

Deliberative and Pragmatic Approaches to the Tobin Tax Campaign¹

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ABSTRACT

The paper addresses the possibilities for extending cosmopolitan ethics to global finance via an analysis of the civil society campaign for a Tobin Tax. The argument critiques deliberative arguments that civil society can act as a straightforward conduit for cosmopolitan reasons by appeal to the ethical dilemmas and political contests that pervade the campaign. Problems of financial, ethical and institutional universalism are argued to undermine any clear moral appeal in the Tobin Tax. However, the paper draws on the work of Richard Rorty to celebrate the role of the Tobin Tax campaign in ongoing practices of sentimental education. By illustrating the harm that global financial markets can cause, the campaign involves larger audiences in a discussion of global finance. Moreover, the debates and contests that pervade the campaign illustrate new ways of thinking the ethics of global finance. In Rorty's terms, it is a sufficient aim for cosmopolitans to keep such conversation going.

Keywords: Deliberation, Global Civil Society, Pragmatism, Tobin Tax

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James Bohman (1999) argues that a deliberative conception of cosmopolitan democracy is suitable for the (long term) ethical reform of international regimes. He posits that ‘global civil society’ can act as conduit for cosmopolitan ‘reasons’ regarding ‘non-domination’, generating ‘cosmopolitan publicity’ in the context of evolving ‘global public spheres’. Randall Germain (2004) extends this argument to the subject of global finance by re-describing the international financial architecture (IFA) debates to support an ‘ethic of inclusion’. Broadly speaking such agendas are an interesting and important extension of cosmopolitan thought to the subject of global economic governance. In a domain that has been marked by its instrumental rationality, technocratic subject and elitist decision making mechanisms the arrival of cosmopolitan ethics is noteworthy. The project to ‘open up’ the esoteric architecture of global finance and render it susceptible to democratic inclusion/debate is a promising avenue of ethical reform.

Within IPE the response to this project has been mixed. Existing critiques of ethics in global finance have tended to portray it as ‘important’ but at best *unlikely* – at worst, merely the legitimising rhetoric of power (Best 2003; Coleman & Porter, 2000; Underhill & Zhang, 2003). This emerges from a general difficulty with engaging ethics and ‘the ethical’ in IPE. Numerous theoretical traditions provide grounds to dismiss talk of ethics in the context of global finance. For ‘positive economists’ talk of ethics is a hallmark of bad social science. Such a positive-normative dichotomy is retained in the titles of influential texts in that discipline (Friedman, 1966; Lipsey & Chrystal, 1995). For Realists the appropriate dichotomy is between politics and ethics. Despite laudable ambitions the hopes of cosmopolitans will always be trumped by power politics. For their part Marxists have confirmed the argument albeit in more sophisticated terms. In a critique of Germain, Tim Sinclair (2001: 442) argues,

“In a sense there has already been a “private reform” of the IFA whether this is endorsed in Basel II or not. Lack of real substantive progress on the architecture proposals could be said to have been sidelined by the development of a new quasi-regulatory structure. Even if Randall D. Germain is correct and the politics of inclusion are now characteristic of some features of the IFA, it is not clear that the official IFA is where the substance of regulation now lies.”

However, such critiques fail to interrogate the *substance* of cosmopolitanism. While it may be arguable that historical power structures, vested interests and privatised technologies of

capitalist governance make for ethics a hard task, these critiques fail to question cosmopolitanism itself as the appropriate normative framework. Faced with such scepticism, the committed cosmopolitan could well be forgiven for taking the attitude, “OK. So I need to try harder then!” Another approach is required.

Instead, this paper will interrogate the deliberative cosmopolitan project by appeal to a more constitutive conception of ethics and ‘the ethical’. Building on the philosophical pragmatism of Richard Rorty (1989), it is argued that cosmopolitanism can be understood as a *metaphor* that acts to constitute global social relations in certain ways. Rorty defines metaphor via a reading of Davidson,

“...by putting metaphor outside the pale of semantics, insisting that a metaphorical sentence has no meaning other than its literal one, Davidson lets us see metaphors on the model of unfamiliar events in the natural world – *causes* of changing beliefs and desires ... [...]...He lets us see the metaphors which make possible novel scientific theories as causes of our ability to know more about the world, rather than expressions of such knowledge. He thereby makes it possible to see other metaphors as causes of our ability to do lots of other things...” (Rorty, 1991b: 163)

Reading cosmopolitanism in this way avoids dichotomies like positive-normative and politics-ethics and focuses attention to the ethical possibilities, ambiguities and ‘limits’ contained within - *and constituted by* - the metaphor of cosmopolitan global governance. To this end, the paper seeks to explore the cosmopolitan metaphor by *unpacking* what Bohman and Germain take to be the relatively unproblematic ethical agent ‘global civil society’. This is done via a case study of the civil society campaign for a Tobin Tax.

The Tobin Tax is a well known proposal to place a small tax on foreign currency transactions (Tobin, 1978). Over the campaign the proposal has expanded to include rather more political than technical issues (Singh, 2000: 200), the possibility of global re-distributive justice as a result of the potentially vast revenues (Spahn, 1995) and, in some articulations, it sustains a logic of emancipation via the construction of global democratic institutions (Patomakki 2001). The proposal was at the heart of early initiatives to reform the IFA and has been part of many attempts to lobby global institutions (Porter, 2005:146). For these reasons the campaign for a Tobin Tax is a good case study of deliberative cosmopolitanism. It sustains

the possibility of examining a set of cosmopolitan ‘reasons’ and has been key to ‘cosmopolitan publicity’.

Critically speaking, a number of moral ambiguities are identified around the Tobin Tax that put in question the mechanistic idea of global civil society as ‘opening up’ finance to better forms of deliberation. A requirement for capital account convertibility and a cash-based approach to global justice imply a problematic financial universalism. The Tobin Tax reifies the financial system as a single unitary whole which ‘we’ must react to, failing to explore alternatives that may arise in the context of partially or non-developed financial systems. And when proposals are made to democratise global institutions via a Tobin Tax it is arguable that they actually re-produce the state-centric, rational bureaucratic and territorialized conception of politics they seek to reform. At the very least such points force us to re-examine the ‘black box’ of global civil society to suggest a more complex view. At worst such ambiguities suggest that the cosmopolitan project is too easily conflated with ‘business as usual’.

Instead the paper develops a pragmatic and praxeological response. Drawing on Richard Rorty’s (1998) account of ‘sentimental education’, the Tobin Tax is re-described as a *sentimental* metaphor. It provides a simple heuristic device for understanding globalisation and offers a way to change it. The power of this metaphor has led it to occupy centre stage in a burgeoning global civil society and it is repeatedly included in discussions at the World Social Forum (despite the sometimes radical opposition to it in that forum). However, moving beyond what is potentially quite a banal position, I argue that the ambiguities of cosmopolitan global finance – financial universalism and poor attention to democratic initiatives that fall outside of global/universal mechanisms – are actually highlighted within the campaign itself. In discussions that continue in social forums, in public meetings of NGO’s, and (even) the stylised narratives of charities, the opacity and technicality of finance is de-naturalised, thus making alternatives thinkable. Here it is suggested that a metaphor of ‘breaking’ is perhaps more useful for understanding the ethical possibilities of Tobin tax campaign; breaking the very (esoteric) possibility of a (monolithic) global financial architecture.

The paper proceeds in three sections. Section 1 outlines the deliberative cosmopolitan metaphor of global finance. Importantly, the metaphor rests on the assumption that better knowledge about global finance can open the space for greater democratic inclusion and

debate. Section 2 identifies some reasons to be critical about this metaphor by appeal to the campaign for a Tobin Tax. It identifies a problematic financial universalism at the heart of the Tobin Tax and critiques the cash-based conception of global justice it sustains. Finally, Section 3 re-describes the Tobin Tax as a sentimental metaphor. Simply stated, it is a good thing that larger and more diverse audiences are involved in a conversation about the potential suffering caused by global financial crises and the apolitical nature of technocratic financial governance. Public education on such issues is severely lacking (Scholte, 2002: 20). From a pragmatic perspective the task is to engage with such debates in order to identify their constitutive ambiguities, internal contradictions – not as an exercise in critique for its own sake - but as an opportunity to identify alternative possible futures for cosmopolitan global finance. Working at the limit of current ethical reasoning creates the spaces for suggesting alternatives.

1. **Cosmopolitan Metaphor(s)**

We speak of one thing being like some other thing when what we are really craving to do is to describe something that is like nothing on earth.

Vladimir Nabokov

To think of cosmopolitanism as a metaphor is to understand it as a way of speaking that constitutes the world in particular ways: it *causes changing beliefs and desires*. The question of the likelihood of building a cosmopolitan world is perhaps less pressing than a general acceptance of that model – and the concomitant ambiguities, limits and potentials that the metaphor (re)produces. This section will first re-describe cosmopolitanism as a metaphor of global politics – or set of metaphors - and extend it to the domain of global finance, before unpacking ideas like global civil society and cosmopolitan reason by appeal to the campaign for a Tobin Tax in the next section.

Cosmopolitan thought has a long lineage stretching through Christian Theology, Kantian critical theory and on to present day articulations of global democracy (See the collection of articles in Brassett & Bulley, 2006). The word is made up of *cosmos* and *polis*. This very combination is a contradiction since the concept of polis is based on an exclusive demarcation of political community. However, in a sense, this confirms cosmopolitanism's status as a metaphor since despite the ambiguity, the term has served as a motivating idea for numerous (and sometimes contradictory) ethical projects. A common distinction made is

between moral cosmopolitanism – which is concerned with the expansion of the scope of ethical concern – and political cosmopolitanism – which is concerned with envisaging institutions that might better organise world society (Dallmayr, 2003). But the two often cross fertilise.

As a metaphor of ethics/politics cosmopolitanism has in contemporary usage been concerned with the reform of globalisation. Numerous accounts have sought to expose the political ‘realities’ of economic globalisation. Common tropes of a migration of authority to supra-territorial organisations and a concomitant decline in the veracity of state-centric political autonomy have been deployed (Devetak & Higgott, 1999). Most famously, David Held’s articulation of cosmopolitanism as a ‘double democratisation’ (inside and outside) has sought to overcome the internal tension in cosmo-polis by extrapolating ‘upwards’ the practices and (alleged former) benefits of the domestic polis. And a number of critiques of the temporal linearity, territoriality and Euro-centrism of this model have been made (Patomakki, 2003; Shah, forthcoming; Vaughan-Williams, 2006).

Instead, this paper will be concerned with the metaphor of deliberative cosmopolitanism as it is developed by James Bohman and applied to global finance by Randall Germain. Deliberative cosmopolitanism refuses the possibility of creating institutions on a world scale that are analogous to domestic polities in power and auspices. Instead, the agenda is located in the evolving (social) practices of governance that accompany and control economic globalization. For James Bohman the aim is gain a ‘practical foothold’ in order to subject previously technocratic and elitist governance mechanisms to principles of political equality and non-domination by opening regimes to domination free communication (Bohman 1999: 500). This is not to argue that everyone should have a say in every decision. Such an idea is not practically possible and therefore perhaps not normatively desirable. Rather he argues that at a minimum people should have a reasonable expectation that the kinds of reasons they would assent to are represented. As Bohman posits, “Even if I do not control the outcome, however, my freedom is effective when institutions produce decisions based on the sort of reasons that I could endorse.”(1999: 504)

While this may seem like a fairly elitist statement he is keen to qualify that the argument concerns the *potential* for influence, (if required), i.e. “The reasonable expectation that I may influence a decision-making process that is responsive to reasons and the discipline of

reasons is sufficient for a minimal criterion of freedom as ‘non-domination.’” (Bohman, 1999: 504) And he extends this principle of non-domination to highlight the possibility of an indirect influence of economic experts. As he contends: “I could very well not be interfered with by various macro-economic policies (and thus my negative liberty would remain intact); but the consequences of those policies could put me under the arbitrary will of economic experts and firms in no way open to my influence or accountable to my reasons.” (Bohman, 1999: 504) The answer for Bohman is to *open* through contest and engagement, the intersection between civil society and international regimes to create (more or less) democratic public spheres:

“Given a vibrant transnational civil society, international organization may not only function as a forum and audience for democratization, but also eventually institutionalize such minimal conditions in the form of international law whose domain would be the violation of basic human rights that make minimal conditions of access to global public spheres possible. (Bohman, 1999: 505)

As a metaphor of political practice the deliberative cosmopolitan model is engaged in the task of ‘opening’ global economic governance by building ‘public spheres’ out of the interactions between civil society and institutions. The central metaphor is one of *opening* and *publicising* areas of international policy that infringe upon negative principles of political equality. In the context of global finance the argument has been productively extended by Randall Germain who identifies an,

“...arena of public deliberation concerning financial issues bounded by four key globally institutionalised configurations of power. These are a government-led (or inter-state) institutional framework at the global level, the set of globally integrated financial markets, a global media increasingly interested in financial issues, and those associations within civil society that advance and debate issues broadly associated with finance.”(2004: 232)

The deliberative cosmopolitan metaphor therefore rests on some straightforward and powerful assumptions. If institutions or regimes exist, that have a distributive impact which stretches across borders then affected individuals should be subject to principles of equal political inclusion. Bypassing the thorny issue of world government, Bohman stresses the contingent, located and experimental nature of evolving public spheres and highlights the potential of a vibrant ‘civil society’ to ensure that appropriate ‘reasons’ can be publicised to larger and larger audiences.

When extended to the governance of global finance it's fair to say that the metaphor is an important and provocative addition to an area heavily criticised for the exclusivity of its arcane and sometimes esoteric knowledge. Indeed, for many working within critical IPE the difficulty of deliberation in a global financial public sphere is marked by the technical nature of the knowledge at hand (De Goede, 2005; Scholte 2002; Sinclair, 2005). However, as Germain has argued, with trends related to the reform of the global financial architecture, the possibilities for a broadly based democratic conversation are growing:

“The governance structure of finance is now more globalised and inclusive than at any time prior to 1999, with emerging market economies and their public authorities increasingly involved in a genuine manner across a broad range of norm building activities. These activities and their consequences are more widely communicated both to the authorities involved and to a larger and more financially literate cross-section of the population. Such extended communication facilitates a wider and deeper debate about the core principles of upon which financial systems and their key incentives are built.”(2004:242)

2. The Tobin Tax as an Ethical Limit?

The worth of the deliberative model of cosmopolitanism is that it avoids many of the problems with liberal cosmopolitanism, i.e. teleology, extrapolation of the domestic analogy, and deferring the political to institutional reform. The deliberative metaphor is located in a contingent and experimental agenda of engagement, critique and reform – without presupposing a destination. However, in thinking through this (nascent) agenda there may be some grey areas. In particular, this paper is concerned with the key signifier ‘global civil society’ and its role in generating cosmopolitan publicity of ‘reasons’. Simply put, remarkably little in the way of ‘content’ has been outlined for these evolving public spheres. This critique builds on what Molly Cochran (2002) describes as Bohman ‘turning his back’ on the important institutional resources of cosmopolitan democracy. In this sense she is concerned that deliberative democrats have so far treated international public spheres as [passive] audiences for cosmopolitan reasons, rather than as *institutions* in their own right. For Cochran, a pragmatic approach would look to engage with the politics of these evolving public spheres, seeking to expose the practical challenges with *making it happen*:

Cosmopolitan democrats must theorize the democratic potential of bottom-up processes, but in particular, how [International Public Spheres] and their members — individuals — come together, work to resolve

indeterminacies, and make their views authoritative in international decision-making. (2002: 519)

However, this paper departs slightly from Cochran by retaining a level of doubt, what Rorty refers to as *Irony*, over the ethical content of global civil society. In particular, the paper questions whether ‘coming together’, ‘resolving indeterminacies’ and ‘making views authoritative’ are always and everywhere desirable ethical ambitions? This is not meant in a pedantic sense of finding the exception of ‘Un-civil society’. Rather, as Louise Amoore and Paul Langley (2004:105-6) argue, “within a named and assumed civil society grouping there are tensions surrounding ‘who’ is being empowered, or ‘what’ is being resisted. To deny these tensions in a search for a single galvanising manifesto or agenda is to miss the very heart of the politics of transformation.” This question is approached by an appeal to the civil society campaign for a Tobin Tax and some of the constitutive ambiguities it exposes.

In many respects the campaign for a Tobin Tax is a paradigm case of the financial public sphere. The proposal contests an area of technocratic economic policy making: exchange rate policy. It identifies the potential for domination in the sense that instabilities in global currency and capital markets can seriously affect the capabilities of individuals who have little recourse to change or contest the governing arrangements of such markets. And, on more radical readings, it provides a direct normative critique of the distributive effects of deregulated capital markets while at the same time proposing a re-distributive solution. In these ways the campaign ticks more than one box of the cosmopolitan metaphor. On one hand, it provides a good basis of cosmopolitan publicity. Campaigns by the Halifax Initiative, ATTAC and War on Want have all received wide press attention and had their positions discussed in financial governance institutions. On the other hand, the proposal goes beyond the problem that Cochran identifies of treating public spheres as a passive ‘audience’ to highlight the way activists suggest, debate and elaborate ‘reasons’. Indeed, one proponent, Heikki Patomakki, has sought to connect the proposal with broader cosmopolitan arguments,

Justice as fairness would dictate, as a bare minimum, that, if someone accepts the benefits of a practice, he should not refuse to do his part in maintaining it. The current system of individual profits, socialised risks’ fails to meet even this minimalist criterion of justice. The Tobin tax is a way to make participants pay their fair share in maintaining the global financial system. Further, justice as fairness would seem to imply some compensation for past present and future injustices for those affected by the financial crises.

Whether this argument is accepted or not is less important than providing a study of the contests and exchanges over its veracity within the *actually existing* public sphere of the Tobin Tax campaign. The paper identifies three reasons to be critical of the ethical reasons supporting the Tobin Tax.

Firstly, there is a financial universalism at the heart of the Tobin Tax proposal that creates certain ambiguities. Numerous accounts of the Tobin Tax portray it as an ethical goal that – at a single stroke – can tame the hot flows of global FOREX markets and provide a ready supply of funding for global social projects. As Steve Tibbet of the British NGO War on Want argues, “There are no morally relevant arguments against the Tobin Tax.” On this view, the inference is that only vested interests stand in the way of the campaign, and only the continued demonstration of the economic feasibility is required. However, others within the campaign suggest that there *are* morally relevant arguments – not least a theoretical closure regarding the possibility of financial alternatives. As one Yong Chul Kim (2003: 148) argues,

“...the Tobin tax needs capital liberalization as a condition to apply it. The Tax is meaningful only when capital moves freely across national borders. [...] China and Malaysia employ domestic measure of capital control, successful in arresting speculation and volatility of capital flows through domestic policy tools and, consequently, are in no need of the global scale scheme of the Tobin tax.”

The point here is not – pace a Marxist critique – that the campaigners for global justice are complicit in a neo-liberal ideology. Rather, it is to argue that the question of opening up to foreign capital is never questioned. The critical and ethical edge of the Tobin Tax is blunted by a relatively unproblematic acceptance that financial universalism is a straightforward reality to which we must respond. The risk is not that the Tobin Tax is not radical enough – where radical is understood as forming a suitably strong resistance to the dominant power of a neo-liberalism. The point is that alternatives may get silenced.

As Marieke De Goede (2005) argues, this is a problem with many discussions of the [cosmopolitan] reform of the global finance. She argues that the ‘assumption that re-regulation of financial markets on a global scale and through state co-operation is the *only* viable response to liberalized finance is flawed, for three reasons” (Ibid. p.147). First, such regulation has the effect of de-politicising financial practices by marking out a realm of ‘normal finance’ beyond politics. Second, attempts to regulate global finance typically seek

to avoid crisis thus constructing non-crisis periods as 'normal'. And third, there is a 'degree of defeatism' in attempts to re-construct the Golden Age of Bretton Woods. The very act of resisting a monolith like the 'Global Financial Architecture' reifies the idea and reduces possibilities for 'effective' resistance. Instead, De Goede contends there is "no clear confrontation between domination and resistance but multiple resistances' (Ibid. p.176).

Secondly, building from this point about financial universality there is a question about how the global ethic of the Tobin Tax is played out. On the one hand, campaigners in developing areas could well be faced with the slightly paradoxical position of advocating capital account liberalisation in order that the state then places the Tobin Tax on the currency. On the other hand, even if this were possible (if not desirable), it is clear that the majority of the funds would be accrued in the larger more developed financial markets – thus pressing the point that re-distributive justice would be primarily cash-based and North-South in direction. As one (rare) study of the Tobin Tax as it applies to African countries found:

...a Tobin Tax alone would not be sufficient to address Africa's key problems of slow development, high indebtedness and endemic poverty. The tax is unlikely to yield sufficient revenue within the continent to be directed towards solving these problems. However, levying the tax in developed markets and channeling proceeds to developing countries through various mechanisms and programs will change the nature and impact of international financial flows to and from developing countries. (AFRODAD, 2000:6)

But this framing of the Tax as a cash based solution to poverty or program of global justice creates its own ambiguities. On the one hand, it risks producing an ethical limit in the sense that under-developed countries are stripped of ethical/financial agency except insofar as they can achieve capital account convertibility. On the other hand, when NGOs like War on Want frame the Tobin Tax in terms of charity – e.g. as 'The Robin Hood Tax' – it risks alienating large sections of the Southern campaign. Again as Yong Chul Kim (2003: 147-148) argues,

...the Tobin tax is viewed as the game between North and South, with some advocates simply motivated by ethical and humanitarian claims. But, speculative money gave people in East Asian countries 'real' shocks and the impact of the Tobin tax would be much more pronounced to 'emerging' markets than any other countries. They find themselves distanced by the way Westerners deal with the issue of the Tobin tax. As a result, rather than participating in the discussion of the Tobin tax which seems to ignore the intrinsic dilemma faced by the East Asian economies, they cooperate with

each other to find a new road to obtain the Asian identity to solve their problems on the regional basis,...

And thirdly, accepting such ambiguities one potential response is build a more democratic architecture around the Tobin Tax. On this view what is at issue is less like a straightforward reform of the financial/development architecture. Instead the argument posits the Tobin Tax as the linchpin of a thoroughgoing set of institutional changes and innovations that seek to embed a cosmopolitan logic into the institutions of global governance – broadly based. As Rudey De Meyer remarked at one campaign conference: “We do not want the Tobin Tax to become another Money Machine. The democratic and emancipatory aspects of our campaign should be clear.” Nowhere is this argument more prevalent than in the reports and proposals arising from the Network Institute for Global Democratisation (NIGD) and their chief policy researcher Heikki Patomakki. For NIGD the possibility of a non-universal Tobin Tax presents a potential step-wise construction of a Tobin Tax Organisation,

1. “In its first phase, the system should consist of the euro-EU and a group of other countries, or a bigger group of other countries without the EU. However constituted, this grouping should establish an open agreement – any state can join at any time – and a supranational body orchestrating the tax and collecting the revenues...”(1999: 51)
2. “In its second phase, which should be carried out either when all major financial centres and most other countries have joined the first phase system, or at latest by, say, year 2010, a universal and uniform Tobin tax at a relatively high rate would be applied.”(1999: 52)

In the first phase a new international organisation – the Tobin Tax Organisation (TTO) - would be established to set the rate of the taxation, define what counts as a taxable transaction, undertake monitoring tasks and collect the revenues from national authorities (1999: 84) The TTO would be dedicated to the achievement of global democracy and global social justice – not as a blueprint – but rather as a process. As NIGD explains,

“Let us suppose that the TTO would have two main bodies, the Council of Ministers and the House of Democracy. The House of Democracy should comprise representatives from those national parliaments whose members are appointed by multi-party elections and a sample of interested and concerned civil society actors, picked through a screening procedure and lottery. Even though the inclusionary, state-centric Council of Ministers would have a stronger say in decision-making, the House of Democracy should be fully empowered to set motions as well as to have control over

the budget and a qualified veto power over some of the major decisions of the Council.” (1999: 87)

While such arguments may seem especially ripe for the realist riposte that ‘*all this is very unlikely!*’ I think the greater problem with this model is the re-production of state-centric logics of representative democracy. In short it may re-produce what it seeks to overcome, a territorialized and state-centric bureaucracy that defers questions of ethics to institutional processes (Walker, 2003; Vaughan-Williams, 2006).

At one level, Patomakki is quite clear that the Council of Ministers in the TTO would have a ‘stronger say in decision making’. This defers questions of the ethical to agreement between states who may not ultimately uphold cosmopolitan reasons. At another level, the aim of the campaign is still ultimately a universal and uniform Tobin Tax. Such a project (re)legitimises a system of financial universality that is based on speculation against currencies. Even though this approach sets out to be more democratic and dialogic in its pursuit of such goals, we should not perhaps ignore the important role of Euro-centric historical experiences in making this possible. As Winfried Thaa (2001: 504) argues, such agendas “tend to overlook that *political* deliberation, agency and practice presuppose commonalities such as historic experience, communication based on everyday language, and commonly accepted institutions.” Most especially the trust in institutions that is required to support such a project is most clearly felt within the history of Keynesian welfare systems and ongoing attempts to re-construct them in a Post-Bretton Woods financial system.

In summary, this section has put the ethical project of the Tobin Tax in question. Jacques Derrida expresses what is at stake in the representation of the Tobin Tax as an unproblematic ethical goal – and the argument that any indeterminacy can be solved via democratic institutions - in *The Other Heading*: “...when a responsibility is exercised in the order of the possible, it simply follows a direction and elaborates a program. It makes of action the applied consequence, the simple application of a knowledge or know-how. *It makes of ethics and politics a technology.*” (1992: 45) In short, the argument of this section is that cosmopolitan global finance via Tobin Tax too easily conflates ethical progress with inclusion in the financial system and institutional architecture. Such inclusion is not unambiguously desirable and therefore puts in doubt the veracity and utility of the deliberative metaphor of opening.

3. The Tobin Tax as a Sentimental Metaphor?

Deliberative concerns with the capacity of global civil society to represent cosmopolitan reasons in international public spheres were put in question on three points 1) reifying a model of financial universalism, 2) producing a cash based conception of global justice, and 3) (in certain articulations) deferring ethical possibilities to a state-centric bureaucracy with a western model of democratic consensus. In this way the metaphor comes under question. However, following Richard Rorty, there is little point in pursuing such a line of critique unless one is able to suggest alternatives. As he posits,

it is not much use pointing to the “internal contradictions” of a social practice, or “deconstructing” it, unless one can come up with an alternative practice – unless one can at least sketch a utopia in which the concept or distinction would be obsolete. After all, *every* social practice of any complexity, and every element of such a practice, contains internal tensions. (Rorty, 1991a: 16)

In this final section it is argued that by situating *within* such ambiguities – such “internal contradictions” – an account of the campaign of the Tobin Tax can be constructed that *engages* with such dilemmas. On this view, the campaign can be read as an instance of the contested politics of an *actually existing* cosmopolitan public sphere. It therefore illustrates the kind of ambiguities that will always be inherent in a broad signifier like ‘global civil society’. And it situates the concerns/policies that are part of the deliberative metaphor.

Recognizing such complexities/ambiguities does not mean succumbing to relativism. Instead by dropping foundations and proceeding experimentally a pragmatic approach can re-describe the Tobin Tax campaign as part of broader efforts at sentimental education. In this way pragmatism can contribute to the cosmopolitan project at the same time as it undermines its foundational universalism. As Rorty argues,

We remain profoundly grateful to philosophers like Plato and Kant, not because they discovered truths but because they prophesied cosmopolitan utopias – utopias most of whose details they have gotten wrong, but utopias we might never have struggled to reach had we not heard their prophecies. (1998b: 175)

Can cosmopolitanism proceed when the pretence to universality is dropped? If so how? And for what purpose? In *Human Rights, Rationality and Sentimentality* (1998) Rorty qualifies the

broad interest in human rights discourse by arguing that it should be seen as a culture: a culture we should fully support and seek to expand. He undermines the universalism of human rights discourse and seeks to show that by dropping epistemology: “There is a growing willingness to neglect the question “What is our nature?” and to substitute the question “What can we make of ourselves?” (1998: 168) Extending this argument to the Tobin Tax, its power may be less in its capacity to reflect an enduring ‘reality’ of global finance than its ability to suggest alternative futures? Against those who would argue that we need a deeper sense of moral knowledge; of a truth that can answer problematic questions in any set of circumstances, Rorty argues:

“We pragmatists argue from the fact that the emergence of a human rights culture seems to owe nothing to increased moral knowledge, and everything to hearing sad and sentimental stories, to the conclusion that there is probably no knowledge of the sort Plato envisaged.

[...]

In short, my doubts about the effectiveness of appeals to moral knowledge are *doubts about causal efficacy, not about epistemic status.*”

(1998: 172, Emphasis Added)

Following Rorty’s arguments about Human Rights, it is suggested that there is an important sentimental aspect to global finance that has been effectively dramatised by the Tobin Tax campaign. This final section therefore re-describes the Tobin Tax a *sentimental metaphor*. This is done in two stages: 1) It provides a simple heuristic of global finance as ‘controllable’ and ‘changeable’ that is easily understood. This is important in the context of widespread ignorance as to what finance ‘is’ or how it affects everyday politics. And 2) the malleability of the sentimental metaphor means that – like human rights – it can be used in diverse ways for different purposes – critical, reformist, and educational. And it is here that sentimental education becomes more than platitude. Re-describing the Tobin tax as a sentimental metaphor allows us to engage with the ambiguities of cosmopolitan justice via concrete democratic discussion.

The Tobin Tax is a remarkably effective conversation opener. This can be in terms of illustrating for broader and more diverse publics the harm done during financial crises. As argued below, an important technique of TT campaigners is to dramatize the harm done by financial crises. It may also be in terms of the simple communication of the vast sums of wealth involved in FOREX trading. Likewise, a host of organizations including the UN have

seen it as crucial to list the size of the potential revenue in terms of what it could buy: medical vaccinations, disaster relief, and education resources etc.

Traditional engagements with Tobin Tax have attempted to supplant it with a certain logic – economic, political or ethical – that is used to explain its role in something larger. Typically, critical academics like to paint the Tobin Tax into the role of a Polanyian second movement (Helleiner, 2001). On this view globalisation is a shift towards market liberalisation and Tobin gave us an effective spur to re-regulate. The more sophisticated versions then tell a story about how the progenitors of this second movement are the organic intellectuals at the helm of some historical watershed (Birchfield & Freyberg-Inan, 2004). However, given the ambiguities identified perhaps it is better to see the idea in less grand terms, supplanting ‘logic’ with ‘causal efficacy’. As the former head of ATTAC Bernard Cassen (2003: 43) recounts:

“Since Tobin was an establishment economist, a Nobel Prize-winner in economics from the United States at that, his proposal possessed a certain automatic initial legitimacy, serving to highlight the scandalous character of the flows of global speculation today. So for the purposes of agitation, it makes an excellent weapon. But, of course, we never for a second thought that the Tobin tax was the one solution to the dictatorship of financial markets. It was just one point of entry to attack them.”

Founded in France in 1998 after the Asian Financial crisis, ATTAC was set up with a proposal for global reform as its mandate (Cassen 2003;). In the next few years the membership of ATTAC grew to around 60,000 and it formed affiliate groups across the world in some 40 countries. The modus operandi of ATTAC is public discussion. Membership is largely middle-class, educated and white. It includes journalists, academics, doctors, teachers amongst others. In small public meetings held in schools and cinemas, experts are invited to talk on subjects like the Tobin Tax in an effort to make understandable the often complex and arcane world of the global economy. In addition, ATTAC has been able to form links with NGO’s and Trade Unions across the world; successfully establishing the World Social Forum (WSF) movement as a counter point to the World Economic Forum (WEF) in Davos (Patomäki & Teivainen, 2004).

Of course, there have been important political deals and manoeuvrings that underpinned the development of the WSF movement. It is not claimed that the Tobin Tax *caused* the WSF.

But it is a basic observation that within this political mobilisation the Tobin Tax has been a significant and changing policy symbol that expresses some of the contests and ambiguities of the actually existing cosmopolitan publics involved in global civil society. As Bernard Cassen (Cited Desir 2000: 17) argues,

The Tobin Tax is above all a symbol – a first attempt [...] to affect a finance system that too often places itself above or outside of the law as in the case of fiscal havens. It is this symbolism, more than its content or cost, which profoundly irritates those in the financial sector and which above all pleases citizens. That is why this measure is present in all international movements and why it is here to stay.

However, given the arguments provided above, is this image desirable? Not only is the Tobin Tax unfeasible, but the campaign publicises a slightly jaundiced picture of the nexus between global justice and global financial reform. A Marxist or a post-Structuralist could well be forgiven for having deep problems with the campaign and wish to look elsewhere. However, it is here contended that in social forum discussions, in technical reports, and in campaign meetings the limitations and ethical ambiguities of the Tobin Tax are exposed. While such exposure is often conflictive and can sometimes produce broader divisions a critical space is also opened up for considering alternative possible futures of finance/justice. A metaphor of breaking may offer up the possibility of alternative ethical futures?

One example of this metaphor of breaking is in public discussion. A meeting co-sponsored by ATTAC and War on Want at the European Social Forum, 2003, attended by approximately 200 people with simultaneous translation, opened with a presentation of the War on Want video – The Tobin Tax. The video provides a simple narrative of rich bankers profiting from currency speculation while the ‘victims’ are left starving. The Tobin Tax is presented (with appropriate backing music) as the single answer to these ills. And it concludes with Steve Tibbet’s claim that “there are no morally relevant arguments against the Tobin Tax”. However, when the conversation was opened to the floor clear ambiguities arose. Bruno Jetin, the ATTAC speaker, argued that the democratic as well as the re-distributive aspects of the Tax should be emphasised. Whereas one delegate questioned the moral dimension of a tax that effectively “legitimises the right of investors to speculate against a currency, a country, the producers, the workers and its people”.³

³ Delegate of the European Social Forum, Paris, 2003.

In a similar vein ATTAC Finland has published multi-perspective books that critique any easy claims to morality in the Tobin Tax proposal. Heikki Patomaki (2005: 17) accused the War on Want version of the tax of being about “charity”, “The aim is to get the rich countries, and the UK in particular, to establish a tax on currency transactions, the revenues of which they can use also as ODA (Development Aid), on their own terms and subject to their assessment of the need.” He accuses the campaign of being “uncritical about the current practices of the ODA, assuming that it suffices to give money through the traditional channels of bi- and multilateral aid, i.e. that ODA is the way to eradicate poverty.” And he suggests (2005: 19) that such models are complicit with the current financial system by accepting “the neo-classical idea that liquidity trading is rational and will therefore enhance the efficiency of the markets”. In this way, a more sophisticated discussion of global finance is evoked. As one delegate polemically argued at a Progress and Action Campaign:

“The problem with the Tobin Tax – which says its going to solve all our problems - is that it doesn’t question anything. It doesn’t question the system. Money is created out of nothing. Why do we pay interest on money? Stop tinkering with Tobin Tax and address the fundamental issues.”

Such questions go to the heart of the issue of financial universalism. By undermining the entire basis of global finance it could be suggested that this view is too radical, too transformative to even get consideration. However, I want to argue that it is precisely in the context of such attempts to ‘break the esoteric architecture of global finance’ that ethical alternatives become thinkable. For instance it is precisely in the context of a realisation of the limited applicability of the Tobin Tax in Africa that one report (AFRODAD, 2000: 6-7) lists potential alternatives, including

- 1) Halting financial liberalisation ...
 - 2) Imposing feasible capital and exchange controls at the earliest opportunity...
 - 3) Distinguishing between inflows of hot money and production oriented foreign direct investment (FDI)...
 - 4) Revisiting current and capital accounts including imports and foreign liability structures with a view to reducing current and capital account vulnerabilities.
 - 5) Redirecting financial resources into productive purposes, including meeting human needs, away from largely speculative and unproductive outlets. At a general level this involves changes being made in domestic monetary and financial regulation to both enhance the security of investment portfolios and to direct funds to much more production and basic consumption-oriented ends.
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In this way a sophisticated discussion of global finance emerges from the very limits of the campaign. A sentimental metaphor of the Tobin Tax plays at the limit of global financial knowledge, educating about sentimental possibilities, and in certain instances breaking existing knowledge where necessary.

Conclusion: Cosmopolitanism as a Coral Reef

Rorty lets us see cosmopolitanism less like a more or less accurate description of the world and more like a metaphorical contribution to the construction of an alternative world. He employs the analogy of a coral reef to express how change occurs.

Old metaphors are constantly dying off into literalness, and then serving as a platform and foil for new metaphors. This analogy lets us think of “our language” [...] as something that took shape as a result of a number of sheer contingencies. Our language and our culture are as much a contingency, as much a result of thousands of mutations finding niches (and millions of others finding no niches), as are the orchids or the anthropoids. (1989, 16)

This paper has attempted to show how the metaphor of deliberative cosmopolitanism - that employs tropes like ‘opening’, ‘publicity’, and ‘reason’ – is suitably broad and experimental as to be applied in a number of areas not normally thought to be fertile ground for democratic conversation. In that sense it may very well have found a niche in which to die. On its back the paper has advocated more colourful metaphors of ‘sentimentality’ and ‘breaking’. As a way of couching and extending the discussion of global financial reform these appear as important and useful supplements to the empty boxes of the deliberative metaphor. In short cosmopolitan metaphors require a thicker notion of ethical/political content if they are to lend a purchase on the world they seek to reform.

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