

Eradicating Systemic Poverty: brief for a global resources dividend

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- Article 25: Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care.
- Article 28: Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized. (Universal Declaration of Human Rights)

In two earlier essays (Pogge, 1994, 1998a), I have sketched and defended the proposal of a global resources dividend. This proposal was meant to show that there are feasible alternative ways of organizing our global economic order, that the choice among these alternatives makes a substantial difference to how much severe poverty there is worldwide, and that there are weighty moral reasons to make this choice so as to minimize such poverty. My proposal has evoked some critical responses (Kesselring, 1997; Reichel, 1997; Crisp and Jamieson, 2000) and spirited defenses (Kreide, 1998; Mandle, 2000) in the academy. But if it is to help reduce severe poverty, the proposal must be convincing not only to academics, but also to the people in governments and international organizations who are practically involved in poverty eradication efforts. I am most grateful therefore for the opportunity to present a concise and improved version of the argument in this journal.

Introduction: radical inequality and our responsibility

One great challenge to any morally sensitive person today is the extent and severity of global poverty. Among six billion human beings, 790 million lack adequate nutrition, one billion lack access to safe water, 2.4 billion lack basic sanitation (United Nations Development Programme, 2000, p. 30), more than 880 million lack access to basic health services (United Nations Development Programme, 1999, p. 22), one billion are without adequate shelter, and two billion without electricity (United Nations Development Programme, 1998, p. 49). Two hundred and fifty million children aged between 5 and 14 do

wage work outside their household — often under harsh or cruel conditions: as soldiers, prostitutes, or domestic servants, or in agriculture, construction, textile or carpet production (World Bank, 2000, p. 62). About one billion adults are illiterate (United Nations Development Programme, 2000, p. 30). Roughly one-third of all human deaths, some 50,000 daily, are due to poverty-related causes and thus avoidable insofar as poverty is avoidable (UNICEF, 1999; World Health Organization, 2000). If the US had its proportional share of these deaths, poverty would kill some 820 000 of its citizens per year — more each month than were killed during the entire Vietnam War.

There are two ways of conceiving global poverty as a moral challenge to us. We may be failing to fulfill our *positive* duty to help persons in acute distress. And we may be failing to fulfill our more stringent *negative* duty not to uphold injustice, not to contribute to or profit from the unjust impoverishment of others.

These two views differ in important ways. The positive formulation is easier to substantiate. It need be shown only that they are very badly off, that we are very much better off and that we could relieve some of their suffering without becoming badly-off ourselves. But this ease comes at a price: some who accept the positive formulation think of the moral reasons it provides as weak and discretionary, and thus do not feel obligated to promote worthy causes, especially costly ones. Many feel entitled, at least, to support good causes of their choice — their church or *alma mater*, cancer research or the environment — rather than putting themselves out for total strangers half a world away, with whom they share no bond of community or culture. It is of some importance, therefore, to investigate whether existing global poverty involves our violating a *negative* duty. This is important for us, if we want to lead a moral life, and important also for the poor because it will make a great difference to them whether we affluent do or do not see global poverty as an injustice we help maintain.

Some believe that the mere fact of *radical inequality* shows a violation of negative duty. Radical inequality may be defined as involving five elements (extending Nagel, 1977).

- (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 or high culture, but most aspects or all.
- (5) The inequality is avoidable: the better-off can improve the circumstances of the worse-off without becoming badly off themselves.

The phenomenon of global poverty clearly exemplifies radical inequality as defined. But I doubt that these five conditions suffice to invoke more than a

merely positive duty. And I suspect most citizens of the developed West would also find them insufficient. They might appeal to the following parallel: suppose we discovered people on Venus who are very badly off, and suppose we could help them at little cost to ourselves. If we did nothing, we would surely violate a positive duty of beneficence. But we would not be violating a negative duty of justice, because we would not be *contributing* to the perpetuation of their misery.

This point could be further disputed. But let me here accept the Venus argument and examine what *further* conditions must be satisfied for radical inequality to manifest an injustice that involves violation of a negative duty by the better-off. I see three plausible approaches to this question, invoking three different grounds of injustice: the effects of shared institutions, the uncompensated exclusion from the use of natural resources and the effects of a common and violent history. These approaches exemplify distinct and competing political philosophies. We need nevertheless not decide among them here if, as I will argue, the following two theses are true. First, all three approaches classify the existing radical inequality as unjust and its coercive maintenance as a violation of negative duty. Second, all three approaches can agree on the same feasible reform of the *status quo* as a major step toward justice. If these two theses can be supported, then it may be possible to gather adherents of the dominant strands of western normative political thought into a coalition focused on eradicating global poverty through the introduction of a Global Resources Dividend (GRD).

Three grounds of injustice

The effects of shared institutions

The first approach (suggested in Nagel, 1977; O'Neill, 1985; Pogge, 1989, §24) puts forward three additional conditions.

- (6) There is a shared institutional order that is shaped by the better-off and imposed on the worse-off.
- (7) This institutional order is implicated in the reproduction of radical inequality in that there is a feasible institutional alternative under which so severe and extensive poverty would not persist.
- (8) The radical inequality cannot be traced to extra-social factors (such as genetic handicaps or natural disasters) that, as such, affect different human beings differentially.

Present radical global inequality meets Condition 6, in that the global poor live within a worldwide states system based on internationally recognized territorial domains, interconnected through a global network of market trade and diplomacy. The presence and relevance of shared institutions is shown by how dramatically we affect the circumstances of the global poor through investments, loans, trade, bribes, military aid, sex tourism, culture exports and much else. Their very survival often crucially depends on our consumption choices, which may determine the price of their foodstuffs and their

opportunities to find work. In sharp contrast to the Venus case, we are causally deeply involved in their misery. This does not mean that we should hold ourselves responsible for the remoter effects of our economic decisions. These effects reverberate around the world and interact with the effects of countless other such decisions and thus cannot be traced, let alone predicted. Nor need we draw the dubious and utopian conclusion that global interdependence must be undone by isolating states or groups of states from one another. But we must be concerned with how the rules structuring international interactions foreseeably affect the incidence of extreme poverty. The developed countries, thanks to their vastly superior military and economic strength, control these rules and therefore share responsibility for their foreseeable effects.

Condition 7 involves tracing the poverty of individuals in an explanatory way to the structure of social institutions. This exercise is familiar in regard to national institutions, whose explanatory importance has been powerfully illustrated by domestic regime changes in China, Eastern Europe and elsewhere. In regard to the global economic order, the exercise is unfamiliar and shunned even by economists. This is due in part, no doubt, to powerful resistance against seeing oneself as connected to the unimaginable deprivations suffered by the global poor. This resistance biases us against data, arguments and researchers liable to upset our preferred world view and thus biases the competition for professional success against anyone exploring the wider causal context of global poverty. This bias is reinforced by our cognitive tendency to overlook the causal significance of stable background factors (e.g. the role of atmospheric oxygen in the outbreak of a fire), as our attention is naturally drawn to geographically or temporally variable factors. Looking at the incidence of poverty worldwide, we are struck by dramatic local changes and international variations, which point to local explanatory factors. The heavy focus on such local factors then encourages the illusion, succumbed to by Rawls (1999, p. 108) for example, that they completely explain global poverty.

This illusion conceals how profoundly local factors and their effects are influenced by the existing global order. Yes, a culture of corruption pervades the political system and the economy of many developing countries. But is this culture unrelated to the fact that most affluent countries have, until quite recently, allowed their firms to bribe foreign officials and even made such bribes tax-deductible?¹ — Yes, developing countries have shown themselves prone to oppressive government and to horrific wars and civil wars. But is the frequency of such brutality unrelated to the international arms trade, and unrelated to international rules that entitle anyone holding effective power in such a country to borrow in its name and to sell ownership rights in its natural resources (Wantchekon, 1999)? — Yes, the world is diverse, and poverty is declining in some countries and worsening in others. But the larger pattern is quite stable, reaching far back into the colonial era: “The income gap between the fifth of the world’s people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960. [Earlier] the income gap between the top and

bottom countries increased from 3 to 1 in 1820 to 7 to 1 in 1870 to 11 to 1 in 1913” (United Nations Development Programme, 1999, p. 3). The affluent countries have been using their power to shape the rules of the world economy according to their own interests and thereby have deprived the poorest populations of a fair share of global economic growth (Pogge, 2001) — quite avoidably so, as the GRD proposal shows.

Global poverty meets Condition 8 insofar as the global poor, if only they had been born into different social circumstances, would be just as able and likely to lead healthy, happy and productive lives as the rest of us. The root cause of their suffering is their abysmal social starting position, which does not give them much of a chance to become anything but poor, vulnerable and dependent — unable to give their children a better start than they had had themselves.

It is because the three additional conditions are met that existing global poverty has, according to the first approach, the special moral urgency we associate with negative duties, why we should take it much more seriously than otherwise similar suffering on Venus. The reason is that the citizens and governments of the affluent countries — whether intentionally or not — are imposing a global institutional order that foreseeably and avoidably reproduces severe and widespread poverty. The worse-off are not merely poor and often starving, but are *being* impoverished and starved under our shared institutional arrangements, which inescapably shape their lives.

The first approach can be presented in a consequentialist guise, as in Bentham, or in a contractualist guise, as in Rawls or Habermas. In both cases, the central thought is that social institutions are to be assessed in a forward-looking way, by reference to their effects. In the present international order, billions are born into social starting positions that give them extremely low prospects for a fulfilling life. Their misery could be justified only if there were no institutional alternative under which such massive misery would be avoided. If, as the GRD proposal shows, there is such an alternative, then we must ascribe this misery to the existing global order and therefore ultimately to ourselves. As, remarkably, Charles Darwin wrote in reference to his native Britain: “If the misery of our poor be caused not by laws of nature, but by our own institutions, great is our sin” (quoted in Gould, 1991, p. 19).

Uncompensated exclusion from the use of natural resources

The second approach adds (in place of Conditions 6–8) only one condition to the five of radical inequality.

- (9) 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.

Currently, appropriation of wealth from our planet is highly uneven. Affluent people use vastly more of the world’s resources, and they do so unilaterally,

without giving any compensation to the global poor for their disproportionate consumption. Yes, the affluent often pay for the resources they use, such as imported crude oil. But these payments go to other affluent people, such as the Saudi family or the Nigerian kleptocracy, with very little, if anything, trickling down to the global poor. So the question remains: What entitles a global elite to use up the world's natural resources on mutually agreeable terms while leaving the global poor empty-handed?

Defenders of capitalist institutions have developed conceptions of justice that support rights to unilateral appropriation of disproportionate shares of resources while accepting that all inhabitants of the earth ultimately have equal claims to its resources. These conceptions are based on the thought that such rights are justified if all are better off with them than anyone would be if appropriation were limited to proportional shares.

This pattern of justification is exemplified with particular clarity in John Locke (*cf.* also Nozick, 1974, chapter 4). Locke is assuming that, in a state of nature without money, persons are subject to the moral constraint that their unilateral appropriations must always leave "enough, and as good" for others, that is, must be confined to a proportional share (Locke, 1689, §27 and §33). This so-called Lockean Proviso may, however, be lifted with universal consent (Locke, 1689, §36). Locke subjects such a lifting to a second-order proviso, which requires that the rules of human coexistence may be changed only if all can *rationally* consent to the alteration, that is, only if everyone will be better off under the new rules than anyone would be under the old. And he claims that the lifting of the enough-and-as-good constraint through the general acceptance of money does satisfy this second-order proviso: a day laborer in England feeds, lodges and is clad better than a king of a large fruitful territory in the Americas (Locke, 1689, §41 and §37).

It is hard to believe that Locke's claim was true in his time. In any case, it is surely false on the global plane today. Billions are born into poverty in a world where all accessible resources are already owned by others. It is true that they can rent out their labor and then buy natural resources on the same terms as the affluent can. But their educational and employment opportunities are almost always so restricted that, no matter how hard they work, they can barely earn enough for their survival and certainly cannot secure anything like a proportionate share of the world's natural resources. The global poor get to share the burdens resulting from the degradation of our natural environment while having to watch helplessly as the affluent distribute the planet's abundant natural wealth among themselves. With average annual *per capita* income of about \$82, corresponding to the purchasing power of \$326 in the US, the poorest fifth of humankind are today just about as badly off, economically, as human beings could be while still alive.² It is then not true, what according to Locke and Nozick would need to be true, that all are better off under the existing appropriation and pollution rules than anyone would be with the Lockean Proviso. According to the second approach, the citizens and governments of the affluent states are therefore violating a negative duty of justice when they, in collaboration

with the ruling elites of the poor countries, coercively exclude the poor from a proportional resource share.

The effects of a common and violent history

The third approach adds one condition to the five of radical inequality.

(10) 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.

The present circumstances of the global poor are significantly shaped by a dramatic period of conquest and colonization, with severe oppression, enslavement, even genocide, through which the native institutions and cultures of four continents were destroyed or severely traumatized. This is not to say (or to deny) that affluent descendants of those who took part in these crimes bear some special restitutive responsibility toward impoverished descendants of those who were victims of these crimes. The thought is rather that we must not uphold extreme inequality in social starting positions when the allocation of these positions depends upon historical processes in which moral principles and legal rules were massively violated. A morally deeply tarnished history should not be allowed to result in *radical* inequality.

This third approach is independent of the others. For, suppose we reject the other two approaches and affirm that radical inequality is morally acceptable when it comes about pursuant to rules of the game that are morally at least somewhat plausible and observed at least for the most part. The existing radical inequality is then still condemned by the third approach on the ground that the rules were in fact massively violated through countless horrible crimes whose momentous effects cannot be surgically neutralized decades and centuries later (*cf.* Nozick, 1974, p. 231).

Friends of the present distribution sometimes claim that standards of living, in Africa and Europe for instance, would be approximately the same if Africa had never been colonized. Even if this claim were both clear and true, it would still be ineffective because the argument I have sketched applies to persons, not to societies or continents. If world history had transpired without colonization and enslavement, then there would perhaps now be affluent people in Europe and poor ones in Africa, much like in the Venus scenario. But these would be persons and populations quite different from those who are now actually living there. So we cannot tell starving Africans that *they* would be starving and *we* would be affluent even if the crimes of colonialism had never occurred. Without these crimes, there would not be the actually existing radical inequality that consists in *these* persons being affluent and *those* being extremely poor.

So the third approach, too, leads to the conclusion that the existing radical inequality is unjust, that coercively upholding it violates a negative duty, and that we have urgent moral reason to eradicate global poverty.

A moderate proposal

The reform proposal now to be sketched is meant to support my second thesis: that the *status quo* can be reformed in a way that all three approaches would recognize as a major step toward justice. But it is also needed to close gaps in my argument for the first thesis: the proposal should show that the existing radical inequality can be traced to the structure of our global economic order (Condition 7). And it should also show that Condition 5 is met; for, according to all three approaches, the *status quo* is unjust only if we can improve the circumstances of the global poor without thereby becoming badly-off ourselves.

I am formulating my reform proposal in line with the second approach, because the other two would support almost any reform that would improve the circumstances of the global poor. The second approach narrows the field by suggesting a more specific idea: those who make more extensive use of our planet's resources should compensate those who, involuntarily, use very little. This idea does not require that we conceive of global resources as the common property of humankind, to be shared equally. My proposal is far more modest by leaving each government in control of the natural resources in its territory. Modesty is important if the proposed institutional alternative is to gain the support necessary to implement it and is to be able to sustain itself in the world as we know it. I hope that the GRD satisfies these two desiderata by staying reasonably close to the global order now in place and by being evidently responsive to each of the three approaches.

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

In light of the vast extent of global poverty today, one may think that a massive GRD would be necessary to solve the problem. But I doubt this is so. Present radical inequality is the cumulative result of decades and centuries in which the more affluent societies and groups have used their advantages in capital and knowledge to expand these advantages ever further. This inequality demonstrates the power of long-term compounding more than powerful centrifugal tendencies of our global market system. It is then quite possible that, if radical inequality has once been eradicated,

quite a small GRD may, in the context of a fair and open global market system, be sufficient continuously to balance those ordinary centrifugal tendencies of markets enough to forestall its re-emergence. The great magnitude of the problem does suggest, however, that initially more, perhaps as much as 1% of the global product, may be needed so that it does not take all too long until severe poverty is erased and an acceptable distributional profile is reached.³ To get a concrete sense of the magnitudes involved, let us then consider this higher figure. While affluent countries now provide \$52 billion annually in official development assistance (United Nations Development Programme, 2000, p. 218), a 1% GRD would currently raise about \$300 billion annually.⁴ This is \$250 per year for each person below the international poverty line, over three times their present average annual income. More broadly spread, \$300 billion is \$107 per year for each person below the doubled poverty line, 82% of their present average annual income. Such an amount, if well targeted and effectively spent, would make a phenomenal difference to the poor even within a few years. On the other hand, the amount is rather small for the rest of us: close to the annual defense budget of just the US alone, significantly less than the annual 'peace dividend', and less than half the market value of the current annual crude oil production.⁵

Let us stay with the case of crude oil for a moment and examine the likely effects of a \$2 per barrel GRD on crude oil extraction. This dividend would be owed by the countries in which oil is extracted, although most of this cost would be passed along, through higher world market prices, to the end-users of petroleum products. At \$2 per barrel, over 18% of the high initial revenue target could be raised from crude oil alone — and comfortably so: at the expense of raising the price of petroleum products by about a nickel per gallon. It is thus clearly possible — without major changes to our global economic order — to eradicate world hunger within a few years by raising a sufficient revenue stream from a limited number of resources and pollutants. These should be selected carefully, with an eye to all collateral effects. This suggests the following desiderata: the GRD should be easy to understand and to apply. It should, for instance, be based on resources and pollutants whose extraction or discharge is easy to monitor or estimate, in order to ensure that every society is paying its fair share and to assure everyone that this is so. Such transparency also helps fulfill a second desideratum of keeping overall collection costs low. The GRD should, thirdly, have only a small impact on the price of goods consumed to satisfy basic needs. And it should, fourth, be focused on resource uses whose discouragement is especially important for conservation and environmental protection. In this last respect, the GRD reform can produce great ecological benefits that are hard to secure in a less concerted way because of familiar collective-action problems: each society has little incentive to restrain its consumption and pollution, because the opportunity cost of such restraint falls on it alone while the costs of depletion and pollution are spread worldwide and into the future.

Proceeds from the GRD are to be used toward ensuring that all human

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

The scheme for disbursing GRD funds is to be designed so as to make these funds maximally effective toward those ends. Such design must draw upon the expertise of economists and international lawyers. Let me nonetheless make some provisional suggestions to give more concreteness to the proposed reform. Disbursement should be made pursuant to clear and straightforward general rules whose administration is cheap and transparent. Transparency is important to exclude political favoritism and the appearance thereof. It is important also for giving the government of any developing country clear and strong incentives toward eradicating domestic poverty. To optimize such incentive effects, the disbursement rules should reward progress: by allocating more funds to this country and/or by assigning more of its allocation directly to its government.

This incentive may not always prevail. In some poor countries, the rulers care more about keeping their subjects destitute, uneducated, docile, dependent and hence exploitable. In such cases, it may still be possible to find other ways of improving the circumstances and opportunities of the domestic poor: by making cash payments directly to them or to their organizations or by funding development programs administered through United Nations agencies or effective non-governmental organizations. When, in extreme cases, GRD funds cannot be used effectively in a particular country, then there is no reason to spend them there rather than in those many other places where these funds can make a real difference in reducing poverty and disadvantage.

Even if the incentives provided by the GRD disbursement rules do not always prevail, they will shift the political balance of forces in the right direction: a good government brings enhanced prosperity through GRD support and thereby generates more popular support, which in turn will tend to make it safer from coup attempts. A bad government will find the poor harder to oppress when they receive GRD funds through other channels and when all strata of the population have an interest in realizing GRD-accelerated economic improvement under a different government more committed to poverty eradication. With the GRD in place, reforms will be pursued more vigorously and in more countries, and will succeed more often and sooner, than would otherwise be the case. Combined with suitable disbursement rules, the GRD can stimulate a peaceful international competition in effective poverty eradication.

This rough and revisable sketch has shown, I hope, that the GRD proposal deserves serious examination as an alternative to conventional

development aid. While the latter has an aura of hand-outs and dependence, the GRD avoids any appearance of arrogant generosity: it merely incorporates into our global institutional order the moral claim of the poor to partake in the benefits from the use of planetary resources. It implements a moral right — and one that can be justified in multiple ways: namely also forward-looking, by reference to its effects, and backward-looking, by reference to the evolution of the present economic distribution. Moreover, the GRD would also be vastly more efficient. The disbursement of conventional development aid is heavily influenced by political considerations as is shown by the fact that only 21% of these \$52 billion go to the least developed countries (United Nations Development Programme, 2000, p. 218). A mere 8.3%, \$4.3 billion, are spent on meeting basic needs (United Nations Development Programme, 2000, p. 79), less than 1 cent per day for each person in the poorest quintile. The GRD, by contrast, would initially raise 70 times as much exclusively toward meeting the basic needs of the global poor.

Since the GRD would cost more and return less in direct political benefits, many of the wealthier and more powerful states might be tempted to refuse compliance. Would the GRD scheme not then require a global enforcement agency, something like a world government? In response, I agree that the GRD would have to be backed by sanctions. But sanctions could be decentralized: once the agency facilitating the flow of GRD payments reports that a country has not met its obligations under the scheme, all other countries are required to impose duties on imports from, and perhaps also similar levies on exports to, this country to raise funds equivalent to its GRD obligations plus the cost of these enforcement measures. Such decentralized sanctions stand a very good chance of discouraging small-scale defections. Our world is now, and is likely to remain, highly interdependent economically. Most countries export and import between 10 and 50% of their gross domestic product. No country would profit from shutting down foreign trade for the sake of avoiding its GRD obligation. And each would have reasons to fulfill its GRD obligation voluntarily: to retain control over how the funds are raised, to avoid paying extra for enforcement measures and to avoid the adverse publicity associated with noncompliance.

To be sure, such a scheme of decentralized sanctions could work only so long as both the US and the European Union (EU) continue to comply and continue to participate in the sanction mechanism. I assume that both will do this, provided they can be brought to commit themselves to the GRD scheme in the first place. This prerequisite, which is decisive for the success of the proposal, is addressed in the penultimate section. It should be clear, however, that a refusal by the US or the EU to participate in the eradication of global poverty would not affect the implications of the present section. The feasibility of the GRD suffices to show that massive and severe poverty is avoidable at moderate cost (Condition 5), that the existing global order plays an important role in its persistence (Condition 7), and that we can take what all three approaches would recognize as a major step toward justice (second thesis).

The moral argument for the proposed reform

By showing that Conditions 1–10 are met, I hope to have demonstrated that present global poverty manifests a grievous injustice that can and should be abolished through institutional reform — involving the GRD scheme, perhaps, or some superior alternative. To make this train of thought as transparent and criticizable as possible, I restate it now as an argument in six steps. The first two steps involve new formulations, so I comment on them briefly at the end.

- (1) If a society or comparable social system, connected and regulated by a shared institutional order (Condition 6), displays radical inequality (Conditions 1–5), then this institutional order is *prima facie* unjust and requires justification. Here the burden of proof is on those who wish to defend this order and its coercive imposition as compatible with justice.
- (2) Such a justification of an institutional order under which radical inequality persists would need to show either:
 - (2a) that Condition 10 is not met, perhaps because the existing radical inequality came about fairly: through an historical process that transpired in accordance with morally plausible rules that were generally observed; or
 - (2b) that Condition 9 is not met, because the worse-off can adequately benefit from the use of the common natural resource base through access to a proportional share or through some at least equivalent substitute; or
 - (2c) that Condition 8 is not met, because the existing radical inequality can be traced to extra-social factors (such as genetic handicaps or natural disasters) which, as such, affect different persons differentially; or
 - (2d) that Condition 7 is not met, because any proposed alternative to the existing institutional order either:
 - is impracticable, i.e. cannot be stably maintained in the long run; or
 - cannot be instituted in a morally acceptable way even with good will by all concerned; or
 - would not substantially improve the circumstances of the worse-off; or
 - would have other morally serious disadvantages that offset any improvement in the circumstances of the worse-off.
- (3) Humankind is connected and regulated by a shared global institutional order under which radical inequality persists.
- (4) This global institutional order therefore requires justification (from 1 and 3).
- (5) This global institutional order can be given no justification of forms 2a, 2b, or 2c. A justification of form 2d fails as well, because a reform involving introduction of a GRD provides an alternative that is practic-

able, can (with some good will by all concerned) be instituted in a morally acceptable way, would substantially improve the circumstances of the worse-off and would not have disadvantages of comparable moral significance.

- (6) The existing global order cannot be justified (from 4, 2 and 5) and hence is unjust (from 1).

In presenting this argument, I have not attempted to satisfy the strictest demands of logical form, which would have required various qualifications and repetitions. I have merely tried to clarify the structure of the argument so as to make clear how it can be attacked.

One might attack the first step. But this moral premise is quite weak, applying only if the existing inequality occurs within a shared institutional order (Condition 6) *and* is radical, i.e. involves truly extreme poverty and extreme differentials in standards of living (Conditions 1–5). Moreover, the first premise does not flatly exclude any institutional order under which radical inequality persists, but merely demands that it be justified. Since social institutions are created and upheld, perpetuated or reformed by human beings, this demand cannot plausibly be refused.

One might attack the second step. But this moral premise, too, is weak, in that it demands of the defender of the *status quo* only one of the four possible showings (2a–2d), leaving him free to try each of the conceptions of economic justice outlined in the second section, even though he can hardly endorse all of them at once. Still, it remains open to argue that an institutional order reproducing radical inequality can be justified in a way that differs from the four (2a–2d) I have described.

One might try to show that the existing global order does not meet one of the 10 conditions. Depending on which condition is targeted, one would thereby deny the third premise or give a justification of forms 2a or 2b or 2c, or show that my reform proposal runs into one of the four problems listed under 2d.

The conclusion of the argument is reached only if all 10 conditions are met. Existing global poverty then manifests a *core injustice*: a phenomenon that the dominant strands of western normative political thought jointly — albeit for diverse reasons — classify as unjust and can jointly seek to eradicate. Insofar as advantaged and influential participants in the present international order grant the argument, we acknowledge our shared responsibility for its injustice: we are violating a negative duty of justice insofar as we contribute to (and fail to mitigate) the harms it reproduces and insofar as we resist suitable reforms.

Is the reform proposal realistic?

Even if the GRD proposal is practicable, and even if it could be implemented with the good will of all concerned, there remains the problem of generating this good will, especially on the part of the rich and mighty. Without the support of the US and the EU, massive global poverty and starvation will

certainly not be eradicated in our lifetimes. How realistic is the hope of mobilizing such support? I have two answers to this question.

First, even if this hope is not realistic, it is still important to insist that present global poverty manifests a grievous injustice according to western normative political thought. We are not merely distant witnesses of a problem unrelated to ourselves, with a weak, positive duty to help. Rather, we are, both causally and morally, intimately involved in the fate of the poor by imposing upon them a global institutional order that regularly produces severe poverty, and/or by effectively excluding them from a fair share of the value of exploited natural resources, and/or by upholding a radical inequality that evolved through an historical process pervaded by horrendous crimes. We can realistically end our involvement in their severe poverty not by extricating ourselves from this involvement, but only by ending such poverty through economic reform. If feasible reforms are blocked by others, then we may in the end be unable to do more than mitigate some of the harms we also help produce. But even then a difference would remain, because our effort would fulfill not a duty to help the needy, but a duty to protect victims of any injustice to which we contribute. The latter duty is, other things equal, much more stringent than the former, especially when we can fulfill it out of the benefits we derive from this injustice.

My second answer is that the hope may not be so unrealistic after all. My provisional optimism is based on two considerations. The first is that moral convictions can have real effects even in international politics — as even some political realists admit, albeit with regret. Sometimes these are the moral convictions of politicians. But, more commonly, politics is influenced by the moral convictions of citizens. One dramatic example of this is the abolitionist movement that, in the nineteenth century, pressured the British government into suppressing the slave trade (Drescher, 1986). A similar moral mobilization may be possible also for the sake of eradicating global poverty — provided the citizens of the more powerful states can be convinced of a moral conclusion that really can be soundly supported and a path can be shown that makes only modest demands on each of us.

The GRD proposal is morally compelling. It can be broadly anchored in the dominant strands of western normative political thought outlined in the second section. And it also has the morally significant advantage of shifting consumption in ways that restrain global pollution and resource depletion for the benefit of future generations in particular. Because it can be backed by these four important and mutually independent moral rationales, the GRD proposal is well-positioned to benefit from the fact that moral reasons can have effects in the world. If some help can be secured from economists, political scientists and lawyers, then moral acceptance of the GRD may gradually emerge and become widespread in the developed West.

Eradicating global poverty through a scheme like the GRD also involves more realistic demands than a solution through private initiatives and conventional development aid. Continual mitigation of poverty leads to fatigue, aversion, and even contempt. It requires the more affluent citizens and governments to rally to the cause again and again, while knowing full

well that most others similarly situated contribute nothing or very little, that their own contributions are legally optional and that, no matter how much they give, they could for just a little more always save yet further children from sickness or starvation.

The inefficiency of conventional development aid is also sustained by the competitive situation among the governments of the donor countries, who feel morally entitled to decline to do more by pointing to their even less generous competitors. This explanation supports the optimistic assumption that the affluent societies would be prepared, in joint reciprocity, to commit themselves to more than what they tend to do each on its own. Analogous considerations apply to environmental protection and conservation, with respect to which the GRD also contributes to a collective solution: when many parties decide separately in this matter, then the best solution for all is not achieved, because each gets almost the full benefit of its pollution and wastefulness while the resulting harms are shared by all ('tragedy of the commons'). An additional point is that national measures of development aid and environmental protection must be politically fought for or defended year after year, while acceptance of the GRD regime would require only one — albeit rather more far-reaching — political decision.

The other optimistic consideration concerns prudence. The times when we could afford to ignore what goes on in the developing countries are over for good. Their economic growth will have a great impact on our environment, and their military and technological gains are accompanied by serious dangers, among which those associated with nuclear, biological and chemical weapons and technologies are only the most obvious. The transnational imposition of externalities and risks will ever more become a two-way street because no state or group of states, however rich and mighty, will be able effectively to insulate itself from external influences: from military and terrorist attacks, illegal immigrants, epidemics and the drug trade, pollution and climate change, price fluctuations and scientific-technological and cultural innovations. It is then increasingly in our interest, too, that stable democratic institutions shall emerge in the developing countries — institutions under which governmental power is effectively constrained through procedural rules and basic rights. So long as large segments of these peoples lack elementary education and have no assurance that they will be able to meet even their most basic needs, such democratic institutions are much less likely than explosive mixtures of religious and ideological fanaticism, violent opposition movements, death squads and corrupt and politicized militaries. To expose ourselves to the occasional explosions of these mixtures would be increasingly dangerous and also more costly in the long run than the proposed GRD.

This prudential consideration has a moral side as well. A future that is pervaded by radical inequality and hence unstable would endanger not only the security of ourselves and our progeny, but also the long-term survival of our society, values and culture. Not only that: such a future would, quite generally, endanger the security of all other human beings and their descendants as well as the survival of their societies, values and cultures. And so

the interest in peace — in a future world in which different societies, values and cultures can coexist and interact peacefully — is obviously also, and importantly, a moral interest.

Realizing our prudential and moral interest in a peaceful and ecologically sound future will — and here I go beyond my earlier modesty — require supranational institutions and organizations that limit the sovereignty rights of states more severely than is the current practice. The most powerful states could try to impose such limitations upon all the rest while exempting themselves. It is doubtful, however, that today's great powers will summon the political will to make this attempt before it is too late. And it is doubtful also whether they could succeed. For, such an attempt would provoke the bitter resistance of many other states, which would simultaneously try very hard, through military build-up, to gain access to the club of great powers. For such a project, the 'elites' in many developing countries could probably mobilize their populations quite easily, as the recent examples of India and Pakistan illustrate.

It might then make more sense for all to work toward supranational institutions and organizations that limit the sovereignty rights of all states equally. But this solution can work only if at least a large majority of the states participating in these institutions and organizations are stable democracies, which presupposes, in turn, that their citizens are assured that they can meet their basic needs and can attain a decent level of education and social position.

The current geopolitical development drifts toward a world in which militarily and technologically highly advanced states and groups, growing in number, pose an ever greater danger for an ever larger subset of humankind. Deflecting this development in a more reasonable direction realistically requires considerable support from those other 85% of humankind who want to reduce our economic advantage and achieve our high standard of living. Through the introduction of the GRD or some similar reform, we can gain such support by showing concretely that our relations to the rest of the world are not solely devoted to cementing our economic hegemony and that the global poor will be able peacefully to achieve a considerable improvement in their circumstances. In this way, and only in this way, can we refute the conviction, understandably widespread in the poor countries, that we will not give a damn about their misery until they will have the economic and military power to do us serious harm. And only in this way can we undermine the popular support that aggressive political movements of all kinds can derive from this conviction.

Conclusion

We are familiar, through charity appeals, with the assertion that it lies in our hands to save the lives of many or, by doing nothing, to let these people die. We are less familiar with the herein examined assertion of a weightier responsibility: that most of us do not merely let people starve, but also participate in starving them. It is not surprising that our initial reaction to

this more unpleasant assertion is indignation, even hostility — that, rather than think it through or discuss it, we want to forget it or put it aside as plainly absurd.

I have tried to respond constructively to the assertion and to show its plausibility. I do not pretend to have proved it conclusively, but my argument should at least raise grave doubts about our commonsense prejudices, which we must in any case treat with suspicion on account of how strongly our self-interest is engaged in this matter. The great moral importance of reaching the correct judgment on this issue also counsels against lightly dismissing the assertion here defended. The essential data about the lives and deaths of the global poor are, after all, indisputable. In view of very considerable global interdependence, it is extremely unlikely that their poverty is due exclusively to local factors and that no feasible reform of the present global order could thus affect either that poverty or these local factors. No less incredible is the view that ours is the best of all possible global orders, that any modification of it could only aggravate poverty. So, we should work together across disciplines to conceive a comprehensive solution to the problem of global poverty, and across borders for the political implementation of this solution.

Notes

- 1 A *Convention on Combating Bribery of Foreign Officials in International Business Transactions*, which requires signatory states to criminalize the bribery of foreign officials, was finally drafted within the OECD under public pressure generated by the new non-governmental organization Transparency International (www.transparency.de). The Convention went into effect in February 1999. Thirty-one states have ratified it at the last count (<http://www.oecd.org/daf/nocorruption/annex2.htm>).
- 2 The World Bank estimates that 1.2 billion out of six billion human beings live 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 (World Bank, 2001, pp. 17, 23). 'PPP' stands for 'purchasing power parity,' so people count as poor by this standard when their income per person per year has less purchasing power than \$393 had in the US in 1993 or less purchasing power than \$466 have in the US in the year 2000 (<http://stats.bls.gov/cpihome.htm>). Those living below this poverty line, on average, fall 30% below it (Chen and Ravallion, 2000, Tables 2 and 4, dividing the poverty gap index by the headcount index). So they live on \$326 PPP 2000 per person per year on average. Now the \$PPP incomes the World Bank ascribes to people in poor developing countries are, on average, about four times higher than their actual incomes at market exchange rates. Thus, the World Bank equates China's *per capita* GNP of \$780 to \$3291 PPP, India's \$450 to \$2149 PPP, Indonesia's \$580 to \$2439 PPP, Nigeria's \$310 to \$744 PPP, and so on (World Bank, 2001, pp. 274-275). Since virtually all the global poor live in such poor developing countries, we can then estimate that their average annual *per capita* income of \$326 PPP 2000 corresponds to about \$82 at market exchange rates. The aggregate annual income of the poorest fifth of humankind is then about \$100 billion at market exchange rates or about one-third of 1% of the global product.
- 3 In the face of 18 million poverty-related deaths per year, the go-slow approach governments have non-bindingly endorsed at the 1996 World Food Summit in Rome — halving world hunger within 19 years — is morally unacceptable. I also think that the World Bank's poverty line is far too low to define an acceptable goal. The World Bank provides statistics also for a more adequate poverty line that is twice as high: \$786 PPP 1993 (\$932 PPP or roughly \$233 in the year 2000) per person per year. 2.8 billion people — nearly half of

humankind — are said to live below this higher poverty line, falling 44% below it on average (Chen and Ravallion, 2000, Tables 3 and 4, again dividing the poverty gap index by the headcount index). The aggregate annual income of these people is then about \$365 billion at market exchange rates or about 1.25% of the global product.

- 4 The global product (sum of all gross national products) is currently about \$30 trillion per year: 78.4% thereof belongs to the 'high-income economies,' including 33 countries plus Hongkong, which contain 14.9% of world population (World Bank, 2001, p. 275). The US, with 4.6% of world population, accounts for 28.6% of global product (World Bank, 2001, p. 275) — and has just managed to renegotiate its share of the UN budget from 25% down to 22%.
- 5 The end of the Cold War enabled the high-income countries to cut their aggregate military expenditure from 4.1% of their gross domestic product in 1985 to 2.2% in 1998 (United Nations Development Programme, 1998, p. 197, 2000, p. 217). The peace dividend these countries reap can then be estimated at \$420 billion annually (1.9% of their current aggregate GDP of over \$22 trillion; United Nations Development Programme, 2000, p. 209). Crude oil production is currently about 77 million barrels daily or about 28 billion barrels annually. At \$25 per barrel, this comes to \$700 billion annually.

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