

Global Justice and Domestic Institutions

1. Introduction

In *The Law of Peoples*, John Rawls contrasts his own view of global distributive justice—embodied principally in a “duty of assistance” that is one element in the law of peoples—with so-called cosmopolitan theories of distributive justice (e.g., the views of Pogge and Beitz). The latter views, he says, are concerned ultimately with “the well-being of individuals and not the justice of societies” (119). The contrast is misleadingly put, but indicates a real difference in theoretical approach. I say that it is misleadingly put, because the cosmopolitan will say that he/she is concerned with the justice of the global system of cooperation and not simply with the welfare of individuals, but because the global society is ultimately a form of *organized cooperation among individuals*, the standards of justice for that system require attention to the well-being of persons, and not simply to how societies fare.

Still, the distinction Rawls describes is important. There are real differences between the views both in the conception of the agents in the global society and in the standards of justice that apply to that society. For Rawls, the agents in the global system (the society of peoples) are peoples not individuals: not only does the law of peoples apply to peoples; the compact that determines the content of principles of global justice (the law of peoples) is a compact among those peoples, just as the compact that determines the principles of domestic justice is a compact among individuals, conceived of as free and equal persons. Moreover, the content of the duty of assistance, agreed to in the original compact, reflects the idea that political

boundaries—here understood as boundaries between peoples—matter in determining what people owe to one another: such boundaries have fundamental moral significance, from the point of view of political morality. How so?

2. Duty of Assistance

Intuitively, the duty of assistance is founded on a conception of the self-determination or “political autonomy” of peoples (118). The fundamental idea is that peoples have a claim to be in a position to regulate their collective lives (to determine, for example, how much they want to save and to grow economically). But such self-regulation requires decent or just institutions, both to formulate aims and to carry through on them. But some peoples lack such institutions, for reasons having to do with political culture, or levels of education and skill, or lack of material resources: these are the so-called “burdened peoples” (106). And if a people is thus burdened, then other peoples—even if they are neither responsible for the burdens, nor benefit from them—have a duty to assist the burdened people in attaining those institutions. But—and here is an essential difference between the duty of assistance and the cosmopolitan views—there is no further duty beyond the point of such attainment to promote the well-being of members of the other people, or to limit differences in living standards between peoples. In effect, the political morality embodied in the law of peoples does not conceive of individuals as standing directly in relation to one another as members of a single global society, but rather as members of distinct peoples that stand in relation to one another, each with a fundamental claim to self-determination. Beyond the requirements of the duty of assistance, the fulfillment of which enables self-determination, inequalities between and

among individuals and between and among peoples are not thought to require any special justification.

There are I think five main ideas that lie behind this conception of global distributive justice, with the emphasis on peoples and on the duty of assistance with a target set at the achievement of decent or just institutions.

First, the aim in stating principles of global justice is to present the content of a “public reason” for a global society (the society of peoples). The role of global public reason is to present political norms and appropriate forms of argument for the conduct of relations between and among different societies—norms and forms of argument that can be shared among the different agents in global society. The content of global public reason is expressed in part in the eight principles of the law of peoples, one of which is the duty to assist burdened peoples, but is also expressed in the ideas that are used to justify the law of peoples, including the idea of a people, as a politically organized society with a moral nature and shared sensibilities, and the idea of the law of peoples as emerging from a compact among such peoples

Second, because the society of peoples is assumed to include both liberal and non-liberal peoples, and the public reason of the society of peoples is supposed provide a shared framework of norms and ideas, the presentation and justification of principles of global public reason should not include ideas that are peculiar to liberal peoples. In particular, it should not include in its statement a conception of individuals as free and equal persons, as distinct from the idea associated by decent societies that individuals are fundamentally members of groups or as occupying positions in social relations.

Third, an essential idea in understanding the idea that peoples are the agents in the global society, and the associated importance of the duty of assistance, is the connection between an individual's sense of self-worth, which is a fundamental good, and the respect with which the people of which that individual is a member is treated by other peoples: respect from other peoples is, like respect from other citizens in *Theory of Justice*, a social basis of the sense of self-worth. Now according respect to a people consists in treating the people as a member in good standing in the society of peoples, and treating it as a member in good standing consists in enabling the people to govern its own affairs according to its political culture and traditions, so long as it respects the equal standing of other peoples and shows concern for the good of all its members (in part by respecting basic rights). The thought then is that a lack of respect for a people—denying its entitlement to self-determination—may wound the self-respect of that people, as well as the self-respect of “individual members” (61) who think of themselves as members of that people. Thus Rawls emphasizes in this connection the “great importance of all decent peoples’ maintaining their self-respect and having the respect of other liberal or decent peoples.” Although decent peoples are not just, the value of “maintaining mutual respect among peoples” is sufficiently great, that the decent peoples should be treated as beyond reproach. And I am supposing that the importance of mutual respect is founded on, among other things, the connection between the equal standing of the people and the sense of self-worth of the members.

It is founded too on the importance of a sense of membership: “Leaving aside the deep question of whether some forms of culture and ways of life are good in themselves ..., it is surely, *ceteris paribus*, a good for individuals and associations to be attached to

their particular culture and to take part in its common public life” (61, 119). But the importance of such attachment and participation depend on being treated as an equal in the society of peoples.

Having said that, I should add—by way of aside—that if self-respect is a fundamental primary good, as *Theory of Justice* asserts, and if self-respect is tied in the way I have suggested to practices of collective self-determination that are recognized and respected by other peoples, then it may not matter for the content of the global social compact whether that compact is made between peoples or between individuals who think of themselves as members of peoples, and do not know which people they belong to. In either case, it will be important to preserve the equal standing of peoples. Still, it may be best to present the agreement as between peoples to avoid the (intolerant) suggestion that the agreement is found on a liberal conception of persons.

Fourth, the duty of assistance places large weight on the achievement of just or decent political institutions, as opposed to, for example, assistance in discrete areas of policy. And the reason for that is not simply that such political institutions are good for achieving the sense of self-worth that comes with collective self-determination. In addition, such institutions are important for advancing more mundane aims. So for example, just or decent institutions are essential to avoiding the large disasters of life—unjust war and oppression, starvation, genocide, mass murder (7). So while collective self-determination neither requires great wealth nor aims to promote economic growth, it does forestall social calamity and to that extent makes sense from the standpoint of the interests of the members of society, other than their interests in self-respect.

Fifth, Rawls seems to be assuming that if a people is dissatisfied with its level of economic development, and has decent or just institutions that enable it to articulate and implement collective aims, then it can improve per capita income and standards of living by adopting policies that reduce the rate of population growth, or increase the savings rate, or improve the technology or levels of human capital in the economy. “If it is not satisfied, it can continue to increase savings, or if that is not feasible, borrow from other members of the society of peoples” (114). This point is important because it provides one reason (Rawls mentions three reasons) why differentials in living standards of a kind that are permitted by the duty of assistance—say, the five-fold difference in per capita GDP between the United States and Costa Rica—do not represent a threat to a people’s self-respect. The idea seems to be that if a people is concerned about the differences, it can do something about them: “the duty of assistance is to assist burdened societies to become full members of the society of peoples and to be able to determine the path of their own future for themselves” (118). If this assumption seems too optimistic—because the shape of international institutions is important to achieving the growth rates, or other domestic policies, that a society aims to achieve—then perhaps the duty of assistance needs to extend further than Rawls supposes, because establishing just or decent institutions would not be sufficient for achieving the kind of political autonomy that he supposes to be achieved through such institutions—not sufficient for enabling a people to fix its own future path. I will come back to the point later on.

3. Discharging the Duty of Assistance

The duty of assistance requires support in building just or decent institutions: the emphasis is on the domestic institutions through which a people achieves self-determination. Now this emphasis may have the air of blaming the victim: if circumstances are bad, the problem is bad institutions and policies domestically. Still, there is some reason for thinking that this focus is important and also for thinking (a point I will return to) that emphasizing the importance of domestic institutions has no necessary connection at all with an assignment of responsibility to the people in a country (even the elites) for the poverty in that country, in a way that absolves outsiders of responsibility for assistance.

Rawls himself does not say much about how to discharge the duty of assistance, other than to say—with a striking tone of pessimism, I think—that what is essential is fostering a favorable political culture and that we have little idea about how to do that. He does indicate that support for human rights and for women's empowerment may be of special importance. And though he does not say this, I suspect that the reason—apart from the intrinsic importance of human rights, and the advantages that Sen associates with women's empowerment (in infant mortality, life expectancy, and reduced birth rates, for example)—is that these measures are expected to promote a more inclusive political culture, which in turn will have salutary effects on institutions.

We get suggestions for a richer story in the Easterley's account of economic development. Past efforts to promote economic development, he argues, often failed because the economists prescribing them neglected their own basic axiom: that people only respond to incentives (xii) Instead of ensuring incentives, these efforts focused on providing resources and building capacity: providing the capital needed to sustain levels

of investment that are beyond the capacity of domestic savings, support for schools, and inexpensive condoms for population control. The underlying idea here was that capital accumulation is the key to economic growth. And that idea suffers from two problems: first, its inattention to incentives: investment assistance can always be misused. And second, as Solow argued, as an economy grows, diminishing returns to capital set in. Unless labor is used more effectively — which means technological change — the growth rate will eventually decline to the rate of population growth. The level of income per capita will be fixed by population growth and the savings rate, but the rate of its growth will drop to zero. In short, the key to long-term growth in per capita income is technological change, not capital accumulation. Solow's point was about economic growth over time within a single country, but the general point also applies also to differences in growth rates across countries. Countries with better growth performance do not simply have more machines, they have better technology (and more skilled labor).

But what accounts for technological change (and increased skill)? Easterley's answer (a synthesis of lots of literature) makes three points:

1. New technologies and skills show increasing returns (sometimes) because their benefits spread well beyond the firms and workers that use them, and depend on existing levels of technology and skill for the precise effects. Technologies embody knowledge, and that knowledge spreads (“leaks”) from one firm to others, and sometimes enhances the productivity of existing technologies. Moreover, when the skills of different workers complement each other (when different skills “match”), the benefits from one skill enhance the benefits from others (individual productivity is a function of

the average level of skill). (This story is, of course, very partial. On the other side are the “negative” complementarities that result when a new innovation — computers — makes past technology — typewriters — more or less irrelevant, and destroys the value of past investments: a possible advantage for late developers.) When there are substantial interdependencies of these kinds, economic development requires coordination, rather than more perfect competition. If most people in your economy are skilled, it makes sense to get an education, because your skill can be combined with theirs in ways that bring rewards to you while raising overall productivity. But if most people in your economy are not skilled, it makes little sense to get an education, because your investment will effectively be drained away by the lack of investment by others. When an economy faces such a “poverty trap,” individual incentive seekers acting on their own will not act in ways that promote economic development. And the traps seem very deep. Comparing 1962 and 1984, for example, 76% of the countries that started in the very poor category (with less than 25% of world average per capita income) stayed there, while 95% of countries with more than twice the world average stayed there.

2. Breaking out of poverty traps requires a positive role for government. It needs to stabilize the macroeconomic environment, provide the transportation and communication infrastructure needed for commerce, and provide a safety net of essential health and other public services for those not engaging in it successfully. Moreover, government needs to pay for behavior not yet rewarded by the market (private returns remain well below social returns), but needed to for economic development: to subsidize research and development, support the provision of relevant skills, and foster foreign investment that imports new ideas. It needs, in short, to invest

in activity with large social benefits whose individual rewards are insufficient to make it pay.

3. But any government that is strong enough to play this affirmative role is also strong enough to do real damage, through corruption and bad policy. So government capacity must be constrained by government accountability. And being able to make the right choices, and being accountable to the broader public in making them, requires a greater measure of democratization than is common in poorer countries (see also Sen's discussion on this point). This, finally, is what Easterly identifies as the barrier to their growth: the political institutions needed to identify and implement the right sorts of policies are missing. Ethnically- and class-polarized societies—which he unfortunately misidentifies with conditions of group pluralism, and mismeasures (in the former case) by focusing on linguistic diversity—prone to fierce rent-seeking by their factions, and corrupt governments, are the norm, and this norm is bad for growth. So development requires institutional constraints on government, including the rule of law and independent central banks. But because development requires affirmative government action, these institutions of constraint are not enough. Democracy, too, is required to ensure that a government with sufficient capacity to serve the population does not turn into its corrupt master.

If this story is right, then discharging the duty of assistance, with its focus on institutions, has more sharply defined content and makes sense from the point of view of economic development, and political autonomy.

4. Blaming the Victim?

Now here I come back to the earlier suggestion that an emphasis on domestic institutions is tantamount to blaming the victim and absolving outsiders of responsibility. Here I think there are three essential points.

First, suppose it is true that the right sorts of domestic institutions are essential to breaking out of poverty traps because, *inter alia*, problems of complementarity create vicious cycles, and suitable institutions are required to break out of the cycle. To say that is not to blame the victim by denying a duty of assistance, but to specify how the duty of assistance is to be discharged, *viz.* by fostering a suitable institutional environment, rather than simply providing resources and capacity.

Second, it may well be that suitable reforms of domestic institutions also require suitable reforms of global institutions, with greater representativeness of and accountability to the peoples who are most directly impacted by the policies of those institutions—particularly if one thinks that there is not a single blueprint for, for example, a judicial system (how much informal dispute resolution should there be?), or regulatory agencies, or political decentralization (federalism) that can simply be adopted irrespective of the existing institutional environment. So the fact that domestic institutions are of great importance neither diminishes the importance of the duty of assistance, nor implies that it can be discharged without suitable governance reforms globally, which may be essential to ensuring both a proper focus and legitimacy for the discharge of the duty of assistance (I am here putting to the side all other issues about global governance that do not bar on the duty of assistance).

Third, there is something to the charge, however, if we consider Rawls' account (explained earlier) of why differentials between peoples raise no issues about the

mutual respect of peoples, and why the duty of assistance has as its target the construction of just or decent institutions. The underlying purpose of the duty of assistance is not to build just or decent institutions, but to provide a people with reasonable terms for determining its own future. Rawls may have been thinking of the special case of the level of economic development in a Solow growth model, where the level is given by the savings rate and rate of population growth, which he supposes to be under the control of domestic policy, given decent institutions. But suppose that access to technology, or rules governing trade, or access to finance depend on global institutions, or that the capacity to address environmental issues, or migration, or drugs, or conflict-resolution depend on global arrangements. Then the duty of assistance, as specified seems inadequate to realizing the aim of self-determination. In a brief discussion of cooperative organizations (42-43), Rawls acknowledges the general point—and suggests a need to adjust the duty of assistance to take into account, for example, the distributive effects of a global trade organization. And while this acknowledgement does not point to cosmopolitanism and the right view, it does suggest that the duty of assistance as formulated is not an adequate principle for the society of peoples.