

## Introduction

### *A Plea for Global Justice*

**WE ARE LIVING IN AN AGE OF PARADOX.** The current stage of globalization is said to be shrinking time and space, but the emotional distance between different parts of the world, between different classes within countries, and between us and our less privileged neighbors next door seems to widen. Thus, although globalization is supposed to bring people closer together, its individualistic and competitive stance instead has driven them apart. People of all races and nationalities are said to be “linked more deeply, more intensely, more immediately than ever before” (UNDP 1999, 30). They are becoming profoundly interconnected within one worldwide community of fate (D. Held 1995b, 228; 2000, 424; Höffe 2002c, 14ff.), but their individual fates could not be more different from one another. For some people, globalization brings unprecedented freedom from physical and spatial constraints, but for others it undercuts the possibility of domesticating the locality on which they inevitably and inherently depend (Bauman 1998, 18). The advantage of the one is the disadvantage of the other; luck on one side is matched with harm and misfortune on the other; lavish and excessive wealth is nourished by the extreme poverty, starvation, and humiliation it helps maintain.

#### **Modernity, Inequality, and the Neoliberal Project of the Global Market**

“Being a spectator of calamities taking place in another country,” according to Susan Sontag, “is a quintessential modern experience” (Sontag 2003, 18). This is the flip side of the globalization coin. The display in the media of humanitarian horrors and social grievances in distant parts of the world

unhinges us from the sheltered, and in itself distinctly modern, context of our nationally organized, bounded societies. It robs us of the option of pretending that we did not know and forces us to replace inward-looking ignorance with an open global perspective.

If witnessing distant social grievances is an inherently modern experience, however, so must be the challenge that inevitably derives from it. We cannot escape the normative consequences of living alongside poverty and starvation in the developing world. Within an increasingly integrated world society, the quest for global justice is turning into the single most complex and at the same time most pressing and important challenge of the 21st century. Thus globalization does not render all our modern achievements simply irrelevant, as some postmodern skeptics proclaimed somewhat prematurely during the 1990s. Rather, we will have to rethink, reformulate, and justify them anew in the global context. It is modernity itself that formulates the challenge for the new era; and the sheer dimensions of poverty, starvation, and inequality on a worldwide scale make the challenge of this “second modernity” (Beck 2000, 58) without precedent.

But as we speak about and refer to global justice, we stand in front of the pile of shards and broken promises left behind by the misguided neoliberal project of a global market society.<sup>1</sup> The dream of the neoliberal architects of the global market was one of liberty and global prosperity—provided and secured by the magic of an unleashed, self-regulating market on a global scale. The euphoria was disarming when in the early 1980s Margaret Thatcher and Ronald Reagan steered their economies on a bold new course of deregulation, liberalization, and privatization. Their belief was that their neoliberal policies provided both the simple but effective answer to the exploding cost of the Western welfare state and the much-needed remedies for the economic “underdevelopment” in the Third World. When in the waning days of the 1980s the East collapsed under the heavy weight of its similarly failed ideology, the world was left, it seemed, with no alternative path to progress and development than the one built by global neoliberal capitalism. The final chapter of human history had been written (Fukuyama 1992); no questions seemed to remain open.

Today, however, more questions are open again than are answered. The enthusiastically proclaimed end of the business cycle in the realm of the emerging “New Economy” in the mid-1990s turned out to be a chimera. The seemingly unstoppable economic upheaval that provided the fuel for the neoliberals’

defense of their project was only a gigantic bubble, and when it finally burst at the turn of the new millennium, it propelled the world economy into the first tailspin of truly global dimensions—for many hardworking employees a fatal scenario in a society that had replaced the commitment to social security and justice with the blind belief in everlasting economic growth. Today the level of inequality in the industrialized world is back to where it was in the 1920s; and symptomatically, it is most evident in those countries that embraced the neo-liberal course most profoundly.

During the heydays of neoliberal economic globalization in the 1990s, the gap between the richest and the poorest parts of this world widened. At the beginning of this new millennium, 15.6 percent of the world's people shared a total of 81 percent of global income, while the remaining 19 percent of the income must suffice for the other 84.4 percent of human beings. The income gap between the richest fifth of people living in the richest countries and the poorest fifth living in the poorest countries increased from 30 to 1 in 1960 to 60 to 1 in 1990, and to 74 to 1 in 1997 (Pogge 2004, 264f.). This trend is ongoing (World Bank 2008, 7f.). In 46 countries people were poorer in the early 2000s than they were in 1990, and twenty-five countries saw more of their people go hungry than in the early 1990s. Consequently, in the early years of the new millennium more than 1.2 billion people worldwide lived below the international poverty line, and more than 800 million were undernourished (Pogge 2003, 118). Thirty thousand children died every day of preventable causes (Robinson 2005, 25), and a third of all human deaths were related to poverty (Pogge 2003, 118). More than 1 billion human beings had no access to clean water, and 2.6 billion did not have access to basic sanitation (Robinson 2005, 25f.). Furthermore, more than 880 million people lacked access to basic health services, 854 million adults were illiterate, approximately 1 billion had no adequate shelter, and 2 billion had no electricity (Pogge 2003, 118). For an unprecedented number of countries, as Mary Robinson (2005, 25) concluded, the human development indicators did not improve but got worse during the 1990s. Only the targeted efforts based on and toward the UN Millennium Development Goals in the past few years have started to show some improvement in these numbers. The improvements, much needed as they are, tend to be highly concentrated on specific geographical areas, while first of all sub-Saharan Africa but also South Asia are falling farther behind in almost all of the projected goals. And overall, still, 1 billion people continue to live in extreme poverty today, 75 million children of primary school age remain without

access to education, 190,000 children under the age of five die of preventable diseases every week, every 30 seconds one child loses the battle against malaria, and still half of the developing world lacks basic sanitation (World Bank 2008, 2). In sub-Saharan Africa and South Asia, 35 percent of children under the age of five are affected by moderate to severe stunting caused by malnutrition. Globally, malnutrition accounts for 3.5 million deaths each year (World Bank 2008, 9). The list goes on and on.

Yet a remarkable number of economists still insist on the adequacy and continuation of the neoliberal project. They blame the remaining obstructions to the free global market for the persistence of deprivation and human misery and opt for an even more vigorous course of global deregulation, liberalization, and privatization. Some do admit that their policies might cause some initial suffering, but they see this suffering as the inevitable price we must pay in order to move on to a more prosperous and just future; all we need, they assert, is more patience for the effects of their remedies to kick in and the benefits of the global competitive markets to “trickle down” to even the poorest of the poor—as if a quarter century was not enough. They still believe, or pretend to believe, that the rising tide of the global economy will eventually lift all boats, but they fail to see that the boats not strong enough for the fast-rising tide have started to sink. The higher the tide rises, the deeper these boats get pulled underwater. The question they have not answered yet is when—if at all—this “trickle-down” effect will start to set in (Wettstein 2008, 248).

Nobel laureate Joseph Stiglitz (2001, vii) sees no empirical evidence and “little historical support” for the existence of a trickle-down effect. For millions of the global poor, economic growth did not equal economic development (Tavis 1982a, 5). In many parts of the developing world neoliberal policies did not even create the economic growth necessary for anything to trickle down in the first place (Stiglitz 2002a, 20). Rather than providing a path for developing countries to catch up, the growth-induced development strategies proposed and enforced in the realm of the so-called Washington Consensus led to a further marginalization of poor countries in the global economy. At a certain level, as Ivan Illich (1978) showed, economic growth modernizes and thus perpetuates poverty rather than alleviating it. It increases our dependency on the market and forces low-income classes to spend an ever-increasing share of their budget in order to satisfy their basic needs. Furthermore, it is well known that beyond the struggle for the realization of the most basic

material needs, personal well-being is not only a function of absolute income but also crucially depends on relative measures and one's actual position within the purchasing-power hierarchy (Ulrich 1986, 119). It is exactly this inability of market-based growth strategies to address relative problems that makes the reintegration of the justice focus into economic rationality an urgent necessity. Lacking this focus, however, we are moving in the direction of universalizing rather than eliminating the social conditions of the Third World today (Ulrich 2004a, 9).

Both the intellectual and the empirical foundations of the trickle-down argument are weak, if not nonexistent. "Trickle-down economics," Joseph Stiglitz (2002a, 78) asserts, "was never much more than just a belief, an article of faith." It is the belief of the last ideologues of a fading orthodoxy that has defeated itself. By systematically eliminating the human factor from its core, it has distanced itself from its inherently practical basis. After a quarter century of rapid integration of global markets, this has become only too obvious today. But still in 2000 economist Rudiger Dornbusch kept asserting, "Now the economy is on a bold new course that turns back to where we came from, economic liberalism and individualism, competition and opportunity" (Dornbusch 2000, 25).

Surprisingly, this was after the New Economy of the "roaring nineties" (Stiglitz 2003) collapsed like a house of cards. The "blissful world" Dornbusch (2000, 25) still envisioned had already been unmasked as a world of empty promises. Global market competition has predominantly improved the existing opportunities of those who have much already and eroded the ones of those who have little. Economic liberalism and individualism, praised by Dornbusch, have deepened the divide between rich and poor within, as well as between, countries. Today the world is a more unjust place than ever before in history; the sheer dimensions of human suffering are beyond comprehension. From any reasonably reflective standpoint, Dornbusch's "blissful world" denotes a world without justice. In light of the harsh realities that hundreds of millions of human beings are facing today, his ideological assertions appear nothing but cynical.

### **The Inadequacy of the Utilitarian Worldview and Rawls's Failed Attempt to Correct It**

For Dornbusch and his mainstream economist colleagues, justice does not matter, at least as long as it does not have any instrumental value for furthering their economic goals. Economists think and speak in utilitarian terms

that reduce justice to a mere function of collective welfare. In other words, in the mind of the utilitarian, justice attains value and relevance only insofar as it enhances the common good; it does not have any normative significance on its own (Höffe 2002b, 15).

The problem with utilitarianism is its implicit justification of individual misery with reference to overall societal progress or welfare. It is based on a simplistic formula that measures the condition of society simply by adding up individual utilities (Sen 1973, 15). What matters is a net increase in their overall sum, that is, a positive balance of utility losses and gains; the questions of who wins and who loses and by how much are considered irrelevant. On the contrary, where the misery of one person leads to a greater increase in the welfare of others, suffering even turns into a moral imperative. For utilitarians, aggregate utility gains outweigh even the most fundamental inequalities in their distribution (Sen 1980, 202).

What is problematic about the utilitarian perspective is not its consequentialist or teleological stance per se. Any plausible ethical theory must have some specific idea about the good in society (C. Jones 2001, 30). Rather, the problem is its exclusive focus on the good and thus the exclusion or, more precisely, the subordination of the perspective on the ethically right. Thus utilitarians regard those societies as properly arranged whose institutions maximize the net aggregate satisfaction of the individuals who belong to it. Not the interpersonal distribution of the economic pie but its maximum growth is of relevance to utilitarians. In other words, the (ethically) correct distribution is considered the one that yields the maximum aggregate fulfillment of personal desires (Rawls 1971, 24ff). Only in the few exceptional cases in which a just distribution is at the same time the most efficient one does “justice” actually matter to utilitarians.

It is not necessary to provide a full critique of philosophical utilitarianism at this point. Its fundamental shortcomings and flaws have been widely discussed, and I will touch on many of them in the course of this book. Utilitarianism largely lost its justificatory credibility with the publication of John Rawls’s tremendously influential critique *A Theory of Justice* (1971). It is evident that no reasonable account or perspective of justice can possibly permit the sacrifice of one person’s most fundamental freedoms for the benefit of others. “The rights secured by justice,” as Rawls (1971, 28) argued correctly, “are not subject to political bargaining or to the calculus of social interests.”

Nevertheless, Rawls was not entirely successful in his crusade against utilitarianism. Although he succeeded in dismantling the flawed foundation of

philosophical utilitarianism, at the same time his theory provided fuel for the less ambitious, implicitly confirmatory rather than ultimately justificatory utilitarian doctrines of neoliberalism.<sup>2</sup> It is this subtler utilitarian stance that still shines through in today's mainstream economic thinking. For example, in his second principle of justice, the "difference principle," Rawls argued that social and economic inequalities must be arranged so that they are reasonably expected to be to everyone's advantage (Rawls 1971, 60). This rather ambiguous formulation reinforces rather than mitigates the economic utilitarian argument that resources are to be allocated according to the principle of highest productivity. It is precisely the economists' argument that an efficient allocation will enable society to achieve the highest economic output, which in turn will leave all its members better off. Hence they see the market as one of the cases in which an unequal distribution actually does work to the advantage of all. Even Rawls's own critique is thus not free of concessions to utilitarianism, and these concessions—combined with his theory's contractarian basis—build the grounds on which many mainstream economists express their explicit affinity to Rawls's egalitarian thinking. Rawls's explicit rejection of utilitarianism was sufficient to end its appeal as a justificatory moral philosophy, but it cannot serve as a consistent critique of the modern market economy. After all, both Rawls's theory of justice and neoliberal economic theories are based on the same problematic assumption of human beings as fully rational, entirely self-interested, and mutually indifferent individuals. Thus Rawls's account of justice is systematically unsuitable as a normative basis for this book.

The rejection of utilitarianism as an adequate ethical theory contains an implicit normative claim for the rightness of the justice perspective. In an age in which globality has become an irreversible reality (Beck 2000, 15), however, justice must increasingly be thought of in global terms. The most plausible interpretation of global justice, as I attempt to show in this book, is one based on the concept of human rights. The focus on human rights is able to overcome the shortcomings of both the utilitarian and the contractarian perspectives that weigh so heavily on Rawls's theory. It avoids the radical individualism underlying the latter without falling into the trap of a potentially disenfranchising communitarianism of the former. As such, it provides a walkable path of well-understood universalism that understands individual rights and dignity as a precondition rather than a contradiction of a functioning community. In our increasingly global society, the ethical minimum of human rights might be all we can hope for, but if we value pluralism of cultures, religions, and worldviews, it might indeed be all we need. The aim and the purpose of

human rights are not to impose a preconditioned set of values on cultures and peoples but to protect their differences by appeal to our shared humanity. This is an ideal worth striving for, even in a time when it seems to become more distant.

We might not be able to undo globalization and perhaps should not, but we can shape and direct it in a fundamentally different direction than it is heading now. If the last three decades of globalization have made one thing clear, it is that global justice will not simply emerge as a by-product of a globalized economy. The moral duty to transform our global economy and to make justice happen is ours. We can no longer put off this fundamental task—there is too much at stake for humankind. For any society that prioritizes justice for all over the privileged interests of a few, the inescapable normative implications deriving from extreme poverty and incomprehensible human misery must render any talk about the end of history unacceptable. The question we face at the doorstep to a global society, however, is: who is effectively able to turn history around?

### **It Is Time to Act—But for Whom?**

“Normative reflection on transnational commitments,” Pablo De Greiff and Ciaran Cronin (2002, 28) rightly note, “has lagged behind the reality of transnational social and economic integration” for too long. Global justice was indeed not a major concern of moral and political philosophy until the last quarter of the 20th century. With the exception of classical Stoic philosophy and a few later contributions during the Enlightenment period, among them most famously Kant’s brilliant essay “To Eternal Peace” (2001b), the concept of justice was rarely explored from a truly global angle.

The rapid global integration of an ever-growing number of social and societal domains by the end of the 20th century, however, rendered global justice an immediate practical concern and put it back on the political and philosophical agenda. Although this has led to a vivid debate on the nature and relevance of global justice, scholars in the field have remained surprisingly silent about the question of obligations. One laudable exception in this regard is Onora O’Neill. O’Neill (1991, 279) justifiably criticized the debate on global justice for focusing solely on the implications that different approaches to global justice would have for international distribution if there were actors and recipients for whom these implications were pertinent. Those involved in the debate did not, however, specify who those actors and recipients are and what duties they must bear. Therefore, they have successfully managed to get



around the discussion of the most controversial part of the global justice debate. The “deep and consequential disagreements,” as Thomas Pogge (2001b, 1) concurs, are not about technical matters and implementation questions but about who must bear what responsibility. Unless we start defining and allocating moral obligations, the practical impact of our reflections and discussions about principles of global justice will necessarily remain small. From this perspective, this book is a deliberate attempt to extend the discussion of global justice to questions of obligations and obligation bearers.

The sheer dimensions of the inequality and injustice that characterize and determine our global human coexistence render the question of who is obliged to make what contribution not only of existential importance but also of great controversy. In this book I will argue that the largest obligations of justice must be assigned to those agents and agencies with the most extensive capabilities to make positive contributions to the transformation of unjust situations into just ones. It is from this perspective that I will focus on a specific actor that has acquired superior capabilities but has nevertheless largely escaped the screen in regard to questions of justice so far: the large multinational corporation.

There is increasing agreement to the claim that corporations’ responsibilities must not be confined to the abdication of doing harm but must include positive contributions to the solution of pressing societal problems (Marsden 2000, 9f.). For Henry Shue (1988, 697), the failure to harness the “gargantuan force” of these transnational actors for the solution of some of our most persistent problems is a lost opportunity of spectacular dimensions. Although this claim may make sense intuitively, we still lack the normative foundation on which to consistently formulate such responsibilities. On what basis can we legitimately attach extensive moral obligations to multinational corporations’ or any other agent’s capabilities? This book will provide an answer to this pressing and important question and therefore will lead the way to approaching human misery and global inequality from an entirely new perspective. The missing normative foundation, I will argue, is provided by the concept of global justice. Hence multinational corporations must be theorized as agents of justice at the global level. Those who argue that this is not what we designed corporations for miss one crucial point: the way we did design them in the realm of neoclassical economic theory has evidently failed to meet the requirements of a just society. This alone is sufficient to create a demand for an alternative perspective on these important social institutions.