



Economic Policy and World Organization

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Abstract

The global economic crisis and the responses to it have brought to the fore questions of sovereignty and cosmopolitanism. In a world so interlinked, what is the proper way to order the global arena, politically and economically? This essay examines Habermas' multilayered approach to world organization, as well as Pogge and others. Focusing on the question of trade policies, I argue (contra Habermas) for robust global economic governance policies, but (contra Pogge) that these policies should uphold fair trade instead of free trade. This approach has the advantage of alleviating world poverty while at the same time strengthening local communities in developing countries. To this effect, I show why borders should matter more when it comes to capital, and less when it comes to people.

Keywords

cosmopolitanism, Habermas, Pogge, Lafont, trade, economic policy, capitalism

I. A Greek Tragedy

The classic Greek tragedies were typically characterized by a chain of events that seems necessary, yet brings about a crisis from which there is no agreeable way out. Every option seems unwanted and disastrous. Some would see such tragic elements in the situation concerning Greece's national debt. As is widely known, Greece faces a debt of hundreds of billions in outstanding loans. Since it is part of the Eurozone, the future of its debt has direct consequences not only for Greece and its creditors and lenders, but also for other Eurozone members such as France and Germany.

Thus, it is not exactly that Greece is "too big to fail," but its currency certainly is. Both Greece and other Eurozone members face a dilemma, which can be (over)simplified in the following way. For Greece, the dilemma is either to "service its creditors" (and subject itself to increased self-imposed taxation or budget cuts or both), or to default on its loans. For countries like

France and Germany the dilemma is to either assist Greece in paying off its debt or letting it fail and suffering the shared consequences.

Each course of action brings with it consequent dilemmas. Most notably, what kind of economic policy demands can be imposed on Greece as a condition for receiving financial aid? How deep can such an imposition justifiably be? Can a supranational entity intervene in Greece's taxation rates? Can it interfere in agreements made between the government, labor unions, and the private sector? While France seems to side with refraining from imposing harsh economic penalties and demands as a condition for aid, Germany seems to lean to the other side.¹

What is most significant in the 2010 Greek tragedy for this discussion is that it is representative of how global capitalism ultimately surfaces questions regarding political integration beyond the level of the state, as well as questions of sovereignty of the nation state. On the one hand each member of the European Union (EU) is free to pursue its own fiscal policy, for example. On the other hand, these decisions of the nation state have consequences well beyond it. Is economic intervention justified? Is integration worth sacrificing some of that sovereignty?²

These are questions I will take up. The case of Greece and the EU is a microcosm as well as a test case for the possibilities for relations between states on a regional and global scale. What could and should be our political and economic relationships? What is to be done in face of our current interconnectedness? Since the scope of this discussion is wide and far-reaching,

¹ Interestingly, Habermas has observed that Europe faced the problem of not being able to agree on an economic strategy well before Greece's predicament became evident. He pointed to the negotiations between the United Kingdom, France and Germany in response to the developing global financial crisis, and stated: "It is not clear to me why the recent crisis management of the European Union is being praised so highly... For it was the three most powerful of the nation-states which are united in the EU who agreed, as sovereign actors, to coordinate their different measures—which happened to point in the same direction... [T]he way this classical international agreement came about had almost nothing to do with the joint political will formation of the European Union... The present course of the crisis is making manifest the flaw in the construction of the European Union: every country is responding with its own economic measures... There is at present no joint will formation at the level of economic policy" (Habermas 2009a:194-5).

² Greece's predicament is brought here primarily to illustrate its significance for these larger questions. Analyzing the causes underlying Greece's debt, as well as the alternative it faces, is well beyond the scope of this article. However, for an analysis which deviates from the neoliberal mainstream, see Richard Wolff's article: "The Stakes in 'punishing' Greece" (published in *The Monthly Review* on Feb. 11, 2010; last retrieved at <http://mrzine.monthlyreview.org/2010/wolff110210> on May 3, 2010).

I will focus on one main aspect of the question of political integration, supranational governance and economic policy: the flow of capital across borders, that is, trade policies.

II. Theories of World Organization: Habermas and Other Cosmopolitans

In a recent interview about the global financial crisis, Habermas (2009a) said: “Since 1989-90, it has become impossible to break out of the universe of capitalism; the only option is to civilize and tame the capitalist dynamics from within” (p. 187). That being said, he recognizes that the capitalist system, a system of recurring crises, places the social costs of the market failures on the most vulnerable social groups. And so, how do we proceed toward a better, more just society? Habermas insists that instead of “pointing the finger at scapegoats” (i.e., capitalists, speculators, and so on), we must turn to politics for the solution: “Politics, and not capitalism, is responsible for promoting the common good” (p. 184).

In fact, Habermas sees the crisis as possibly opening up new political opportunities. He asserts that “such tidal shifts change the parameters of public discussion and, in the process, the spectrum of political opportunities seen as possible” (p. 185).³ Since, according to Habermas, the global capitalist system cannot be overcome, he advocates for changing the global political organization accordingly:

[P]olitics must build up its capacities for joint action *at the supranational level* (emphasis added) if it is to catch up with the markets... The politically intended economic globalization should have been followed by a system of global political coordination and by a further legal codification of international relations... The current crisis is again drawing attention to this deficiency (p. 190).

One may argue contra Habermas that we *do* have international treaties, summits and collaborative organizations in place. For Habermas, the problem with these institutions lies in the fact that the nation-states see them as a sort of bargaining table, and not as a platform for binding joint action. He asserts that “international treaties, which is what the parties currently have in mind, can be revoked at any time. They cannot provide the basis for a watertight regime” (p. 192). In order for a supranational politics to be realized, Habermas

³ The current irony is that, as in the case of Greece’s national debt, the crisis has caused factions in the integration of Europe, of which Habermas is a leading proponent.

calls for a shift in the way nations think. Nation-states can no longer see themselves only as independent actors making sovereign decisions. That is, they can no longer understand themselves as a Leviathan. Rather, “the nation-states must come to see themselves increasingly as members of the international community.”⁴

In addition, Habermas (2009a) recognizes (at least partially) that there is an ethical deficiency in an international system that relies on bargaining, with little effective and binding ways to protect the interests of poor countries. For example, he remarks that institutions such as the G8 are “an exclusive club,” and even within this club many issues are discussed in a “noncommittal way (p. 191).”⁵

Habermas (2009c), however, does not advocate for a “world state.” Instead, though not abandoning the idea of the nation-state, he calls for rethinking some aspects of its sovereignty through a cosmopolitan constitutionalization of international law (p. 110). He advocates a three-level global system, consisting of the national, transnational, and supranational levels. His reasoning for this system rests on differentiating between the various elements that traditionally have been incorporated into the nation-state: (1) statehood; (2) democratic constitution; and (3) civic solidarity. The first element—statehood (which consists of “the decision-making and administrative power of a hierarchically organized authority which enjoys a monopoly on violence”)—depends on infrastructure associated with the state (Habermas 2009a: 115-16).⁶ The other two elements, however, can reach beyond national boundaries (Ibid.: 112).

In this non-state conception of a legally constituted international community, the role of the supranational level will be to ensure security (the peaceful coexistence of states) and to guarantee the basic human rights of the citizens of these states.⁷ Confined to these two fundamental tasks, the

⁴ Ibid. Habermas recognizes a growth in international organizations, and sees this in part as a natural response to the needs resulting from increasing interdependence. However, this “emerging world society whose functional subsystems extend across national borders” poses a “growing need for intercultural communication and interpretation” which cannot be accomplished within the paradigm of the nation-state (Habermas 2009c: 109-10).

⁵ This exclusive organization also goes contrary to his discourse-ethical model according to which consensus should be reached through the “communication of community of those affected.”

⁶ For Habermas “nation-states, notwithstanding all of their other differences, represent the most important source of democratic legitimation for a legally constituted world society”.

⁷ The supranational level of world organization will not, however, disregard the legitimacy of nation-states. It would be enacted “in the name of the citizens of the states of the world,” and will “represent the unity of the global legal system” (Ibid.: 120).

supranational world community would oversee that states perform these functions, and “take measures” against violators of these obligations.

Distinguished from the supranational level, the transnational level will be the political platform on which states negotiate in order to reach agreed-upon policies, but no policies of this kind can be forced upon a state in a legally binding (and thus legitimate) way. Habermas (2009a) explains that “at this transnational level problems of distribution arise which cannot be dealt with in the same way as violations of human rights or infringements of international security—ultimately as prosecutable offenses—but have to be worked out through political negotiations.” (p. 191) Furthermore, Habermas (2008) states,

[T]he [transnational] world organization would not have to shoulder the immense burden of a global domestic policy designed to overcome the extreme disparities in wealth within the stratified world society, reverse ecological imbalances, and avert collective threats, on the one hand, while endeavoring to promote an intercultural discourse on, and recognition of, the equal rights of the major world civilizations on the other (p. 333).

The role of the nation-states on the global level would consist in some form of general assembly of states, similar to today’s United Nations.⁸

Habermas (2008) does envision some intermediary political bodies between the states and the supranational level, primarily regionally based. According to this idea, regional, or continental, regimes would represent their member states in discussions of structuring global systems (environmental and economic, among others). This model, he believes, would make the decision-making process more manageable, with fewer players at the table (pp. 324-325). It seems that the European Union would serve within that framework as a regional or continental representative.⁹

Thomas Pogge has also taken up the question of a cosmopolitan order. He makes a distinction between moral and legal cosmopolitanism. According to (Pogge 2008), *legal* cosmopolitanism is committed to a concrete political ideal of a global order under which all persons have equivalent legal rights and

⁸ Lafont (2008), citing from page 450 of *Kommunikative Rationalität und grenzüberschreitende Politik: eine Replik*, points to Habermas’ assertion in a recent article that “the General Assembly is the institutional place, among others, for an inclusive opinion and will formation about the principles of transnational justice *that should guide a global domestic politics*” (p. 56).

⁹ This proposal of course raises many questions that are beyond the scope of this paper. To mention only a few: How and who would decide which countries are represented under which region? Will we have one regional body for all of Asia and one only for Australia? Would the regional bodies be given power relative to the number of people living in them? Why should geographical affiliation matter more than cultural, economic, or some other form of distinction?

duties, i.e., they are fellow citizens of a world republic. *Moral* cosmopolitanism means that all persons stand in certain moral relations to one another (p. 175). Within moral cosmopolitanism, which Pogge takes up (and within this scheme Habermas would too), he focuses on the framework of human rights as a form of such cosmopolitanism, and distinguishes between institutional and interactional conceptions of social justice (which may be compatible, that is, not mutually exclusive). While the former applies to institutional schemes, the latter applies to the conduct of individuals and groups (p. 176). One reason for endorsing the institutional approach is that in Pogge's view, "the global moral force of human rights is activated only through the emergence of a global institutional order." In other words, it is only because we are globally connected, "only because all human beings are now participants in a single, global institutional order... that all unfulfilled human rights have come to be, at least potentially, everyone's responsibility" (p. 177).¹⁰

That being said, Pogge points to an important point, namely, that we do in fact live in an institutionalized global order, which is "neither natural nor God-given, but shaped and upheld by the more powerful governments and by other actors they control (such as the EU, NATO, UN, WTO, OECD, World Bank, and IMF)" (p. 178). Insofar as this institutional order authorizes, allows, and enables the violation of human rights, those upholding this global order have a *negative duty* to stop harming those being harmed (and thus must act for institutional reform). Pogge explains that "we are asked to be concerned about avoidably unfulfilled human rights not simply insofar as they exist at all [which would be a *positive duty*], but only insofar as they are produced by coercive social institutions in whose imposition we are involved" (Ibid.).¹¹

What is perhaps most important is that in clear contrast to Habermas' exclusion of economic policies from human rights considerations, Pogge (2008) claims,

[W]e count engendered deprivations (such as poverty in a market system or insecurity due to crimes) as relevant to the fulfillment of human rights... The current global economic order must figure prominently in the explanation of the fact that our world is one of vast and increasing inequalities in income and wealth, with consequent huge differentials in rates of infant mortality, life expectancy, disease, and malnutrition (pp. 180-181).

¹⁰ I will challenge this view, according to which we cannot justify moral responsibility without the institutional connection, later in this article.

¹¹ Pogge concludes that "there is an injustice in this economic order, which it would be wrong for its more affluent participants to perpetuate. And that is so quite independently of whether we and the starving are united by a communal bond or committed to sharing resources with one another" (Ibid.: 182).

What does this mean for Pogge's proposal for world organization? Similar to Habermas, Pogge (2008) wants to get beyond the notion of locating absolute sovereignty in the nation-state, yet, with Habermas, rejects the alternative of a world state. Rather, his proposal is "that governmental authority—or sovereignty—be widely dispersed in the vertical dimension. What we need is both centralization and decentralization" (p. 184). Thus, Pogge also puts forward a multilayered vision of world organization, but one that differs from Habermas' in that it proposes that people govern themselves not only (or perhaps primarily) as citizens of a nation-state, but through various levels of political entities (below and beyond the nation-state).

The question remains, however, what exactly do we mean even in a "thin" model of a supranational political level tasked with securing human rights? As Lafont (2008) observes,

It is precisely because there is agreement on the key role that human rights play in determining the threshold of tolerance below which some kind of intervention is appropriate, or even required, as a matter of basic justice, that it is hard to reach agreement on what those rights are... The usual candidates for disagreement are the so-called economic and social rights, followed by political rights to democratic participation. But, sadly enough, even the right to full equality is not unquestioned (pp. 44-45).

The ambiguity of Habermas' model for securing human rights lies in the question, "What rights should the supranational order recognize?" The United Nations, which is not a legally binding institution in the sense Habermas is proposing, has formally endorsed a very "thick," or expansive, interpretation through its Universal Declaration of Human Rights. This document goes far beyond Habermas' proposal, and includes a wide variety of social and economic rights. Lafont (2008) correctly asserts that "under the division of labor foreseen in the Habermasian model it turns out that no one is in charge of guaranteeing the social and economic conditions necessary to achieve the human rights goals of the UN Charter," adding that "it is alarming how minimal the acceptable functions of a reformed world organization have become" (p. 46).

Lafont (2008) poses the problem in the Habermasian model clearly:

[According to Habermas' model], fulfillment of the most basic human rights worldwide by, say, eradicating severe world poverty, could be a goal of a global domestic politics, but yet again it might not be. It all depends on whether altruistic values happen to triumph over other legitimate interests and value preferences of the major global players, such as the interest in eradicating the differential in welfare within their own countries first, for example. But is it really plausible to think that from a

normative point of view all that justice requires of the international community in order to fulfill the function of protecting human rights worldwide is to prevent war and crimes against humanity and any more ambitious goal is ultimately a matter of choice among conflicting political ideals?

Is the fact that a child starves to death every five seconds less morally callus than genocidal war? Can we defend a position according to which preventing war is legitimate, and preventing hunger is not, especially when more people die of hunger than of war?¹² Lafont (2008) thinks that we see genocide as such a cruel human rights violation because (1) it involves a massive scale of human dying and suffering; (2) it is a man-made disaster, which, as such, could be prevented; (3) it is completely undeserved and unprovoked by the victims; and (4) the victims often lack any efficient means for self-defense (p. 49). Looking at these criteria for a human rights violation that would warrant, indeed compel, international intervention in a country's sovereignty, it would seem to suggest that starvation, death due to preventable diseases, among others, would fit this description as well.

To recapitulate the discussion so far, in order to mark where we are headed, we can identify Habermas' three main claims as following:

1. We must address global economic challenges "within" capitalism (and not "beyond" it).
2. What is called for is a "thin" supranational governance, which will not entail enforcing economic policies.¹³
3. The supranational level will secure basic human rights.

I argue that these three views put together are incoherent, and that at least one of these claims must be revised. In fact, I argue that he is wrong about the first two. Though I will not take up the possibilities for overcoming

¹² In his *World Poverty and Human Rights* Pogge makes a strong case for affluent countries being involved in both starving people and inducing wars in developing countries.

¹³ Lafont (2008) explains that "the reason that Habermas adduces for leaving everything that touches upon the re-regulation of the world economy to the negotiated compromises among global players concerns the legitimacy of this type of political decision. Under the assumption that any economic regulation is (roughly) either technical or political, and the further, more problematic assumption that any political regulation is ultimately a matter of choice or compromise among conflicting value preferences, ideals, and interests of the participants involved, Habermas suggests that economic regulations that are not merely technical need a kind of democratic legitimacy genuinely different from the standards of justice that can be provided by the international community" (pp. 53-54). I will discuss the question of legitimacy, and the related question of a possible supranational public sphere, later in this article.

capitalism here,¹⁴ I will focus on why we can and should envision a more robust global governance system than Habermas presents. Since I agree with Pogge and Habermas that the supranational level need not completely transform itself into a world state, the discussion will thus focus on trade policies, to illustrate some aspects of what such global governance may look like. However, before that, an argument must be made for the possibility of a cosmopolitan world organization at all.

III. Is a Cosmopolitan View Realistic?

In light of the interconnectedness of world states and systems, one could ask conversely, is a non-cosmopolitan view realistic? There are challenges that we may not *want* countries to face on their own (severe poverty, for example), but there are also problems that no country *can* face on its own (environmental issues, for example). There is no doubt that without an inclusive and robust supranational body, powerful countries will continue to dominate decision-making. The model will be bargaining, instead of cooperation. One need only recall the negotiations during the 2009 Copenhagen Summit on Climate Change. In an international framework, as opposed to a supranational

¹⁴ A note on the question of capitalism may be in order. In the current global capitalist structure the capital(ist) knows no national boundaries as businesses are moved across borders according to profit rationality. Pogge and Habermas seem to take global capitalism to be a given, and now look for ways to manage it [Pogge (2008) denies that “such interdependence is bad as such” and comments that “it can hardly be scaled back in any case” (p. 193)]. The question is, should we take global capitalism to be a given? Or, as Richard Wolff (2010) puts it, should we always be thinking of crises *in* capitalism and never of the crisis *of* capitalism (pp. 95-96)? I would argue that those who say capitalism cannot be scaled back are simply wrong. One way of “scaling back” would be through Schweickart’s model of “socialist protectionism,” which I will get to in my discussion of trade.

However, there are good reasons to think that we should be concerned with our world organization *even if we do scale back our global economic interdependence*. For example, it seems that we do share a sentiment according to which the intense suffering of others poses some moral obligation on us, regardless of whether we are to blame for it (though of course Pogge makes a powerful argument that in more cases than we are willing to acknowledge, we are implicated in the suffering of others). To illustrate this point, imagine that we had no interaction, shared institutions or shared history with Canada, and, suppose the Canadian government started rounding up a certain group of people in concentration camps and killing them (say, people with disabilities). Now suppose the concentration camps are just north of the shared border, so that Americans can hear the victims’ cries for help on a daily basis. Would we say that we have no moral responsibility to help just because they are “Canadians”? What is more, there is good reason to believe that a more structured world organization would encourage more human solidarity, and not only the other way around.

framework, countries who feel benefited from breaching international agreements may consistently do so if they are left with the right to do so.

But can we see ourselves as primarily part of a global community, and only then “citizens” of a state? There are good reasons to think this is possible. *First*, the nation states emerged amidst similar questions. Coming out of the feudal society, individuals became used to a new, more encompassing allegiance with the state over local allegiances, guilds, and so on. On this Habermas (2009a) himself notes that “expanding markets and communications networks have always had an explosive force, with simultaneously individualizing and liberating consequences for individual citizens; but each of these breaches has been followed by a reorganization of the old relations of solidarity within a more comprehensive institutional framework” (p. 193).

Second, the challenges individual states face, and are responsible toward their citizens for, are becoming ever more global—economically, environmentally, and otherwise. Even armed conflicts are becoming more global and more defused at the same time, based less and less on the traditional nation states (consider an organization like Al Qaeda, for example). Global questions driven by technology are also exacerbated, including immigration,¹⁵ communications, and so on. Of course when considering technology we should keep in mind that applications such as the internet can, if designed wisely, provide a stronger sense of solidarity and positive interaction. What we need is interaction that is less profit and market driven and more “human.”

A *third* testament to the possibility of global solidarity lies in emerging attempts to ground our ethical responsibilities on a global scale in more compelling ways. We can see this not only in Pogge, but also in many others, including Young¹⁶ and Singer,¹⁷ to name only a couple. And *finally*, as I have remarked earlier,¹⁸ a more global political structure may encourage more human solidarity, and not only the other way around.

IV. Free Trade, Fair Trade, and World Organization

How do we best secure the economic well-being of human beings across the globe, while refraining from imposing supranational economic policies and

¹⁵ Technology introduced into traditional societies has changed forms of living in ways that encourage immigration to big cities, and eventually to developed countries.

¹⁶ Iris Marion Young. 2007. *Global Challenges*. Cambridge: Polity Press.

¹⁷ Peter Singer. 1972. “Famine, Affluence and Morality.” *Philosophy and Public Affairs*, vol. 1, no. 1 (Spring), pp. 229-243.

¹⁸ cf. fn. 14.

from establishing a global welfare bureaucracy? Since within a world organization we will continue to have locally regulated economic policies and economies, one way to address it is through the question of trade. In a world in which capital has become global, how shall we regulate its flow across borders?

Habermas (2009a), Pogge (2008), Lafont (2008), and others see free trade as the right path to tread, and view obstacles to free trade as an impediment to global justice. Habermas (2009a) has recently expressed his hope that President Obama will not turn to protectionist policies in order to cope with the current economic crisis (p. 197). Here Habermas is in agreement with Pogge and Lafont. All three think that free trade could be an important component in alleviating world poverty. On this Lafont (2008) notes that according to the United Nations Conference on Trade and Development (UNCTAD), poor countries could export \$700 billion more a year if rich countries were to open their markets as much as poor countries are obligated to under the international trade regulations adopted by the members of the WTO. She further asserts that according to the World Bank, abolishing all current trade barriers could lift 320 million people out of poverty by 2015 (p. 51).

What advocates of free trade fail to see is that this condemns the well-being of billions of people to dependence on the fluctuations of the market. As the current financial crisis makes clear, this market is not steered by an invisible hand, but by powerful (and wealthy) individuals and corporations, whose deliberate actions are guided by the drive for profit, even, as has become apparent, at the expense of millions of others.

Furthermore, as Lafont's remark above illustrates, proponents of free trade hold the expectation that developing countries base their economic development on exports to affluent countries. This would be a mistake for at least two reasons. *First*, this means that developing countries would be highly dependent on the economies of developed nations, and exposed to any risks and disasters that might affect those economies. Furthermore, since developing countries often lack the same social safety nets and resources to cope with recessionary times, the negative impact of such events on them will be even greater. *Second*, and perhaps more important, there is something profoundly unjust in such a scheme. Take for example flower exports from Mexico to the United States. Land that can be used in Mexico to grow food is being used to grow commodities for an affluent country, while displacing people from their land and source of employment. Michael Walzer (1983) referred to the phenomenon of guest workers as "live-in servants." (p. 55) But, is this not an unfortunately adequate description of poor countries, which rely on

exports in an exploitative global free market economy? Are they not coerced into being our “servants,” albeit on a global scale; condemned to the impoverished neighborhoods of our global village, yet unable to cross into our flourishing society to partake in the fruits (and flowers) of their labor?

Therefore, at a time in which the international stage is most strongly marked by economic relations and capital flow, it is time for global collaboration to regain its *political* nature. Decisions are being made, lives are being determined, and if politics do not characterize the global scene, the rational of the market will continue to do so. It is anti-democratic, non-participatory, and in many ways unsustainable.

One may object, worrying that if we abandon the idea of free trade, what is the alternative? Clearly, endorsing a fully-planned world economy is out of the question (I cannot imagine anyone supporting this idea or thinking it is even possible in theory). So, are we back to a bargaining table of nation-state economies? Would that not perpetuate the distorted power structure we have today? The answer is yes, it would. That is why we need a different kind of system, which is not free, but fair. What we really want is a global trading structure that overcomes the problems of free trade, yet does not leave us with the current unjust status quo.

A model for such an alternative rests in Schweickart’s (2002) proposal for, what he calls, “socialist protectionism” (pp. 76-80). The basic idea is that a country that adopts “socialist protectionism” (or, this version of fair trade policy) imposes a tariff on all imports from countries where cost of production is cheaper than local production.¹⁹ The tariffs are calculated so that the imported goods would cost the same as if they were produced locally (this of course would greatly reduce the quantity of imports). The taxes collected through the tariffs would be funneled back to the exporting country in a way that assures they are used effectively to alleviate poverty.²⁰ The point is that consumers in affluent countries do not exploit the conditions of the world market, and developing countries can have a healthy balance of a local and export economy.

However, Schweickart does not propose this as an economic policy component of a supranational world order. I, however, argue that it should be introduced as part of the global multilayered structure. Put differently, in the

¹⁹ If the goods are exported from a comparably developed economy, then free trade can be introduced.

²⁰ Schweickart proposes that “the rebates should be directed to those agencies in the poor country most likely to be effective in addressing the problems of poverty and attendant environmental degradation—state agencies where effective, labor unions, environmental groups, and other relevant nongovernmental organizations (NGOs)” (Ibid.: 80).

interest of protecting human rights this “fair trade” policy, as specified above, should be internationally binding, with consequences for those countries that do not cooperate. Of the possible international economic structures we have reviewed, it seems the one most capable of protecting human rights and well-being in a long-term sustainable and just way.

The concerns regarding such a proposal are not difficult to foresee. One objection may be that it is unjust to force countries into protectionist policies. Should we not allow countries to open their consumer markets if they wish to do so? Is it not overly coercive to deny them that right of self-determination? Moreover, is it not a brutal violation of their sovereignty to decide for nation states how to distribute the taxes they have collected?

First, imposing a “fair trade” policy is no more violent than imposing a “free trade” policy, yet free trade policies are demanded (of poor countries) all the time. Furthermore, if Pogge can demand imposing free trade policies on affluent countries, why is it more coercive to demand of them fair trade policies? Second, insofar as the taxes collected represent a severe discrepancy in wealth and development between the two economies trading, the affluent country should not benefit simply because it can exploit the low cost of production overseas.

Another objection may be that this policy represents particular values of distributive justice that not all nations may endorse. Is it not wrong to coerce them to conform to particular values?²¹ First, a general response to such an objection is that *any system or lack of system* represents particular values since whatever system is in place will necessarily have specific outcomes of distribution that result from it. In Lafont’s (2008) words, “there can be no doubt that economic regulations are political. But, by the same token, there should be no doubt that they raise questions of justice and thus may lead to massive human rights violations... If the origin of some human rights violations is political, the means to prevent them will have to be political as well” (Pp. 55-56). The current system overwhelmingly benefits affluent countries and harms poor countries (which means it actually benefits the minority of the world population).²² One could only plausibly argue that this “imposition”

²¹ Habermas seems to share this concern. Lafont (2008) cites (from page 143 of Habermas’ *Hat die Konstitutionalisierung des Völkerrechts noch eine Chance?*) his assertion that “if the international community limits itself to securing peace and protecting human rights, the requisite solidarity among world citizens need not reach the level of the implicit consensus on thick political value-orientations that is necessary for the familiar kind of civic solidarity among fellow-nationals” (p. 47).

²² Pogge (2008) points to this fact, that affluent countries represent only 15 percent of humankind: “much larger numbers must live, despite hard work, on incomes with 1/50 of the purchasing power of ours and hence in constant confrontation with infant mortality, child

is wrong if it is debated in a truly democratic international forum, guided by discourse-ethical principles according to which the voices heard are first and foremost the voices of the developing countries who would be negatively affected by a failure to implement such “fair trade” policies.²³

One more question remains to be considered in the discussion of implementing global fair trade policies. Schweickart does not discuss in depth the question of world governance. Thus, I wish to defend my proposition for a global fair trade policy as part of a “thicker” supranational structure on grounds that I think Schweickart should accept, but does not state in an explicit way.

First, it could be argued that it would take a global polity, or at least a highly increased sense of global political solidarity in order to overcome global capitalism (a goal that Schweickart clearly endorses). If political parties, workers and other groups understand and mobilize around their shared interests across borders, there is a better chance that the global structures of capitalism can be overcome. Habermas (2009a) has raised this issue with respect to the EU. He says: “All across Europe, the social democratic parties have their backs to the wall because they are being forced to play zero-sum games with shrinking stakes. Why do they not grasp the opportunity to break out of their national cages and gain new room for maneuver at the European level?” (p. 196) This is strikingly reminiscent of Marx’s critique of the Gotha Program, written more than a century ago. Marx comments,

It is altogether self-evident that, to be able to fight at all, the working class must organize itself at home *as a class* and that its own country is the immediate arena of its struggle... But the “framework of the present-day national state,” for instance, the German Empire, is itself in its turn economically “within the framework of the world market,” politically “within the framework of the system of states”... And to what does the German workers’ party reduce its internationalism? To the consciousness that the result of its efforts “will be the *international brotherhood of peoples*”—a phrase borrowed from the bourgeois League of Peace and Freedom, which is intended to pass as equivalent to the international brotherhood of the working classes in the joint struggle against the ruling classes and their governments.²⁴

labor, hunger, squalor, and disease. Fully one-third of all human beings still die from poverty-related causes. In view of such massive deprivations and unprecedented inequalities, we cannot decently avoid reflection on global institutional reform” (p. 201).

²³ In addition, it would have to be shown that the failure to implement these “fair trade” policies would not perpetuate the human rights violations that we witness in our current system.

²⁴ Marx, Karl. “Critique of the Gotha Program” in: *Selected Writings*. Edited by Lawrence H. Simon. Indianapolis: Hackett Publishing, 1994. Pp. 323-324.

Second, Schweickart (2002) himself sees much hope in what he calls “the counter project,” which is a general name for the broad range of social movements which have sprung up in the past two decades, protesting many different issues, including capitalism, global poverty, environmental devastation, to name only a few. What is common to these movements which make up the counter project is that they have a global outlook, with the aim of opposing the globalization of capital (pp. 1-7). This means, generally speaking, that they include participants from diverse nationalities and backgrounds, they focus on issues that have a global impact, and so, finally, it is not surprising that many have adopted a universal human rights framework for their analysis and strategy. It seems that one of the fundamental assumptions of participating groups in the counter project is that their allegiance crosses borders in order to overcome the obstacles they face and to transform their social environment. Moreover, it seems that transnational solidarity is itself a value that this project holds high.

V. A Note on Borders and Immigration

Borders have always been a key component in defining state sovereignty, and their meaning has been a key factor in securing what Benhabib (1996) refers to as the three main public goods in complex modern democratic societies—legitimacy, economic welfare, and a viable sense of collective identity (p. 67). Indeed, as my analysis of fair trade policies shows, a cosmopolitan vision need not, and should not, consist of a world without borders. As Benhabib points out, borders are helpful for reasons of governance, security, and social welfare, but also for creating a sense of community, identity and belonging.

That being said, borders can come in different varieties of openness and closure. For example, the flow of people between two countries is highly regulated, whereas the borders between counties in the state of Illinois are unregulated. Chicago is a territorially well-defined political entity, but people can come and go as they please. In fact, we would see it as highly coercive and restrictive of that were not the case. Yet this openness still allows for Chicagoans to have a sense of identity, community, and sometimes pride, in their municipal affiliation.

Hence, we can implement a binding fair-trade policy as a measure of protecting human rights and raising developing nations out of poverty, without implementing a “protectionist” immigration policy. These issues can and should be distinguished. Indeed, Pogge’s (2008) proposal for decentralizing the nation state allows us to raise two important points. First, that as part of

the process of centralization and decentralization, we can also redefine national boundaries to better accommodate participation and community, since not as much will be “riding” on these boundaries. Second, in a world in which severe poverty is alleviated, and a sense of local community is strengthened, people will likely not want to move around as much, and so, as we work toward a stricter regulation of the flow of capital, softening our regulation of the flow of people across borders will be less significant and burdensome.

VI. Is a Supranational Public Sphere Possible?

Though it is not my main focus here, any discussion of a somewhat democratic world society, which is governed by a (multilayered) world organization, must address the question of establishing its legitimacy in the eyes of its citizens. Establishing legitimacy, which entails at least some sense of community, is no doubt a challenge within a global framework. Even within national societies this task poses a challenge. As Habermas (2009b) remarks,

We live in pluralistic societies. The democratic decision-making process can overcome deep differences in outlooks only as long as it gives rise to a legitimate bonding force which is convincing to all citizens and satisfies a combination of two requirements: it must combine inclusion, that is, the equal participation of all citizens, with a more or less discursively conducted conflict of opinions. For only deliberative conflicts support the supposition that the democratic procedure will lead to more or less reasonable results in the long run (p. 135).

The question is, then, can we envision a supranational public sphere that can serve the functions of facilitating public discourse and opinion formation on a global level? Is there, and can there be, a global public at all? Or are the technical and cultural challenges too great?²⁵

The answer to this question remains open. But we must attempt at creating such a global public sphere (which would not replace local ones, of course), if the project of global solidarity is to be achieved. And there are good reasons to think this is possible. Technology, if designed and used thoughtfully, could assist in this task. Online programs and networks can be designed to create linkages and bridges across cultures (some such online

²⁵ Habermas (2009c) also asserts that the legitimation problems on the supranational level can be satisfied “only if a *functional global public sphere* emerges” (p. 124).

networks have emerged already).²⁶ Technology can help facilitate not only inter-personal familiarity, but also deliberative democratic processes. This possibility has recently been explored and analyzed, with some reason for optimism, by James Fishkin. Fishkin (2009) raises the following dilemma: on the one hand the participation of the wider public is essential to a democratic process, but on the other hand, the public, especially on such a mass scale, is usually much less informed and attentive to the complex issues at hand. However, including only elites in the process would present a democratic deficit (pp. 175-183).

Fishkin proposes (albeit in the context of the EU) to avoid the “fragmentation of public consciousness” by creating forums that would serve as microcosm samples of the European public. These gatherings could occur in person, though this would be very expensive. Another option, which Fishkin has experimented with, is creating facilitated, deliberative forums online. These forums serve as a way for engaging the public in the transnational political debate, a process through which they not only form and reform opinions, but also learn and become civically knowledgeable. Though not perfect, Fishkin sees the microcosm model as a *via media*, to be experimented with and improved, for overcoming the democratic deficit of supranational politics.

VII. Conclusion

In this article I have argued that due to our current interconnectedness, and in light of the human rights violations and environmental challenges we face as a world society, there is a need for a more robust and binding world organization, which must include supranational economic policies.

The current status quo concerning transnational boundaries can be described as allowing the free flow of capital across borders, while preventing the free flow of people across these same lines. Currently, borders matter when it comes to people, but not when it comes to capital. I have argued for a somewhat inverse vision. Economic policies should make the flow of capital “fair,” that is, work to alleviate exploitation, as well as human rights violations in the form of starvation and severe underdevelopment. Again, this need not imply closed borders when it comes to people. My proposal is not isolationist. What is important about the supranational binding “fair trade” policy is that it works to democratize our global relations by reducing the immense discrepancies in power which today shape our economic relations.

²⁶ See for example, “Bridge Builders” at <http://bridge-builders.ning.com>.

It has numerous other advantages as well. *First*, if we maintained relatively open borders and *free* trade, without properly developing local economies (as Carens seems to suggest),²⁷ we would indeed witness massive immigration, creating a very uprooted world society, lacking a sense of community. In contrast, fair trade would alleviate workers' need to migrate for work, and enable them to gain meaningful employment in their communities and avoid displacement. In addition, a sustainable locally-based economy is more stable (not easily affected by external factors), and encourages the thriving of local culture as well. This will help alleviate concerns of diminishing cultures within the framework of "softer" borders for people. What is more, the ability to move and to trade is for the most part the lot of the rich. Creating reasons to stay is the interest of the poor. *Second*, as I have mentioned, it is unjust to coerce communities (directly or indirectly) to become export economies, serving the needs of the rich at their own expense. And, *third*, of course, local economies are much more environmentally sustainable.

Finally, how do we reply to those who say that though this seems like a great proposal, it is, alas, utopian? How do we respond to the assertion that it is but a dream? I refer the skeptic to what Wolff (2010) has correctly said about the nature of the political: "Politics always mixes representations of what exists now, what could exist, and what should exist." It is up to us to provide "the conceptions of possible futures we can now glimpse, debate and pursue" (p. 253).

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