

JUSTICE AND THE WORLD ECONOMY

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'The political problem of mankind is to combine three things:
economic efficiency, social justice and individual liberty'
(John Maynard Keynes, *Essays in Persuasion*, 1931)

Perhaps the most important normative issue in international affairs under in the next century will revolve around the relationship between the impact of globalisation on justice. Indeed, much of the empirical and technical work undertaken in CSGR--be it the study of financial crises, the reform of the trading system or the study of regionalism--has, if sometimes only implicitly, a 'justice dimension' underwriting its assumptions. It is thus appropriate that CSGR, in association with the New York based Carnegie Council for Ethics and International Affairs should host a workshop on the issue of 'Justice and the World Economy' and that the key papers from the workshop should form the basis of the 75th anniversary edition of the UK's (and one of the world's) leading journal of international relations, *International Affairs* (the Journal of the Royal Institute of International Affairs at Chatham House).

While the world of *International Affairs* seventy five years ago is dramatically different to the world at the end of the twentieth century, the issues debated in the pages of the journal are still strikingly similar: states still contest each other for power and influence, war and insurrection still exist, and the effects of the world economy on the fortunes of nations still exercises the minds of national, and increasingly international, policy makers. But there are differences; notably those arising from the dynamic processes of globalisation that research at CSGR, and in many other scholarly works and institutions it must be said identify. Under conditions of globalisation, our ability to satisfy Keynes' three requirements is as remote now as at the time he was writing. Neither markets nor the extant structures of governance appear capable of providing for all three conditions at once. Globalisation has improved economic efficiency and it has provided enhanced individual liberty for many; but in its failure to ensure social justice on a global scale, it also inhibits liberty for many more.

Conventional accounts of justice suppose the presence of a stable political society, community or state as the site where justice can be instituted or realised. Moreover, conventional accounts, whether domestic or global, have also assumed a Westphalian cartography of clear lines and stable identities and a settled, stable social bond. In so doing conventional theories--essentially liberal individualist theory (and indeed liberal democracy more generally)--have limited our ability to think about political action beyond the territorial state. But what if the territorial boundaries of politics are coming unbundled and a stable social bond is deteriorating? Must a conception of justice relinquish its Westphalian co-ordinates? These are not merely questions for the political philosopher. In a time when the very fabric of the social bond is constantly being re-woven by globalisation, they cast massive policy shadows.

The forces and pressures of modernity and globalisation, as time and space compress, render the idea of a stable social bond improbable. If this is the case, how are we to think about justice? Can there be justice in a world where that bond is constantly being disrupted, renegotiated and transformed by globalisation? What are the distributive responsibilities under conditions of globalisation, if any, of states? What should be the role of the international institutions in influencing the redistribution of wealth and resources on a global scale? These questions--addressed in the papers from this CSGR/Carnegie Council workshop are serious normative questions about governance. In the absence of institutions of governance capable of addressing these questions, justice (no matter how loosely defined) is unlikely to prevail.

To-date, the question of 'justice'--a central question of academic political philosophy as practised within the context of the bounded sovereignty of the nation state--is underdeveloped as a subject of study under conditions of globalisation. Similarly, the study of globalisation--especially when understood as economic liberalisation and integration on a global scale--has been equally blind to 'justice' questions. This should come as no surprise. The struggle to separate normative and analytical enterprises has long been common practice in the social sciences. Indeed, it has been for a long time the hallmark of 'appropriate' scholarly endeavour. But such is the impact of globalisation that we need to consider--as the ESRC's contract with CSGR exhorts us to do--how we can traverse this artificial divide? Nowhere is this more important than at the interface of the processes of globalisation and our understanding of what constitutes the prospects for creating a just international order at the end of the second millennium.

The papers delivered at the CSGR/Carnegie Council workshop and published in *International Affairs* suggest we need to begin to think more seriously and systematically about the relationship between globalisation, governance and justice. They provide both a general introduction to the key aspects of the debate over 'global justice as well as representing exercises in different approaches to the question of how to enhance justice under conditions of globalisation. The big question raised and addressed in the papers is the degree to which global justice can become an appropriate concern under conditions of globalisation. This is not simply a practical question. Indeed, two major lines of normative objection to the very manner in which the question is posed exist in modern theoretical debate and policy life:

Firstly, there exists an essentially neo-classical economic claim that to the degree of regulation required to create the necessary instruments for the development of greater global justice would make unacceptable inroads into the free operation of market structures best left to their own devices. Rather, it is argued, justice is impossible without initial wealth creation and wealth creation at the global level is accelerated by the absence of intervention from regulatory (invariably statist) actors. Secondly, and as realist scholars of international relations would argue, 'justice questions' of allocation and distribution can only take place when there is a settled hierarchy of social goods and ends of the kind that only exist under conditions of state sovereignty; not under conditions of 'anarchy' that epitomise the modern international system.

Both views are becoming increasingly questioned and the papers from the CSGR/Carnegie Council Workshop outline the nature of these critiques of prevailing orthodoxies in some detail.

On the question of wealth creation, even leading globalisers--proponents of continued global economic liberalisation occupying positions of influence in either the public or private domain--now concede that globalisation (in this context essentially economic liberalisation) has failed to deliver a more just global economic order, may hold within it the seeds of its own demise. As James Wolfenson, President of the World Bank, noted '...[i]f we do not have greater equity and social justice, there will be no political stability and without political stability no amount of money put together in financial packages will give us financial stability'. His words are a sign of the times in the international financial institutions and reflect the policy rethink taking place in some quarters of the international institutional. These arguments are subject to closer scrutiny in the paper by Higgott and Devetak.

The papers by Armstrong, Beitz, Bohman and Linklater demonstrate that even if international politics does not have a settled social hierarchy so dear to the heart of the realist, it is possible to argue that there are a set of largely agreed global principles and rules identified through international agreements, regimes and organisations, which could act as the initial vehicles for a greater consideration of justice questions. It is in the interplay of states and markets, and the international architecture (reformed or unreformed) spawned by this interplay on the one hand and progressive forces within an increasingly articulate global civil society on the other, that the answers to these questions will, or will not, be found in the next century. As the papers in *International Affairs* demonstrate however, this will not be easy. We have an analytical deficit occasioned by the failure of economic liberalism to assess the threat to its legitimacy emanating from its theoretical and practical myopia towards the political and cultural dynamics at work under globalisation--the key sources of resistance to it.

Neo-liberalism, with its emphasis on global commercialisation, has forgotten why societal and democratic governmental structures were developed over the centuries. States have important practical assets and moral and ethical theoretical roles to play. They are not mere passive actors in the face of globalisation. Justice, difficult as it would be even if we could conceive of structures of global governance that might deliver it, will prove even more elusive in the absence of such political structures under conditions of economic globalisation. The prospects of a satisfactory synthesis of a liberal theory of economic globalisation and a normative political theory of global governance able to provide for greater justice are still a long way off. The papers from the CSGR/Carnegie Council workshop published in *International Affairs* go some way to identifying the constraints that need to be overcome if such a synthesis is to transpire at the theoretical level and have relevance for policy makers at the practical level.

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