is wealthy that it can maintain stable institutions, benefit from trade, or command means of disease control, rather than vice versa. Such feedback makes it hard to determine the "deep" causes of prosperity. Yet questions about deep causes that are not themselves the

¹⁸ Cf. Frankel and Romer (1998) and Sachs and Warner (1995).

¹⁹ Cf. North (1990); Landes (1998); Hall and Jones (1999); Acemoglu, Johnson, and Robinson (2001); Rodrik, Subramanian, and Trebbi (2002). The importance of domestic institutions is also discussed in the 2003 *World Economic Outlook*, chapter 3, which is a nice review of the recent literature. One illustration of the importance of institutions appears in that report: calculations show (p 106) that an improvement in the level of institutional development from its current average to the higher level of developing Asia would imply an 80 % increase in per capita income for Sub-Saharan Africa: from \$800 to over \$1,400. (For how to measure quality of institutions, see p 119, appendix 3.1)

outcome of feedback processes are meaningful, and econometric methods investigate how much of the astounding variation in cross-national incomes can be explained by Geography, Integration, and Institutions, respectively. Such insights are statistical generalizations that may not apply to every country. By themselves, they do not show how to improve the situation of specific countries. Still, this approach is tailor-made to assess Pogge's macroscopic claims about why the present order is unjust since it offers similarly macroscopic explanations for why the global economic order is what it is.

2.3 Back to Pogge. The view that resources are crucial for growth is not supported by any of these views. If Integration is correct, a country's wealth level does not crucially turn on its resource endowment. A country may offer to the global market, say, whatever it has a comparative advantage in doing, which may be the provision of minerals, or tourism, manufacturing, or services. A similar argument holds for Institutions. If either account is true, GRD is justified neither retrospectively in terms of what causes countries to be rich or poor (hence not in terms of what causes any injustice of the status quo), nor would such a transfer improve the situation in a sustainable manner and so be justified prospectively. The point is not that resources do not matter. But on both accounts it is wrong to say that economic success *depends* on resources in a manner required to make GRD a plausible account of how we should make the existing order just.

This is true also if Geography is true. When Bloom and Sachs (1998), committed to Geography, sum up the sources of Africa's problems, they write that "tropical agriculture, especially food production, is faced with chronic problems of low yields and fragility due to low photosynthetic potential, high evapotranspiration, low and variable

rainfall, highly weathered soils, veterinary diseases, and plant and animal pests” (p 227). In addition, they talk about disease control, a small coastline relative to the land area, shortage of natural seaports and navigable rivers, populations far from the coasts, and a high number of landlocked countries. Resources, especially minerals and fuels (for which GRD is straightforward), are just one among many factors relevant for Geography.

2.4 So resources do not play the sort of role required to back the claim that it is because of their uneven exploitation that countries are poor or rich. Thus (using the argument at the beginning of 2.2), the fact that “the better-off enjoy significant advantages in the use of a single natural resource base from whose benefits the worse-off are largely, and without compensation, excluded” (Uncompensated Exclusion) does not make the present order unjust. But then, contrary to Pogge (2002), p 211, GRD is not *morally* compelling. It is implausible that on grounds of justice, developed countries owe GRD, regardless of its effects and rather than other transfers. This does not rule out GRD as a transfer-mechanism, but it shifts the argument. Violent History and Shared Institutions do not lead to any particular redistributive mechanism; nor do they as strongly suggest that there *should* be one: it is consistent with those views that there should be no monetary transfers because such transfers cannot solve any problems. (Uncompensated Exclusion is consistent with the claim that transfers cannot solve problems, but its point is that there should be compensatory payments.) Since Uncompensated Exclusion is implausible, we must first explore what transfers are needed and then assess proposals for how to obtain them on grounds of efficaciousness and political/administrative feasibility.

A widespread view among development researchers is that the key to development is not more funding, but a better understanding of what works and to create circumstances under which aid can indeed work. This view is taken in the 1998 World Bank Research Report *Assessing Aid*, and in the forthcoming 2004 *World Development Report*: what is required at this stage is ideas and patience more than money.²⁰ Yet let us grant that transfers are what is needed, and that more funds are needed than are currently provided. Possible sources of such funding includes insistence on fulfillment of the U.N.-recommended .7% GNP as official development aid; taxes on environmentally undesirable activities (carbon use), or socially problematic activities (weapon trading); the Soros proposal to donate “special drawing rights;” and the Currency Transfer Tax (CTT), also known as Tobin Tax, or a more general tax on financial markets, in the style of a Value Added Tax on financial transactions.²¹ The Zedillo report mentions CTT as a possible source of revenue, but insists on more studies to understand its likely effects.²²

We cannot begin to assess these proposals on feasibility grounds. Yet nothing like GRD has been discussed when such considerations trump. This is so partly because

²⁰ *Assessing Aid* points out that the following three measures are unlikely to work: large amounts of money; buying reform (i.e., conditional lending not supported by a domestic movement); focusing on individual projects (p 103). Pogge sometimes (cf. Pogge (2002), p 206) talks as if one may simply bypass governments (institutional structures) and start a project regardless of domestic support. Such projects tend to fall apart as soon as the donor is moving out. Van de Walle and Johnston (1996) claim that the proliferation of stand-alone projects not tied into a general improvement of infrastructure and institutions is a key weakness of aid to Africa. An earlier influential expression of this view is Tendler (1975). Wenar (forthcoming) questions the claim that “small sacrifices bring great benefit” by displaying how difficult it is to determine the effects of contributions to aid efforts, and in the process surveys a considerable amount of empirical literature expressing skepticism about aid. That survey supports the claims I make here.

²¹ Special Drawing Rights are international reserve assets issued by the IMF; cf. Soros (2002), chapter 2, for his proposal of the donation of such Special Drawing rights as development aid. The Tobin Tax, originally proposed as an instrument to curb financial markets, has been discussed for thirty years, only recently as a mechanism to raise money for development. It is still heavily disputed; cf. Haq et al. (1996).

²² See on the UN web-page: <http://www.un.org/reports/financing/summary.html>

development practitioners and researchers are busy exploring how to make effective use of funds, and partly because such a tax, since it would be levied on resource extraction, must be levied as a *national tax*. It can only be levied if governments collaborate, likely in the absence of guarantees that many other governments do so. In light of this collective action problem, mechanisms like CTT or Special Drawing Rights are preferable to GRD: they primarily depend on the cooperation of international monetary institutions (cf. Clunies-Ross (2002)). A moral case for GRD might have helped solve the collective action problem posed by GRD. Such a case could have provided a starting point from which one could try to rally national governments (or the U.N.) behind a vision of global justice and give them a reason to push such a tax through their institutions. Yet no such contribution on behalf of GRD emerges. Absent such a case, GRD stands and falls with feasibility considerations. Prospects are slim that it will succeed on that score.²³

3. Rawls and Institutions

3.1 Let us take stock. Pogge offers three reasons for claiming that the duty to the poor is a negative duty in justice. Uncompensated Exclusion, as well as his proposal for the content of the duty, GRD, is not appropriately supported by any of the three accounts of what makes countries rich or poor. While we will discuss the other two reasons in section 4, let us now turn to Rawls. Rawls claims that well-ordered societies behind the second veil will agree on a duty of assistance to burdened societies. He insists that

the causes of the wealth of a people and the forms it takes lie in their political culture and in the religious, philosophical, and moral traditions that support the basic structure of their political and social institutions, as well as in the industriousness and cooperative talents of its members, all supported by their political virtues. I would further conjecture that there is no society anywhere in

²³ Pogge (2002), pp 206/7 acknowledges that GRD poses a compliance problem, and suggests a solution. However, we first need a reason why governments should *try* to solve that problem.

the world – except for marginal cases – with resources so scarce that it could not, were it reasonably and rationally organized and governed, become well-ordered.” (p 108)

Where Pogge proposes to alleviate poverty through GRD, Rawls wants to enable societies to take care of themselves through support in institution building.²⁴ Initial resource transfer might be required, but would be auxiliary, and its justification derivative. Pogge proposes this specific content by arguing that it is GRD, rather than anything else, that is owed. Appealing to Landes (1998) and Sen (1981), Rawls champions institution building as the content because wealth depends on political culture.²⁵ The reason why developed countries ought to help the poor is, according to Pogge, that they are responsible for their plight and thus have a duty in justice to do so. Rawls implicitly denies this. A positive duty of assistance is accepted in the second original position based on enlightened self-interest, and because well-ordered peoples are concerned to offer others reasonable terms of cooperation. This section supports Rawls’s proposal for content and nature of the duty. However, at the bi- and multilateral level,

²⁴ Cf. chapter 15. Rawls says that the “third guideline for carrying out the duty of assistance is that its aim is to help burdened societies to be able to manage their own affairs reasonably and rationally and eventually to become members of the society of well-ordered Peoples. This defines the ‘target’ of assistance. After it is achieved, further assistance is not required, even though the now well-ordered society may still be relatively poor. Thus the well-ordered societies giving assistance must not act paternalistically, but in measured ways that do not conflict with the final aim of assistance: freedom and equality for the formerly burdened societies.” (p 111) The duty of assistance is a principle of transition (p 118). Is it misleading to contrast GRD with institution-building as alternative contents for the duty to the global poor? After all, GRD can be used in order to build institutions, and so Pogge’s account is consistent with the claim that the duty to the poor is about institution building. Agreed, but recall that if we endorse institution building as the content of the duty, it is a pragmatic issue how to raise the funds; also, I will embed the institutional view to be developed in section 3 into a view that does not conceive of the relevant duty as a negative duty.

²⁵ According to Sen (1981), famines are not problems of food production, but political and economic disasters. It seems fair to say that Rawls endorses a version of the *institutional* view on prosperity. To see this, consider North’s (1990) well-known definition of institutions: “[I]nstitutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. In consequence they structure incentives in human exchange, whether political, social, or economic. Institutional change shapes the way societies evolve through time and hence is the key to understanding historical change” (p 3). The major rule of such institutions is to reduce uncertainty by establishing a stable structure to human interaction. Rawls (1999a), p 47/48 defines institutions similarly. It is by reference to Landes (1998) that Rawls asserts there is no need to discuss Beitz’s (1979) resource distribution principle.

negative duties to rectify injustice are to be added. The challenge is to argue that there is no further-reaching duty in justice, as Pogge claims. Section 4 takes up that challenge.

3.2 Let us assess Rawls's proposal for the *content* of the duty. Pogge claims that Rawls disregards external factors, such as natural environment and impact of other societies. So he objects to Institutions from the standpoint of Geography and Integration. Up to now the only empirical stance we have taken is that one of those three views is correct, but now judging these objections requires a stance on their validity.

It is the institutional view that is most promising, which is grist for Rawls's mills. It was only recently that econometric work showed that quality of institutions is truly causal. It is hard to show that institutions are genuinely causal for growth, rather than vice versa. For in the presence of substantial growth and good institutions, it is tempting to suggest that growth causes good institutions, rather than vice versa, or that institutions could arise only because of favorable geographical factors. The challenge is to show that institutions are genuinely causally efficacious.²⁶ It was even more recently that econometric results suggested that the causality of institutions was crucial. A key contribution is Rodrik et. al. (2002), which shows that institutions trump everything else:

²⁶ To explain what this means: A simple linear regression model looks like this: $y = \beta_0 + \beta_1 x + u$. That is, we are explaining a function y (the dependent variable) in terms of a function x (the independent or explanatory variable), for instance, prizes of houses in terms of their square footage. Function u is the error term, while β_0 is an additive constant and β_1 is a coefficient. To be sure that x actually explains y , we must be sure that there is not another variable z "hidden" in the error term that is correlated with x and thus explains the allegedly explanatory variable. If there is such a z , we call x an endogenous variable, otherwise it is an exogenous variable. Suppose we want to explain y = economic growth in terms of x = institutional quality. How can we make sure that institutional quality is not itself explained by some z (like geography) hidden in the error term? That is, how can we make sure that institutional quality is exogenous, rather than endogenous? We can do so by choosing a so-called instrumental variable z for x . That is, we are looking for a variable z that is correlated with x and thus can substitute for x , but is not correlated with the error term u and thus does not leave the actual explanatory work for other variables hidden in u . As far as institutional quality is concerned, this was achieved only recently (cf. Acemoglu et al. (2001)).

as soon as the effect of institutions on incomes is determined, Integration has nothing left to explain, and Geography very little. Moreover, institutional quality significantly affects market integration and vice versa, and geography affects the quality of institutions. So it is through their impact on institutions that geography and market integration are relevant without undermining the causal efficacy of institutions.²⁷

While these results are hard to apply to individual countries, case studies confirm that institutions “providing dependable property rights, manage conflict, maintain law and order, and align economic incentives with social costs and benefits are the foundation of long-term growth” (Rodrik (2003), p 10). Examples include China, Botswana, Mauritius, and Australia. I briefly discuss Botswana (following Acemoglu et al. (2003)). Botswana is a largely tropical, land-locked country with insignificant agriculture in a geo-politically precarious location. When the British granted independence, they left 12 km of roads and a poor educational system. Making headlines for its devastating HIV rate, Botswana suffers from high inequality and unemployment. Officially a democracy, it is yet to have a functioning opposition. Botswana’s output draws to 40% on diamonds, a condition that in other countries cast the resource-curse. Still, Botswana is a growth miracle. Between 1965 and 1998, it had an average annual growth rate of 7.7%, and in 1998 it had an average per capita income four times the African average. Rule of law, property rights, and enforcement of contracts work; the government is efficient, small, and relatively free from corruption. Indigenous institutions, persisting through

²⁷ Rodrik et al. (2002) build on a significant amount of earlier work, and conduct both robustness tests and discussions of related results, all of which confirms their findings.

colonization, encourage broad-based participation, placing constraints on elites. Institutional quality and good policies seem responsible for success against the odds.²⁸

These results vindicate Rawls because they corroborate his insistence on the importance of traditions, and they vindicate Pogge because they give a noticeable role to external factors. However, their main implication is that Rawls's view on the content of the duty to the global poor is supported by the most promising empirical account of what makes countries rich or poor. Helping other societies build institutions is daunting. This is true especially for institutions that cannot be created by governmental fiat (as market-regulating institutions can), such as a constitution guiding through generations of political disputes, a legal system enforcing property rights and contracts, a culture of trust, commitment to the common good, and other hallmarks of civil society. Such institutions can develop only with broad domestic support. Often all aid can contribute is analytical work, identification of and support for an internal champion for reform with a long-term vision, training of future leaders, bureaucrats, or professionals, and technical assistance of various sorts. Yet these are not subjects that philosophical inquiry can illuminate.²⁹

²⁸ Botswana also shows that growth is not all there is to development: but these results stimulate hope that other things will change as well. Another example is Vietnam, cf. Pritchett (2003). Freeman and Lindauer (1999) document that Africa has been in decline. Exploring which countries are exceptions, they confirm that economic success depends on institutional quality. Van de Walle and Johnston (1996) concur.

²⁹ Van de Walle and Johnston (1996), p 2/3 point out that institutions in Africa founded on substantial donor support are weak and highly dependent on outside resources. The 2002 *World Development Report, Building Institutions for Markets*, elaborates on the theme discussed above, and provides literature references. The World Bank Research Report *Assessing Aid* announces the following findings: financial aid works in a good policy environment; improvements in economic institutions and policies in the developing world are the key to a quantum leap in poverty reduction; effective aid complements private investment; the value of development projects is to strengthen institutions and policies so that services can be effectively delivered; an active civil society improves public services; aid can nurture reform in even the most distorted environments – but it requires patience and a focus on ideas, not money (p. 2-4).

3.3 Having supported Rawls's account of the content of the duty to the poor, we must explore its *nature*. It is straightforward to show that both enlightened self-interest and a requirement of moral consistency entail a duty of assistance. The challenge is to assess the extent to which there is also a *negative* duty in justice to support developing societies. So at this stage, we interrupt our discussion of the content of that duty: while we have shown that this content includes assistance in institution-building, we have not shown that the content of the duty is restricted to such assistance. We return to that point in section 5, but the remainder of section 3 and section 4 assess the nature of the duty.

Pogge (forthcoming) wonders why well-ordered societies in the second original position would accept a duty of assistance to burdened societies. However, a response is straightforward. Enlightened self-interest of peoples acknowledges that collapsing states spread refugees, involve other states into domestic conflicts, or undermine regional stability; that national financial crises are internationally transmitted; that drug-trafficking, illegal immigration or arms trade, traffic in women, money-laundering, international terrorism, or joint criminal ventures combining several of these must be fought at the global level; that disease control is a global problem as much as the creation of a sustainable environment, since (e.g.) damage to the ozone layer is damage done to all of us; that development leads to gains from trade, to cooperation in science, culture, business, and tourism. Burdened states, outlaw states, are a global liability.³⁰

A second reason why well-ordered societies should support burdened societies draws on the moral nature of the former. Well-ordered societies possess institutions in which individuals are at least recognized as citizens entitled to the protection of human

³⁰ Beitz (2000), p 689 thinks that the self-interest argument primarily applies to outlaw states, not burdened societies. However, I hope the discussion above has made clear that, while the self-interest argument will apply to outlaw states with more urgency, it does also apply to burdened societies.

rights and to a legal system guided by a “common good idea of justice” (LP, 66) and have adopted these institutions based on a picture of personhood. (Liberal societies go further, recognizing “that persons are citizens first and have equal basic rights as equal citizens” LP, p 66), but decent hierarchical peoples part company here. For the present argument, what well-ordered societies have in common will suffice.) Consistency requires that they apply that view to individuals outside their society, and offer assistance to build institutions consistent with that ideal. Such consistency considerations do not reach far, but far enough to impose a duty of assistance in institution building. Self-interest and moral consistency considerations also prompt well-ordered societies to adopt cooperative international institutions similar to the WTO, the World Bank, and the U.N. As Rawls points out, it is the statesman’s duty to make sure that duty will be implemented, and he does so by transforming self-interest gradually into genuine affinity (pp 112/3).

One may worry that these reasons for assisting burdened societies (and *charity*) fail to provide a strong grounding for a duty to assistance. These reasons do not question entitlements, and can be overruled by other duties, especially to those “nearer and dearer.” Such worries become more urgent for the question of why developed societies should help developing societies, rather than why well-ordered societies should support burdened societies. Developed countries are often sufficiently different from well-ordered ones for their politics not to act consistently on their enlightened self-interest and for their political culture not to be sufficiently coherent to allow for the above coherence argument to apply. So next we must explore whether there is also a duty to rectify injustice.³¹

³¹ (1) Investigating such duties becomes particularly urgent on the institutional view. To see this, note that Geography and Institutions entail different considerations. Suppose Geography is true. While it may both be true then that acts of injustice were committed in the past and that people alive now are alive because history took the course it did, their misery will often be due largely to geographical determinants.

3.4 To see how a duty in justice may arise under the institutional view, consider the Democratic Republic of Congo, formerly Zaire. A recent study of institutional quality assigns Congo/Zaire the lowest score, and there is a straightforward link between the lack of good institutions and the Belgian occupation.³² The former Congo Free State, first property of Leopold II and later transferred to Belgium, was exploited with gruesome recklessness and without providing structures to prepare for independence. When granted independence, the country did not even have a basic network of roads. Tensions on Independence Day and an army mutiny prompted by the attitude of remaining Belgian officers led to the murder of Prime Minister Lumumba, which inaugurated the Mobutu dictatorship, which led to the current civil war. Belgium cannot be blamed for harmful interventions of others, but it can be blamed for creating a country incapable of solving basic collective action problems, which allowed for such actors to emerge.

This only a rough sketch, and many details would have to be filled in to make a thorough case for grounding a duty. Yet I think that, Congo/Zaire is as straightforward a case as there can be in this context. Attributing such duties is difficult. We must often ask whether consequences of past actions are attributable to successors of perpetrators in

Colonization, disruptive and harmful as it was, and as much as its legacy may still linger, has not *caused* the present misery. Or at most it can have done so by disrupting actions that, *malgre tout*, would have led to improvements. So while certain people may be *alive* only because of a history of injustice, they are not *poor* because of it. If Institutions is true, matters are different. Then we can ask why institutions are what they are, and answers may implicate other societies. It will be plausible to say that certain people are *alive* because of a history of injustice *and* that they are *poor* because of this history. It is irrelevant whether they would have adopted bad institutions anyhow, since it is *these* institutions that cause their misery. If Geography is true, human agency can be blamed for poverty to a much smaller degree. If a plausible story links, say, colonialism to the poor quality of current institutions, the duty to provide help becomes a negative duty to rectify injustice. (2) Among the natural duties that Rawls acknowledges, there is especially one that requires persons to accord justice to each other (cf. Rawls (1999a), pp 97-99, 293f, 297f).

³² For institutional quality, cf. Kaufmann et al. (2002). Regarding Congo/Zaire, cf. Hochschild (1999), or Freund (1998)). For rectifying past injustice, cf. Sher (1981), Lyons (1977), and Waldron (1992).

such a way that they owe compensation to the victims' offspring. Yet as much as victims' lives were disrupted, their bodies disfigured, their lands ruined, the offspring are not accountable for *those* actions, neither individually nor collectively. Rather, there must be an ongoing injustice shaped by past injustice. Either the victims' offspring must suffer from ongoing disadvantages, or the perpetrators' offspring benefit from past injustice. Yet as time passes, opportunities arise for fixing damage inflicted by past injustice. The more such opportunities are disregarded, the less plausible it is to attribute negative duties to the perpetrators' successors. Spain cannot now be blamed for what happened in Latin America long ago. Also, additional injustice may transform the situation. In Congo/Zaire, Belgium is to blame for ongoing hardships though others have since caused harm. Yet the more such actions occur, the more time passes, the less one can ascribe duties to the perpetrators' successors (again, neither individually nor collectively).³³

At any rate, the institutional viewpoint must acknowledge duties to rectify injustice, no matter how amorphous discourse about them is bound to be. On the face of it, such negative duties are local and bilateral: specific societies are implicated in the institutional history of other specific societies. Yet Pogge's concern is with duties in justice that developed societies have *at the aggregate level*, and nothing so far has been said for or against that view. Section 4 explores that view and completes our assessment of whether the duty to the global poor is also in some sense a negative duty. This view is

³³ It is often also not meaningful to assign *degrees* of responsibility. According to a front-page article in the *New York Time* on July 8, 2003, Charles Taylor, President of Liberia, was indicted on 17 counts of crimes against humanity for "bearing the greatest responsibility" for crimes in neighboring Sierra Leone. By way of contrast with Congo/Zaire, Ferguson (2003) (cf. pp 216-218, pp 360-362) argues that British institutions improved India's economic prospects. He claims that British (not French) institutions benefited colonies.

not ruled out simply by what we have said to show that this duty is positive. A duty might be both positive and negative, and then comes with all the stringency of negative duties.

4. Shared Institutions: Do We Live in an Unjust World?

4.1 Exploring whether there are duties in justice to support developing societies, section 3 leads us back to Violent History and Shared Institutions. Violent History is an implausible view on why there is the relevant duty. Surely there has been much violence, and different people would be alive had the past evolved differently. Yet past injustice *per se* hardly makes the existing order unjust or imposes a negative duty. We need to show how past injustice leads to an ongoing injustice and imposes a negative duty on people alive today. Shared Institutions does so, by arguing that that injustice is the imposition of an economic system detrimental to developing countries. Recall Shared Institutions: (a) The better-off have imposed a shared institutional order on the worse-off. (b) There is a feasible alternative institutional order under which radical poverty would not persist. (c) The existing institutional order is implicated in the persistence of radical inequality because there is such an alternative. (d) Radical inequality cannot be traced to extra-social factors affecting different people differently. I accept (a) and (d): (d) is consistent with the institutional view, and while (a) is obvious, I elaborate on it briefly below. Yet (b) and (c) must be qualified. Once they are, it does not follow that the duty towards the global poor is a negative duty to rectify injustice.

Let me elaborate on (a). For the first time in history, there is one continuous global society based on local territorial sovereignty. This system has emerged from the spread of European control since the 15th century and the later formation of new states

through wars of independence and decolonization. Even those few political systems that escaped Western Imperialism had to follow legal and diplomatic practices imposed by Europeans and were penetrated in other ways. This state system is governed by a set of rules the most important of which are embodied by the U.N. Charter. At the economic level, the Bretton Woods institutions (World Bank, International Monetary Fund, later the General Agreement on Trade and Tariffs/World Trade Organization) were founded as a framework for international cooperation to avoid disasters like the Great Depression. These institutions, together with the G7/G8 states acting alone or in concert, shape the economic order. Developing countries had little impact on all this and have no feasible alternative to playing their role. So one would be hard pressed to deny that the global order was imposed on developing societies. Yet this claim does not entail that this order works to the detriment of the global poor. As we saw in section 3, it is straightforward to show that certain bilateral relationships have worked to the detriment of certain countries. It requires more argument to show that the global order *as such* does so.

4.2 Let us discuss (b). From the institutional viewpoint, (b) must be qualified. It is useful to calculate how much money it takes to bridge the aggregate shortfall of those living below the \$1 Purchasing Power Parity (PPP) per day poverty line from the \$2 PPP per day line.³⁴ For this shows that abject poverty is not insurmountable *simply* on the basis of available funds. Yet such considerations do not show that straightforward measures can “eradicate” such poverty. Money transfers will not do without institutions capable of making appropriate use of them, just as development projects do not work without

³⁴ A mere 1.2% of income of the high-income economies, \$312 billion annually; Pogge (2002), p 7.

appropriate institutional support: one cannot start to “work on AIDS” without working on a broader health care system, and one cannot improve education by building a few schools without developing a broader educational system. If good institutions are entirely missing, aid cannot even be administered. Even if it can, *sustainable* measures making for enduring changes require good institutions. This is becoming ever more the guiding insight of development researchers.³⁵ The key to progress is institutional reform, and institutions are not easily built or changed, at any rate not from the outside. “Feasibility,” then, must be interpreted in terms of what is within the range of parties in whose power it is to shape institutions: developing societies themselves, with appropriate outside assistance (cf. 3.2). Such outside assistance, however, generally succeeds only if it relates to a domestic movement directed at the required institutional reforms.

Also, ideas about development have changed. In the 50s and 60s development focused on governmental planning, whereas since the 70s it has focused on market ideas, summarized eventually as the “Washington consensus.” This approach was itself modified over time. The original “consensus” emphasized fiscal discipline, trade liberalization, privatization, deregulation, and secure property rights. Later emphasis on institutional quality was added, including corporate governance, anti-corruption, independent central banks, social safety nets, and poverty reduction.³⁶ So there is no “set

³⁵ Cf. World Bank (1998) and van de Walle and Johnston (1996) and references therein. Pogge (2002) takes up the theme that “world poverty cannot be eradicated by ‘throwing money at the problem’” (p 8). He rejects that claim by reference to the facts that much development aid has been given for strategic reasons, and that only a rather small percentage share was allocated to the least developed countries. However, the 1998 World Bank report and van de Walle and Johnston (1996) are also well aware of these facts – but these facts simply do not refute the claim that Pogge dismisses.

³⁶ The extent to which development economics is far from being a settled field was underscored when in the first May issue of 2003 the *Economist* announced what must be considered a considerable change of view with regard to the control of capital flows. “This newspaper, too, long maintained that capital controls are always wrong. Yet the evidence reviewed [here] shows that the global capital market is a turbulent and

of tools” for eradicating poverty that has long been available, but not used.³⁷ To the extent that outside help is effective in bringing about institutional change (the preceding paragraph suggests it may not be large), the relevant know-how has not readily been available. While there may be weaker readings of a “feasible institutional alternative” under which (b) would be true, (b) must not be understood as if it were simply “up to” developed societies to bring about institutional changes in developing societies.

4.3 Yet let us not worry any further about how to understand “feasibility” in (b) and move on to (c). Granting, for the sake of the argument, that there is a feasible institutional alternative (in an appropriate sense of “feasible”), we ask: are developed societies “implicated” in the preservation of the existing order, as (c) claims? This is true, now by assumption, in the sense that an institutional alternative is within their power. If so, they *should* do so. However, they will have a duty in justice to do so only if they *harm* developing countries.³⁸ The fact that there is an unchosen feasible alternative does not prove an injustice. For Shared Institutions to deliver the result that there is a negative

dangerous place, especially for poorly developed economies that may be ill-equipped to navigate it. (...) [F]or some countries, imposing certain kinds of control on capital will be wiser than making no preparations at all. “ (p 23).

³⁷ On the development of growth economics cf. Pritchett and Lindauer (forthcoming) and Easterly (2001). It is explicit in the former and implicit in the latter that “big ideas” in development have failed and that there is no general method that guarantees success. Rodrik (forthcoming) argues that successful economies all had their own economic ideosyncracies: none really did it precisely the way prescribed by the Washington consensus, whereas those that did, like Latin America, have not done well recently.

³⁸ This does not mean that such harm has to be committed intentionally, or that it can clearly be ascribed to any specific developed societies. A “system” can inflict harm without either of these conditions being satisfied. I ignore ways of thinking about injustice in a manner that does not turn on whether any harm is inflicted. For instance, the injustice may be that people’s basic needs are not satisfied (cf. Shue (1996); it still makes sense to say then that individuals are harmed when their needs are not justified, but the injustice does not turn on their being harmed, but on their basic needs not being satisfied). For the same reason I do not discuss Goodin (1985), who bases obligations on vulnerability.

duty to improve the fate of developing societies, (c) must be reformulated: (c)': The present order harms developing societies. Shared Institutions', consisting of (a), (b), (c)', and (d), would deliver the conclusion that developed societies have a duty in justice to improve the fate of developing societies. Our task is to assess (c)'.

One may say that (a) and (b) *imply* (c).' If developed societies impose the global system on developing societies (as (a) says), and if there is a feasible alternative alleviating radical inequality (as (b) says), does this not mean that developed societies are harming developing ones (making (c)' true)? It does only if the omission of support counts as harming and thus only if one does not acknowledge a morally relevant difference between doing and omitting. If so, no further question arises.³⁹ But for such a (most likely consequentialist) view, the question whether there is a negative rather than positive duty to give aid does not arise. So let us set consequentialism aside and assume that some kind of harm other than an omission must be demonstrated. Yet one may object that this response ignores the force of (a): after all, the global order has been *imposed*, and is not just a background fact. Yet while it is beyond dispute that developed countries have imposed the global system, this does not entail that abysmal poverty occurs *because of it*: such poverty may occur *in spite of it*. My response should give more weight to the global order's being "imposed" only if we have independent reason to think that it causes abysmal poverty. Otherwise, the fact that that order has been imposed just *is* a background fact. Since such involvement is one way in which developing societies might be harmed, we are led back to the question whether developed societies harm developing societies. So, finally, let us explore that question.

³⁹ For instance, Singer's classic 1972 piece makes no such distinction.

4.4 One may insist that radical inequality speaks for itself. Over 20% of the world's population lives in abject poverty (under \$1 a day), and about 50% live below the \$2 standard. 25% of the population of developing countries are illiterate. The 2.5 billion people in the world's low-income countries have an infant mortality rate of over 100 for every 1,000 live births, compared with 6 in high-income countries. Illiteracy averages 40% in low-income countries. Population growth, although slowing, remains high.⁴⁰

Still, it is not obvious that developing countries are *being harmed*. It is helpful to look at the last 200 years. While for many indicators we lack data from before 1950 in developing countries, a fair amount is known. We know that per capita incomes around 1820 were similar worldwide, and low, ranging from around \$500 in China and South Asia to \$1000-\$1500 in the richest countries of Europe. So the gap between rich and poor was 3:1, whereas in 1960 it was 60:1, and in 1997 74:1. 75% of the world's people lived on less than \$1 a day in 1820. Today, in Europe, almost nobody does, in China less than 20%, in South Asia around 40%, and altogether 20% of the world population does. The share of people living on less than \$1 a day fell from 42% in 1950 to 17% in 1992. While historically *almost everybody* was poor, that is not the case any more.

Foreign aid has often been given for strategic reasons, and its minuscule percentages in rich countries' GNPs look grotesque.⁴¹ Yet for recipients, those

⁴⁰ Unless otherwise noted, data are from the *World Development Report* 2000/2001, the Zedillo report, and from the World Development Indicators 2002, CD ROM; cf. also Maddison (2001), Table B 22, 265.

⁴¹ Cf. Alesina and Dollar (2000). According to the Zedillo report, official development aid in 2000 was \$53.1 billion, down from \$60.9 billion in 1992; in 1998, \$12.1 billion went to the least developed countries; .33 is the average percent of GNP contributed as official development aid in 1992, down to .22 in 2000, contrasted with the .7 of GNP which is widely agreed. As of 2000, only Denmark, the Netherlands, Norway, and Sweden have consistently met that target.

percentages are substantial. In 1993, Sub-Saharan countries received on average 11.5% of GNP as official aid (Zambia 23.6%, Tanzania 40%).⁴² The Marshall Plan, hailed as the greatest aid program ever, is estimated to have contributed 2.5% of GNP annually to its recipients. Between 1960 and 2000, real per-capita income in the developing world grew at an average 2.3%. At this rate, living standards double in 30 years. Britain's GDP grew at an average of 1.3% during its 19th century economic supremacy. The average income per capita in 1950 worldwide was \$2,114, and in 1999 \$5,709, in 1990 PPP dollars; for developing countries this increase was from \$1,093 to \$3,100. Longevity rose from 49 years to 66 worldwide, and from 44 to 64 in developing countries. As the 1993 *World Development Report* stresses, there had been more global improvement in life expectancy in the preceding 40 years than in the previous 4000. The literacy rate rose from 54% in 1995 to 79% in 1999. Infant mortality fell from 156 in 1000 live births to 54.

These are average values, and the growth statistics are influenced by early success in Latin America and Sub-Saharan Africa and by recent successes of India and China. They cover variations across countries and within countries at different times, and do not capture the ongoing decline of Sub-Saharan Africa. Yet we cannot conclude that the global system systematically disadvantages Africa. For not only are there the growth miracles Botswana and Mauritius, but there are *many* poor countries that had periods of exceptional growth, such as Tanzania from 1961 to 1975 with 5.7% annually, Mozambique since 1986 with 7.1%, and Kenya from 1961 to 1981 with 6.7%.⁴³ While

⁴² Cf. van de Walle and Johnston (1996), p 20.

⁴³ Cf. Subramanian and Roy (2003). According to the *World Development Report* 2000/2001, poverty, in terms of number of people living on less than \$1 a day, has risen most substantially in Sub-Saharan Africa, and dropped most dramatically in East Asia and the Pacific. Infant mortality rates are highest in Sub-Saharan Africa as well. However, as of 1998, most of the world's poor (43.5%) live in South Asia, in India, compared to 24.3% in Africa.

such exceptional periods in many countries do not prove that Africa is not systematically disadvantaged, their existence should caution as against hastily concluding that it is.

Remarkable is not that, today, so many people live in poverty, but that so many do not. Also remarkable is the enormous gap between rich and poor. But given that money transfers as such do not solve the problems, and unless one wants to argue (against what most *cognoscendi* believe) that developed countries have become rich *because* they have exploited developing countries, it is far from clear that, at least at the aggregate level at which Pogge's argument is pinched, the global order harms developing societies. On the contrary: by and large, it works to their benefit – *if* one takes as reference what things were like 200 years ago, 100 years ago, or 50 years ago.⁴⁴

4.5 Yet there are objections: First, one may insist that other standards are important. Second, one may argue that none are. Regarding the first point, there are three other standards. First, one may say that any (or some measure of) deviation from equality shows that the global system harms developing societies; section 5 rejects that view. Second, one may think that the standard of reference is what would have happened had certain events not occurred. This delivers a counterfactual that is impossible to evaluate, and my discussion remains subject to revision if anybody succeeds at doing so. Third, the reference point may be a state of nature in which resources, broadly conceived, are distributed fairly. “Worldwide 34,000 children under age five die daily from hunger and

⁴⁴ On the point that European countries did not become rich *because* they became colonial powers, cf. Landes (1998), p 429, who argues that 19th and 20th century Europe did not profit from its colonies. Bairoch (1993) argues that it was not because of exploitation of developing countries that the developed countries started doing well. North's (1995) review of Bairoch (1993) says that this claim was disputed only by “a dwindling band of Marxist economic historians” (p 381).

preventable diseases.’ Try to conceive a state of nature that can match this amazing feat of our globalized civilization!”, says Pogge (forthcoming). Right he is, but this reference does not help if the question is whether *the global system* harms developing societies (Pogge’s view), or whether there are *lots of local failures* of which many cannot be attributed primarily to actors outside the respective societies (my view). State-of-nature references cannot reveal a negative duty at the aggregate level to alleviate poverty, as Pogge suggests, because they cannot distinguish between these views.

Pogge (forthcoming) insists that no assessment of how contemporary poverty statistics relate to historical data or hypothetical baselines is useful; what matters is *whether there is an injustice*. Consider oppression of women. It does not matter how badly off women were at time *t*, or how badly off they would be had things turned out differently; what matters is that oppression is unjust. Yet this argument assumes that the current state of affairs (oppression) is to be condemned *independently*. If so, hypothetical or historical standards become obsolete. Yet what is at stake is whether radical inequality constitutes an *injustice* at the aggregate level (thus is “like” oppression), rather than a *great misfortune* in addition to lots of local injustices to be rectified on grounds explored in section 3. For the evaluation of (c)’ (and thus for the evaluation of the justice of the current poverty and inequality), both the factual standard of reference explored in 4.4 and the subjunctive standard matter, precisely because it is not clear (as it is if a relationship is oppressive) that an injustice is being committed. Counterfactual claims will not be sufficiently uncontroversial to be helpful, which leaves us with historical references. Those suggest that the global system works to the advantage of the global poor.

Yet since only some of the evidence for or against (c)' is available, we are left with an epistemologically unsatisfactory situation. No strong argument *against* (c)' is forthcoming (we could not conclusively reject the view that the global system harms the poor), but we *can* conclude that (c)' remains unproven. I believe we cannot know whether (c)' is true. At any rate: no negative duty is forthcoming in this way. However, our evaluation of (c)' affects "only" the nature of the duty: insisting that (c)' remains unproven does not mean to deny that certain things should be done (in this case, appropriate assistance in institution building should be offered) – in only means to deny that they should be done because an injustice is to be rectified.

4.6 Let us briefly explore two other approaches to (c)'. First, one may think that (c)' must be true in light of colonialism, and second, that (c)' is true in light of current international economic arrangements. Let us begin with colonialism. It is tempting to say that the current world order must be unjust because colonialism has created disadvantaged countries. The response is that this is not obvious. While it happened, colonialism was hugely disruptive of people's lives, killed, mutilated, or enslaved many. But past injustice does not make the present order unjust, any more than past kindness makes it kind. We need an argument that there is persisting injustice rooted in colonialism. Historians tend to come to differentiated assessments of the colonial heritage. In this essay I cannot treat these large issues other than by quoting some verdicts. For instance, Braudel (1987) says:

Education and a certain level of technology, of hygiene, of medicine and of public administration: these were the greatest benefits left by the colonists, and some measure of compensation for the destruction which contact with Europe brought to old tribal, family, and social customs (...) It will never be possible to gauge the full results of such novelties as employment for wages, a money economy, writing and individual ownership of land. Each was undoubtedly a blow to the former social regime. Yet these blows were surely a necessary part of the evolution taking place today. On the other hand, colonization had the real disadvantage of dividing Africa into a series of territories – French, English, German, Belgian, and Portuguese – whose fragmentation has been

perpetuated today in too large a cluster of independent states, which are sometimes said to have “Balkanized” Africa (p 134).

Landes (1998), beginning a summary of the colonial heritage, suggests that the

diversity of outcomes shows that colonization in itself, even enslavement, does not dictate failure. In the long sweep of history, this is the heart of the matter: down is not out. Some countries have made something of the colonial legacy; of the heritage of social overhead capital, education, ideas; even of their own anger, resistance, and pride. Others have run down what the colonial powers left behind and have not learned to replace it. Still others were left little, usually because the colonial power did not see the payoff to improvement. Still others were too poor even to attract the cupidity of stronger nations. (p 433/34)

To mention one last such assessment, here is what D. K. Fieldhouse says on this subject:

How, then, did the modern colonial state stand as a substitute for an independent state? The argument of this chapter is that it was not so much bad, as was alleged by both colonial nationalists and western liberals and some later historians, as inadequate. (...) [Colonial administrators] possessed the administrative skills of advanced western societies – for example, in accounting and budgeting. Tight financial control might limit economic development, but it ensured that no colony incurred serious debts. (...) [C]olonial government was likely, in the twentieth century at least, to be ‘good government’ within the limited meaning of the term and concept as it was understood in Europe in the first half of the twentieth century. (...) [Colonial government] suffered from three major disabilities. First, however well intentioned, it always had divided loyalties, between colony and metropolis. Secondly, because it was alien, it could never fully understand the needs and aspirations of its subject peoples. Finally, and most importantly, because it was alien, it could never mobilize the latent enthusiasms and resources of its dependent peoples: it lacked the legitimacy that only voluntary support by the subject peoples could give. (pp 89/90).

Passages like these reveal that one cannot take it for granted that colonialism created a persistently unjust world. As the Congo/Zaire case shows, there are clear cases in which past injustice is persisting and attributable to a former colonial power. Yet our discussion now proceeds at the aggregative level, the level at which Shared Institutions is located.

Still, one might insist that it is endemic to the global system that it cannot benefit all societies; that, say, there will always be a disadvantaged periphery, as argued prominently by Dependency Theory, formerly wide-spread especially in Latin-America. This theory comes in different strengths, the strongest claiming that “the North” became rich at the expense of “the South,” and a weaker version claiming that there is some other

dependency of the South on the North, for instance, that resources delivered by “the South” become cheaper over time relative to manufactured goods delivered by “the North.”⁴⁵ Yet Dependency Theory has become incredible, and no successor is in sight.

4.7 I conclude section 4 by commenting on Pogge’s criticism of the WTO. Summarizing his argument that the WTO disadvantages developing countries, Pogge says that his

complaint against the WTO regime is not that it opens markets too much, but that it opens *our* markets *too little* and thereby gains for us the benefits of free trade while withholding them from the global poor. I see the appalling trajectory of world poverty and global inequality since the end of the Cold War as a shocking indictment of one particular, especially brutal path of economic globalization which our governments have chosen to impose. (...) The cumulative result of many (...) negotiations and agreements is a grossly unfair global economic order under which the lion’s share of the benefits of global economic growth flows to the most affluent states. (Pogge (2002), p 19/20)

The 2003 *Human Development Report* concurs, emphasizing that tariffs in OECD countries on manufactured goods from developing countries are four times those on goods from OECD countries (p 155) and, alongside agricultural subsidies, are a great obstacle to growth in developing countries.

Yet there is more to it than Pogge allows. Pogge insists, for instance, that agricultural and clothing products are unduly kept from the market of developed nations. Those two and other sectors of international trade are subject of discussions under the Doha Development Agenda. Intense negotiations in areas ranging from agriculture and textiles to services, intellectual property rights, WTO dispute settlement, and special conditions for least-developed countries have been conducted since 2000, and most of those are scheduled to be completed by January 1, 2005. Not all of them are likely to be

⁴⁵ The classic of dependency theory is Cardoso and Faletto (1979). Cf. Landes (1998), p 510f for some comments on Cardoso’s rise from leftist scholar to president of Brazil.

concluded in time (talks about agriculture are behind as of March 2003). However, progress has been made in the textiles sector, one of the hardest-fought areas. Governed since the 60s by a system of quotas (embodied by the Multi-Fiber Agreement), that sector is undergoing changes under a 10-year schedule that by 2005 is supposed to annihilate quotas.⁴⁶ Or consider subsidies. While farm subsidies in Japan, the EU, and the US have been especially disputed, progress is being made even in that area: the EU farm ministers, on June 26, 2003, decided in a historical decision to break the link between farm production and subsidy by paying farmers directly. While European farmers will become less competitive, their losses will be redistributed across taxpayers.⁴⁷

The reasons why such progress is slow are often legitimate. While it is frequently the case that workers in agriculture and textiles are exceptionally well-organized, it is also true that many of those who are thus protected are among the economically weakest in their societies. The presence of the *relatively* poor in industrialized countries (which motivates at least a substantial share of trade protection) and the inherent slowness of democratic processes (which in the case of the EU also involves substantial multilateral negotiations at a time of transition) explains why there is no rapid change. But *there is* change, and there is a lot of good will among policy-makers as well as citizens of developed countries to shape globalization in a manner that works to the advantage of developing countries. Even Singer (2002), no friend of privileges, fails to indict the WTO

⁴⁶ Cf. WTO web page for details of the agreement. It is not only the US and EU that benefit from such quotas: Mauritius benefits enormously from the protectionist policies of the United States and EU both in the sugar and in the textile and clothing sectors. Had these countries liberalized their markets, the impressive Mauritian trade performance would have suffered. Mauritius has not been enthusiastic about dismantling protection in world agricultural and clothing markets; cf. Subramanian and Roy (2003).

⁴⁷ *Economist*, June 28, 2003. Such decisions are badly needed: the 2003 *Human Development Report* heavily blames import tariffs in rich countries for ongoing poverty in developing countries.

for harming developing countries. It seems more appropriate to condemn the WTO for local and bilateral failures.⁴⁸ Yet Pogge may refer back to the death statistics: “How can severe poverty of half of humankind continue despite enormous economic and technological progress and despite the enlightened moral norms and values of our heavily dominant Western civilization?” ((2002), p 3). To this question, *pace* Pogge, the institutional view in combination with the data on the overall economic development reviewed in 4.4 gives an answer.⁴⁹

5. Remaining Questions

5.1 Whether, in an aggregate sense, developed countries harm developing countries is a broad question that we cannot answer conclusively on a few pages. Section 4 meets its purpose if the views defended there gain some plausibility. If so, then this is where the argument has taken us: section 3 argues that the content of the duty to the global poor is institution building, and that its nature is positive. Section 3 also argues that bilateral or multilateral negative duties supplement this picture. This leads to the question of whether there is not also a negative duty at the aggregate level to support the global poor. And it is the denial of that view for which, I hope, section 4 has gathered some plausibility.

⁴⁸ Assessing fairness in international trade is difficult, cf. the chapters on trade in Krugman and Obstfeld (2003), in particular chapter 9, which discusses protectionism for agricultural and clothing products.

⁴⁹ Another case in point is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). TRIPS allows any country to override a patent if necessary, if (e.g.) prices are too high, or supplies limited. But it is only rich countries with their own production capacity that can take advantage of that regulation (“compulsory licensing”) and produce their own generic versions of patented drugs. What is not allowed any longer under TRIPS is the export of drugs produced under such conditions. Thus developing countries cannot import them any longer from such countries once TRIPS goes fully into effect (Jan 1, 2005). But all this is still much in flux. Yet while powerful pharmaceutical interests play a role, one should also keep in mind that Merck, a leading pharmaceutical company, has committed itself 15 years ago to provide the drug Mectizan free of charge to all who need it as long as they need it. (<http://www.merck.com/about/cr/mectizan/home.html>) Mectizan is used to treat river blindness.

Two questions remain. First, following section 4, we must ask whether inequality among societies as such is morally problematic. If so, a version of (c)' is true ("As the persistence of massive *inequality* shows, this global order works to the detriment of developing societies."), showing, in conjunction with the other claims of Shared Institutions', that the nature of the duty to developing societies is negative after all. An affirmative answer also shows that the content of the duty to the global poor transcends support in institution building. Call this the Inequality Question. Our second question arises from section 3. By way of completing our account of the *content* of the duty to the global poor, we must inquire whether, independently of questions about inequality and in addition to the duty to assist in institution building that we have already established, there is a duty to make transfers from wealthier well-ordered societies to less wealthy ones. Let us assume that no society can be well-ordered if troubled by abysmal poverty. Is there still such a duty? Call this the Redistribution Question. To clarify: we are now resuming the discussion of the *content* of the duty from section 3. Section 4 discusses the *nature* of the duty, and the result there, again, is that there is no negative duty to rectify injustice at the aggregate level. But that is consistent with the *content* of the duty to the global poor being more comprehensive than allowed so far.⁵⁰

Since Rawls holds that the content of the duty to the global poor is limited to transitory assistance in institution building, he explicitly responds negatively to the Redistribution Question and implicitly to the Inequality Question. Yet Rawls holds a simplistic version of the institutional view according to which it is *entirely* up to each society to shape its fate. Additional transfers become obsolete since any society could in

⁵⁰ I sometimes refer to this duty that goes beyond support in institution-building as a redistributive duty. This should not be taken to mean that *preexisting* entitlements are to be *changed*: the point is to argue that what society X would give to society Y is what Y ought to have in the first place.

principle decide to acquire the relevant goods. Yet we must acknowledge that external influence is to some extent responsible for growth, and to *that* extent peoples *prima facie* do have claims on other societies. “Prima facie:” provided that (1) peoples are the sort of entity that cares about wealth and thus can be said to have such claims in the first place, and that (2) peoples find themselves in an environment where such claims are meaningful (in the sense in which, say, citizens of a well-ordered society do). Rawls denies (1) and (2), thereby developing a fall-back position that allows him to respond negatively to both questions even if his immediate answer fails. Since this immediate response (“societies shape their own fate”) does fail, our task is to assess (1) and (2) and how they bear on our two questions. To wit: I argue first that Rawls’s assessment of (1) is false and end up granting for the sake of the argument that his assessment of (2) is false as well. However, his answer to the Inequality Question can be maintained by drawing on the Institutional View and the notion of a realistic utopia although *both* his immediate answer to that question *and* the fallback position fail. Yet it follows from my concession regarding (2) that his answer to the Redistribution Question fails. If so, his approach must be modified. However, I conclude by suggesting that this modification is available within the confines of his view. Note: if Rawls could successfully deny (1) and (2), there would be less pressure on the question of what makes countries rich or poor for assessing the *nature* of the duty to the poor, and thus less dependence of the question of what they are owed on an empirical question. However, our discussion will show that that question continues to be crucial, which entails, as I claimed in section 1, that Rawls’ institutional stance is implausible if Institutions is false.

5.2 Let us first assess claim (1), that peoples do not desire to become wealthy, absolutely or comparatively, and thus cannot have redistributive claims. When Rawls talks about the interests of peoples, he lists protection of territory, security and safety, preservation of free political institutions and what he calls “the liberties and free culture of their civil society.” Increasing their economic strength, like enlarging territory, is a feature of states, rather than societies (p 27f, cf. p 107).⁵¹ Rawls cannot mean that peoples do not care about wealth because they are not the sort entity that *could* care; after all, peoples care about the integrity of their territory. So the point must be that it would be unreasonable for *citizens* to care about wealth other than in relation to each other, to the extent that inequalities affect the status of their society as a fair system of cooperation. For if it were reasonable for individuals to care about wealth otherwise, there would be an *aggregate* sense in which society cares about *its* absolute (not relative) wealth. Yet this claim about citizens seems false. Citizens within justice as fairness are (and should be) assumed to want more, rather than less, income and wealth to pursue their conceptions of the good, at least within a certain range.⁵² While it may be reasonable for peoples to decline further wealth increases, that is different from dismissing redistributive duties because peoples

⁵¹ However, while LP, p 28, talks explicitly about relative economic standing, it does not talk about absolute standing, whereas p 34 says that liberal peoples do not have a conception of the good. These passages by themselves do not entail that Rawls thinks that peoples are also not concerned with their *absolute* standing. Wenar (2002), for one, understands him to be saying that. If Rawls does not mean this, the objection I am about make does not apply: but then this whole approach is not an answer to the question of why there should be no redistributive duties.

⁵² Wenar (2002) also points this out, but does not criticize it. Yet he acknowledges (p 67) that this works only if one can grant that it is up to the respective peoples what their wealth level is. The assumption that peoples as such only care about being well-ordered is also extensively discussed in Pogge (1994). Cf. TJ, p 257/8 on the necessity of wealth. Rawls says there: “What men want is meaningful work in free association with others, these associations regulating their relations to one another within a framework of just basic institutions. To achieve this state of things great wealth is not necessary. In fact, beyond some point it is more likely to be a positive hindrance, a meaningless distraction at best if not a temptation to indulgence and emptiness.”

are not concerned with wealth. On the contrary: given the relevance of wealth and income for individuals' conceptions of the good, governments should foster economic growth unless citizens have given them a mandate not to.

Yet do societies exist in an environment in which they can make such claims, as citizens in a well-ordered society do (which is claim (2); cf. LP 16.1)? Citizens in well-ordered societies make such claims based on reciprocity, and because they regard themselves as free and equal members of a fair system of cooperation. Yet individuals do not so regard themselves vis-à-vis citizens from other societies, or cannot reasonably do so. So there is no background for such claims to be made. Details remain to be filled in, but no matter how that is done, this argument will be open to an instability objection. For as critics point out,⁵³ there is an increasingly dense international economic and political order that seems to give the lie to the claim that citizens can reasonably regard themselves as domestically engaged in a system of cooperation but not internationally. Factors in this increasing density of international relations include trade liberalization, worker migration, increasing importance of multinational structures like the EU and global institutions like the U.N., World Bank, IMF, WTO, and more recently the International Criminal Court, or their respective counterparts in a world of well-ordered societies. These developments seem to render nation states increasingly obsolete. Individuals themselves stand in economic relationships across the world, and not just

⁵³ Pogge and Beitz have long insisted that there is a kind of global basic structure just as there is a domestic basic structure; cf. Beitz (1979), part III, sections 3 and 4, and Beitz (1999); cf. also Buchanan (2000).

CEO's, but also workers, say, in the car industry whose fate depends to a large degree on attitudes of workers in other countries.⁵⁴

Still, while there undoubtedly is such a global order, it is unclear whether such reasoning shows that this order provides an appropriate background for redistributive claims among societies. Many of these relationships are economic, and to the extent that they are political, they have been (more or less) voluntarily accepted by the respective states. The existence of such relationships does not seem to undermine the special significance of shared citizenship and its implied shared system of cooperation (which involves being ruled under the aegis of the same constitution, being subject to the same legal system, being part of the same social system, etc.) any more than having friends and standing in economic and professional relationships with employers, colleagues, or shopkeepers undermines the special significance of membership in a family. What matters is not merely whether individuals jointly inhabit a basic structure, but whether they can reasonably regard themselves as standing in a relationship of reciprocity, of the sort that shared citizenship (at least in a well-ordered society) creates. For vividness, consider the Swiss city of Basel. Close to both the German and the French frontier, Basel is economically integrated with parts of Southern Germany and Eastern France. France literally begins on the premises of the Basel train station. Yet Switzerland has steadfastly kept its official political and economic arrangements with other countries minimal. So the very existence of intense relationships transcending the limits of states fails to undermine the claim that individuals' primary political identity is, or should be, that of citizens in a fair system of cooperation.

⁵⁴ Cf. Satz (1999).

5.3 More needs to be said, and in this case it will also matter greatly whether we talk about citizenship in a well-ordered society or about citizenship in countries as we know them. Trying to stay clear of such complications, I assume, for the sake of the argument, that the instability objection succeeds. So I assume that we have shown that Rawls is wrong in denying that societies cannot be taken to make claims in justice (i.e., wrong in denying claim (1)), as well as in denying that societies find themselves in an environment where they make such claims on each other (claim (2)). Let us return to the Inequality and the Redistribution Question and see what we can learn about them in light of our discussion of these two claims. Recall that we are exploring claims (1) and (2) because Rawls cannot motivate his negative response to both questions by insisting that it is up to each society to shape its fate, a view that we have dismissed as naïve. Thus it seems that only by rejecting both (1) and (2) is Rawls able to maintain his negative responses to both questions. As we have just argued, prospects seem slim that he can indeed do so.

However, as far as the Inequality Question is concerned, appearances are deceiving: Rawls can maintain that inequality per se does not require rectification even if his immediate answer and his fallback position fail, by drawing on the institutional stance and the notion of a realistic utopia. For even in its less naïve version, according to which institutions trump anything else as far as impact on growth is concerned, but which also assigns an important role to external factors, inequality as such among societies is morally problematic only if one takes one of the following two views. The first is a strong cosmopolitanism that (a) denies any normative relevance to peoples, as well as to claims such as that individuals desire to live in peoples, that their identity draws substantially on their membership in peoples, etc., and that (b) favors a version of

egalitarianism concerned decidedly with socio-economic equality. According to the second view, peoples as such have claims to equal treatment to such an extent that they have claims to economic equality regardless of institutional performance, and regardless of issues of individual responsibility. Whereas the former view does not draw on claims (1) and (2) at all, this view presupposes that claims (1) (“Peoples as such can desire wealth.”) and (2) (“Peoples as such exist in an environment in which redistributive claims are meaningful.”) above are true. At any rate, it takes either a strong individualistic or a strong collectivist stance to motivate the disregard of institutional quality required for insisting on the importance of equality across peoples. Yet any realistic utopia for our time must take seriously the fact that persons live in peoples and desire self-determination for these peoples. Thus the individualistic stance sketched here is ruled out as an ingredient of a reasonable utopia, whereas the collectivist stance overemphasizes the normative importance of peoples. So we can deny that inequalities as such among peoples matter for a realistic utopia regardless of claims (1) and (2). I also find both views implausible as components of a theory of global justice, but cannot argue for that view here, and nothing turns on it.

As opposed to the Inequality Question, the Redistribution Question stands and falls with Rawls’s fallback position: there is such a duty if that fall-back position fails. Yet *pace* Rawls, claim (1) (“Peoples are the sort of entities that can desire wealth”) is true and claim (2) (“Peoples exist in the kind of environment in which redistributive claims become meaningful.”) was granted for the sake of the argument, and thus we must assume that his fallback position does indeed fail. So further-reaching redistributive duties apply, and to that extent Rawls’s view must be modified.

Yet this modification can be done without undermining the basic tenets of Rawls's view, as a quick review shows. The Rawlsian view gives us a realistic utopia that can guide us through changing the world for the better. It provides a vision that not only, following Rousseau's maxim, takes people as they are and institutions as they might be, but also integrates empirical facts in a sound manner into a normative vision for a better world and thus has a genuine chance of finding support from policy makers and citizens, at least those who are appropriately motivated. It offers a framework that is realistic in particular in taking seriously that individuals live in peoples, and that peoples desire self-determination, but also in taking seriously that political thought is confronted with different types of societies. The classification of liberal and decent peoples, burdened societies, outlaw states, and benevolent dictatorships captures that plurality. At the same time, the Rawlsian vision of international justice is utopian in the sense that its goal is the creation of a system of well-ordered societies (where we leave open the question of whether decent societies should eventually be transformed into liberal ones), while also providing an account of how well-ordered societies should relate to other societies in the course of this process. The crucial prescription is a duty to assistance in a manner that takes into account our best understanding of the sources of growth. If there is a more stringent redistributive view, it can, and will have to, be integrated into this model as well. Yet this can indeed be done within its confines, just as the Rawlsian vision can also accommodate a set of negative duties to rectify ongoing injustice. At the same time, we have seen that Pogge's criticisms are misguided, in particular his insistence that the global economic and political order as such is unjust. Rawls offers a realistic utopia

within which policies like the Millennium Declaration can be understood as first steps towards a just world.

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