

# How Does the Global Order Harm the Poor?

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## 1. Introduction

1.1 More than 20% of the world population lives in abject poverty, on less than \$1 day, and about 50% on less than \$2.<sup>1</sup> 25% is illiterate. The 2.5 billion people in low-income

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<sup>1</sup> These data are documented in section 4. Thanks to Charles Beitz, Eric Cavallero, Derya Honça, Michael Ignatieff, Margie Jenkins, Simon Keller, H el ene Landemore, Jennifer Pitts, Thomas Pogge, Chris Robichaud, Dennis Thompson, Leif Wenar, Ken Winston and in particular the Editors of *Philosophy and Public Affairs* for comments or discussion, and to Ricardo Hausmann, Lant Pritchett and Dani Rodrik for conversations about development. Thanks to the members of the Faculty Fellows seminar at the Center for Ethics and the Professions at Harvard, the Montreal political theory colloquium, the participants in the Kline conference on “Equality, Poverty, and Global Justice” at the University of Missouri at Columbia, and audiences at the University of Konstanz (especially to Gerald Schneider, who was a commentator on one occasion), where I presented parts of this material. This paper is related to both Risse, “What We Owe to the Global Poor,” *Journal of Ethics* 9/1-2 (March 2005): 81-117; and Risse, “Do We Owe the Global Poor Assistance or Rectification?”, forthcoming in *Ethics and International Affairs*. The former develops an account of what is owed to the poor based on the Institutional Thesis introduced in section 2 below. The latter argues that the global order should plausibly be credited with advances over the historically normal situation of

countries have an infant mortality rate of over 100 for every 1000 live births, compared to six in high-income countries. According to widely circulating statistics, the gap between rich and poor has increased dramatically: in 1820, the gap in average per capita incomes was 3:1, in 1960 60:1, and in 1997 74:1. The contrast between lavishly rich Americans whose urgent questions of the day are about where to go for dinner and when to meet one's personal trainer, and cotton farmers in Mali with barely enough to survive could hardly be starker, and becomes depressing if we recall that US cotton subsidies exacerbate their plight.

Such facts are especially alarming since our world is politically and economically interconnected, a continuous global society based on local territorial sovereignty, whose fate is shaped not merely by states, but also by transnational and transgovernmental networks, structures aptly called *the global political and economic order*. Since there is such an order, the radically unequal distribution of advantage may not be an aggregative phenomenon arising from many disconnected causes. Instead, we must explore whether there is a sense in which that order itself actually *harms* the least advantaged, the global poor, in a way that implies an injustice. This essay aims to contribute to that task.

Let me explain some more what I mean by the "global order." While this order possesses no actual government, it is ruled through a network of organizations, a phenomenon captured by the term "global governance." At the political level, the state

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misery. Together, these three pieces offer answers to normative questions about the global order that oppose Thomas Pogge's views in *World Poverty and Human Rights* (Cambridge: Blackwell, 2002).

system is governed by a set of rules, the most significant of which are codified by the UN Charter. Our current global society has arisen from developments that began in the 15<sup>th</sup> century through the spread of European control, and continued with the subsequent formation of new states through wars of independence and decolonization. At the economic level, the so-called Bretton Woods institutions (International Monetary Fund, World Bank, later the General Agreement on Trade and Tariffs/World Trade Organization) provide a cooperative network intended to prevent wars and foster worldwide economic betterment. These institutions, jointly with the more powerful states acting alone or in concert, shape the economic order.<sup>2</sup>

Once we have accepted that there is such a thing as a “global order” that includes but is not reducible to actions of states, we must ask questions about *it* that we have always asked about political entities. One such question is whether it harms the poor, and the larger question that motivates that question is whether the global order is *just*. The question about harm itself is complicated, perhaps more so than is obvious, partly because it draws on both empirical and normative considerations. My project here is to argue that if a certain plausible empirical thesis is true, then certain philosophically interesting and initially perhaps also plausible arguments for the normative thesis that the

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<sup>2</sup> Cf. Peter Malanczuk, *Akehurst’s Modern Introduction to International Law* (7<sup>th</sup> Revised Edition, New York: Routledge, 1997), chapter 15, for a description of the net of economic treaties governing the world economy. For an account of this global order in terms of a system of transgovernmental networks, cf. Anne-Marie Slaughter, *A New World Order* (Princeton: Princeton University Press, 2004).

global order harms the poor, fail. The arguments we will discuss here are versions of arguments developed by Thomas Pogge. The empirical thesis is that it is the quality of domestic institutions that primarily explains why a country is rich or poor (the "Institutional Thesis"). The fact that those arguments are incompatible with this empirical thesis, however, does not mean that we must reject the view that the global order harms the poor. Yet the ways in which the global order does harm the poor must then be understood in a manner consistent with and informed by that Institutional Thesis -- and thus differently from what Pogge has proposed.

Section 1.2 briefly elucidates the concept of harm. Section 2 introduces the Institutional Thesis. Section 3 explores the argument ("Uncompensated Exclusion") that the global order harms the poor in the sense of violating their rights because, although resources are collective property of humanity, countries possess unequal amounts of resources and it is on the basis of this unequal distribution that they obtain their relative economic standing within that order. Section 4 explores the argument ("Shared Institutions") that the global order harms the poor by imposing an institutional framework although there is an alternative that works more to their advantage. In light of the Institutional Thesis, both Uncompensated Exclusion and Shared Institutions must be reconsidered. Both arguments do reveal a manner in which the global order harms the poor, but both times that manner proves different from what one may have thought.

Although I will endorse versions of some of Pogge's arguments, this study depicts a more differentiated as well as more favorable picture of the global order than Pogge offers, and it takes a more skeptical stance towards arguments that seem to indict the global order of harming the poor. In particular, the way in which we find that the global

order does harm the poor is consistent with its deserving praise for having advanced the world above a historically predominant state of misery. Yet while Pogge is envisaged as the opponent throughout much of this study, our concern is with arguments, rather than specific features of Pogge's views. In this study I will not engage with Pogge's arguments against states; thus I will develop arguments that stem from his work in a way that takes states for granted. In any case, the concerns that Uncompensated Exclusion and Shared Institutions identify need to be addressed independently of how one stands with regard to the legitimacy of states.<sup>3</sup>

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3 Let me add a few remarks about "globalization" and the role of philosophers with regard to it in a historical perspective. "Globalization," broadly conceived, is not new. As just sketched, it goes back to the spread of European control since the 15th century, a process accompanied by the emergence of a state system whose central features were captured in the doctrine of "sovereignty." Political philosophers of the 17th and 18th century, such as Grotius, Pufendorf, Locke, or Vattel, explored questions that arose at that stage of globalization: they developed the doctrine of sovereignty, assessed under what conditions territories outside of Europe could allegedly be occupied, and what kind of ownership there could be of the seas. The spread of European control was completed by the end of the 19th century. By that time, political philosophers such as Tocqueville and Mill had been busy justifying why people who were in so many ways just like Westerners should still be kept in colonial dependence. To make a bit of a caricature of the history, a period of devising rules for the spread of "empire" was followed by a period of justifying the persistence of "empire." After WWII globalization obtained a new character, as also sketched above, and it is within that context that "global

1.2 Joel Feinberg offers a useful analysis of harm.<sup>4</sup> He starts by observing that situations in which persons find themselves harmed can be analyzed without reference to acts of harming, since the former do not always involve the latter. He distinguishes three senses of being harmed, the first merely to have a comprehensive account of harm-talk. That sense is an extended one in which just about anything can be said to be harmed if damaged. A window is harmed if cracked, or a car if scratched. Yet these ways of speaking are elliptical with regard to those whose interests are involved. In the second sense, harm occurs if interests are set back or defeated. This presupposes that the entities being harmed have interests, in a manner in which windows or cars do not. For statements about harm in this sense to have appropriate force, not everything that is resented, found distasteful or otherwise avoided should be considered harmful, and “interests” should be understood accordingly. Ordinary language supports this concern, since there are unwanted physical or mental states that are not plausibly harmful states.

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governance” comes into its own. Global governance is a major area of inquiry. Political scientists explore its “who is who;” international lawyers try to comprehend the ever more complex web of international conventions, multilateral agreements, and declarations, and development economists explore why some countries are doing much better than others. “Global governance” also raises normative issues that philosophers are still shy to tackle. Still, these questions are those about which political philosophers should worry at *this* stage of globalization.

<sup>4</sup> Joel Feinberg, *Harm to Others* (Oxford: Oxford University Press, 1984).

The third sense of being harmed is that of being wronged, which is the case if another's "indefensible (unjustifiable and inexcusable) conduct"<sup>5</sup> violates a person's rights.

So a person may be harmed when falling short either of having her interests satisfied, or of having what she is entitled to have. These senses may diverge. It is rare for somebody to be wronged without his interests suffering a set-back, but common for interests to suffer while nobody is wronged. Yet while the interest-thwarting sense does not always evoke moral concern, it sometimes does, possibly even without mediation through rights-based concerns, especially if the interests at stake are basic needs. (I wish to stay neutral vis-à-vis the question whether any wronging is in some significant sense a rights-violation, that is, in a sense different from there being a "right not to be wronged.")

Talk about *acts* of harming introduces questions about how to attribute shortfalls in either of the two manners, "attribute," that is, in the sense of assessing how actions and omission are causally tied to certain events, as well as in the sense of allotting moral or legal responsibility. Once we have separated an account of conditions from one of harmful acts, it is clear that a situation may be harmful although we cannot attribute any harming to anybody, other than, perhaps, in the sense of not doing anything about it: think of a storm destroying houses. Sometimes nobody can prevent harm: think of a disease killing with certainty. These points are obvious for the interest-thwarting sense, but depending on what rights one thinks individuals have, they might also hold for the rights-violating sense.

Uncompensated Exclusion can be understood as an argument intended to show that the global order harms the poor in the rights-violating sense, whereas we can take

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<sup>5</sup> Feinberg, *Harm to Others*, p. 34.

Shared Institutions to aim at showing that the global order harms the poor in the interest-thwarting sense by blocking a feasible alternative in which the interests of the poor fare better. Since basic needs are at stake, this is an instance of the interest-thwarting sense of harm accompanied by a moral concern. Our discussion of Shared Institutions will also involve questions about whether the current and obviously harmful situation of the global poor can be attributed to the global order.

With these remarks on harming in place, let me explain one way in which this study begs an important question. While Pogge is the envisaged opponent throughout, I do not discuss here one way in which he argues that the global order harms the poor, namely by being based on a state system. Elsewhere I argue that states are legitimate “in principle,” that is, with the understanding that their existence comes with strong duties of support for those respectively excluded from them.<sup>6</sup> While I acknowledge that the existence of states causes harm for many in the interest-thwarting sense (those who would rather live elsewhere), it does not involve a wrong. Therefore, I formulate and discuss both Uncompensated Exclusion and Shared Institutions in a way that takes states for granted. This will not have any major impact on our understanding of Shared Institutions, but it will have such an impact for our understanding of Uncompensated Exclusion.

Finally, let me mention that Pogge offers one other argument (Violent History), like Shared Institutions and Uncompensated Exclusion also intended to show that the global order is actually unjust: According to Violent History, the social starting positions of the worse-off and the better-off have emerged from a single historical process that was

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<sup>6</sup> Risse, “What We Owe to the Global Poor.”

pervaded by massive wrongs. However, a morally tarnished history should not result in radical inequality, given that all people who live nowadays live as a result of there having been such a morally tarnished past. I do not discuss any version of this argument. 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. We need to show how past injustice leads to an ongoing injustice. Shared Institutions has potential to do so, by arguing that that injustice is the imposition of an economic system detrimental to developing countries. So what I think is interesting about Violent History can be subsumed under Shared Institutions.

## **2. The Institutional Thesis**

2.1 The “Institutional Thesis” responds to the question of “what makes some countries rich and stable and others poor and volatile.” That is, it offers one view within a debate that goes back at least to Adam Smith’s *Wealth of Nations*, namely, the debate about the sources of prosperity and growth. This debate has attracted much attention, especially over the last dozen years or so, and has been explored with all the sophistication that contemporary econometrics makes possible. Whether the global order harms the poor must depend on what makes things go well for them, which is obvious at least for the interest-thwarting sense. It is for that reason that we are looking at this debate. The following is a statement of the Institutional Thesis:

*Institutional Thesis:* Growth and prosperity depend on the quality of institutions, such as stable property rights, rule of law, bureaucratic capacity, appropriate regulatory structures to curtail at least the worst forms of fraud, anti-competitive behavior, and graft, quality and independence of courts, but also cohesiveness of

society, existence of trust and social cooperation, and thus overall quality of civil society.<sup>7</sup>

In the literature, this thesis is distinguished from two other views:

*Geography Thesis*: Growth and prosperity are primarily determined by factors such as location, climate, endowment of resources (including soils), disease

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<sup>7</sup> Cf. Douglass North, *Institutions, Institutional Change, and Economic Performance* (Cambridge: Cambridge University Press, 1990); David Landes, *The Wealth and Poverty of Nations: Why Some are So Rich and Some So Poor* (New York: Norton, 1998); Robert Hall and Chad Jones, “Why Do Some Countries Produce So Much More Output Per Worker Than Others?” *Quarterly Journal of Economics* 114 (1999): 83-116; Daron Acemoglu, Simon Johnson and James Robinson, “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review* 91 (2002): 1369-1401; Dani Rodrik, Arvind Subramanian and Francesco Trebbi, “Institutions Rule: The Primary of Institutions over Geography and Integration in Economic Development,” *Journal of Economic Growth* 9/2 (June 2004): 131-165; Stanley Engerman and Kenneth Sokoloff, “Factor Endowments, Institutions, and Differential Paths of Growth among New World Economies: A View From Economic Historians of the United States,” *National Bureau of Economic Research Working Paper* No. H0066 (1994). The International Monetary Fund’s 2003 *World Economic Outlook*, chapter 3, includes an illustration of the importance of institutions (p 106): an improvement of institutional development to that of developing Asia implies an 80% increase in per-capita income from Sub-Saharan Africa: from \$800 to \$1,400. (For measuring institutional quality, see p 119, appendix 3.1.)

burden, and thus agricultural productivity, quality of human resources, and transportation costs.<sup>8</sup>

*Integration Thesis:* Growth and prosperity are primarily determined by world market integration.<sup>9</sup>

Each of these views can account for the importance of factors championed by the others, but each also takes a stance on the deeper causes of prosperity. In particular, the Institutional Thesis is consistent with the claim that geographical factors and market integration matter for growth, but their causality is channeled through their impact on institutions. While these theories themselves raise important questions, especially about the kind of causal claims involved in the econometric techniques used to develop them, this is not the place to explore them.

For the purposes of this study, I adopt the Institutional Thesis as the most plausible view. I do so in particular with reference to the work of Dani Rodrik and his

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<sup>8</sup> Cf. Jared Diamond, *Guns, Germs, and Steel: The Fates of Human Societies*. New York: Norton, 1999); John Gallup, Jeffrey Sachs, and Andrew Mellinger, “Geography and Economic Development,” *National Bureau of Economic Research Working Paper* w6849 (1998); Jeffrey Sachs, “Tropical Underdevelopment,” *National Bureau of Economic Research Working Paper* w81119 (2001).

<sup>9</sup> Cf. Jeffrey Frankel, and David Roemer, “Does Trade Cause Growth?” *American Economic Review* 89/3 (1999): 379-99; Jeffrey Sachs and Andrew Warner, “Natural Resource Abundance and Economic Growth.” *National Bureau of Economic Research Working Paper* 5398 (1995).

collaborators, which argues that institutions “trump” everything else: once institutional effects are determined, market integration has nothing left to explain, and geographical factors very little.<sup>10</sup> However, the debate about the sources of growth is still ongoing, a point acknowledged also by protagonists of the Institutional Thesis. Rodrik, for instance, grants that “[i]t would be fair to say that scholarly opinion remains divided on the significance of geography [as opposed to institutions] as a direct determinant of income levels.”<sup>11</sup> We must also keep in mind that social sciences can account only for what the world has been like so far, and hence results of this sort have no immediate implications for measures that are discontinuous with those that have been tried. Moreover, these results are statistical in nature and do not reveal much about specific countries. Therefore it is important that a collection of case studies confirms that institutions “that provide 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.”<sup>12</sup> Examples include China, Botswana, Mauritius, and Australia.<sup>13</sup>

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<sup>10</sup> Cf. Rodrik et al., “Institutions Rule”. These authors build on a significant amount of earlier work, and conduct both robustness tests and discussions of related results, all of which confirms their findings.

<sup>11</sup> Cf. “Getting Institutions Right”, April 2004, p 5; to be found on Rodrik’s website, at <http://ksghome.harvard.edu/~drodrik/papers.html>.

<sup>12</sup> Rodrik, Dani (ed.), *In Search of Prosperity: Analytical Narratives on Economic Growth* (Princeton: Princeton University Press, 2003), p 10.

In spite of these qualifications, assuming the Institutional Thesis for the sake of exploring its consequences will be justified already if that thesis is a plausible contender, which it clearly is, and not only if we know for sure that it is the correct view.<sup>14</sup>

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<sup>13</sup> Sebastian Mallaby, *The World's Banker. A Story of Failed States, Financial Crises and Poverty of Nations* (New York: Penguin, 2004) includes a chapter on Uganda that shows how competent bureaucracies combined with institutional reform can help the poor.

<sup>14</sup> For a recent critical response to the champions of the institutional approach, cf. Edward Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, "Do Institutions Cause Growth?" *National Bureau of Economic Research Working Paper* w10568 (2004); cf. Adam Przeworski, "Institutions Matter?" *Government and Opposition* 39/4 (2004): 527-541, for skepticism vis-à-vis the Institutional Thesis. The main worry about the Institutional Thesis may be that its most elaborate versions are recent and have not been subject to as much critical scrutiny as one would like, a point pertaining in particular to the notion of "institution" itself. This notion, one may say, is elusive. Yet the crucial feature of the institutional approach is that it traces economic growth in countries to relationships among these individuals themselves, rather than to relationships among them and outsiders (as the integration thesis does) or to geographical factors (as the geography thesis does). This, again, is a sufficiently plausible view for its consequences to warrant investigation even if the view is disputed.

2.2 Let me now introduce an implication of the Institutional Thesis that is crucial for our subsequent discussion. Following Douglass North, institutions in general

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.<sup>15</sup>

Those constraints benefit societies only if most individuals comply with the “rules of the game.” Some such “rules” can be implemented and enforced by a governmental decision, but others cannot. For instance, a legal system that reliably enforces property rights and contracts, a culture of trust, shared views of what are reasonable benefits and burdens arising from social cooperation, and other hallmarks of civil society can emerge and persist only with broad domestic support. Such institutions cannot be imposed, not by a government and especially not through outside interference. This is not to say that bad institutions are always the fault of those living under them, even if it is true that, without their support, these institutions cannot improve. Outsiders may well be able to destroy institutions they cannot themselves build or rebuild (think of colonial oppression).<sup>16</sup>

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<sup>15</sup> North, *Institutions*, p 3.

<sup>16</sup> “Emergence” and “persistence” of institutions must be kept apart more than the account above suggests. It might well be possible for outsiders to force the emergence of institutions that would not have otherwise emerged, but then can (and need to be) maintained by the indigenous population. Think of the imposition of democratic structures in Japan at the end of WWII. Still, situations in which outsiders can impose institutions in this manner tend to be cataclysmic moments, and thus rather rare.

Crucially, then, if the Institutional Thesis is correct, what outsiders can do to foster prosperity is limited by what they can do to help build institutions, and while details must be left to case studies, such limitations are plausibly quite severe. It also follows that development is not primarily a matter of transferring resources.

Using the Institutional Thesis as a starting point, it can be argued that there is a duty of assistance in institution-building, but that there are no further-reaching redistributive duties once that duty has been discharged.<sup>17</sup> What matters for present purposes is that, although it is indeed institutions that the duty to assistance requires us to help build, this duty is constrained by the difficulties involved. Often the execution of this duty is not straightforward: it is frequently hard to tell what it takes to build institutions and how outsiders could possibly contribute to it. It is thus often impossible to derive from the fact that a country's institutions are in bad shape that outsiders should or could have done more to help. These remarks about the duty to assistance will be important later.

### **3. Uncompensated Exclusion**

3.1 The first argument we consider in support of the view that the global order hams the poor is

*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.

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<sup>17</sup> I have done so in "What We Owe to the Global Poor." This view is in line with Rawls's view in his *Law of Peoples* (Cambridge: Harvard University Press, 1999).

Without much stretching we can take this to be an argument intended to show that the global order harms the poor in the rights-violating sense. Crucially, that view succeeds *only* if we have

*Egalitarian Ownership*: The world's natural resource base belongs in some (possibly rather weak) sense to humankind collectively.

Unless those barred from enjoying a share of resources have a legitimate claim to them, no rights violation occurs through unilateral appropriation. The only plausible way of backing up such a claim is captured by Egalitarian Ownership. For the sake of the argument I grant Egalitarian Ownership. Our task is to assess how to understand it. This section will proceed as follows. I will first argue for a preferred interpretation of Egalitarian Ownership. Assuming I am right on what that preferred interpretation is, we will find an additional necessary condition for Uncompensated Exclusion to show that the global order harms the poor, a condition I will call Resource Significance. Yet Resource Significance conflicts with the Institutional Thesis, and thus Uncompensated Exclusion must be rejected. Roughly speaking, Uncompensated Exclusion presupposes a view of the importance of resources that is inconsistent with the Institutional Thesis.

There are, roughly, four types of ownership-status some entity X may have: no ownership; joint ownership (ownership is directed by collective preferences); common ownership (X belongs to several individuals, each equally entitled to using it within constraints); and private ownership. Since this will be important, let me illustrate the difference between common and joint ownership. If the inhabitants of Boston held the Boston Common as common ownership when it was used for cattle, a constraint on each person's use could have been that they do not bring more than a certain number of cattle – a condition motivated by the demand that others be respected as co-owners. Other than

abiding by such constraints, they can do as they please without having to justify anything to their co-owners. Yet if they held the Common in joint ownership, each form of individual use by any co-owner would have been subject to some form of collective decision process that would have to be concluded to the satisfaction of each co-owner. Joint ownership ascribes to each co-owner property rights as extensive as the rights of private ownership, except that others hold those same rights as well. It is for this reason that each co-owner must be satisfied on each form of individual use. What will be important later is that under common ownership co-owners who unilaterally use resources do not owe compensation *merely* because others do not unilaterally use resources, or *merely* because they exploit some particular resources that other co-owners do not find where they live. An additional case has to be made that other individuals' status as co-owners would thereby be undermined. However, many such forms of use will not be justifiable in a process that must satisfy each co-owner (as required by joint ownership).

What supports Egalitarian Ownership is the view that raw materials are not up for grabs because, while they are valuable for human activities, their existence is nobody's accomplishment. Who gets to use them should not depend on accidents of space and time.<sup>18</sup> To accommodate that view, there are various interpretations of Egalitarian

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<sup>18</sup> Since we assume that Egalitarian Ownership is plausible, we also assume that this basic intuition in its support overrules the following considerations against Egalitarian Ownership (which I will here merely state and not discuss): First, one may insist that resources are originally unowned and no moral constraints apply to their appropriation. Appropriation is legitimate if it abides by a first-occupier principle, the only constraint

Ownership that we can now formulate using the terminology just introduced. First, resources could be jointly owned; second, they could be commonly owned; and third, each person in the world could have private ownership of an equal share of the world's natural resources (or its value equivalent). I will call these three interpretations of Egalitarian Ownership Joint Ownership; Common Ownership; and Equal Division.<sup>19</sup> I submit that the most plausible way of understanding Egalitarian Ownership is in terms of Common Ownership. In what follows I will sketch an argument for that claim.

Let us see first why Joint Ownership is implausible. There are two problems about Joint Ownership. First, to support it, one needs a theory of what it is about individuals that requires such a high standard of justification for each use of the collectively owned assets. For instance, James Grunebaum, a rare defender of Joint Ownership, introduces a notion of *autonomy* construed in such a way that any ownership form of the earth other

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being what one can reasonably “occupy.” Second, one may maintain “that 100% of the value of a good is the work of human creativity,” (Ellen Frankel Paul, *Property Rights and Eminent Domain* (New Brunswick: Transaction Books, 1987), p. 230), and so objects of ownership are attached to their “creators.” Third, one may think ownership acquires meaning only within political systems and amounts to whatever it is within such systems.

<sup>19</sup> So in capital letters, “Joint Ownership” and “Common Ownership” are names of interpretations of Egalitarian Ownership and hence views about ownership of the earth, whereas in small letters “joint ownership” and “common ownership” are general forms of ownership of anything.

than Joint Ownership is impermissibly inconsistent with it.<sup>20</sup> The notion of autonomy needed here is so strong that each use of the collective property violates a given individual's autonomy unless this individual gives her approval. It will strike many, however, that this overstates the normative weight of each person's autonomy; put differently, it overstates the importance of each individual vis-à-vis the rest of the world (a problem not alleviated by pointing out that it is indeed *each* individual's importance that is overstated in this way).

That this notion of autonomy is too strong can be seen in particular in light of the following two considerations about raw materials. First, although I have been talking about raw materials and resources interchangeably, strictly speaking raw materials become *resources*, and thus obtain market value in virtue of their usefulness for human activities, only through activities that require a social context: crude oil, say, became important only after the invention of the motor engine. Second, unlike biblical manna, resources require work to become "available:" oil must be extracted and refined, minerals must be mined, etc. These two features capture special entitlements to resources, and while they may not entail much, they do entail that it is not the case that any two individuals are equally situated with regard to all resources. This in turn suggests that requiring the justification of *any* individual use of resources to the satisfaction of *each* person (demanded on the strength of each person's autonomy) exaggerates the normative weight of individual autonomy. So Joint Ownership is indeed implausible.

Next consider Equal Division. Equal Division gains its plausibility from the idea that there is a (figurative) heap of natural resources to which each human being has an

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<sup>20</sup> James Grunebaum, *Private Ownership* (New York: Routledge and Kegan Paul, 1987).

equal claim. But as we saw, materials become resources (hence something of value) through activities that require social contexts, contexts in which *not* all human beings participate equally. So the same considerations that conflict with Joint Ownership also conflict with Equal Division. One may object that what persons have an equal claim to is raw materials, regardless of whether some of those are socially useful (“resources”) and others not. That is, this objection insists that there is an equal-ownership relationship that must be understood independently of any value the objects of this relationship may have. (A version of this objection applies to the discussion of Joint Ownership already; the response will be identical.) However, if one tries to define the objects of ownership independently of value considerations, one is at a loss for a reason why an ownership relationship should apply *to raw materials* in the first place. The point of introducing such (pre-legal) ownership is to capture the idea that accident of time and space should not determine who gets to use what is in principle *of value to everybody*. So since it makes no sense to introduce such ownership relationships without recourse to value talk, we are back with the earlier consideration that shows that such recourse breaks the equality of the claims: what actually makes resources valuable entails that not any two individuals are situated equally with regard to all resources.

Recall that the original intuition in support of Egalitarian Ownership is that, while natural resources are valuable for human endeavors, their existence is nobody’s accomplishment. In light of the points just made, this intuition seems best accommodated not by Joint Ownership or Equal Division, but by Common Ownership. Unlike the former two, Common Ownership is sufficiently weak to accommodate the considerations of special entitlements to resources – considerations that stand in some tension with

Egalitarian Ownership and prompt us to adopt an interpretation of it that minimizes this tension. Common Ownership, that is, only requires that individual use of collectively owned resources abide by constraints that make sure each co-owner's status is respected as such. While we have not worked out the details of Common Ownership, it is plausible that this can be done, whereas the special features of Joint Ownership and Equal Division conflict with those considerations of special entitlements. If we understand Egalitarian Ownership more strongly than in terms of Common Ownership, we will overextend the plausibility it derives from the original intuition that supports it. However, note that adopting a stronger notion would have different implications for what follows: the argument of this section would fail if either Equal Division or Joint Ownership were accepted. That is, if either of those views holds, we cannot reject Uncompensated Exclusion using the following argument.

3.2 In particular, as I pointed out above, common ownership implies that co-owners who unilaterally use resources do not owe compensation *merely* because others do not unilaterally use resources, or *merely* because they exploit one particular resource (say, oil) that others do not find where they live. However, adversely affected parties do have a valid complaint if (first) they are prevented from using resources, or (second) they are harmed in the sense that their interests are thwarted by unilateral acquisition in a manner that runs contrary to their status as co-owners.

As far as the first condition is concerned, it is no longer the case that some societies keep other societies from extracting resources (or at any rate such cases are rather exceptional), or that colonial powers own extraction facilities in their colonies.

Moreover, many of the poorest countries are actually resource-rich.<sup>21</sup> This leaves us with the second condition. Note that we try to identify a way in which some co-owners' interests are thwarted in a manner inconsistent with their status as co-owners that can be ascribed to the global order rather than specific countries (such as countries failing to restrict emission of chemicals causing the ozone hole). With this point in mind, I submit that the most plausible version of spelling out Uncompensated Exclusion is that the global order harms the poor because the relative economic standing of countries within it is determined by the fact that some possess more useful resources than others, although humankind owns those resources in common. Such a disadvantage for some through unilateral exploitation by others is unacceptable because all are co-owners, and thus violates the ownership-rights of those whose interests are so thwarted.

Implicit in that way of spelling out Uncompensated Exclusion in light of our preferred understanding of Egalitarian Ownership is

*Resource Significance:* Resources are crucial for countries' wealth.

So unless Resource Significance as well as Egalitarian Ownership holds, Uncompensated Exclusion fails to show that the global order harms by violating ownership rights. (Resource Significance is not a necessary condition for the success of the harm claim made by Uncompensated Exclusion if either Joint Ownership or Equal Division is

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<sup>21</sup> Many if not most countries in Sub-Saharan Africa are resource-rich, cf. Peter Veit, ed., *Africa's Valuable Assets: A Reader in Natural Resource Management* (Washington, D.C.: World Resources Institute, 1998), chapter 1; and World Resources Institute, *World Resources 1996-1997* (New York: Oxford University Press, 1997).

adopted as the preferred interpretation of Egalitarian Ownership; but it is if Common Ownership is adopted, as I have argued it should be.)

3.3 Recall now the theses about sources of wealth from section 2. Neither the Integration Thesis nor the Institutional Thesis supports Resource Significance. If the Integration Thesis holds, a country's wealth level does not crucially turn on its resource endowment. A country may offer to the global market what it has a comparative advantage in doing, which may be the provision of minerals, tourism, manufacturing, or services. A similar argument holds for the Institutional Thesis.

Things are different if the Geography Thesis is true, at least if one understands "resources" in a sufficiently broad sense. When David Bloom and Jeffrey Sachs, committed to that thesis, 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."<sup>22</sup> 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. In light of such statements, advocates of the Geography Thesis take "resources" not only to include non-renewable resources such as minerals and fuels as well as renewable resources such as soil and air, but understand "resources" as natural endowment. If so, the Geography Thesis supports Resource

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<sup>22</sup> David Bloom and Jeffrey Sachs, "Geography, Demography, and Economic Growth in Africa." *Brookings Papers on Economic Activity* 98/2 (1998).

Significance. Yet of the three views discussed earlier, only that thesis does so. Moreover, the view we have adopted in section 2 is the Institutional Thesis, and according to that view, Resource Significance fails. Yet Resource Significance is a necessary condition for Uncompensated Exclusion, given our preferred understanding of Egalitarian Ownership in terms of Common Ownership. So if the Institutional Thesis holds, Uncompensated Exclusion fails to show that the global order harms the poor by violating their rights in collectively owned property.

3.4 However, this does not yet complete our discussion. A straightforward objection is that geographical factors, and hence resources, do have *some* role to play in the explanation of economic success, even if channeled through institutional efficacy, and that the reasoning leading up to the rejection of Uncompensated Exclusion understates their role. The emergence of successful institutions is facilitated by possession and successful exploitation of resources. A response to this is that the role of geography on the Institutional Thesis is one of making the development of good institutions more or less difficult. Therefore, the extent to which a duty of support in building institutions is demanding will depend on geographical factors. So the significance of resources for the emergence of institutions is accommodated by acknowledging a duty of assistance in institution-building, a duty I mentioned in section 2.2 and argued for elsewhere. If this duty is obeyed, no further worries regarding an under-appreciation of resources should arise. On the contrary: giving more importance to the role of resources would amount to “double-counting” them.

Yet obviously, this duty is not universally followed, and thus countries do suffer considerable disadvantages through the uneven distribution of resources, even if economic success within the global order depends on institutional quality. While we should recall that the execution of this duty is not straightforward, it is nevertheless true that, to the extent that a shortfall in discharging this duty can be ascribed to the global order (which, after all, includes organizations whose task is to assist developing countries) we have indeed identified a sense in which the global order harms the poor – but a sense rather different from what Uncompensated Exclusion seemed to suggest, and in particular one that does not turn on common ownership rights.

#### **4. Shared Institutions**

4.1 Let us next discuss Shared Institutions. For easier reference, I break down Shared Institutions into a number of propositions:<sup>23</sup>

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<sup>23</sup> The notion of “radical inequality” that appears in some of these propositions is defined as follows: 1. The worst-off are very badly off in absolute terms. 2. They are also very badly off in relative terms – much worse off than 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 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, but most aspects or all. 5. The inequality is avoidable: the better-off can improve the circumstances without becoming badly-off themselves (Pogge, *World Poverty*, p 198).

*Imposition:* The better-off impose a shared institutional order on the worse-off (i.e., the global economic and political order introduced in section 1).

*Feasible Alternatives:* There is a feasible alternative institutional order under which radical inequality would not persist.

*Implication:* The existing institutional order is implicated in the persistence of radical inequality because there is such an alternative.

*Extra-Social Factors:* Radical inequality cannot be traced to extra-social factors affecting different people differently.

Shared Institutions argues that the global order harms the poor in the interest-thwarting sense of the term, where in this case a moral concern is involved – and a serious wrong inflicted if the argument succeeds – because the interests thwarted despite the existence of a feasible alternative are basic needs.

I accept Imposition and Extra-Social Factors and focus on Feasible Alternatives (and thereby derivatively on Implication). Feasible Alternatives appears to be a weak claim, in the sense that it does not entail a view about specific mechanisms through which the global order relegates developing countries to an inferior status. A theory that does make claims about such mechanisms is, for instance, dependency theory, which argues that poor countries at the “periphery” of the world economy cannot develop as long as they are enthralled to the rich nations at its “centre,” because (as at least one of its versions has it) prices of primary commodities (their main export articles) are bound to fall relative to manufactured goods. Such a view comes with a heavy burden of proof – a burden Pogge avoids to take on by not making any claims about specific mechanisms.<sup>24</sup> It

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<sup>24</sup> How imposing this burden of proof can be is revealed in what Andres Velasco says about the attempts to establish dependency theory, which from the start “faced its share

is precisely because Feasible Alternatives (and thus Shared Institutions) seems weak in this sense that it makes for a strong indictment of the global order: this version of the view that the global order harms the poor does not seem to be conditional on any controversial claims that require vindication from the social sciences. However, as we shall see, Feasible Alternatives must be modified from the point of view of the Institutional Thesis, and once it is, it indicts the global order much less than the weakness of the claim suggests.

4.2 Before addressing Feasible Alternatives directly, I would like to comment briefly on the statistics Pogge offers to indict the global order. This discussion will also remind the reader with what sort of harmful situation we are concerned. As Pogge tells us,

[t]he World Bank estimates that 1.214 out of 5,820 million human beings were in 1998 living below the international poverty line, which it currently defines in terms of \$32.74 PPP 1993 per month or \$1.08 PPP 1993 per day. “PPP” stands for “purchasing power parity.” So the income per person per year of people at the international poverty line has as much purchasing power as \$393 had in the US in 1993. (...) These are the poorest of the poor. The World Bank provides data also for a less scanty poverty line that is twice as high: \$786 PPP 1993 (...) per person per year. It counts 2,801 million people as living below this higher poverty line, falling 44.4 percent below it on average. (...) The consequences of such extreme

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of troubles. Armies of graduate students tried to find a positive correlation between expansion in the north and recession in the south, but failed to find it. (Then, as now, a boom in the US and Europe often meant growth for developing countries.) Much less did they manage to prove a *causal relationship* between northern wealth and southern poverty” (Velasco, “Dependency Theory”, *Foreign Policy*, November/December 2002, 44-45, p 44). It is for such reasons that dependency theory has lost most of its defenders.

poverty are foreseeable and extensively documented: 14 percent of the world's population (826 million) are undernourished, 16 percent (968 million) lack access to basic sanitation, and 854 million adults are illiterate. Of all human beings 15 percent (more than 880 million) lack access to health services, 17 percent (approximately 1,000 million) have no adequate shelter, and 33 percent (2,000 million) no electricity. Two out of five children in the developing world are stunted, one in three is underweight and one in ten is wasted. One quarter of all 5- to 14-year olds work outside their family for wages, often under harsh conditions, in mining, textile and carpet production, prostitution, factories and agriculture.<sup>25</sup>

This is a harmful situation if any is, and obviously, we should try to make things better if we can. But can this condition be attributed to the global order? Pogge sometimes writes as if it can: “‘Worldwide 34,000 children under age five die daily from hunger and preventable diseases.’ Try to conceive a state of nature that can match this amazing feat of our globalized civilization!”<sup>26</sup> But do we have to ascribe to the global order the fact that 34,000 children more *than in an ideal state of affairs* (in which there would presumably be none) die daily of such causes; or rather, the fact that not twice as many do? I explore this question in detail elsewhere.<sup>27</sup> Here my concern is only to show that

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<sup>25</sup> Pogge, *World Poverty*, p 97.

<sup>26</sup> Thomas Pogge, “‘Assisting’ the Global Poor.” In: *The Ethics of Assistance: Morality and the Distant Needy*. Edited by Deen K. Chatterjee (Cambridge: Cambridge University Press, 2004), p 274.

<sup>27</sup> Risse, “Do We Owe the Global Poor Assistance or Rectification?” discusses Pogge’s claim that the global order harms the poor by relating it to different benchmarks (historical/counterfactual/fairness) and argues that the global order should be credited with advances over the historically normal state of misery.

the second answer has some plausibility. To this end it is useful to look at some developments of the last 200 and the last 50 years, respectively.

For many indicators we lack data from before 1950 in developing countries, but much is known. Whereas at any given time in human history the overwhelming majority of people lived in utter misery, this is no longer the case. Per capita incomes around 1820 were similar worldwide and low, ranging from around \$500 in China and South Asia to \$1000-\$1500 in the richer countries of Europe (1993 US \$ PPP). 75% of the world's people lived on less than \$1 a day in 1820. Today, about 20% of the population does, and in many countries domestic policy is concerned with relative rather than absolute poverty. While inequality has increased, the gap between rich and poor varies with the measurement method. Widely circulating UN statistics based on exchange rates suggest that gap was 3:1 in 1820, whereas in 1960 it was 60:1, and in 1997 74:1. Yet using calculations based on Purchasing Power Parity (PPP), which take into consideration what money buys locally, we find that between 1820 and 1960 the change was from 3:1 to 7:1, and that it has since declined to 6:1 because the developing world has recently experienced more growth on average than the developed world.<sup>28</sup> India and China, where most of the poor live, have only begun their economic rise.

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<sup>28</sup> Unless otherwise noted, the data are from the World Bank, *World Development Report*, 2000/2001 (New York: Oxford University Press, 2001) the report of the High-Level Panel on Financing for Development (“Zedillo report”) at <<http://www.un.org/reports/financing/>>, and from the World Development Indicators 2002, CD ROM; cf. also Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: OECD Development Center, 2001), Table B 22, p 265. For a

This 200-year horizon matters, since the period beginning with the last industrial revolution, during which the division of labour has grown ever more perfect, has led to the technological advances currently shaping our world. Ranging from advances in medicine and food production to better means of communication, the many improvements that have arisen during that time have originated mostly in those countries that have imposed the global order.

Consider now data from the last 50 years. This horizon matters because it captures the period since global governance has come alive, especially through the UN and the Bretton Woods institutions, that is, the period during which for the first time ever humankind has engaged in something resembling (potentially all-inclusive) collective problem-solving. Crucial developments include the facts that the share of people living on less than \$1 a day fell from 42% in 1950 to 17% in 1992; that the worldwide average income per capita rose from \$2,114 in 1950 to \$5,709 in 1999 (in 1990 PPP dollars), and for developing countries from \$1,093 to \$3,100; that between 1960 and 2000, real per-

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differentiated discussion of whether inequality is rising or falling, cf. Martin Wolf, *Why Globalization Works* (New Haven: Yale University Press, 2004), chapter 9; and Surjit Bhalla, *Imagine There's No Country: Poverty, Inequality, and Growth in the Era of Globalization* (Washington, D.C.: Institute for International Economics, 2002), chapter 3. It has been objected that my discussion should include a methodological defense of how these data have been obtained. However, I am using standard sources of poverty and inequality statistics consulted and quoted across the board in this discussion (in particular also by the social scientists involved), and I do not think it is within the confines of my current project that these statistics are most aptly assessed for methodological accuracy.

capita income in the developing world grew at an average 2.3% (which doubles living standards every 30 years); that during the same time longevity in developing countries rose from 44 to 64; that the literacy rate rose from 54% in 1950 to 79% in 1999, and that infant mortality fell from 156 in 1000 live births to 54 -- developments that dramatically exceed any improvements made throughout history up to that point. By any standard development indicator, the human race has never been better off, and it has never been better armed with the technological prowess, medical knowledge, and intellectual tools to fight poverty. Again, we must ask whether it is the “feat” of our global civilization that 34,000 children die daily of preventable causes, or that many more than this number do not. This leaves many questions, but once the numbers are put into perspective, the second answer gains much plausibility – or at least, the first is not as obvious as it may seem when Pogge simply states the data.

4.3 Let us now assess Feasible Alternatives. To do so, we ask first what makes an alternative institutional order under which radical inequality does not persist “feasible.” That is, who should or can do what to bring about such an alternative order? Pogge seems to think “feasibility” is primarily a matter of allocating money to developing countries, money that could and should be provided by rich countries. He calculates that it would just take 1.2% of the income of the rich economies, \$312 billion annually, to bridge the aggregate shortfall of those living on less than \$1 per day from the \$2 line.<sup>29</sup> Pogge’s proposal for raising at least some of those funds is what he calls the Global Resource Dividend, which taxes the extraction of resources for the benefit of developing

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<sup>29</sup> Pogge, *World Poverty*, p 7.

countries. Other proposals for obtaining funds for development purposes discussed in the literature include insistence on fulfillment of the UN-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 (“Tobin Tax”), or a more general tax on financial markets, in the style of a Value Added Tax on financial transactions.<sup>30</sup> So what Pogge has in mind when he claims that there is a “feasible” alternative to the current global order is that redistributive measures of this sort could be taken that would eradicate at least radical inequality.

However, while Pogge’s calculation shows that at least abject poverty would not be insurmountable *if* closing such a gap were merely a matter of transferring money, this if-clause is highly problematic. Suppose we are in situation S1 in which we have the funds to cover the financial shortfall. (Similar considerations will apply if we talk about more ambitious improvements.) Yet this would be insufficient to create a situation S2 in which nobody lives on less than \$1 a day. What is needed are reliable ways of distributing the funds to individuals who, after all, do not simply have bank accounts they can securely and regularly access (and to which money can be transferred without interference by local strongmen who would rather channel the funds to benefit their own

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<sup>30</sup> Special Drawing Rights are international reserve assets issued by the IMF; cf. George Soros, *George Soros on Globalization* (New York: Public Affairs, 2002), chapter 2 for his proposal of the donation of such Special Drawing rights as development aid.

purposes), as well as an environment in which individuals can actually spend the money. In both cases this will involve *institutional* improvements, in particular if one wants the changes to be lasting. Similar points apply if one does not want to distribute money directly to individuals, but support medical and educational advancements instead. One cannot simply start to “work on AIDS,” but must build and maintain an appropriate medical infrastructure, and one cannot improve education simply by building a few school houses, but must invest in an appropriate educational infrastructure – which will not merely be more expensive, but also require at least a peaceful environment.

One may object that one feature of a feasible alternative could be that it reduces the extent to which a person’s income depends on the wealth-promoting character of her national institutions. Could one not pay a Global Resource Dividend to a supranational body that pays monies out to individuals – implementing something like a global basic income? However, there cannot be any such “institution-circumventing” transfer. After all, at such a scale one would need either a trustworthy banking system, or some other network for distribution – either way, what is needed would itself be part of the institutional infrastructure. Without at least a basic network of functioning institutions, aid cannot even be administered.

So far this discussion of Feasible Alternatives has proceeded at an intuitive level, and has been concerned specifically with the distribution of aid, but the considerations just offered should be seen before the background of the Institutional Thesis from section 2. The general point operative here is not just that good institutions are needed for the distribution of aid, but that in general *sustainable* measures for *enduring* changes require good institutions. This point has also become a guiding insight of many whose work is

located at the intersection between the social sciences of development and its actual practice. In particular, this view appears in the 1998 World Bank Research Report *Assessing Aid* as well as in the 2004 *World Development Report*, both of which insist that more than money, ideas and patience are needed for development.<sup>31</sup> Put differently: having the funds to close the aggregate *financial* shortfall between S1 and S2 is at best necessary, but not sufficient for S2 to be actually *feasible*. Following the Institutional Thesis, S2 becomes feasible only if in addition appropriate institutional improvements can be made. And to belabor this point a bit more, we must understand the nature of this necessary condition correctly: money in isolation, detached from an institutional

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<sup>31</sup> World Bank, *Assessing Aid: What Works, What Doesn't, and Why* (New York: Oxford University Press, 1998) points out that the following measures are unlikely to bring about sustainable changes: 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, *World Poverty and Human Rights*, 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 moves out. Nicolas van de Walle and Timothy Johnston, *Improving Aid to Africa* (Washington, D.C.: John Hopkins University Press, 1996) claim that the proliferation of projects not tied into a general improvement of infrastructure and institutions is a key weakness of aid to Africa. Leif Wenar, "What We Owe to Distant Others," *Politics, Philosophy, and Economics* 2/3 (2003): 283-304 questions the claim that "small sacrifices bring great benefit" by displaying how difficult it is to determine the effects of contributions to aid efforts.

environment in which it can do good, may well be ineffective or cause harm when seized by the wrong people. Crucially, how one can bring about institutional improvement requires case-specific empirical analysis, but the discussion of the Institutional Thesis in section 2 has also offered reasons to think that, often, outside assistance will be of limited value to do so.

4.4 Feasible Alternatives, then, must be understood through the lenses of the Institutional Thesis. But there is more to say before we can come to an assessment of Feasible Alternatives. To see this, note that ideas about development have evolved. In the 50s and 60s the focus was on governmental planning, but since then it has been on market ideas, summed up eventually in the “Washington Consensus.” The original “consensus” emphasized fiscal discipline, trade liberalization, privatization, deregulation, and secure property rights. Later institutional quality was added, including corporate governance, anti-corruption, independent central banks, social safety nets, and poverty reduction. It is not the case that a blueprint for eradicating poverty has long been available, but remained unused for lack of willingness to take the necessary steps – and thus in particular not for lack of willingness to spend the required money.

Moreover, development economics, the social-science discipline concerned with understanding what it takes to improve the situation of the poor, is a field with substantial disagreements. The extent to which development economics is far from being a settled field was underscored when a May 2003 issue of the *Economist* announced what must be

considered a significant change of view with regard to the control of capital flows.<sup>32</sup> Disagreement persists about whether the goal of development should be economic growth (rise 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 UN Human Development Indicators); about how precisely social indicators like life expectancy, school enrollment, infant mortality, and child malnutrition are related to per capita income; and about whether there is “one way or many” for successful development, that is, whether there is a recipe for successful development as captured, for instance, by the “Washington Consensus,” or whether there are country-specific ways in which successful development depends on local factors.

But in particular, over the last decades, the field has seen a sequence of ideas about how to bring about fast growth, and by now a literature has emerged that reflects on the fact that none of them turn out to be a panacea.<sup>33</sup> Over these decades of what

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<sup>32</sup> “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 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.” (“A Slight Circuitous Route: Where Capital Controls Make Sense,” *Economist* May 3, 2003: 23).

<sup>33</sup> For instance, Lant Pritchett and David Lindauer, “What’s the Big Idea? Three Generations of Development Advice,” *Economia* 3.1 (2002): 1-39, as well as William Easterly, *The Elusive Quest for Growth. Economists’ Adventures and Misadventures in*

retrospectively seems like experimentation with different approaches to development, some countries received substantial shares of their GDP as official development aid, often under the condition of implementing what at that time seemed like the most promising plan to advance their development. For instance, in 1993, Sub-Saharan countries received on average 11.5% of GNP as official aid (Zambia 23.6%, Tanzania 40%). While development aid is sometimes criticized for making up only small percentages of rich countries' GDP, these payments do make up substantial shares of poor countries' GDP.<sup>34</sup> That their problems are still persisting should be taken to support the view that no blueprint for success is known.

So not only must we not understand "Feasible Alternatives" as if the provision of funds were sufficient for bringing about an institutional alternative, as we argued in 4.3, but we must also not understand it as if the required institutional changes in developing countries (regardless of who would actually have the power to bring them about) were a matter of the straightforward implementation of a well-understood vision.

4.5 Obviously, the data rehearsed in 4.2 do point to a harmful situation. What Shared Institutions claims is that the global order harms and wrongs the poor (and thus commits an injustice) because it would be feasible to replace that order with an alternative that attends better to the needs thwarted by the current order. Yet the reflections in 4.3 and 4.4

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*the Tropics* (Cambridge: MIT Press, 2001) suggest that "big ideas" in development have failed and that there is no general method that guarantees success.

<sup>34</sup> Cf. van de Walle and Johnston *Improving Aid to Africa*, p. 20.

show the following. If we were to understand “feasibility” in Feasible Alternatives in the sense that there is a straightforward course of action for improving the situation of the poor that representatives of that order refuse to adopt (such as paying money, or taking well-understood institutional measures open to outsiders that will bring about effective change), Shared Institutions would convict the global order of harming the poor. However, as we have seen, we should not understand feasibility along such lines. If, on the other hand, we understood “feasibility” in the sense that there plausibly are numerous ways of improving the situation of the poor through institutional changes (both at the domestic level in poor countries and in international organizations) that, however, are insufficiently explored and poorly understood, we would have a more credible notion of “feasibility” according to the Institutional Thesis. But then it will be much harder to judge to what extent the global order actually harms the poor. For as we have seen in section 2, on the Institutional Thesis it is often difficult to assess what outsiders could or should have done to make things better.

To be sure, this understanding of feasibility still *does* lead to an indictment of the global order if a case can indeed be made that not enough effort goes into exploring possibilities for and, if appropriate, implementing institutional change. While pursuing this point further requires empirical investigations on which we cannot embark here, it would be implausible to insist that, indeed, enough has been done on that score – which is what would be required to reject Shared Institutions conclusively. For instance, to quote one testimony for this view, Jeffrey Sachs, a leading development economist, worries in an op-ed that “our military expertise is undoubted. Our ability to understand what exists

before and after wars in low-income countries is nearly non-existent.”<sup>35</sup> So plausibly, a version of Shared Institutions is correct, but it must be understood before the background of the Institutional Thesis.

Curiously, then, the sense in which the global order harms the poor we have encountered now is the same we encountered when discussing Uncompensated Exclusion. In both cases we saw that not enough is done to discharge the duty to assistance in institution-building – which is a wrong simply because there is such a duty. While in both cases we must add the caveat that it is hard to tell when that duty is satisfied and how to go about doing it, and while we have also rejected a range of considerations that would lead to a broader indictment of the global order, it is in this sense that this study finds that the global order does harm the poor. This claim, however, is consistent with the view that the global order must *also* be credited with massive advances over the historically omnipresent state of misery – a claim for which I have not argued here, but also believe to be true.<sup>36</sup>

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<sup>35</sup> “Don’t Know, Should Care” in the *New York Times* (June 5, 2004, p A 25).

<sup>36</sup> I defend this view in Risse, “Do We Owe the Global Poor Assistance or Rectification?”.