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### In Defense of Openness

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## *Positive-Sum Global Justice*

### *Pockets of Prosperity*

Aiden sits on the floor in his private bedroom. He connects one block to another. A \$90 Lego Minecraft Nether Fortress emerges from the scattered pieces. His younger brother, Keaton, pesters him to share the Zombie Pigman action figure. Finally, Aiden relents, and Keaton smiles.

Both children have Band-Aids on their arms. Yesterday, they received flu shots. Neither has ever caught the flu, and perhaps neither ever will.

The next day, their parents cart them off, in leather-lined vehicles, to violin, piano, and acting practice. They spend the second part of the day playing with friends. Each day they eat three full and healthy meals, unless they ruin their appetites by sneaking Trader Joe's pumpkin bars from their pantry.

Several hundred miles away, Miles is playing with his new Thomas the Train toy. Losing Thomas is about the worst thing imaginable to him. Earlier today, his father took him to the local Museum of Life and Sciences. Miles played in the tree houses, saw some farm animals, and took a train ride himself. Hundreds of other kids were there also enjoying themselves. Miles is barely two years old, but has already received some of the best health care available in the world.

The three boys will get twelve years of high-quality elementary and secondary education, and then, we hope, complete four-year degrees at world-class universities. Afterward, they will likely have their choice of professions. They are more likely to suffer from a crisis of choosing which occupation best fits their interests than from chronic unemployment.

Many families are like ours. Their stories illustrate what can happen to people when they live in places with the right institutions. They are likely to lead long, prosperous, meaningful, and fulfilling lives of their own

choosing—or at least as likely as one might ever expect to get. They are likely to be the authors of their own lives, rather than leading lives forced upon them by tradition, command, or necessity.

Almost every book on global justice begins by talking about how desperately poor some people are. We took a different path. We began by talking about how rich some people are. We don't do this to rub our good fortune in the faces of those with less. We do this to draw attention to how remarkable the existence and relative accessibility of this kind of wealth really is. Wealth, in other words, is the exception—it's the thing that needs to be explained, understood, and replicated.

In contrast, poverty is boring. Poverty is normal, in a statistical sense. It is not normal in a *normative* sense: it is not how things should be. It is normal in the sense that poverty is human beings' default, natural state. Almost everyone who has ever lived has been desperately poor, malnourished, and at risk of premature death. Aiden, Keaton, and Miles are highly unusual. When their parents suffer a misfortune—a car breaks down, the kitchen sink springs a leak, or even a parent loses a job—this has no noticeable effect on their lives. That's interesting and strange. Around the world most people, for most of human history, would have found cost-equivalent setbacks financially devastating.

Two thousand years ago, everyone everywhere was poor. This state of affairs seemed permanent. Religious leaders who advocated charity did so to nourish the soul or ease the burden of poverty, but did not expect that charity, or anything else, could eliminate poverty altogether. Poverty, it seemed, was here to stay.

But some places stopped being poor. In some places, there are only pockets of poverty among vast fields of wealth, where poverty is unusual, something to be gawked at, where depictions of extreme poverty captivate readers as much as descriptions of fantastic or alien worlds. In other places there are pockets of wealth, where the opposite is true. The key to solving world poverty is, probably, to figure out why some places became rich and then *repeat* or *spread* the causes of success.

The good news is that this is already happening. In the past 40 years, more people (in absolute terms and as a percentage of the total population) have been lifted out of extreme poverty than in all of history before. In 1820, about 95% of people lived in extreme poverty. In 1960, about two-thirds lived in extreme poverty. Now, less than 10% of the world does. Perhaps most remarkably, these numbers are proportions. Over the same period, world population has been increasing—especially in the poorest parts of the world. Even

though there are many more people around, we've found ways of making sure fewer are starving.<sup>1</sup> This is a miracle, but hardly anyone notices it.

Adam Smith argued that we should measure the wealth of nations not by the size of the king's army or treasury, but by the fullness of the common people's stomachs and the opportunities available to their children. In 1776, when Adam Smith published *The Wealth of Nations*, most people around the world were still living in what we would now consider extreme poverty. Nevertheless, he realized, the typical inhabitants of some countries, such as the Netherlands or England, enjoyed about three times the standard of living of the typical inhabitants of others, such as Spain or France.<sup>2</sup>

The phenomenon—that some countries became rich quickly while others did not—is often called the Great Divergence. Smith's explanation for the Great Divergence is that the (now) richer countries had better institutions and policies, which in turn encouraged higher forms of economic productivity and growth, and these in turn made even the relatively poorest citizens of those countries richer. The (still) poor countries had bad institutions, bad policies, and a lot of violence. They're run by what we might call extractive elites, groups of people who make their money by extracting wealth and resources from their people. These things encouraged economic stagnation, which in turn ensured that the poor remained poor, just as they always had been.

Ending poverty requires institutions that protect and enhance people's economic productivity and innovation. Economic growth matters. Indeed, as we'll see, when it comes to fighting world poverty, it matters more than anything else.

To illustrate: on most reliable estimates, per capita world product—the total amount of yearly economic production worldwide per person—probably just barely doubled between 5000 B.C. and 1800 A.D.<sup>3</sup> Since then, it has increased by a factor of at least thirty.<sup>4</sup> Importantly—and this point will be critical—wealth has been created, not just moved around. In 2014 the United States produced more real output, by itself, than the entire world did in 1950.<sup>5</sup>

Imagine you could redistribute all the income produced in 1000 A.D. equally among everyone in the world. Even if you did that, the median, average, and modal standards of living would still be what the United Nations now considers extreme poverty. (According to Angus Maddison, world GDP/capita in 1000 A.D. was only about \$450 in 1990 US dollars.<sup>6</sup>)

Even John Rawls, the pre-eminent left-liberal political philosopher of the past 65 years, argues that we should not much worry about redistribution or

egalitarian ideals of justice until we've reached a suitable level of economic development.<sup>7</sup> When the pie is tiny, it doesn't much matter how you cut it. Most people will get crumbs. If you want everyone to have a decent slice of pie, the important thing is to make sure, first and foremost, that there is a lot of pie.

Some people who read the stories of Aiden, Keaton, and Miles might react by thinking, "That's not fair! We need to take some of what those kids have and give it to those who have less." Others might think, "Good for those kids. We need to figure out a way to make everyone have that good of a life." It may not be obvious now, but these are two radically different ways of thinking about poverty. And once we see that, there will be little to recommend the first kind of reaction.

### *Global Justice as a Positive-Sum Game*

Many philosophers who write about global justice defend things like new or stronger human rights protecting people's political and civil liberties. They claim to have discovered various socio-economic rights, like a right to a decent standard of living, access to high quality health care, even rights to be protected from social deprivation. They want to introduce more robust and more internationally oriented forms of democracy. And they propose, in one form or another, large-scale redistributive solutions to the problems of world poverty.

What sets us apart is the question of whether these kinds of proposals should be the *exclusive* or *primary* focus of a theory of global justice. Or, perhaps better, what sets us apart is what the global justice literature tends to leave out. What's left out is protection and recognition of the basic building blocks that make development even possible. There is overwhelming evidence that basic economic rights and freedoms—things like stable property rights, robust protections of freedom of contract, and a guarantee of the freedom of labor—are necessary for development.<sup>8</sup> The main point of this book is that these rights are absolutely *central* to global justice.

The lesson we take from the history of poverty and wealth creation is that people, societies, and indeed the world flourish more when people are rewarded for productive activities, the kind of activities that bring valued goods and services into the lives of others. They wither when what's rewarded are the kind of extractive activities that thieves, dictators, warlords, and oppressors like to engage in—the kind of activities in which one party's gain comes at the expense of another.

As we'll argue throughout this book, we think global justice requires that we expand and protect the ways in which people's relations can be seen as *positive-sum* forms of interaction, and avoid *zero-sum* (or, worse, *negative-sum*) forms. A zero-sum game is an interaction in which one person can win only if, and only to the extent that, another loses. For example, in poker, no money is made; it is only moved around. You can win \$100 only if someone else loses money. (In a casino, playing poker is a negative-sum game, as the house takes a rake.)

A positive-sum game, by contrast, involves interactions through which people can gain without those gains having to be offset by corresponding losses for others. At their best, positive-sum interactions make all parties better off (or at least make no one worse off).<sup>9</sup> The paradigmatic case of a positive-sum interaction is trade. Typically, parties engage in voluntary trade because they expect to, and generally do, benefit from the exchange. They might want to make a profit, desire to obtain goods they personally value higher, or care about benefiting others. In one way or another, trading partners typically walk away from an exchange better than they approached it.

Thinking about justice in these terms allows one to see what's wrong with theories that focus on redistributive proposals as the main solution to the problems of global poverty. Redistributive policies, while sometimes justifiable, are zero-sum in nature. They move money from one place to another, attempting to make the latter better off by making the former worse off.

These zero-sum principles lie at the heart of major theories in the global justice literature. Cosmopolitan egalitarians argue that helping people in developing countries requires people in rich countries to strongly sacrifice their self-interest. Nationalist egalitarian theories resist, concluding that people in the First World do not have to redistribute to the Third World, yet also resist allowing people to move from the developing to the developed world. Both views accept the (as we'll soon see, *mistaken*) empirical claim that helping the world's poor must hurt the world's rich.

In our view, the goal should be to turn zero-sum forms of interaction into positive-sum ones, to replace the sources of poverty and oppression with sources of prosperity and productivity. To put it in slogan form: what solves zero-sum problems is changing the nature of the game, not changing who extracts how much from whom.<sup>10</sup>

To us, the main ingredient of global justice is freeing up people's ability to put their persons and goods to work where they see this as most valuable. It means opening borders—allowing people to move where their talents will be most valued. It means freeing up trade—allowing people to move their

possessions where they will be most valued. And it means robustly protecting the economic freedoms and property rights that surround and protect their abilities to make best use of those opportunities.

In short, what global justice requires is *openness*. It requires that rich countries, and the institutions they control, *allow* foreigners to make mutually beneficial, voluntary trades with their own citizens. We will argue, on a variety of grounds, that everyone everywhere has a right of migration, a right to trade, and right to possess, use, and profit from productive property.

Thinking about global justice in these terms fits with a broader view of justice to which we are attracted. In our view, when justice obtains, that's supposed to be a welcome thing, something to celebrate rather than bemoan. (And the reasons for celebration are more than merely the fact that justice would obtain.) The point of justice, among other things, is to make our world a good place for everyone to live in.

If justice is achieved, we can see others as people we are glad to welcome into our communities—local, national, or the human community at large. We can see others as people who bring something to the table, people who will end up making our lives go better and not threats to our own lives, goals, and freedoms. We can celebrate the birth of others' babies and the arrival of new immigrants, because they bring us fellow cooperators rather than mouths we will end up having to feed. And, perhaps most importantly, when justice obtains, we can see ourselves as people others have reason to welcome, people who offer promise, advantage, and progress.

We defend these conclusions out of humanitarianism, out of concern for the plight of the world's poor. We fail to do right by others, and especially the poor, when we don't recognize their contributions, productive potential, and resourcefulness. We fail to do right by people when we picture them as mouths to be fed, rather than the cooperators and contributors that they would like to be. We fail to do right by them when we treat them primarily as consumers rather than producers.

As anyone who has ever visited a developing country will know, the world's poor are extremely enterprising.<sup>11</sup> They find ways, against great odds, of providing for themselves and the people they care about. Their cities are bustling with commercial activity, from small vendors to people collecting cardboard boxes on the street, and those searching garbage dumps for metals to sell. These people are not helpless victims. They are people who work hard, make plans, and find ways to survive and better themselves as well as others. They are victims, to be sure, but the main perpetrator is not a global order that

fails to provide for them. It's a global order that fails to welcome them and allow them to make their contributions, and the local orders that feed upon them like parasites.

### *False Starts*

Theories of justice can go wrong in a variety of ways. They can invoke mistaken moral principles. Or they can invoke mistaken empirical claims, leading them to misapply correct moral principles. Or they can go wrong by making their principles not sufficiently sensitive to the empirical conditions in which they are supposed to apply.

This will be a recurring theme throughout this book. That ending poverty requires positive-sum forms of cooperation may seem like a mere empirical claim. But it makes a difference morally, too. Knowing what actually has a history of making a difference helps one appreciate what's morally appropriate to demand of others. And flawed moral principles often look attractive because they match flawed empirical views.

Many people believe that global justice requires mass redistribution from rich to poor countries. We'll take a close look at their arguments in later chapters. We've noticed that many of the people who are attracted to these redistributive views find them appealing at least in part because they also hold empirically inaccurate beliefs. They often endorse one or more of the following claims:

- The reason some countries are rich and others are poor is that natural resources are unevenly (and therefore unfairly) distributed around the globe. The rich are rich because they have or had access to more or better resources than poor countries.
- The reason some countries are rich and others are poor is that the rich countries *extracted* resources from the poor countries. The history of colonialism is a key causal explanation of economic development.
- We can easily end world poverty if rich countries simply redistribute a large enough portion of their wealth to the developing world.

These, of course, are *economic* claims. But they play an important role in many people's normative thinking. In one form or another, they represent what we're calling zero-sum analyses of poverty and development. They regard world poverty as a simple problem of resources being misallocated: too much here, too little there.



Once claims like these are accepted, and the zero-sum framework is established, the natural next step will be to search for moral justifications for redistributing wealth in order to fix the misallocation.

But these empirical claims are false starts. They misdiagnose what caused the Great Divergence, and they misidentify what steps actually have a chance of solving world poverty. The Great Divergence did not result from there having been a common pool of resources and, at some point, the rich taking more than their fair share, taking what belonged to others, and so on. The causes of prosperity have to do with turning the zero-sum forces of extraction into positive-sum forces of real production and innovation. Whatever might be the correct principles of justice must fit that point. They must include and empower the productive powers of the world's poorest, enabling them to better themselves and others.

Changing the intuitive appeal of redistributive solutions to global justice, then, requires setting straight the empirical misconceptions that give these proposals their intuitive force. The next section does this.

### *The Fact of Growth*

It bears repeating: everyone used to be poor. Almost all people everywhere throughout human history lived under what we now would refer to as “extreme poverty.” Economist Brad DeLong estimates that in 5000 B.C., per capita world product—the total amount of yearly economic production worldwide per person—was only about \$130 (in 2002 USD), and barely doubled to \$250 by the year 1800.<sup>12</sup> Economist Angus Maddison, whose historical data is widely used, offers higher numbers: \$457 USD (1990 dollars) in 1 A.D., rising to \$712 USD in 1820.<sup>13</sup> The exact numbers are somewhat disputed. But it's not disputable is that extreme poverty was once widespread and normal, and now it is not. Until recently, almost everyone everywhere was poor.

When the history of economic growth is drawn on a chart, as in Figure 1.1, it looks like a hockey stick.<sup>14</sup> We condensed the period from 1 to 1500 A.D. (and all of human history before that) because, despite rising and falling empires, golden and dark ages, the lines hardly move. Had we not done this, the picture would be even more dramatic. From the beginning of time until about 250 years ago, pretty much nothing (in terms of income per capita) happened. There were occasional blips and dips, as a good harvest might feed a few extra bellies, or a bad war might leave them starving, but the norm was that everyone was poor. As John Maynard Keynes put it:

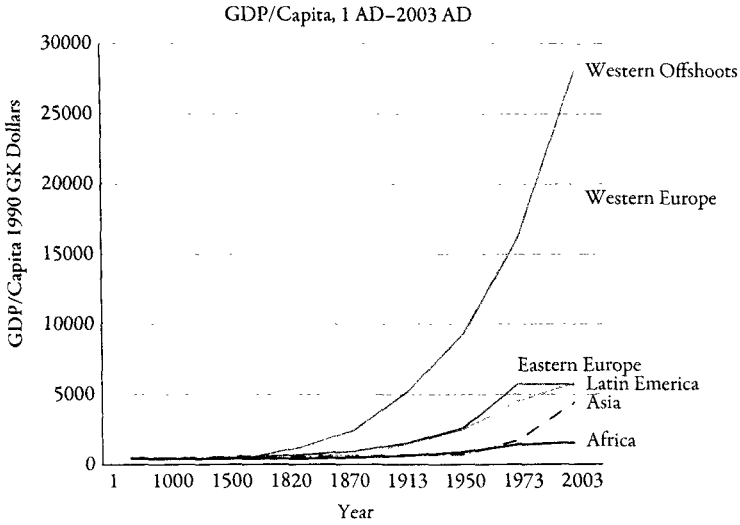


FIGURE 1.1 GDP/Capita, 1 A.D.–2003 A.D.

Source: Maddison 2007, 70.

From the earliest times of which we have record . . . down to the beginning of the eighteenth century, there was no very great change in the standard of life of the average man . . . Ups and downs certainly. Visitations of plague, famine, and war. Golden intervals. But no progressive, violent change. Some periods perhaps 50 per cent better than others—at the utmost 100 per cent better than before—in the four thousand years which ended (say) in A.D. 1700.<sup>15</sup>

Then something changed. The stagnation ended. In the past 200 years, per capita world product has increased by a factor of at least 30.<sup>16</sup> Absolute levels of wealth grew faster than the population at large. People—as in entire countries—got richer. Today, some of the richest countries in the world (e.g., Singapore) enjoy average standards of living that are 80 times that of the poorest countries (e.g., Burundi).<sup>17</sup> Average people in the United States consume per week roughly what most people in sub-Saharan African countries consume per year.<sup>18</sup> There is a huge gap between the wealth, income, and standard of living of the people in the richest countries and that of the people in the poorest countries.

This was not always so. In 1821, the gap between Western Europe and the world average was only about two to one, while the gap between the richest and poorest countries was only about five to one.<sup>19</sup> If we go back further into

history, the gap closes. Indeed, early medieval Europe was poorer than China at the time. In 1000 A.D., every person in every geographic region had roughly the same (poor) standard of living.<sup>20</sup>

Note the shape of the curves in Figure 1.1. Yes, Western Europe and the Western European offshoots grew faster than the rest of the world, and, yes, as a result, the gap between Europe's standard of living and the rest of the world grew. But notice that even the poorest regions enjoyed *some* growth. It's not that Western Europe and the European offshoots grew rich while the other countries became even poorer. It's not as though Western Europe grew rich at the rate others grew poor, which would suggest a zero-sum reallocation of a fixed stock of existing wealth. Rather, the other countries for the most part started off as poor, and got *slightly* richer over time, while the European countries and their offshoots started off as poor, and got *much* richer over time.

### *The Quality of Institutions Trumps Everything Else*

When Thomas Pogge, perhaps the leading theorist of global justice, writes about global justice, he defends one of his preferred redistributive proposals by pointing out that the world's rich have unilaterally excluded the poor from their fair share of the world's natural resources. Pogge thinks this unjust because people worldwide have a claim to "a proportional resource share."<sup>21</sup> Redistribution is justified, according to him, in order to set straight this unequal access to resources.

Sometimes remarks like these are offered as an explanation of why rich countries became rich. However, as such, they simply don't hold up.<sup>22</sup> As economist David Weil summarizes the empirical literature in his textbook *Economic Growth*, "the effect of natural resources on income is weak at best."<sup>23</sup> Natural resources can help, but they can harm development as well. For instance, China after the 1950s was and remains poorer than Singapore or Hong Kong, though the latter have *no* natural resources to speak of. The USSR was poorer than the United States, though the USSR had better natural resources. In Adam Smith's time, the Netherlands and England were richer than France, though France had more and better natural resources. And so on.

Indeed, while natural resources can sometimes spur growth, they frequently *inhibit* growth. Economists refer to this problem as the "resource curse." Countries with a high concentration of easily extractable natural resources frequently suffer from economic stagnation. There are competing theories of why this is so (though these theories are largely compatible, as they identify what might be jointly contributing causes). One theory holds

that countries with abundant natural resources “do not develop the cultural attributes necessary for economic success,” in part because necessity is the mother of invention.<sup>24</sup> Another theory is that countries that enjoy resource booms tend to just consume the sudden influx income in an unsustainable way. They don’t develop capital, but eat away the extra income until it’s gone. Yet another theory, called the Dutch Disease theory, holds that a sudden abundance of resources leads to contractions in manufacturing.

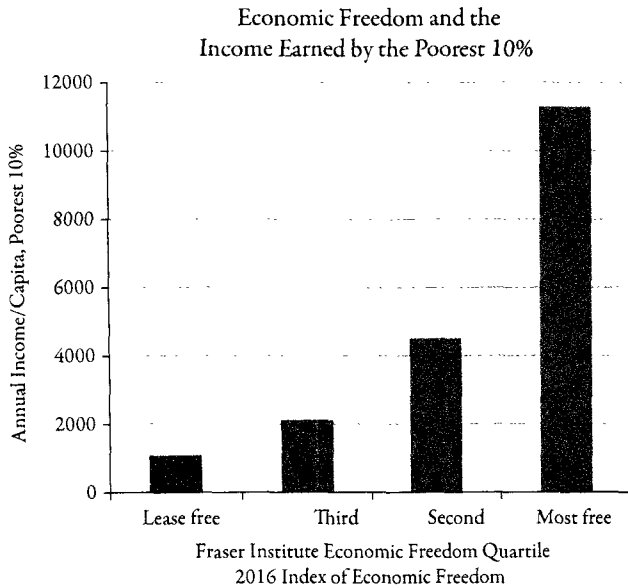
But the most popular theory (or, more precisely, the theory thought to identify the most significant set of causes) is that when a country enjoys abundant resources, this encourages governments to act in destructive ways. Government officials can just extract resources for their own selfish ends, and can afford to ignore or oppress their own people. Fighting over control of the resources can lead to civil war. But the dynamics needs not be so violent or nasty. “Nicer” governments might create unsustainable welfare programs, programs they can only afford so long as commodity prices for that resource stay high.<sup>25</sup>

Contrary to resource-based explanations, the dominant view in development economics is that sustained economic growth results from having good economic and political institutions.<sup>26</sup> Institutions, Nobel Laureate Douglas North writes, “are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.”<sup>27</sup> These rules can set the terms for social interaction in different ways, ranging from the harmful to the productive. The view that setting these terms in the most productive manner is the key to explaining growth has quickly become dominant in economics.<sup>28</sup> While no one thinks that institutions are *all* that matters, their important is widely seen as paramount. As economist Dani Rodrik summarizes, “the quality of institutions trumps everything else.”<sup>29</sup>

Of course, the field of economics is as full of disputes as any other. And it’s by no means uncontroversial what kinds of policies might lead to development. Still, economists largely agree on a number of basic conclusions, such as that countries with robust systems of private property, protected by the rule of law, and governed by strong, inclusive states, offer much better prospects for significant and sustained development than those that lack such protections.<sup>30</sup>

Figures 1.2 through 1.5 illustrate some of these correlations. Note that we are not trying here to demonstrate or prove that these findings are correct. Our goal here is articulate some of the main results of social scientific inquiry that theories of global justice ought to incorporate. We are reporting their findings and summarizing their reasons, but readers should refer to the





**FIGURE 1.4** Economic Freedom and Income Earned by the Poorest 10%

Source: Gwartney et al. 2016.

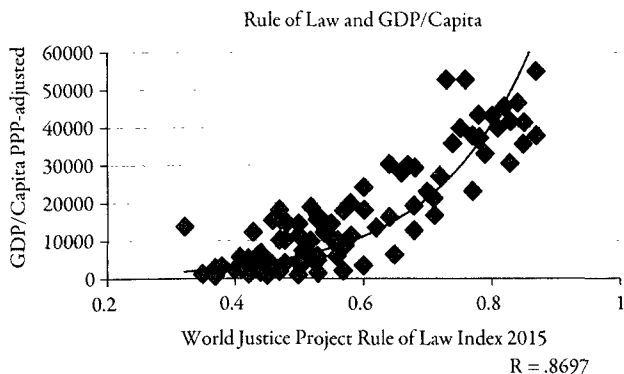
to their commitment to economic freedom, taking account of such factors as access to sound money, free trade, ease of starting and doing business, ease of investing capital, the protection of property rights, and the degree of government control or manipulation of the economy. The most economically free countries, according to the report, include Australia, New Zealand, Canada, and Switzerland. Many of the Scandinavian countries—which some Americans mistakenly refer to as “socialist”—beat the United States overall on economic freedom, and others beat it on many central aspects of economic freedom. (The *Wall Street Journal*, together with the Heritage Foundation, produces a similar index, and gets similar results.<sup>33</sup>)

Figure 1.3 shows the correlation between *overall economic freedom*, as rated by the Fraser Institute report, and GDP/capita, as measured by the World Bank.<sup>34</sup> Figure 1.4, which is taken directly from the Fraser Institute report, shows the relationship between economic freedom, and the absolute level of income of the poorest 10%.<sup>35</sup> Note that Figure 1.4 measures income *before* internal transfers or welfare payments take place. The freest countries are also the richest countries, and generally have the most generous welfare systems. Thus, Figure 1.4 understates how well the “poor” do in the freest countries.

Figure 1.5 is similar to Figure 1.3. Each year, the World Justice Project produces a Rule of Law Index, which rates countries by the degree to which countries adhere to the rule of law, aggregating such factors as checks and balances on government power, the absence of corruption, openness of government, protection of human rights, provision of order and security, effective regulatory enforcement, and proper and effective provision of civil and criminal courts.<sup>36</sup> In Figure 1.5, we plot the Rule of Law Index score for various countries, as assigned by the World Justice Project, against GDP/capita (as measured by the World Bank), and find a robust correlation.

Again, these charts merely show correlations. They are not enough on their own to demonstrate causation. We place them here only to show readers just how robust the correlations are. At the same time, there is evidence that the relationships illustrated here are causal—it's not just that richer countries happen to do a better job protecting private property, but that protecting private property leads to increased prosperity.<sup>37</sup>

One way to illustrate the power of institutions is to examine countries that have recently become more capitalist, or less capitalist, and then see how these changes affect their development in the short term. In a recent paper, economist Peter Leeson examines what happened to countries that become more capitalist between 1980 and 2005, and compares their performance to countries that became less capitalist in that same period. The countries that become *more* capitalist also enjoyed about a 33% increase in real per capita income, about five extra years of life expectancy, about a year and a half of extra schooling per capita, and saw dramatic increases in how democratic they are. The countries that became *less* capitalist saw their income stagnate,



**FIGURE 1.5** Rule of Law and GDP/Capita

Source: World Bank 2013, Authors' calculations.

life expectancy drop, and became less democratic. (They did, however, enjoy about half a year's worth of extra schooling per person.<sup>38</sup>)

The basic mechanisms that produce these results are fairly well understood. As Daron Acemoglu and Robinson argue in their important book *Why Nations Fail*, the main difference between good and bad institutions concerns the degree to which they foster extractive activity or encourage cooperation and productivity. The main difference, they argue, has to do with whom the institutions empower, and thus whom the institutions benefit. What they call *inclusive* institutions empower people across society, and thus tend to benefit all. By contrast, *extractive* institutions empower only some, and thus tend to benefit only those small groups of people at others' expense.

On the political side, inclusive institutions require a state that strikes a tricky balance between a reasonable level of centralized power and pluralism. Pluralist governments represent many different groups and interests in society, through free and competitive elections, and governed by the rule of law. Such inclusive political institutions avoid the destructive outcomes that fall on the opposite extremes on a spectrum of political violence. On the one extreme, there is anarchy and civil war. These are the result of insufficient political centralization. On the other extreme, there is tyranny, oppression, and rent-seeking. These are the result of too much concentration of political power. Societies that find themselves too close to either extreme tend to contain extractive political institutions.

On the economic side, inclusive institutions secure people's rights to private property, including private property rights over productive resources, and allow these to be held broadly across society. These allow societies to experience the kinds of specialization, exchange, investment, and innovation that increase productivity. Acemoglu and Robinson write:

Inclusive [economic] institutions . . . are those that allow and encourage participation by the great mass of people in economic activities that make best use of their talents and skills and that enable individuals to make the choices they wish. To be inclusive, economic institutions must feature secure private property, an unbiased system of law, and a provision of public services that provides a level playing field in which people can exchange and contract; it must also permit the entry of new businesses and allow people to choose their careers.<sup>39</sup>

Extractive economic institutions, by contrast, are those that limit or altogether prevent the ability of people across society to individually own private



and productive property, engage in commercial and profit-seeking activities, and enjoy the fruits of their investments and innovations. Such institutions stifle productivity. The effects are ugly:

Nations fail today because their extractive economic institutions do not create the incentives needed for people to save, invest, and innovate. Extractive political institutions support these economic institutions by cementing the power of those who benefit from the extraction . . . In many cases, as . . . in Argentina, Colombia, and Egypt, this failure takes the form of lack of sufficient economic activity, because the politicians are just too happy to extract resources or quash any type of independent economic activity that threatens themselves and the economic elites. In some extreme cases, as in Zimbabwe and Sierra Leone . . . extractive institutions pave the way for complete state failure, destroying not only law and order but also even the most basic economic incentives. The result is economic stagnation and—as the recent history of Angola, Cameroon, Chad, the Democratic Republic of Congo, Haiti, Liberia, Nepal, Sierra Leone, Sudan, and Zimbabwe illustrates—civil wars, mass displacements, famines, and epidemics, making many of these countries poorer today than they were in the 1960s.<sup>40</sup>

All this illustrates the importance of the political and economic institutions that facilitate production, exchange, and innovation. The rights, rules, and liberties that make up such institutions form the basic engine of development. They are the things that make it possible for people to leave behind the conditions of poverty and oppression. They help societies move away from the zero-sum logic of extraction and toward the positive-sum logic of growth and prosperity. A good theory of global justice would take these points *very* seriously. It would give pride of place to individual property rights, the freedom to exchange, and the liberty to move and migrate. The theory of justice we develop in this book does just that.<sup>41</sup>

### *Our Argumentative Strategy*

This book is divided into three parts. The first part identifies and defends three elements of a more open world. What unites these elements is that they each are instrumental in widening the scope of potential positive-sum interactions in which people can engage. They protect and empower people who want to

bring their persons and goods to others who might desire them around the world, on terms each party can see as beneficial. As we'll argue, this means recognizing people's rights to migrate and trade freely around the world.

We begin this first part of our argument by defending, on intuitive, moral, and economic grounds, the right of people to move where they please, just as Jason and Bas are free to move anywhere in the United States at will. This is the purpose of chapter 2. Chapters 3 and 4 then rebut a range of objections to the idea that borders should be opened. Chapter 5 then makes a similar—intuitive, moral, and economic—case for free trade. In chapter 6, we defend this again from a variety of objections. Finally, in chapter 7 we argue that the basic rights undergirding the right to trade freely, rights that we call people's *productive rights*, ought to be recognized as core human rights.

In chapters 8 through 10, we respond to a number of arguments claiming that global justice must be much more redistributive in nature. In particular, we address three strategies one might take to defend such an approach—strategies that focus on what we might call the past, present, and future.

The first of these, discussed in chapter 8, takes a backward-looking approach, arguing that large-scale redistribution is justified because people in the developed world owe people in the developing world compensation for past imperialism and colonialism. Chapter 9 looks at arguments which try to defend such redistribution in order to correct the injustice of today's unjust world order. And in chapter 10 we examine the forward-looking argument that bases global redistribution on the interpersonal duty to prevent future suffering.

Finally, chapter 11 responds to what we regard as the most pressing objection to our view. The objection claims that since increased growth would exacerbate climate change, it should be avoided altogether, or at least be limited as much as possible to only the developing world. While we share the objector's concern about the dangers of climate change, we argue that this does not undercut our conclusions.

Throughout this book, we will rely upon common-sense moral intuitions and ideas rather than any grand moral or political theory. Thus we will not be attempting to show what Kantianism, Rawlsianism, utilitarianism, or some other grand theory implies about global justice. Instead, we will begin with widely shared principles and ideas. When we challenge common-sense *conclusions* about global justice, we will do so on the basis of more basic and strongly held common-sense moral ideas, beliefs or empirical arguments.

As part of this method, we will use thought experiments that set up analogies between moral theories and more familiar interpersonal cases.

The use of such thought experiments is familiar: it allows us to test whether different proposed theories are consistent with deeply held and shared moral beliefs.

But that's not the only reason we have chosen to rely on this method. The other reason is that such examples help engage our moral imagination. They allow us to stay alive to the fact that the questions we're asking concern real people, living real lives, making real decisions in ways they see as most appropriate given the circumstances. This is important because when questions of global justice are put in the abstract, these facts are easy to lose sight of. Powerful psychological heuristics encourage us to think of foreigners in simplified, and often unfair ways—as monolithic groups of people, a “they” who, in one way or another, threaten whatever makes us an “us.” We want to guard against these dynamics by drawing attention to the fact that these are people, persons who have much to offer, if only given a chance.

As a result of this method, we avoid relying on idiosyncratic or easily dismissed moral principles or empirical premises. We think it's deeply problematic when philosophical treatments of justice rely on highly controversial views, say, about the connection between justice and material equality. And we think it's deeply problematic when theories of justice prescribe solutions that evade, ignore, or cherry-pick the empirical evidence about the conditions most conducive to the creation of prosperity and economic and political development.<sup>42</sup>

One might think that a book defending global justice as global freedom would have to do something of this kind, too. It might have to deny moral duties of assistance, or would rely upon implausible ideas about libertarian self-ownership. Others have offered arguments of this kind,<sup>43</sup> but this is not our approach. Instead, we will argue that the conclusions of global openness we defend are consistent with—indeed demanded by—widely shared interpersonal moral intuitions.

# Notes

## PREFACE

1. Ezra Klein, “Bernie Sanders: The Vox Conversation,” July 28, 2015, <http://www.vox.com/2015/7/28/9014491/bernie-sanders-vox-conversation>.
2. It’s worth noting just how odd Sanders’s message would be even if we granted him his alternative facts: Sanders—an avowed left-wing socialist and supposed champion of social justice and equality—wants to maintain policies which keep the world’s most vulnerable people mired in poverty and oppression, in order to protect the income of the top 10% of income-earners in the world.
3. Economist Brad DeLong commented on this sad affair: “The political truthiness has been flying thick and fast on this subject for decades now. Politicians are taking claims that have a very tenuous connection to economic reality—claims that *feel true*—and running with them, sometimes out of ignorance, sometimes because of cynical calculation.” <http://www.vox.com/the-big-idea/2017/1/24/14363148/trade-deals-nafta-wto-china-job-loss-trump>.
4. Caplan 2007.

## CHAPTER 1

1. Roser and Ortiz-Ospina 2017.
2. Using Angus Maddison’s data, the Netherlands in 1750 A.D. had a GDP/capita (in 1990 Gheary-Khamis dollars) of \$2,355. England in 1750 had a GDP/capita of \$1,695. Spain had GDP/capita of \$783. Maddison doesn’t have data for France in 1750, but by 1820, France had a GDP/capita of only \$1,135, and didn’t match the Netherlands’ 1750 standard of living until about 1889. In contrast, total world product per capita in 1750 was well under \$700. (The Maddison-Project, <http://www.ggd.net/maddison/maddison-project/home.htm>, 2013 version.)
3. From \$130 constant 2000 US dollars in 5000 B.C. to \$250 constant 2000 US dollars in 1800 A.D. according to DeLong 2002, 120. Angus Maddison gives different numbers: \$467 world GDP/capita in 1990 dollars in 1 A.D. up to \$6,516 world GDP/capita in 2003 A.D., according to Maddison 2007, 70.

4. World per capita income as of 2014 is approximately \$16,100 in 2014 US dollars, up from under \$500 in 1800. <https://www.cia.gov/library/publications/the-world-factbook/fields/2004.html>.
5. Maddison 2007, 70.
6. Maddison 2007, 382, Table A.7.
7. Rawls 1971, 280–290.
8. By contrast, as we'll see, the evidence that global redistribution would do much good is weak, and there is strong evidence that it often hurts at least as much as it helps. Economists such as Jeffrey Sachs, who claim otherwise, are in the minority, and even Sachs recommends much more economic freedom than philosophers of global justice would accept. Sachs wants economic liberalization, robust market economies, *and* redistribution, not just redistribution, and certainly not redistribution plus the destruction of the market.
9. We say “at their best” because, technically speaking, interactions can be positive-sum in different ways. For instance, cases in which one party gains more than the other loses are different from what we have in mind here, but are not zero-sum. After all, the interaction does create a net gain. Alternatively, interactions can be nonzero-sum when at least one party gains and no parties are made worse off. Some textbooks will define the former as a positive-sum interaction, while others restrict the term to the latter. In any case, and to be absolutely clear, what we have in mind here is that it's best to find institutions that avoid win-lose or lose-lose interactions in favor of win-win interactions. When we say zero-sum, we mean lose-win, and when we say positive-sum, we mean win-win.
10. While there is clear overlap in terms of our conclusions, in this respect our argument is significantly different from Lomasky and Tesón 2015.
11. Collins, Morduch, Rutherford, and Ruthven 2010.
12. DeLong 2002, 120.
13. Maddison 2007, 70; The Maddison-Project, <http://www.ggd.net/maddison/maddison-project/home.htm>, 2013 version.
14. Maddison defines the Western offshoots as the United States, Canada, New Zealand, and Australia.
15. John Maynard Keynes, “Economic Possibilities for Our Grandchildren,” reprinted in Keynes 1972.
16. World per capita income as of 2014 is approximately \$16,100 in 2014 US dollars, up from under \$500 in 1800. <https://www.cia.gov/library/publications/the-world-factbook/fields/2004.html>.
17. <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.
18. <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.
19. Maddison-Project, <http://www.ggd.net/maddison/maddison-project/home.htm>, 2013 version; Landes 1999, xx.
20. As economist Angus Maddison summarizes the trends (Maddison 2007, 70–71):

In the year 1000 the inter-regional spread was very narrow indeed. By 2003 all regions had increased their incomes, but there was an 18:1 gap between the richest and poorest region, and a much wider inter-country spread.

One can also see the divergence between the West (Western Europe, the United States, Canada, Australia, New Zealand) and the rest of the world economy. Real per capita income in the West increased 2.8-fold between the year 1000 and 1820, and 20-fold from 1820 to 2003. In the rest of the world income rose much more slowly—slightly more than a quarter from 1000 to 1820 and seven-fold since then.

21. Pogge 2001, 65.

22. This may not be Pogge's intended point. As we'll see, Pogge draws attention to the damaging dynamics of what he calls the resource privilege. We agree with Pogge that the international system disastrously incentivizes violence and oppression in the pursuit of *de facto* ownership of natural resources, although we disagree with him on the moral implications of this fact. One possible interpretation is that Pogge is merely using this argument to defend his conclusions, even though those conclusions are not clearly connected to these supposed injustices.

Another interpretation might be this. Perhaps Pogge means that the rich are using more natural resources because the production and consumption of their wealth involves the use of resources, and all resources ultimately rely on natural ones. On this option, a rich person, *in virtue of being rich*, uses more natural resources than a poor person. And Pogge's account would then imply that anytime someone gets rich, she owes others compensation for her use, *in virtue of being rich*, of natural resources. We find this version of the thought bizarre, but we can safely set it aside for now. For given that in many places around the world rich people live side-by-side other reasonably well-off people, this first version, even if sound, can have little to do with the extreme poverty we find around the globe.

23. Weil 2013, 453.

24. Weil 2013, 450.

25. Weil 2013, 450–451.

26. Acemoglu, Johnson, and Robinson 2005; Acemoglu and Robinson 2013; Cowen and Tabarrok 2010, 92–106; North 1990; North, Wallis, and Weingast 2012; Rodrick, Subramanian, and Trebbi 2004.

27. North 1990, 3.

28. Roland 2014, 108.

29. Rodrik, Subramanian, and Trebbi 2004, 13; Risse 2005. Similarly, Cowen and Tabarrok 2010, 101 state that “the key to producing and organizing the factors of production [in ways that lead to prosperity] are *institutions* that create appropriate *incentives*.”

30. Acemoglu and Robinson 2005; Acemoglu, Johnson, and Robinson 2001, 2002; Hall and Jones 1999; Hall and Lawson 2014; De Soto 2000.

31. Acemoglu and Robinson 2005, 403.

32. Gwartney, Lawson, and Hall 2015; Gwartney, Lawson, and Hall 2017.
33. <http://www.heritage.org/index/>.
34. Author calculations, using data from Gwartney, Lawson, and Hall 2015, and World Bank World Development Indicators, <http://data.worldbank.org/products/wdi>, last accessed 8/21/15.
35. Gwartney, Lawson, and Hall 2015, 24.
36. World Justice Project Rule of Law Index, 2015, [http://worldjusticeproject.org/sites/default/files/roli\\_2015\\_0.pdf](http://worldjusticeproject.org/sites/default/files/roli_2015_0.pdf).
37. Rodrik, Subramanian, and Trebbi 2004 suggest that institutional quality is the main explanatory variable of growth. See also Acemoglu and Robinson 2005; Acemoglu, Johnson, and Robinson 2001, 2002; Hall and Jones 1999; Hall and Lawson 2014; De Soto 2000; Easterly and Ross 2003.
38. Leeson 2010, 227–233.
39. Acemoglu and Robinson 2012, 74–75.
40. Acemoglu and Robinson 2012, 372–373.
41. As we have said, these rights will not be *sufficient* for development. If they are to have any chance, these rights will have to be embedded in a broader set of political institutions, such as the rule of law, as well as basic civil and political liberties. In what follows, we spend little time defending these, as they are uncontroversial. We simply insist that philosophers offer their economic counterparts the same kind of support.
42. For a useful discussion and defense of a similar methodological approach, see Huemer 2016.
43. Lomasky and Tesón 2015.

## CHAPTER 2

1. See <http://www.oecdbetterlifeindex.org/topics/income/>. The US Census Bureau offers a significantly higher estimate of US median household income of \$53,657. See <http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>. There is a more extended discussion of Nogales, as well as other cases, in Acemoglu and Robinson 2013.
2. <http://www.state.gov/e/eb/rls/othr/ics/2013/204729.htm>.
3. <http://www.who.int/countries/sle/en/>.
4. See Deaton 2013.
5. Or, as Joseph Carens (1987) put it, the modern equivalent of feudal birthright.
6. Moreover, as we will see later, the existence of bad institutions not only harms life prospects directly, it also takes some of the ways we might (otherwise) address global poverty off the table. While financial aid can have good effects, it has proven highly ineffective as a developmental strategy. Aid in extractive regimes often disproportionately benefits the extractors—and sometimes even strengthens their