Not on Venus

Global Poverty and Causal Innocense

van Donselaar, G.

Publication date
2013

Document Version
Final published version

Published in
Krisis

License
CC BY-NC

Link to publication

Citation for published version (APA):
van Donselaar, G. (2013). Not on Venus: Global Poverty and Causal Innocense. *Krisis*, *2013*(1), 43-46. https://krisis.eu/wp-content/uploads/2017/12/krisis-2013-2-10-van-donselaar.pdf

Krisis

Journal for contemporary philosophy

GIJS VAN DONSELAAR

NOT ON VENUS
GLOBAL POVERTY AND CAUSAL INNOCENCE

Krisis, 2013, Issue 1
www.krisis.eu

Over the last ten years Pieter Pekelharing and I have been teaching many seminars on the 'Culture of the Market' and usually questions of globalisation and global justice played an important role. The teaching together proved an effective formula; the seminars were appreciated by students *and* it provided the basis for our lasting friendship. It is a joy and an honour to have worked with Pieter for so long. The following short article is one result of this cooperation.

According to Thomas Pogge's well-known argument, the West, by maintaining an unjust global order, is causally responsible for (the continuation of) global poverty and starvation. It is not, says Pogge, as if the global poor are living on Venus, and their poverty is all of their own making (Pogge 2002). Here I will concentrate on an aspect of the problem that I believe deserves more attention than it has received, namely the *other* direction of the causal relation between poverty and wealth. Is the poverty of the global destitute, even if we set its cause to one side for the moment, of instrumental significance for the prosperity of the West? Some have flatly denied it. But my answer in this article will be that in the relevant sense it cannot be otherwise. I will explain that sense.

But let me begin with an example of the flat denial. Already a while ago (in 2004) *The Economist*, a weekly magazine of some authority with a wide readership, published an editorial article in which the editors hail the role of international capitalism for its benign capacity to bring relief to the global poor. At the same time they call for more compassion and effective international aid. The editors' real purpose, however, is to attempt a critique of the 'debilitating preoccupation with global inequality' that leads people falsely to believe that the 'scandal' of world poverty might have something to do with international injustice.

'They are quite right, these champions of the world's poor, that poverty in an age of plenty is shameful and disgusting. But they are quite wrong to suppose, as so many of them do, that the rich enjoy their privileges at the expense of the poor [...]'.

So the editors deny claims such as those of Pogge that the West is causally responsible for global poverty.[1] But their complaint is not exhausted.

'Market economics is not a zero-sum game. America consumes $10 trillion worth of goods and services each year because it produces [...] $10 trillion of goods and services each year. Africa could produce and consume a lot more without America producing and consuming one jot less. [...] the industrialised countries do not need to become any less rich before Africa can become a lot less poor.'

So global poverty, whatever its cause, has no part in an explanation of the economic prosperity of the West. According to the editors a causal relation between poverty and prosperity holds in neither direction. Let us call this the 'Global Pareto-thesis': The global poor could be better off without the West being worse-off.

Of course 'not being worse-off' allows two varieties, namely 'remaining equally well-off' and 'being in fact better-off', but I will ignore this subtlety. Is the Global Pareto-thesis plausible? There might be some preliminary misgivings about it. If the global poor actually *were* living on Venus the thesis could be easily defended. If the creatures on Venus are doing better for themselves, how could that affect the fate of Earthlings?

But I think we can safely assume that the editors of *The Economist* are aware of the fact that Westerners consume many products that are not home-grown or home-fabricated, and that much of their productivity depends on imported (energy) resources. Through international trade relations of various sorts, developing economies are intertwined with those of the West. So the proper reading of the Global Pareto-thesis should be: *given* the fact of global economic relations it is still the case that the global poor may prosper without the rich in the West being negatively affected by it.

And then one of the preliminary misgivings may run as follows: as developing countries would become less dependent on the revenues from exporting their natural resources (and perhaps needing more natural resources for themselves), the price of those resources on the world market would tend to go up, not down, to the detriment of resource-intensive industrialized economies of the West.[2]

But such a *quasi a priori* argument overlooks the complex dynamics that economic interaction may have. As the bargaining power of developing countries would increase so would their purchasing power and producers in the West might find profitable opportunities in that. After all, flourishing economies are better outlets, at least for certain kinds of commodities and services. As a result the substance of the exchanges might develop in such a way that the West would still be better off on balance, or would remain unaffected.[3] So it depends. The Global Pareto-thesis could be true, even though it seems to rely on an optimistic conjecture.

But this optimism is only facilitated by, what I shall call, the 'aggregational interpretation' of the Global Pareto-thesis. What is basically assumed in this interpretation is that the West might be better off or remain unaffected *on balance and as a whole*, because the loss of some opportunities as a result of more prosperity in developing countries might be (more than) compensated, through the same process, by the emergence of new opportunities. Taken as such the thesis obscures the fact that the people who lose opportunities are not obviously, and not even likely to be, the ones that can then take advantage of the new opportunities. The mistake of the aggregationist is to overlook the distributive effects on productive opportunities that an improvement in the Third Word may have within the West. The fact that the sum-total of a rich country's wealth may increase from its growing trade with a better-developed poor country, or remain unaffected, does not mean that victims in that same rich country are avoidable.

Real trouble for the Global Pareto-thesis certainly emerges once we consider that it requires an aggregational interpretation, not only of the productive opportunities but also of the consumer opportunities of the West. Suppose that, as the editors of *The Economist* claim, the $10 trillion *worth* of goods and services consumed in America would remain unaffected if a substantial part of the developing world realized a significant increase in the worth of the goods and services that it consumes. Would in that case the *range* of actual goods and services that Americans can choose to consume also remain the same? The answer must be a straightforward negative, indeed on a *quasi a priori* analysis, and that analysis is simple. Certain types of goods and services are only provided by people in abjectly poor conditions. Here is a quote from the economist Paul Seabright who is not an enemy of the market (where it is to be had), or of globalisation:

'It is true that the progress of globalisation may threaten some of the world's more poetic idiosyncrasies. On the streets of the cities and towns of South India, women can buy lengths of fine cord threaded with tiny jasmine flowers to put in their hair. The scent of jasmine from the crowds around me, caught on an evening breeze otherwise laden with the noxious smells of the city, is one of the most exhilarating memories I have of India, yet it is possible principally because of the labor of children whose fingers are nimble enough to thread the flowers at a speed that makes the operation profitable. When India's poor have become more prosperous, there will be many fewer children willing to do such work, but the disappearance of their handiwork is something it would be hard honestly to regret. It will not be the only casualty of prosperity, but we should be clear that if globalization causes its disappearance, that will be counted among globalization's successes, not among its failures.' (Seabright 2004: 237).

Poverty may find its ways to exhilarate the romantic Western traveller, but that does not make poverty less regrettable all the same. But Seabright's conclusion, which has my full support, presupposes a *moral* assessment of the effects that he expects of globalisation: more prosperity for developing countries. A world without child labour in which the scent of jasmine is forgone is to be preferred to a world that has both. But otherwise, in purely subjective terms, what will be counted among globalisation's blessings will depend on who does the counting. One who happens to count the exotic scent of jasmine among the central satisfactions of a holiday abroad, and holidays abroad among the central satisfactions of life in general, cannot but suffer a net loss if all the world, abroad and at home, grows more prosperous. The eventuality that the Indian children who are withdrawn from the production of jasmine cords may now go to school and end up as ICT specialists so that, due to the competition from India, the price of computer software drops sharply, will be much to the satisfaction of *other* Western consumers. But it will be of preciously little comfort to the one who has adopted sniffing jasmine as a core value in his conception of the good life.

Seabright's observation suffices to make my point in the abstract, but it is easy to see that all consumer opportunities that depend on forms of child and/or sweatshop labour (including child prostitution) will be similar 'casualties' of eventual progress. And these are vast and vicious industries, not mere poetic idiosyncrasies. If better opportunities open up, the poor will reclaim their dignity and eschew exploitation. To put it in language any economist should appreciate: even if, as a correlate of development elsewhere, the budgets of all Westerners would remain unaffected, or grew, their new so-called 'budget line' would merely intersect with the present one, and not fully include it.

Now, in as far as the well-being of Westerners depends on the availability of consumer opportunities that are bound to be eliminated by progress, we cannot resist the conclusion that, even if they have never caused the misery of the global poor (in the Poggean sense), they do have a positive interest in that misery prevailing. Indeed, we can expect *vested* interests to be interests in the status quo and not in progress for the poor. It means that many in the West would have a self-interested motive not to support improvements in the Third World. Even if they are no harpies, their causal innocence is that of vultures. The Global Pareto-thesis, as it is expressed by the editors of *The Economist*, harbours a misleading claim, seemingly naive, that Westerners in general are not positively affected by the existence of misery elsewhere. If at all, the Global Pareto-thesis can only survive if we think of groups, or nations, or clusters of nations ('The West') as a single agent with an interest and a well-being of its own. But that, as any good economist will tell you, is a fallacy of composition.

Gijs van Donselaar is Assistant Professor of Ethics and Political Philosophy at the capacity group *Philosophy & Public Affairs*, Department of Philosophy, University of Amsterdam.

References

The Economist (editorial) March 11th 2004. 'Poverty and Inequality: A Question of Justice?' Available at http://www.economist.com/node/2499118.

Pogge, T. (2002) *World Poverty and Human Rights: Cosmopolitan Responsibilities and Reforms*. Cambridge: Polity Press.

Pogge, T. (2005) 'Real World Justice'. *The Journal of Ethics* 9 (2005), 29-53.

Seabright, P. (2004) *In Company of Strangers. A Natural History of Economic Life*. Princeton and Oxford: Princeton University Press.

[1] The editorial of *The Economist* has not failed to provoke those with the alleged pre-occupation with global inequality. Pogge (2005) refers to it as giving 'rather absurd arguments [...] that global inequality and poverty are 'not a question of justice'.

[2] From the previous quote the editors of *The Economist* seem to believe that they have made their case if they can demonstrate that international economics is not a zero-sum game (which, they say, is what their egalitarian opponents hold). But a bargaining problem is not a zero-sum game, and yet an increased bargaining position to the advantage of one of the parties will, *ceteris paribus*, certainly cost the other parties some amount of jots.

[3] If in a bargain between two parties the status quo changes to the advantage of only one of them while the Pareto-frontier moves sufficiently upwards (North-East) at the same time, the subsequent bargaining result will still be better for both. Or it will leave one of them unaffected. The latter is in fact the minimal claim that the editors of *The Economist* need to validate, not merely that 'market economics is not a zero-sum game'.