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Global Inequality and International Institutions

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This article considers the links between international institutions and global inequality. International institutions, including in particular international economic institutions, are currently under attack from both left and right. For the left and for many new social movements, such institutions are handmaidens to the destructive and inequitable forces of global capitalism. For the right, they are threats to the efficient working of global market economy and to the cohesion and autonomy of nation-states. I want to steer as clear as possible away from arguments as to what the economic roles of institutions in the management of global capitalism should be -- as, for example, in recent debates on the reform of the international monetary system or of the World Trade Organization after Seattle. Instead I wish to consider how international institutions might be morally important; how international institutions have changed; and what those changes imply for global economic justice. Institutions form a central element in what I term the normative structure of international society. My understanding of normative structure focuses on international legal rules and institutional practices, on international political norms (for example shared understandings of great power management, or concepts of humanitarian intervention, self-determination or sustainable development that have both a legal and political life), and on the dominant ideologies and social practices that animate them.

My argument is that the normative structure of international society has evolved in ways which help to undercut the arguments of those who take a restrictionist position towards global economic justice. There is now a denser and more integrated network of shared institutions and practices within which social expectations of global justice and injustice have become more securely established. But, at the same time, our major international social institutions continue to constitute a deformed political order, above all because of the extreme disparities of power that exist within both international and world society. This combination of density and deformity shapes how we should think about

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international justice in general and has important implications for the scope, character and modalities of global economic justice. Having laid out a view of normative development and where it leads, the second part of the article will look briefly at some of the reasons why international distributive justice remains so marginal to current international political practice.

### **First, how and why do international institutions matter morally?**

We can begin with a very common intuition: that it is impossible to deduce general principles of global justice that could be applied to the whole world because of the absence of an international community or society within which they could be situated and to which they could be applied. The weakness of international institutions and the character of the international normative order are taken by many as crucial indicators of this absence.

Of course those who seek to refute the restrictionist or rejectionist view of global justice and of the scope of duties beyond borders do not look only at institutions. Instead they consider the broad range of changes that have occurred within each of the three arenas of social order: civil society, the state, and the market economy. Those changes are most commonly gathered together under the heading of globalization. For all the problems of definition, globalization involves the dramatic increase in the density and depth of economic, ecological and societal interdependence, with 'density' referring to the increased number, range and scope of cross-border transactions; and 'depth' to the degree to which that interdependence affects, and is affected by, the ways in which societies are organized domestically.

Taken together these changes have shifted the way in which many political theorists consider questions of global justice. In the first place, they have necessarily altered the scope of justice. On this view, for example, it is no longer possible to accept Martin Wight's classic distinction between domestic society as that arena within which understandings of the good life might be debated, developed and, potentially, realized, whilst international relations are condemned to remain forever an arena of 'mere survival' (Wight 1966). To take only the most obvious example, 'mere survival' in relation to the protection of the global environment depends fundamentally on how societies are organized domestically and on how their various conceptions of what the good life entails (their comprehensive doctrines in Rawlsian terms) can be brought together and reconciled.

Second, integration and globalization have eroded and undermined the boundedness of political communities whose particular cultures, traditions and ways of living are given so much weight by communitarians. Third, these changes have given a new reality to the sense of sharing a single world and to the nature of plurality, connection and finitude (O'Neill, 1996, chapter 4). In an integrated world, after all, what possible sense can one make of Rawls's concentration on bounded political communities whose basic structure is defined in terms of 'self-sufficient schemes of cooperation **for all the essential purposes of human life**' (Rawls 1993a, 301. my emphasis)? For moral cosmopolitans the circumstances of justice and nature of social cooperation have been altered so fundamentally that we are entitled to transpose egalitarian concepts of distributive justice that apply within the state on to the international or transnational level (Pogge 1989; Beitz 1999b).

Before turning to institutions let me say a few words about markets and civil society. The increasing integration of markets (not just cross-border transactions but also integrated transnational production structures) seems intuitively to have important normative implications and to buttress claims for moral cosmopolitanism. But there are real problems. In part these have to do with empirical work showing the limits of economic globalization and the extent to which it is neither self-evidently new nor any more far-reaching than in the past. But more importantly we are faced with the old difficulty of relating empirical accounts of an increasingly unified world to normative accounts of the emergence of a world community (Brown 1995). However dense and intense economic exchange may be, it does not translate easily or automatically into a shared awareness of a common identity, a shared community, or a common ethos. This is especially true given the massive inequalities within contemporary global capitalism.

There is also a real danger of tying notions of moral community too closely to networks of economic interaction when so many of the world's most vulnerable people are precisely those who are excluded or marginalized from integration processes that are misleadingly described as 'global'. Much of the rhetoric of an economically globalizing and unifying world, then, fails to distinguish between three senses of the idea of unity: unity as interdependence and interconnection; unity as uniformity in the character of the states and societies that make up the global system; and unity as consciousness of a shared humanity or commitment to some shared set of purposes.

Transnational civil society refers to those self-organized intermediary groups that are relatively independent of both public authorities and private economic actors; that are capable of taking collective action in pursuit of their interests or values; and that act across state borders. The roles of such groups within international society have increased very significantly: first, in the formal process of norm creation, standard-setting and norm development; second, in the broader social process by which new norms emerge and find their way on to the international agenda; third, in the detailed functioning of many international institutions and in the processes of implementation and compliance; and finally, in direct participation in many governance activities (disbursing an increasing proportion of official aid, engaging in large-scale humanitarian relief; leading efforts at promoting democracy or post-conflict social and political reconstruction). In all of these areas the analytical focus has been on transnational networks -- for example, knowledge-based networks of economists, lawyers, or scientists; or transnational advocacy networks which act as channels for flows of money and material resources but, more critically, of information, ideas and values.

But, as with markets, there are very real problems and limits, and there is a need to counter a certain romanticization of the potentialities of transnational civil society (but not, as is the current danger, to go too far in the other direction). Civil society is, after all, an arena of politics like any other in which the good and thoroughly awful coexist, in which the pervasive claims made by NGOs to authenticity and representativeness need to be tested and challenged, and in which outcomes may be just as subject to direct manipulation by powerful actors as in the world of inter-state politics. Moreover however much normative change may result from the efforts and activities of transnational actors, it is only through political institutionalization that new norms and rules can be sustainably and equitably implemented.

We know all too little about social order but what we do know suggests that all three arenas matter and that much hinges on the often delicate balance amongst them. Moreover, although it is useful to talk analytically of three arenas, it is the linkages that are most interesting and most important -- for example the way in which civil society feeds positively into state-based order through the provision of legitimacy and into market-based order as the repository of the trust and other forms of social capital without which markets will not function. State action may be shaped by NGO lobbying but it is often state action that is crucial in fostering the emergence of civil society in the first place and in providing the institutional framework that enables it to flourish. And very critically state power is increasingly determined by the ability of governments to

work successfully within civil society and to exploit transnational and transgovernmental coalitions for their own purposes.

So I do not want to ignore or downplay the roles of global markets and transnational civil society nor the importance of insisting on the moral responsibility of those acting within these arenas (O'Neill, this volume). But there are real difficulties involved in relating those roles too neatly or too unproblematically to the emergence of a moral community or to moral cosmopolitanism. In addition there are good reasons for according normative priority to political institutions. As many have noted, justice requires agents with the capacity and potential to promote change and reform. For all the changes in the role of the state, it is extremely difficult to understand how global capitalism could be managed in the interests of either greater stability or greater equity except through the reform or reconstruction of international institutions and revitalized schemes of inter-state cooperation. Modern markets are, after all, political constructions despite Hayekian or Nozickian idealizations. I also believe (but can do no more than assert the claim here) that popular understandings of globalization have vastly exaggerated the alleged demise of the nation-state and its degree of powerlessness.

Before proceeding further, a few definitional points are in order. Distributive justice, must, as Beitz argues, cover not merely direct financial transfers but the ways in which major social institutions work to distribute all kinds of material resources, including income, education and health care (Beitz 1999a, 271). International institutions are made up of two elements: first, clusters of connected norms, principles and rules (constitutive, transactional, and societal); and, second, clusters of norms organized into stable and on-going social practices. Those practices may well be connected with a formal international organization but do not need to be. So eliminating the World Bank or the WTO is a shift from one set of institutional structures to another, not the end of institutions. The very densely integrated international economy of the late 19th century was institutionalized but in a very different form from its late 20th century counterpart.

More importantly, international institutions are not simply things that preexisting states construct for their own purposes, instrumental or moral -- which is the way in which many statist and communitarian theorists seem to understand things. On the contrary, it is the institutional structure of international society that constitutes the actors and which **necessarily** mediates the relationship between universalizing and particularizing practices. State sovereignty is, and always was, a shared social quality. Absolute independence and supreme authority has to be limited for the same quality to inhere in

other states and for international law to impose any kinds of restrictions on states. Or as Robert Walker puts it: ‘Sovereignty is a claim to particularity that can be meaningful **only in relation** to something more general’ (Walker 1999, 154-155). Rawls seems to recognize this, at least implicitly, in his determination to begin with peoples rather than states (Rawls 1999, 23-30). Unfortunately the multiple ambiguities over who is to count as a people and how individuals are to be related to peoples can only be resolved (or at least only peacefully and sustainably resolved) through the construction of shared international rules. The point, then, is that those who stress the importance of bounded political communities are in practice already far more committed to the idea of an international community than they seem to assume.

As mentioned earlier, many of those who either deny the possibility of international distributive justice or see it only in highly constrained forms, place great emphasis on the absence or weakness of international institutions or other cooperative arrangements.

Now although in the contemporary world there are clearly forms of interaction and cooperation occurring at the global level -- the international economy provides the most obvious example, but there are also many forms of political cooperation, ranging from defence treaties through to environmental protection agreements -- these are not sufficient to constitute a global community. They do not by themselves create either a shared sense of identity or a common ethos. **And above all there is no common institutional structure that would justify us in describing unequal outcomes as forms of unequal treatment’** (Miller 1999a, 190, my emphasis).

As it stands, this argument is problematic for two reasons. In the first place it says nothing about the criteria that would help us decide when we had reached a point of institutional change when something morally significant was happening. What might ‘sufficient to constitute a global community’ mean? But, secondly, institutions cannot be understood as simple reflections of some preexisting and static community. Institutions reflect but also actively shape communities. Thus state institutions have been tremendously important in the creation and development of national communities. Indeed the promotion of some degree of distributive justice has often been an important element in state strategies of nation-building, often for crudely instrumental purposes. Think, for example, of the extent to which concern with economic justice and social citizenship was, at least in part, motivated by the need to persuade citizens to sacrifice their lives in an age of total war.

So how can we arrive at a more dynamic view of the link between institutions and morally-relevant communities? Curiously perhaps, elements of an answer can be found in Rawls. Now on one side what is most striking about The Law of Peoples is its static, backward-looking character. The image of the international system that Rawls presents is strikingly old-fashioned and profoundly at odds with even modest claims about international change and evolution. But, on the other hand, Rawls's own work highlights the potential for a two-way and self-reinforcing link between the institutions of the basic structure and the political culture of the people governed within those institutions. Thus society's 'main political, social and economic institutions and how they fit together into one unified system of social co-operation' determine the basic structure and govern 'the initial focus' of how to think about matters of justice (Rawls 1993a, 11-12).

But the emphasis here should be on 'initial' since Rawls also recognizes the possibility of self-reinforcing change. 'In addition, the institutions of the basic structure have deep and long-term social effects and in fundamental ways shape citizens' character and aims, the kinds of persons they are and aspire to be' (Rawls 1993a, 68). When writing about domestic society there is a strong sense that institutions play a central role in moving from self-interested cooperation towards a full overlapping consensus. They have important socializing influences on citizens and Rawls presents a psychological account of how people come to accept and internalize principles of justice. Equally, when looking at international life, change, evolution and learning are all recognized. 'The idea of a reasonably just society of well-ordered peoples will not have an important place in a theory of international politics until such peoples exist and have learned to coordinate their actions in wider forms of political, economic and social cooperation' (Rawls 1999, 19). Or again: 'Thus, when the Law of Peoples is honoured by people over time, with the evident intention to comply, and these institutions are mutually recognized, these peoples tend to develop a mutual trust and confidence in one another. Moreover, peoples see those norms as advantageous for themselves and for those they care for, and therefore, as time goes on they tend to accept that law as an ideal of conduct' (Rawls 1999, 44). And finally, 'What encourages the statesman's work is that relations of affinity are not a fixed thing, but may continually grow stronger over time as peoples come to work together in cooperative institutions they have developed. ... The relatively narrow circle of mutually caring peoples in the world may expand over time and must never be viewed as fixed' (Rawls 1999, 112/113).

Given that such a prominent restrictionist as Rawls accepts the possibility of morally-relevant institutional change and evolution, I want to spend a little time trying to give some sense to the immense changes that have taken place in the institutions of international society, but also to stress the combination of **density** and **deformity** that complicates the sorts of conclusions that we might be able to draw.

On one side, we can point to a steady move towards a denser and more integrated network of shared institutions and practices. As is well known, the international law and principles of international society that developed within the classical European state system were largely concerned with elaborating limited rules of coexistence. This pluralist conception of international law was built around the goal of coexistence and reflected an ethic of difference. It was to be constructed around the mutual recognition of sovereignty and aimed at the creation of certain minimalist rules, understandings and institutions designed to limit the inevitable conflict that was to be expected within such a fragmented political system. In Rawls' terms it was more a *modus vivendi* than a meaningful legal or moral community.

This pluralist image has always had its critics and has come under tremendous challenge in the course of this century. Three dimensions of change are especially important. The first has to do with the content of norms. In contrast to mere coexistence, the norms of this more solidarist law involve more extensive schemes of cooperation to safeguard peace and security (for example, prohibiting aggression or broadening understandings of what constitutes threats to peace and security); to solve common problems (such as tackling environmental challenges or managing the global economy in the interests of greater stability or equity); and to sustain common values (such as the promotion of self-determination, human rights or political democracy). So the rules of the economic system have long since ceased to be confined to issues of 'fair trade'. On the contrary, the 30,000 pages of the WTO treaties affect very deeply almost every aspect of how states organize their domestic economies.

A second dimension has to do with the justification and evaluation of norms. Alongside the old idea that actors create and uphold law because it provides them with functional benefits, the post-1945 period has seen the emergence of a range of internationally agreed core principles -- respect for fundamental human rights, prohibition of aggression, self-determination -- which may underpin some notion of a world common good and some broader basis for evaluating specific rules. Thus the density, scope and complexity of the agreements, norms and rules in which states and societies are already enmeshed



provide some basis for positing a community interest or an agreed set of purposes and values against which new substantive norms may be judged -- the idea of an objective community interest or of the common interest of global society. This may be viewed in terms of the surreptitious return of natural law ideas or of a philosophically-anchorless, but nevertheless reasonably solid pragmatic consensus. And the third dimension has to do with moves towards the more effective implementation of these norms and the variety of attempts to move beyond the traditionally very 'soft' compliance mechanisms and to give more effective teeth to the norms of this more ambitious society.

As this increasingly solidarist legal order has developed, so a crucial ambiguity begins to open up around the idea of states as the principles agents of world order. Within the pluralist world states could be understood as 'agents' simply in the sense of those acting or exerting power and of doing so for themselves: 'The law of nations is the law of sovereigns' as Vattel famously put it. But the expanding normative agenda of solidarism has opened up a second and different meaning of agency -- the idea of an agent as someone who acts for, or on behalf of, another. Within the solidarist order states are no longer to act for themselves as sovereigns; but rather, first, as agents for the individuals, groups and national communities that they are supposed to represent; and second as agents or interpreters of some notion of an international public good and some set of core norms against which state behaviour should be judged and evaluated.

Moreover change has not only involved inter-state institutions but has also seen the emergence of transnational governance structures. One argument here points simply to the increasingly active role of firms and NGOs in the process of norm creation -- either as lobbyists within individual states or as participants directly within international regimes and institutions. A second argument concentrates on the role of non-state actors as the generators of norms that are then taken up and assimilated into international legal structures. The third, and most radical position, highlights the emergence of private authority structures that exist largely autonomous from the framework of both municipal and international law: private systems of arbitration and dispute settlement, privatized rule-production resulting from technical standardization, internal regulations within transnational firms; and private regimes governing particular sectors of the global economy.

So clearly international institutions, once created, can and do develop over time. The ever expanding normative ambition of international society has been driven by various factors. First, by prudential imperatives and the degree to which increased interdependence has

increased the demand for international cooperation. Second, by changes in the organization of domestic society and in the powerful transnational ideological forces that have shaped those changes. Thus the legitimacy of governments (democratic and authoritarian) has come to depend on their capacity to meet a vastly increased range of needs, claims and demands. Third, by the steady growth of demands that the norms of international society should express not just pragmatic or material interests but also common moral purposes. Often this stems from the drive to universalize that is inherent in most of the world's most developed ethical systems, religious or secular. Fourth, by the actions of powerful states promoting their own values and interests. And finally, by the ability of apparently weaker actors to use the institutional platforms and to exploit already established patterns of legal argument to promote new and often far reaching rules and institutions (as with the International Criminal Court).

Once created institutions act as platforms for on-going normative debate, for the mobilization of concern and for debating and revising ideas about how international society should be organized. However much social scientists (and technocratic practitioners) insist on analysing international institutions solely in terms of the provision of international public goods, normative issues cannot be kept out of the picture. In addition, there is an inherent tendency for all normative systems (especially reasonably well-institutionalized judicial systems) to expand and develop, and to enmesh actors within certain patterns of discourse, reasoning and argumentation. And finally, we have good reason for believing that international institutions have acted as powerful agents for the diffusion and socialization of norms.

It is, then, far from obvious that international institutions cannot move different states and societies towards 'shared understandings of the meaning of social goods', to use Michael Walzer's phrase. Indeed there is no reason in principle why internalist or conventionalist accounts of justice need to be confined within state borders and used to buttress communitarian positions. Shared and institutionally-embedded understandings as to what constitutes justice and injustice are no longer confined within national communities. In examining the changing structure of international society we surely are dealing with 'an identifiable set of institutions whose impact on the life chances of different individuals can be traced' (Miller, 1999b, 5); or, in Rawls's terms, with political, social and economic arrangements that 'define men's rights and duties and influence their life prospects, what they can expect to be and how well they can hope to do' (Rawls 1971, 7). After all, the **acquis communautaire** of the European Union now consists of some 86.000 pages of standardised legislation.

This international institutional order does involve 'publicly recognized rules that all acknowledge' (through the doctrine of consent and the still strong idea of consensualism in international law) and does provide a shared basis for the public justification of actions. International law does constitute a unified normative order (Dupuy, 1999); and it is, as we have seen, subject to change and reform, at least part of which has served the interests of justice.

And yet, the elements of **deformity** are equally evident. We are not dealing with a 'now vanished Westphalian world' (to paraphrase Allan Buchanan), but rather with a world in which solidarist and cosmopolitan models of governance coexist, usually rather unhappily, with many aspects of the old Westphalian order (Buchanan, 2000). First, there is deformity in terms of the distribution of advantages and disadvantages: in the way, for example, security is defined and the choices taken by institutions and states as to whose security is to be protected; or, very obviously, in the massive inequalities of the global economic order. Second, there is deformity in terms of who sets the rules of international society. Institutions are not, as some liberals would have us believe, neutral arenas for the solution of common problems but rather sites of power, even of dominance. The vast majority of weaker actors are increasingly 'rule takers' over a whole range of issues that affect all aspects of social, economic and political life. Third, there is deformity in terms of the very different capacity of states and societies to adapt to the demands of a global economy, combined with the extent to which the economic choices of developing countries are, if not dictated, then certainly shaped by the institutions dominated by the strong and often backed by coercion in the form of an expanding range of conditionalities. And finally, deformity is evident in the limited capacity of international law and institutions to constrain effectively the unilateral and often illegal acts of the strong. In this sense we are moving not beyond sovereignty but rather returning to an earlier world of differentiated and more conditional sovereignties.

None of this is to suggest that the increased aspirations of international society are not part of the fabric of contemporary international relations. But it is to say that this society remains deeply contaminated by power and that the political theorist can only ignore the persistence of this structural contamination at the cost of idealization; that where solidarist cooperation is weak or breaks down, the older imperatives of pluralist order continue to flourish; and that even when genuinely consensual, the promotion of solidarist values both depends on, and reinforces, the power and privileges of the dominant state or states.

The problem is not simply that institutions reflect unequal power or that globalization is related to increases in many different forms of inequality. It is also that many of the most important institutions depend for their effectiveness on inequality and hierarchy. This means that the problem cannot be solved by ‘democratizing’ international institutions. Nor is it a problem that can be dealt with by dispersing power. The fundamental problem with models of dispersed sovereignty is that, whilst they correctly acknowledge the dangers of centralized power, they fail to acknowledge the necessity of such power for social order and the promotion of common moral purposes. This is most obviously true in the field of security. But it also applies to economic order and, by extension, to economic justice. Think, for example, of the need for effective states with sufficient legitimate power and authority to tax transnational corporations; or to enforce equitable burden-sharing in the management of financial crises.

As David Miller has argued there are good reasons to separate out issues of procedural fairness from questions of distributive justice (Miller 1999b, chapter 5). But it is also clear that there are important points of intersection. Perhaps the most important concerns what might be called the political prerequisites for a meaningful justice community. There will always be much debate as to what exactly should be included under this heading. But at a minimum we might list: some acceptance of equality of status, of respect and of consideration; some commitment to reciprocity and to the public justification of one’s actions; some capacity for autonomous decision-making on the basis of reasonable information; a degree of uncoerced willingness to participate; a situation in which the most disadvantaged perceive themselves as having some stake in the system; and some institutional processes by which the weak and disadvantaged are able to make their voice heard and to express claims about unjust treatment. As Judith Shklar puts it: ‘Procedural justice is not merely a formal ritual, as is so often charged. It is a system that in principle gives everyone some access to the agencies of rectification and, more significantly, the possibility of expressing a sense of injustice to some effect, at least occasionally’ (Shklar 1990, 124).

There has been much discussion of how procedural fairness in international life might be improved (see, for example, Held 1995). There is also a fruitful and fascinating literature on how the conditions of political process can themselves help to provide the basis for moral legitimation (for example Linklater 1999). But, in international life it is on the minimum preconditions that we should focus: philosophically on what might, in abstract terms, constitute that minimum; and empirically, on the degree to which the deformities

of the international political order push us close to (but in my own view not below) that minimum.

In one of the most important passages in The Law of Peoples, Rawls recognizes that one of the three reasons for being concerned with inequality ‘concerns the important role of fairness in the political processes of the basic structure of the Society of Peoples’ (Rawls 1999, 114). Domestically, says Rawls, this concern covers both the fairness of formal political processes but also the background social conditions that shape an individual’s chance of attaining favoured social positions. But even though inequality has always been so much more extreme internationally, Rawls appears unwilling to pursue this same logic very far. He does accept that ‘cooperative institutions that have unjustified distributional effects’ would need to be corrected (Rawls 1999, 115). So although opening the door to a crucial issue, his treatment grossly underplays just how determining unequal power is in world politics -- and would remain within his Society of Peoples under the terms on which it is to be constituted.<sup>2</sup>

The idea of an international society begins with the rejection of the image of the world as a crude Hobbesian struggle in which morality plays no part (Bull, 1977/1985; Beitz, 1979). The realist image is indeed wrong. And yet the deformities of the international political order cannot easily be swept aside. So what does all this imply for distributive justice? Let me make three points.

The first has to do with the **scope** of claims for distributive justice. There is obviously a great temptation to read this combination of density and deformity as requiring rich states to engage in very significant reformist or redistributionist schemes. The density of international institutional practices has altered the circumstances of justice so fundamentally that distributive justice cannot be kept within the boundaries of ever more

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<sup>2</sup> Unequal power has important implications for others who take on a restrictionist stance on international distributive justice. Thus, for example, when Walzer discusses the injustice of current international distributions he writes: ‘But if we tell a different story -- of imperial wars; conquests; occupations, and interventions; the political control of trade, and so on -- then we are likely at the end not only to be morally troubled but concerned specifically about the **injustice** of the resulting inequalities. We will be concerned because of our own belief, now widely shared, that political power in international society should be distributed in accordance with the principle of collective freedom and self-determination’ (Walzer 1995, 292). Whilst this move is in the right direction, the difficulty is that self-determination within individual societies does not provide a secure basis for controlling and legitimating political power within international society as a whole.

open and penetrated states. And it is the very deformity of those practices that provides clear guidelines as to what needs to be changed -- both in terms of substantive economic outcomes and of the fairness of the processes by which the rules governing the global economy are promulgated and implemented. Having stated clearly what justice requires, the redistributionist cosmopolitan can then accept the severity of the political obstacles and the likelihood of, at best, incremental progress.

However, to argue in this way is to misconstrue the political and moral obstacles that stand in the way of greater global justice. There is indeed good reason for believing that the density of international society does make a real difference to our responsibilities to the most vulnerable and most deprived of distant strangers. Thus we have seen the emergence of an international and transnational culture of human rights that involves a widely-shared common language, an inclusive moral vocabulary, and an authoritative and well-developed normative structure from which very few groups are prepared to try and exempt themselves. This shared discourse implies a general acceptance of certain general principles and processes and of a particular kind of rationality and argumentation. It limits the range of permissible justifications and motivations; it empowers particular groups and particular institutions; and it helps create incentives for socialization and internalization. It is, of course, shaped by its historical origins within a particular culture; but it is open, dynamic and resistant to permanent capture by a particular interest or power-political grouping. However varied the philosophical, political or cultural backgrounds from which it is approached, the emergence and spread of this transnational moral and legal discourse represents a major historical development.

It is therefore possible to present a case for tackling global economic inequalities in terms of the values and discourse of an already-existing international political and moral culture, above all as expressed within the context of economic and social human rights. The normative structure contains widely (but not universally) recognized social expectations against which the suffering engendered by the current distribution of economic goods represents a staggering injustice.

But whilst the idea of a global moral community is not entirely illusory, the elements of deformity provide good grounds for arguing that it is certainly fragile and cannot bear too much weight. The elements of deformity highlight the weaknesses of the political order on which the possibility of implementing the reforms required by justice will necessarily depend. We know that Sweden exists. But we have no experience of social democratic liberalism beyond the state. Indeed we have many good theories that tell us just how

difficult any such enterprise is likely to be. In addition, the persistence of deformity suggests that we need to be constantly sceptical of the universalist 'we' who talks loftily about the principles of global justice. Given the deformity of the international political order, won't this 'we' inevitably become the most powerful state or group of states? It also suggests that we need to take very seriously the limits to people's empirical sense of their global responsibilities and the ways in which these need to be balanced with local identities and particularist affections. After all what meaning can be attached to even the purist and most serene universalist voice (whether of the Kantian liberal or of the religious believer) echoing down from the mountain if those to whom it is addressed do not believe themselves to be part of even the thinnest and most fragile shared community?

How can we ensure a political order in which the reasonableness of the best moral arguments are accepted as legitimate? The most persuasive answer is to nurture (but not uncritically accept) the normative consensus that has come to develop within international society; to build arguments and proposals for greater distributive justice out of the values and modes of reasoning that have already begun to take root; and to pay very close attention to the balance between substantive principles of global distributive justice on the one hand and the principles of fair institutional process on the other. Of course political theory is in the business of stating clearly what justice requires, and of pushing out the normative boat at least to the margins of what conventional opinion takes to be plausible. And yet, especially in the international realm with its huge disparities of power and the pervasiveness of deep value pluralism, political theory also needs to uncover, interpret and critically develop understandings of morality that exist within international institutional and transnational contexts.

A second implication concerns the **character** of distributive justice and about the tensions that exist between two possible alternatives. If the resources available or the scope for other forms of assistance is limited by political reality or by the degree of strenuousness that can be legitimately demanded from rich societies (a concept that I can understand practically but not morally), then our elementary moral intuition would suggest that efforts should be concentrated on the most deprived and most vulnerable. Poverty and deprivation within developing societies should trump any concern with global inequality among states.

And yet there is a real sense in which Rawls is correct to stress the importance of assisting burdened societies -- 'peoples living under unfavourable conditions that prevent

their having a just or decent political or social regime' (Rawls 1999, 37). Rawls, of course, wishes to hedge the duty of assistance (hence his view that the aim should be not development per se but changes in the political culture of the assisted people to foster well orderedness and his claim that well-orderedness does not equate with wealth). But he does bring into focus the need to think in terms of societies as well as individuals. Why does this matter? First, because poverty reduction and the relief of individual suffering are not enough and cannot displace the need for economic growth and development. Together with political development this is something that is most likely to be achieved within functioning and stable societies. Second, because only through successful development and through effective social and political regimes are we likely to achieve the conditions of fairer international bargaining over the groundrules and outcomes of the global economy. Greater inter-state justice is instrumentally necessary to achieve the sorts of outcomes desired by the moral cosmopolitan.

My third point concerns the **modalities** by which global economic justice might be pursued and the critical, but difficult, issues of responsibility and conditionality. Existing debates devote much time to the assignation of responsibility for the massive inequalities that exist and the rising levels of poverty globally. According to those who seek to deny or restrict claims for distributive justice, successful economic development reflects national choices and domestic political culture ('... the causes of the wealth of a people and the form it takes lie in their political culture and in the religious, philosophical, and moral traditions...', Rawls 1999, 108). Thus Rawls cites Landes to show that resources and endowments are not crucial to successful economic development. Both Miller and Rawls cite Sen to demonstrate that extreme disasters such as famines can be averted by even poor societies. Such positions recall the hugely influential neo-liberal critics of import-substitution, economic statism and dependency theory of the early 1980s and the work of Robert Bates and Anne Krueger on rent-seeking élites. The basic message is that the problems of inequality and underdevelopment lie within domestic societies rather than with the international system.

This view clearly underplays the vulnerability of developing societies to global markets, a situation which economic liberalization, whatever its benefits, has inevitably increased. It neglects the degree to which the emergence over time of the 'unfavourable conditions' which afflict poor societies are as much to do with external and global factors as with internal ones; and it ignores the extent to which national economic policy is shaped by international economic institutions and powerful states. How can a developing country be held responsible when the content of its economic policy is shaped by external



pressures and by policy injunctions enforced by far-reaching conditionalities? Without moving back to first-generation dependency theorists who unconvincingly placed all responsibility on the external (the development of underdevelopment), there is enough evidence of the importance of external influences and of the impact of the global system to suggest that the idea of co-responsibility should act as the overall guiding principle.

But even if we accept the broad notion of shared responsibility, there will always be judgements to be made regarding the responsibility of particular governments at particular times. It is neither politically realistic nor morally acceptable that responsibility should play no role at all in our judgements about who is to be the subject of reform and redistribution and of what kind. The difficulty lies in how responsibility is to be assigned and by whom. I doubt that general principles will take us very far. Even assuming high levels of technical competence and an absence of special interests I suspect that judgements of how far a government or society has contributed to its own problems will always vary from issue to issue, country to country, and period to period. The only way out is therefore to place a good deal of weight on working towards fairer institutions and on reforming the process by which such judgements can be agreed and acted upon.

The other, and related, issue concerns the conditionality of assistance and of other actions designed to promote development (such as membership of regional or international bodies). The 1980s and 1990s witnessed an explosion of externally-imposed conditionalities on trade, aid and investment, covering everything from the nature of economic policy (both micro and macro), to levels of arms spending, to the promotion of sustainable development, to the promotion of human rights and democratic governance. These conditionalities have been subject to a host of shifting objectives, economic policy ideas, and often crude political interests that have had very little to do with the interests of the poorest or most vulnerable. Indeed it is worth noting that aid flows in the 1990s were just as volatile as capital flows.

Quite apart from the question as to whether conditionality is actually effective, serious problems arise. First, the proliferation of conditionality undercuts the meaningfulness of political community and runs directly counter to such favoured liberal goals as the democratic accountability of governments to their citizens. How can international and transnational involvement in domestic politics avoid shifting political power within the state? How can citizens hold their governments accountable for policies chosen in Brussels, Paris or Washington? Perhaps more fundamentally, how can societies learn the

practice of democratic politics without the freedom to make bad choices? Second, as conditionality cuts ever deeper into the ways in which societies organize themselves, so the issue of legitimate difference becomes more serious. It might be quite easy to say that economic aid can legitimately be tied to upholding internationally-agreed core human rights. It is much less obvious that it should be tied, say, to some particular set of domestic economic policies deemed by an external NGO, government or aid agency to be especially worthy. The legal and moral problems surrounding intervention focus on its coercive character. Conditionality, by contrast, is ‘softer’ and therefore apparently less morally troubling. But, certainly in its recent forms, it is arguably more far-reaching in its attempted influence over the long-term character of how other societies develop.

The redistributionist cosmopolitan is inherently less worried about external interference and less deferential to claims that domestic ways of doing things need to be respected as a matter of principle. (Rawls, by contrast, seems to rule out anything more than helpful advice). But if serious efforts to reduce global poverty do come about, then the potential power of external actors will grow and the dangers for democratic politics and political autonomy and for legitimate difference will come into starker relief. No doubt developing a set of balancing principles and guidelines will be important. But so too will be increasing the element of fairness in the operation of the institutions that manage poverty reduction. At the moment the practice of conditionality rests on the choices and power of a small group of powerful states and is applied in a wholly selective manner. Coercive developmental paternalism continues to be the order of the day (even though the moral case has never been clearly or convincingly enunciated). This must place strain on the normative coherence of the international legal order and on the legitimacy and effectiveness of international institutions. In this, and other areas, it is not at all clear that moral cosmopolitanism can be easily delinked from political cosmopolitanism, from the politics of institutional reform, and from the distribution of political power.

**Second, how should we think about the very obvious gap that exists between the arguments of even the most restrictionist political theorists writing on global economic justice and current political practice?**

In any discussion of global economic inequality, it is undoubtedly important to distinguish between a limited duty of assistance, the need for greater economic justice that follows from taking human rights seriously (especially economic and social rights), and a duty based on some clear principle of egalitarian justice. But equally striking is the enormous gap that exists between what even the most restrictionist political theorists

argue to be required by justice and the way in which the global economy is currently organized. From this perspective what is notable about the Law of Peoples is not its limits, but rather just how far Rawls has moved since his earlier 1993 Amnesty Lecture (Rawls 1993b). If we were to take his injunctions of assistance seriously, this could be interpreted as requiring high levels of redistribution and significant elements of reform. It would certainly require measures that are way ahead of what we currently see or are likely to see. The same may be said about the need to deal with severe material deprivation or with situations of exploitation, as emphasised by David Miller (Miller, 1999a).

It is difficult to write on global inequality without at least trying to confront the yawning gap that exists between theory and practice, and without thinking, even briefly, about some of the factors that may explain it. Saffran puts the challenge to moral cosmopolitans well: ‘Since our moral theories lead to implications so contrary to any likely behaviour, they clearly omit important considerations and we should be sceptical about their cogency’ (Saffran 1989, 319).

The picture is clearly not a happy one. First, take development aid. It may be possible to argue, as David Lumsdaine suggests, that the striking fact about the post-1945 foreign aid regime is not that political and instrumental factors impinged at all, but that such a high percentage was not motivated directly by power or interest. ‘As much of a third of aid mainly served donors’ commercial, colonial, or strategic goals. However, most foreign aid was based on donors’ humanitarianism and their perceptions of the world as an interdependent community’ (Lumsdaine 1993, 4). But this provides rather small comfort given the steep fall in overall aid levels since the end of the Cold War and the belief, most notable in the US, that aid has to be justified in terms of hard national interests if it is to be saleable politically (See Kapstein 1999).

Second, take regional arrangements. Even if global concern is limited, we might expect greater potential for moral change at the regional level because of high levels of integration, shared historical background, and stronger and more effective institutionalization. And yet the experience of ‘distribution beyond borders’ even within regions is hardly encouraging. The EU is the only regional arrangement with any mechanisms for redistribution (in the form of regional and structural funds). And yet these mechanisms were driven by instrumental and pragmatic factors (above all the bargains that preceded earlier waves of enlargement). And they are now being eroded by

newer instrumental concerns (above all, the pressures resulting from the current wave of enlargement).<sup>3</sup>

No other regional arrangement has even contemplated resource transfers to deal with deprivation or inequality or even to compensate for the losses entailed by integration. NAFTA provides a particularly telling example. If arguments about ever denser integration leading to shifting understandings of moral community were to have force, then the US-Mexico relationship should be a likely candidate. It is a relationship characterized by extremely high levels of economic and societal interdependence; by high levels of deprivation in Mexico, a good deal of which can be implicated in problems likely to have negative spill-over effects on the US; and by a rich and privileged partner well able to afford assistance. And yet the absence of any debate is telling.

Third, take the normative debate surrounding international economic institutions. Here the situation is arguably a good deal worse than in the 1970s. When we look back at the North/South debates of the 1970s it is striking to note the salience of global inequality amongst states as an issue of debate and the political space that was given to arguments that the meta-rules of the international economic order needed to be reformed in the interests of inter-state justice. As we move into the 1980s, that (always limited) political space diminished significantly. In the case of trade, although it would be wrong to suggest that developing countries received no benefits from the Uruguay Round, the principle of special trading status for developing countries and privileged market access had been pushed off the GATT agenda by the mid-1980s. Although the World Bank had come to focus on poverty with the arrival of Robert McNamara in 1968, the situation changed significantly in the early 1980s. To quote Nicholas Stern, 'Its attention to equity issues from 1982 to the end of the decade appears to have been somewhat token, at least relative to its record in the 1970s' (Stern 1997, 544).<sup>4</sup>

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<sup>3</sup> It may be the case that some of the concern with economic injustice and inequality is being addressed within the EU through an expanded range of social and economic rights, thereby -- creating external pressure on states to be more concerned with inequality and deprivation within their boundaries. And yet the efficacy of this tactic is unproven and its viability likely to be confined to rich states.

<sup>4</sup> Recognising the return of poverty concerns in the early 1990s, Stern concludes: 'six or seven years in the later 1970s and four or five years at the end of the 1980s and early 1990s is not a high proportion of the Bank's fifty years', (p.550). It is worth remembering that the Bank's Articles of Agreement contain no reference to poverty or to related notions such as social welfare or equity (and maybe also that the index of this two volume history does not contain an entry for inequality).

The dominant economic story of the 1980s was a blanket denial on the part of the IFIs and of Northern governments that the international system was in any way responsible for underdevelopment and a firm insistence that market-liberalism provided the answer to both economic development and poverty. Even as concern with the ‘human dimensions’ of economic development began to reemerge in the mid-1990s, the broader dimensions of global inequality remained off limits. Instead there was a renewed focus on poverty and on limited and targeted measures to assist the most deprived: (‘economic growth is the most significant single factor that contributes to poverty reduction’ although ‘some poor and vulnerable groups can be adversely affected in the short-run’ (IMF 2000, Para 17 and 18).

Finally, it is striking that rich states have resisted any kind of formal obligation to tackle global economic injustices and have entered formal reservations whenever international declarations might be understood as moving in that direction.<sup>5</sup> This suggests, incidently, that words are not all that cheap and that states do take legal, and even moral, obligations seriously. It therefore attests to the existence of an international community but in a way that does not help us establish the reality of concern for distributional justice. Rich states have also successfully defended international institutions that are based both formally (as in the voting structures of the Bank and Fund) and informally (as in the closed club character of the Group of 7, the Bank of International Settlements (BIS), or the Financial Stability Forum) on exclusion and unequal power. Even after the crises of the 1990s ‘[D]iscussion of [financial] reform will thus proceed in a forum dominated by the leading industrialized countries, in spite of the fact that globalization has geographically expanded the regions affected by capital flows, as well as the nature and depth of the

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<sup>5</sup> See, for example, the US reservations entered to the Declaration and Programme of Action of the 1995 Copenhagen Summit. On the US view, these are ‘not legally binding and... consist of recommendations concerning how States can and should promote social development’. It is also important to remember that the US has never ratified the International Covenant on Economic, Social, and Cultural Rights and that, as Forsythe puts it, ‘[W]hen the USA talks about its support for the Universal Declaration of Human Rights, it simply omits any reference to those articles endorsing fundamental rights to adequate standards of food, clothing, shelter, health care and social security’. (Forsythe 2000, 145). More recently, Canada and the EU proposed a draft declaration to the 2000 Geneva World Summit for Social Development which speaks of ‘our determination and duty to eradicate poverty’; but this duty is only loosely specified (‘we will strive to fulfill the yet to be attained internationally agreed target of 0.7% of GNP of developed countries for overall ODA as soon as possible’) and even they rejected the G77 draft which argued for ‘equitable distribution of wealth within and among nations’.

issues and reforms that any international institution has to deal with'. (Woods 2000, 209).

The contrast with environmental issues is an instructive one. In this case there has been a rather striking acceptance by Northern countries of both aspirational declarations on the part of the strong, and also of legal obligations (Franck 1995, chapters 11 and 12). These obligations do involve principles of equity and a degree of commitment to distributive justice -- as with the acceptance by the North of responsibility for past environmental harms; the idea of differentiated responsibilities in moving towards more sustainable futures; the acceptance of resource and technology transfers (as within the ozone, climate change and biodiversity regimes). The industrialized states have even made concessions in terms of the decision-making processes that allow for more balanced representation between North and South (as on the Global Environmental Facility). Without wishing to make too much of these gains, it seems clear that considerations of justice have had a degree of greater play here.

The contrast between global environmental regimes and those that govern the core features of the global economy seems all too clearly explicable in terms of the balance of power and of political interest. Crudely speaking, the global environment is an area where the poor matter to the rich and where concessions have had to be made in the interest of creating new cooperative regimes. In addition, the environment was an issue-area in which northern civil society groups mobilized successfully and incorporated some justice concerns because of their broader interest in sustainability. This contrast reinforces the claim that a meaningful justice community requires some degree of equality of power.

Apart from power and from an inability to force global economic injustice onto the political agenda, what else might be important? First we might highlight continued scepticism over aid. There have certainly been important claims that we now know far more about how to make aid work. But there are equally good grounds for doubt. The corruption and abuse of the EU aid system is one obvious example. But before isolationists bemoan yet again the failings of international bodies, it is important to highlight the multiple weaknesses and failings of US (and other bilateral) assistance programmes to Russia and to the transition economies. (For a strong indictment see Wedel 1998).

Second, there is the continuing weakness of the classic ‘global common interest’ arguments for more attention to redistribution. It may be true that the 20% of the world’s population living in OECD world cannot insulate itself from the instability and insecurity to which injustice and deprivation give rise. It may also be true that the North cannot do without the political support of major developing countries if collective and cooperative solutions are to be found to global problems. And yet, the difficulties of matching broad and long-term shared interests with short-term political imperatives and with particular constellations of political and social interests remain as formidable as they were during the debates on North/South relations in the 1970s. Moreover, if the negative features of global interdependence do not bite sharply and directly, then it is perhaps not surprising that the citizens of the developed world are unwilling to give up ‘the peace and quiet that injustice can and does offer’, to quote Shklar once more (Shklar 1990, 45).

Finally, it is important to be clear about reasons that do not apply. The failure to address economic injustice both domestically and globally has nothing (or only very little) to do with the allegedly inherent tendencies of globalization to undermine the nation-state or to make welfare states unviable. The size and economic role of the state has remained remarkably constant despite globalization and neo-liberalism. There is also considerable variation in patterns of social and economic inequality across the OECD world despite the degree to which all have been subject to the challenges of globalization and technological change. This suggests that patterns of inequality have much to do with changing domestic social norms (Atkinson, 1999) and with the inability of politicians (and political theorists) to convince electorates that inequality can or should be tackled. The failure of efforts to deal with global inequality reflects the clear political choices and the clear preferences of powerful political actors.

What hope of progress? First, as I have argued above, international institutions are important platforms for moral debate. Those who lead international institutions resolutely try to defend the idea of institutions as technocratic providers of international public goods or of neutral technical knowledge. But it has been consistently impossible to maintain this position. It is significant and at least a small sign of progress that arguments about effectiveness and efficiency have to be made in the language of morality. Thus both the Fund and the World Bank have over the past two years sought to emphasize their contributions to the poor and, in the case of the Bank, this has involved a new Poverty Reduction Strategy with its Comprehensive Development Framework.

Second, there are the intrinsic limits to hierarchical institutions, especially in an age of globalization. Increased recognition of these limits may necessitate greater participation by the developing world (and greater pluralism more generally) and this may, in turn, help to open up the possibility of bargain or institutional reforms in which issues of global inequality can be put on the table. If rich states and international institutions are to develop effective policies on economic development, environmental protection, human rights, the resolution of refugee crises, or the fight against drugs, then they need to engage with a wide range of states and to interact not just with central governments but with a much wider range of domestic political, economic and social actors. If you want to solve problems in a globalized world, you cannot simply persuade or bully governments into signing treaties. Equally if international institutions are to be effective, they must also be legitimate. Legitimacy, in turn, depends partly on the degree of participation by weaker actors in the process by which decisions are made; partly on the institution's degree of autonomy to act according to agreed legal procedures and/or technical standards; and partly on being seen to possess at least a degree of autonomy from the most powerful states.