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Title of extract: **Aid, Trade and Development**

Name of Author: **Dower, N.**

Title/Author of book/edition (if applicable): **World Ethics: the New Agenda. Dower, N.**

Name of Visual Creator or other acknowledgement (if applicable):

Journal details –title/Vol/Year (if applicable):

Publisher: **Edinburgh University Press**

Pages scanned: **137 - 157**

Course of Study (Module name and number): **Environmental Philosophy CSPH7010**

Name of Designated Person

authorising scanning: *E.L. - Harris*

Date authorised: 03.10.13

Moodle/Powerpoint

CHAPTER 8

AID, TRADE AND DEVELOPMENT

I. SOME BACKGROUND FACTS

One of the most important dimensions of the present world situation is the great disparity between the wealth and economic prosperity of different nations. Not only is there an immense gap, it has been getting larger in the last fifty years, and has been happening over a period in which the international community has actually set itself the task of reducing the gap between the rich industrialised countries in the 'North', as it is called with little geographical exactitude, and the poorer countries in the 'South'. There has also been in absolute terms an increase in the number of people, mainly but not wholly in the South, who are 'absolutely' poor – living below a level of human decency, in terms of malnutrition, hunger, disease and inadequate shelter. In the 1970s the figure of 800 million was often mentioned, but now estimates tend to be in the region of one billion, a fifth of the world population.

This poverty and inequality exists alongside an ever expanding global economy. More and more people are drawn into a vast global market in which goods made or produced in one part of the world are through a chain of transactions used or consumed in other parts of the world. Increasingly, through investments by other countries or companies based elsewhere, people are employed by organisations which are primarily based in other countries. The so-called multinationals and transnational companies like Nestlé or Ford play a very large part in this process. Their operations are so large that they dwarf the economies of some very poor countries. Increasingly loans have been made, by governments or private banks or by the international institutions like the IMF or World Bank, to governments, particularly of poorer countries, to stimulate economic development, to facilitate developed countries' exports or to bail countries out because of serious debt problems which were incurred earlier. One of the most pervasive features of the global scene in the last twenty years has been the crippling effect of the 'debt crisis'. Many poor countries

in the 1970s were encouraged to take out large loans from banks, which had a surplus of money to lend as a result of the Middle East oil crisis of 1973, and have been saddled with the burden of servicing these debts ever since. Overall it is estimated that the amount that governments are paying in debt servicing is more than what such countries overall receive in official aid. This debt servicing combined with austerity measures cutting public services and food subsidies, often imposed by the IMF as conditionalities for financial support, has contributed to greater poverty in many countries.

On the other hand ever since the Second World War the international community has seen itself as committed to helping poorer countries, referred to by Truman in an famous inaugural speech in 1949 as the 'underdeveloped regions of the world', to achieve development and catch up with the (relatively) developed North.¹ Many public documents assent to the need for countries to co-operate in this, not only for richer countries to provide development assistance, but also to organise international trade and investment so as to provide development in poor countries. In 1970 the rich countries committed themselves in the UN to providing 0.7 per cent of GNP in official assistance to poorer countries, a figure that has generally not been reached ever since. Later in that decade there was in the UN a declaration on a New International Economic Order (NIEO), which included a call for a radical redistribution of resources from North to South. Although the idea was endorsed in 1980 in an influential report called *The Brandt Report* or *North South – A Strategy for Survival*, which tried to persuade rich countries to support development by stressing the 'mutuality of interests' argument, the ideas in the NIEO were largely swept aside by the harsh economic climate of the 1980s with the return to a more robust philosophy of the unregulated free market.

Despite these trends the middle of the 1980s saw two significant documents, one the *Declaration on the Right to Development* (1986) and the other the *Brundtland Report* (1987) called *Our Common Future*. The former is not well known, but it is significant because it attempts to spell out a framework of global obligations in which, for instance, richer countries have an obligation to help poorer countries realise their right to development. Whether this will result eventually in legally binding covenants laying down such obligations is another matter, especially since the rich countries were not really in favour of the declaration anyway. The latter, *Our Common Future*, was by contrast an immensely well publicised document spelling out a range of measures intended to integrate environmental and development concerns into a coherent strategy for sustainable development. The report recommended an international conference five years later in 1992 and this took place in Rio, the so-called Earth Summit.

There is no doubt that if one surveys these factors and notes what countries do and say, moral language plays a significant part in it. The question we need now to ask is: what interpretation should we put on what is done and said about international aid, economic co-operation and development? As in other chapters I propose first to look at what each of the three traditions has to say on the issues, before focusing on one or two more specific issues.

II. THE REALIST/RELATIVIST APPROACH

It may be thought that in this area the realist position which denies a global ethical framework is untenable from the outset. This however is not so. Aid and co-operation are both things which can be engaged in for a variety of motives, and all the realist has to do is claim, plausibly enough at least for many cases, that the motive for aid and co-operation is national self-interest, and furthermore dismiss the moral language used by government officials in international documents as either a smokescreen and vehicle for the more effective promotion of interests, or based on an illusion. It must be noted that the sceptic as well as the cosmopolitan is perfectly entitled to say of values which may actually be accepted and acted on by a group of actors, that the belief in these values is based on a false set of assumptions. In the realist case these would be false assumptions about the possibility of global morality; in the cosmopolitan's case about what the nature of the values is.

Aid is to be seen as an expression of the interests of the donor country and/or the views of the electorate. If sufficient of the electorate want aid to be given to help the poor or think the country ought to do so, then this is part of the 'moral interest' to be pursued by the government, but the duty to give aid is a function of what the electorate want and/or thinks ought to be done. There is no external yardstick according to which a government ought to do this for the sake of the poor elsewhere.

Similarly, when we turn to trade, loans and investment, the picture is the same. These things are engaged in by governments because they contribute to the national economic interest. A parallel analysis can be given of the operation of private companies across borders. It is well recognised that multinational companies like any other businesses are driven by the profit-motive, and it is often held that this is morally acceptable. These interests and the values internal to the operation of such companies are of course transnational in character, but that does not make them global in the relevant sense denied by the realist. On the realist analysis countries clearly co-operate with one another through international institutions and at international gatherings, but this is only evidence of prudential

commitment not moral commitment, and if circumstances change such that the national interest is better served in some other way, such support would cease.

On this view not only is development seen as part of the national interest, it is also as such usually construed as economic growth, partly because there is a natural tendency for those in power to want greater power within their own country, and partly because that is what most people want. The right to development will, if that language is allowed at all, be given a different interpretation from that assumed in the *Declaration on the Right to Development* (1986) where the idea of the right to development is meant to entail a correlative duty on the part of other states to support it. A realist will prefer to interpret it as a right without correlative obligation, parallel to the Hobbesian idea of the 'right of nature' as a right to all things but without any duties of restraint either by others or towards others. If one country's development comes into competition with another, then on this view the first country would have no reason to restrict its pursuit of development, even if the development needs of the other country are greater.

If, parallel to the realist view of international relations, a relativist view is also held about the nature and scope of an individual's obligations, then he will have no reason to accept or advocate duties towards distant peoples, either to give aid, to support development or modify international trading arrangements. Development is whatever people within the cultural ambience of their own society determine 'progress' to be, and that conception cannot, in terms of the theory, be universalised. It is true that many of those who advocate relativism, or some form of a postmodernist view of a polycentric world, see it as a consequence of the approach that one can support diversity of cultures and hence diversity of development paths and models. This attitude concerning development is in many ways to be welcomed, but as I indicated earlier, such tolerance for diversity by no means follows from relativism, and is better accounted for in a form of cosmopolitanism that combines such tolerance with a firm moral commitment to international aid and co-operation.

III. INTERNATIONAL/COMMUNITARIAN APPROACH

In many ways the position of the internationalist will be fairly similar to that of the realist, in respect to the policies which are actually pursued, though the rationale for doing so will be different. That is, if states have a right to pursue the national interest, then the pursuit of their development is part of that, and is only restricted by whatever is regarded as undermining the similar rights to development of other countries. Aid is both an

aspect of that policy of pursuing the national interest, and also the expression of moral commitment. It can be the latter in two quite different ways. First, if the electorate wants the government to give aid for moral reasons, that is for the sake of the poor country or its poor, then as an expression of that mandate it should do so. Second, if a country enters into an agreement with another country or signs up to an international covenant, then it is morally bound to act accordingly, in terms of the requirements of the 'morality of states'. These obligations are functions of what electorates want and what international agreements are made, not direct reflections of moral arguments endorsed by the thinker in question.

Multinational companies, driven by the profit motive, are entitled to pursue their economic activities within the confines of what countries allow them to do, either within the confines of domestic laws, which of course vary considerably in content and effective enforceability in different countries, or within the confines of such international law as is applicable to their regulation. On the one hand most rich countries accept this because these companies are actually national companies, repatriating profit and contributing to the development to their own base-country and are only called 'multinational' in a misleading way because their operations are transnational. On the other hand they are accepted in poorer countries, largely because their operations are seen as contributing to development there too, at least as understood by governments, albeit often not as much as poorer countries would like, but as the lesser of two evils compared with no operations at all, given the poorer countries' weaker economic power and their relative inability to enforce effective legislation.

To be sure the right to development is acknowledged as giving rise to international obligations (as based on agreements amongst states), but the extent of those obligations is not great, certainly not as great as what many cosmopolitans will advocate. Certainly every country would retain a right to its own development, even if it was in conflict with that of others, not least because electorates would expect no less. This links in with the point that on the internationalist approach, development is generally assumed to be economic growth, usually qualified nowadays as 'sustainable' economic growth, both because that is what electorates want, and it is the duty of governments to deliver this, and because that is how the society of states themselves have agreed to understand development. These understandings are part of what many cosmopolitans will challenge.

The communitarian conception of morality, which I suggested earlier tends to go along with the internationalist approach, will not provide a robust set of arguments for individuals to make donations themselves to help the distant poor or to support aid, to adjust to a life-style which

witnesses to a more equal world or to advocate reform in the international economy, or to challenge development paradigms on the grounds that they are not appropriate to the global situation. The content and scope of a persons's main obligations are shaped by the community he or she lives in. This is not to say that individuals may not have some moral feelings, some impulses of charity and generosity, in relation to distant poverty and be moved to act accordingly, or to say that a community may not have as part of its own collective moral culture a concern for good relations with other communities, and concern for the suffering of others (or concern for the environment). But in either case the extent of this concern for well-being beyond the community is a contingent fact about the particular developments and traditions of that community or the particular sensibilities of individuals. It is not something which the theory says ought to be accepted.

IV. COSMOPOLITAN APPROACHES

A. GENERAL PERSPECTIVE

Although cosmopolitans will adopt a number of different approaches to these issues, what is important is that the range of issues to do with aid, trade, investment and development are all assessed in terms of a basic theory of value, and are indeed assessed together so that basic consistency of policy is achieved.

This can be illustrated as follows. If we accept, as most cosmopolitan thinkers except libertarians do, that there is an ethical argument for aid (and it is not merely seen as an instrument of foreign policy), then two issues arise. First, we need to avoid inconsistency between aid and other practices. If there is an argument for reducing extreme poverty, the same argument in principle ought to inform the international policies for trade and investment and the development priorities within countries themselves. Second, what is in any case the object of aid? Is it the reduction of extreme poverty or the stimulating of the poor country's economy? Whilst the internationalist may say that inequalities between countries are themselves the key problem (partly because the representatives of states have decided on this), the cosmopolitan is likely to stress that it is the well-being of people that counts ultimately. If a form of aid to a poorer country resulted in no significant improvements for the very poor or even led to their situation getting worse, then it would be unclear why a poorer country should receive aid.² Before expanding on these two points, we need to look at the libertarian response which questions the ethics of aid.

B. LIBERTARIAN APPROACH

The libertarian position also seeks consistency in its position on aid, trade and so on. If there is no general duty to give aid (outside positive agreements to give it), this is consistent with the model of the free market. On this view the basic values are those of liberty/autonomy, coupled with duties of not harming others or violating their rights to liberty. The value of liberty, especially economic liberty, may be justified in its own terms, and if a consequence of this is that the weaker suffer, that is a regrettable but not morally culpable consequence. States in their economic relations are justified in their dealings with others if they pursue their interests within the framework of law, without coercion or deception, and thus with the consent of other parties. Likewise businesses pursue their transactions within the framework of the market, and so long as they do this within the 'ethics of the market', they do so legitimately. Thus the libertarian goes beyond the view, favoured by realists, that businesses are entitled to maximise profits (at home or abroad) in whatever ways they can get away with, or the view that they should maximise profits within the framework of legal regulation, national or international. The basic moral framework underlying economic freedom, requires non-coercion and non-deception, whether enforced or not.³

Generally, the libertarian position is both parallel in character to the 'morality of states', the 'international analogue' of old-fashioned liberalism anyway, as noted before, and also an intellectual support for state liberty, including its liberty to pursue its development. The point here is that the support of what states and businesses do can come from a theoretical grounding of a universal cosmopolitan kind, one that stresses the value of individual liberty and sees the liberty/autonomy of states and also the liberty of business companies as an expression of that basic liberty.

The different theoretical groundings for libertarianism and the morality of states could lead to a parting of the ways on some issues; for instance, if states were to agree on levels of regulation in the international economy which the libertarian theory would not accept as right. Here the validation within the 'morality of states' conception based on *de facto* agreement would clash with the principled advocacy of liberty. This brings out the point that as a cosmopolitan theory libertarianism is argued for as a universal value framework on theoretical grounds, and does not depend on what happens to be established; it may be opposed to some things that do get established, through whatever laws or conventions are agreed upon within the morality of states.⁴

As for development itself, there will tend to be an acceptance of development as economic growth, on the grounds that most people want to increase their material well-being and exercise their choice wherever

possible to do so. The global economy is very much premised on this conception of development, and on the values of the free market and individual liberty, economic and otherwise. Indeed linked to this is a more general, rather materialist and individualist conception of the 'good life'. This libertarian approach then to what constitutes the good life, appropriate development and socio-political order, in being presented as a global ethic, may well be guilty of a kind of 'cultural imperialism' if it is seen as something to be imposed on societies which do not share these values. As such it becomes a variant of idealist-dogmatic cosmopolitanism.

The following criticism may be made of the libertarian position. If the right to liberty is seen as merely a side-constraint on another's actions not to interfere, and there is no implicit duty to further the value of liberty as a value for all, it is difficult to see how even the minimum basis for maintaining social order is possible. If on the other hand we accept that the value of liberty involves promoting that value and opposing what undermines it, it is not clear why we should have a duty to do that if we do not have a duty to promote, and oppose what undermines, the values which liberty enables us to enjoy, values which it cannot do, unless we have adequate resources to do so.

If however a libertarian argues that the value of economic liberty does not merely reside in its intrinsic worth but in its general effects, we have a different kind of argument on our hands, namely that everyone's well-being in the long run will be improved if we allow maximum enterprise and minimum restrictions. In development theory this is often referred to as the 'trickle down' effect. Parallel in form to this argument is the argument against the obligation to give aid (in addition to the relativist rejection of global obligation as such and the libertarian rejection of aid as a duty) that aid does not work. There is a cluster of arguments to the general effect that aid either does not generally, or cannot, work and so there is no duty to do what is impossible. Such arguments are either to do with the general nature of aid, with the argument that it necessarily creates dependency, or to do with the long-run ecological consequences of aid, particularly emergency food aid.⁵

These arguments are based on empirical claims, and the replies to them have to be of the same kind. That free markets and enterprise contribute to general well-being may be granted, but to accept that measures to regulate markets and to use redistributive mechanisms to advance the economic well-being of others can never be effective, flies in the face of much evidence. The specific argument that aid does not or cannot work looks like a duty-excusing move and is quite untenable. That much aid does not work is to be granted. That all aid does not work or cannot work is simply defeatist. Riddell's survey of aid shows clearly that much aid is effective.

In any case, if some aid does not work, the response needs to be 'Let's make it better!', not 'Don't do it!', and will be if one takes the moral argument seriously.⁶

C. THE ARGUMENTS FOR AID

What are the positive arguments for aid? These have in effect already been considered under the cosmopolitan arguments considered in Chapter 5, but here is a summary of the main lines of thought.

General benevolence: perhaps the most famous single example of an ethical argument used to get the rich to give their money (and no doubt, time, effort and resources generally) is Peter Singer's famous article entitled 'Famine, affluence and morality',⁷ reprinted many times because it sets out an argument and replies to objections with a clarity which has hardly been matched since, though many papers have been written. The central argument in this depends upon a simple premise: 'if it is our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, we ought, morally, to do it'. Although Singer himself is a utilitarian, he fashions this principle which is the major premise of the argument, in such a way as to include, as he sees it, both consequentialists and any non-consequentialists who include a duty of benevolence as one of their duties.

Human rights: if the right to life (self-preservation) includes both the right not to have it taken away as well as the right to subsistence, what duties correlate with these rights? Shue, as we saw earlier, argued plausibly for three types of correlative duty: the duty not to deprive, the duty to protect from deprivation, and the duty to aid the deprived. Seen on a global scale such duties would provide an impressive basis for action.⁸

Duty to meet basic needs: an example of this kind of argument is O'Neill's Kantian approach. Poverty undermines rational autonomy, so we ought to respect rationality in others by making it possible for their rational agency to be effective, as well as opposing institutions and practices which disempower people through coercion or deception.⁹

Duty of social justice: just as within a society we have a collective duty to ensure through appropriate tax and welfare mechanisms that the needy do not suffer, so we should think of the world as one global society in which the same principles apply. Beitz and others, as we have seen, extend Rawls' ideas on social justice and the difference principle to the world as a whole.¹⁰

Backward looking arguments: all the above arguments are essentially forward-looking arguments, in the sense that they do not depend on looking back on the situation and asking 'how did the current level of extreme poverty come to exist?' They are dependent on acknowledging: that it

exists, whatever its causes; we in the North (those of us reasonably well-off) have the capacity to give or support (effective) aid; and therefore we ought to do so. Some arguments however for giving aid are backward-looking (to recall Ross's well-known conception¹¹) in the sense that they depend on the recognition (which is somewhat controversial) that countries in the North engaged in and continue to be engaged in exploitation of the South through colonialism and neo-colonialism, and therefore ought to make amends/restitution/recompense for the injustice done. If individuals give aid on this basis, they do so as beneficiaries of or as part of larger causal chains of such exploitation, not because they themselves are the active perpetrators of it.¹²

Arguments based on agreement: another kind of argument for giving aid would be either to appeal to a kind of cosmopolitan basis in the level of global community already established in the world, that is, an appeal to the existence of consensus and democratic mandate, or to appeal to agreements at the international level, as an internationalist might stress, like the agreement at the UN for rich countries to give 0.7 per cent of GNP in aid, which itself provides a moral basis for doing so.

It will be apparent from the general position adopted in this work that I favour the positive argument.¹³ Although the exploitation argument has some validity, and insofar as it is accepted it requires us to combat others' injustice, it seems more sensible to use less controversial premises and rest the main argument on the positive capacity to help. If we see the whole world as one society and see it as a form of social injustice that the basic needs of many are not met, we will see it as a matter both of justice and of benevolence to help realise the rights of the poor. These rights are not merely to the basic necessities of life but to what assures dignity and the exercise of rational autonomy. Elements of the arguments above can be combined to make a persuasive case. On the other hand I do not think the line taken by Singer can be sustained that we must do all that we can. For reasons given earlier in my criticisms of utilitarianism we need to accept extensive but not exhaustive responsibility.¹⁴

D. THE NEED FOR CONSISTENCY

What are the implications of this position for the other areas of concern, like trade, investment and development itself? First, there must be consistency between aid and what happens generally in economic relations. That is, if we accept that there is a moral argument to give aid to reduce extreme poverty, it would be inconsistent if we accepted, allowed or even supported activities which have the reverse effect; if the effects of business activities directly contributed to poverty, for instance by not paying higher than poverty wages; if debt repayment policies and conditionalities

imposed by the IMF exacerbated poverty; if the policies of Southern governments were not properly geared to poverty reduction (to the extent they could, within the limits of their budgets). The pursuit by business of practices, including the development of new technologies, marginalises those who are not part of it. Thus the development of patents and import substitution by rich countries and operations by companies within poorer countries all have indirect impacts which cause economic marginalisation. These processes are particularly well illustrated in the case of biotechnology.

It may be argued that there are many activities which are pursued legitimately but which have unintended indirect negative consequences; these include business activities in a competitive environment, firm measures to get an economy onto its feet, expecting countries to repay debts no less than individuals, and governments pursuing other important objectives. This may be granted. But unless there is a further argument that there are no other ways in which economic well-being for all and other public values can be effectively promoted in the long run (which would be a very pessimistic assessment), the point remains that far more attention could be paid to the general effects of various economic policies. Otherwise aid, even the best aid, is simply giving with one hand what the other hand or rather many other hands are taking away. Businesses operating in poorer countries do not have to pay the lowest wages possible in order to maintain reasonable profitability,¹⁵ most governments could put a lot more effort into poverty-oriented programmes, and so on.

With regard to debt repayment, such debts could and arguably should be reduced or wiped out by rich countries cancelling their own claims and/or compensating private banks if they cancel theirs. The Jubilee 2000 project recommends that this be done at the millennium. It is worth noting that typically it is the poor that suffer when austerity measures are in place, though they were not the ones to incur the debt or in many cases to benefit from whatever the loans were used for.

Perhaps the most intractable of issues concerns the indirect effects of competitive economic activity. How far are companies or governments responsible for the indirect effects of their policies? Many economic transactions involve winners and losers. For instance, my getting a job causes you problems if you wanted the job. So we have to distinguish between justified negative effects of actions and unjustified effects. Either the idea of unjustified policies takes us back to more specific canons of fairness and justice discussed earlier (liberty, non-coercion, non-deception),¹⁶ or it points to a principle of not either directly or indirectly causing extreme suffering/poverty, a state of affairs below a minimum level of acceptability, as a basic principle. This cannot be an absolute

principle, since there are many other important goals of public policy with which it will clash, but it needs to be seen as an ever pressing consideration.

Is it then wrong for countries, companies or economic actors generally to make profits from processes in which indirectly extreme poverty is suffered on a large scale? The answer I would give is 'yes and no'. 'No' if what is at issue is a judgement that companies were committing specific acts of injustice (in the way they would be or are if they coerce or deceive workers or other parties to commercial deals, apply double standards or cause specific harms). But I would say 'yes' in the sense that they, like everyone else, consumer and citizen, may benefit from, acquiesce in or generally be part of the pattern of economic activity which has these general but avoidable effects.

The cosmopolitan approach which I favour and which neither dismisses the problem in libertarian fashion nor points the finger of blame firmly at businesses themselves in the manner of harsh critics of capitalism, is to suppose that we have a conception of a socially just society; this means a global society, and in the light of the requirements which this produces, we take measures at all levels to ensure as far as possible that the society meets these requirements. Thus if it is part of our conception of a socially just society that everyone's basic needs are met (needs for subsistence, security and basic liberty), then we ought to take measures to ensure as far as possible that basic needs are indeed met. When I say 'we' I mean not only governments, which have arguably a primary task in this regard, but ordinary citizens, who can press for appropriate legislation both to regulate industry and to provide welfare mechanisms, to accept the need for a tax burden to meet these goals, and also where appropriate to help in private ways as well.

What then are the implications of a commitment to a socially just world for the pursuit of development, particularly for richer countries? At the very least it is a commitment to a world in which absolute poverty is brought to a minimum. However it should be noted that there could be more radical conceptions of international justice. If the question is asked: 'how ought access to the resources of the world be distributed?', answers of a more radical kind may be forthcoming than with my emphasis upon what is needed to meet everyone's basic needs. For many the vast economic gap between rich countries and poor countries is itself ethically problematic.¹⁷ The reason I have emphasised the alleviation of poverty is both because I see this as having moral priority, and because it is difficult to see how differences between countries are as such morally problematic, except insofar as great differences mean the real difficulties which poorer countries have in meeting basic needs and mean that they do not have proper bargaining power. But there is no more reason for arguing for

complete equality between nations (in terms of average standard of living, let alone total wealth) than there is for there being absolute economic equality between individuals.

It is clear that the development of richer countries will need to be qualified in the light of the kind of cosmopolitan argument above for aid and modified trade practices. Quite apart from any commitments states have entered or will enter into, the cosmopolitan argument (except that of the libertarian) will stress limitations on development, if that conflicts with development elsewhere which meets more immediately urgent human need. Governments need to have more open-door policies on refugees, and there may be a need to accept lower rates of growth through the development of different international agreements designed to establish a fairer world. Many cosmopolitans, though not all, who adopt something like the above approach, also question more radically the whole growth paradigm, partly for environmental reasons (see Chapter 9).

But the following difficulty arises, linked to the considerations to do with the nature of political communities discussed in Part I. Even if one accepts oneself the ethical basis for helping alleviate distant poverty as applied to individuals, is not the situation of governments different? The duties of government are shaped by more complex considerations such as the preference of their electorates on the one hand, and on the other the existing international code of practice and existing agreements. This needs to be accepted, since there are cosmopolitan reasons for supporting both kinds of duty in practice. But it remains open for the cosmopolitan to press the basic arguments for better aid and trade reform as a kind of consideration which governments ought to address.¹⁸ In any case, if more people accept this kind of cosmopolitan argument for more vigorous action to combat poverty and to tackle other issues as well, then the conflict between the cosmopolitan argument and the democratic argument reduces, and eventually international agreements will reflect convergence too.

E. SOLIDARISM AND IDEALISM

So far I have not drawn any contrasts between what I have called the solidarist-pluralist and idealist-dogmatic approaches. This is not because there are not differences in this area, but because insofar as there are arguments for positive global responsibility for meeting basic human needs, there is generally not a great amount of difference. We need now to note where there may be differences, which are more accentuated in connection with the idea of development, which I discuss in section V.

By contrast, what I call the idealist approach does assume some fairly specific value system which ought to apply to everyone in the world but is not accepted by some or much of the rest of the world. What is distinctive

of this 'dogmatic' view is that it matters a lot that others who do not now hold the theory come to accept it, and that although all human beings according to the theory have an ethical status, there is nevertheless a distinction to be drawn between the community of those who believe and those who do not, between true believer and infidel, between the 'city of God' and the 'earthly city', and so on. We can see this kind of picture in connection with both religious worldviews (though not all of them) and certain kinds of political views. The antagonism between Christianity and Islam is one case in point, and the cold war opposition between the ideology of the free world and that of the communist bloc another.

The consequences of this for aid, trade and development are significant. Unlike the libertarian approach above, this approach does lay stress on the idea of positive obligation to promote what is valuable, but it will see the promotion of development defined in its own terms as being of central importance. If aid is not merely about meeting the basic needs of people, irrespective of their values and beliefs, then it will make a difference whether they are already people with the requisite values or are people who may be influenced to become so through the aid programme. Aid becomes the instrument of the promotion of wider values. Thus countries and areas may be selected because the strategy makes sense in terms of the promotion of a certain value system in a world which may be resistant to them. What governments ought to do in their more general economic policy in the world and indeed in their foreign policy is to favour those countries where the appropriate forms of development can be supported and strengthened. Development, to be sure, is not merely seen as economic growth, but as desirable social change defined in terms of the value system to be promoted in the world. Thus an Islamic thinker may favour the development of Islam in a society, perhaps the development of a 'theocratic' order, a Christian a society informed more by Christian values, and so on. Many conflicts, including proxy wars in the Third World, have been about the promotion of rival socio-political systems as part of the process of development.

The solidarist approach agrees with the idealist approach in stressing that development is far more complex than economic growth, and involves a set of values by which to measure desirable social change, and also accepts the general principle that there are positive obligations to promote development anywhere in the world, both by appropriate aid programmes and by general trade policies. However it does not see as an essential objective the promotion of any one particular worldview, rather the development of a set of common elements of well-being valued in almost all the different worldviews which people have and in most of the different cultural formations which exist in different countries. A wide

range of ethical theories, secular as well as religious do, I believe, share these characteristics and it is on the basis of convergence of the range of values essential to development that the ethical assessment of aid, trade, economic transactions, as well as development itself, can be based.

V. DEVELOPMENT

The issue of development is worth considering briefly. First the ethical critique of development as economic growth illustrates the increasingly active involvement of cosmopolitan thinking in what is called 'development ethics'.¹⁹ It is also relevant to other issues in that if we are concerned with aid we need to ask: what is it aiding anyway, since aid is only a means to an end. It is also relevant for any proper critique of sustainable development, discussed in the next chapter.

Development has been seen as the standard goal of all countries, rich and poor, for some time, and generally understood as economic growth. Societies have not however always been developing or seen themselves as developing, since societies have sometimes been either static or cyclical in nature and self-conception. One thing that gave rise to a change of perception was the rise of science and thus the control of nature via technology. Rationalism and the Enlightenment also influenced the way people thought about the possibility of deliberately organising human affairs and using the resources of nature to improve the material standard of living generally. The idea of 'progress', linked with 'evolution', from less good to better states became a central concern. In parallel increasingly the role of governments, which had been to secure order and security, became the promotion of economic well-being through general growth and welfare services, and so development became a goal of public policy. The assumption has also been made that the West, whilst still developing, has been achieving this and that poorer countries must do the same to 'catch up', through industrialisation, modernisation and the apparatus of nation-state.

A. THE DOMINANT PARADIGM: ECONOMIC GROWTH

What then dominated thinking and planning were economic growth models. General improvements in the economy of poor countries will lead to reduction in inequalities between countries and reduction of extreme poverty. This is not to deny that there were various rival theories about how best to achieve this, and as the development decades progressed, different theories took precedence. An early approach (still favoured by some) was one according to which general economic growth will benefit everyone including the very poor by a process in which wealth, largely

stimulated in the richer sectors, 'spreads' or 'trickles down' to all in society (a modern variant of Adam Smith's 'hidden hand' mechanism).

However others felt that this needed to be modified since it was evident that poverty reduction did not automatically follow from economic growth without some kind of intervention or direction from central institutions such as governments. Modifications (within mainstream development economics/studies) of this economic growth model included 'growth with equity' (growth with mechanisms, generally state-directed ones, to redistribute wealth in favour of the poor), and 'basic needs' theories, again targeting the poor with programmes designed to meet basic needs.

Because the goals (overall growth and poverty alleviation) were seen as self-evidently good and mutually supportive, the mainstream debates about models of development were not usually seen as ethical debates. Rather the various debates about rival models were seen primarily as debates about appropriate means to the same goals, debates about what policies, institutions and so on did as a matter of fact pursue the twin goals most effectively. But the positions adopted were in fact also informed by ethical assumptions, some internationalist, some cosmopolitan, and these were made more explicit as challenges to them emerged.

B. QUESTIONING THE DOMINANT PARADIGM: NORMATIVE ACCOUNTS

By the beginning of the 1980s, both philosophers outside development studies and some within the field such as Amartya Sen²⁰ were self-consciously questioning the ethical foundations of development, both about the appropriate means of pursuing it and about the ends. There were in fact various aspects or phases to this.

Various writers began to stress the humanistic assumptions underlying development discourse – in this respect Denis Goulet, writing books long before the 1980s, was a pioneer.²¹ There are two features to what I am calling the humanistic emphasis: first, that in the last analysis it is individual human beings whose lives go well or badly; and second, that an account of human well-being is needed which is considerably richer than an account of increases in economic well-being. In the 1990s, the *Human Development Reports* of the United Nations Development Programme have quite explicitly in both title and content stressed the range of criteria for assessing and measuring progress in the good life.²² Consider also the UN definition in the *Declaration on the Right to Development* (1986):

Development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all its inhabitants on the basis of their active, free and meaningful

participation in development and in the fair distribution of the benefits resulting therefrom.²³

This is a rich 'definition' in many ways, though lacking perhaps because it has no reference to the priority of poverty-reduction or to environmental constraints.

Development on this view is about progress in human well-being/flourishing. Economic growth and industrialisation are only means to certain ends, and they are only justified if they achieve those ends; if they do not, as the critics would claim they sometimes do not, then they are not justified, and may even be inappropriate if they frustrate attempts of poor people to achieve well-being. It should be noted that even improvements in indicators such as higher calorie intake, easier access to water or better housing are also means to ends, not ends in themselves.

It is not clear then that development understood in conventional terms does always advance human well-being. Once this has been accepted, various other things held to be self-evident also become questionable. Does the South necessarily have to imitate or catch up with the North? If it is not clear that the image of the good life offered by the model of development in the North – materialism, consumerism, liberal choice – is satisfactory, why should countries with other kinds of values, often religious, seek to imitate the North? Perhaps there are other ways of tackling extreme poverty (bad in almost any value scheme) which do not depend on wholesale commitment to economic growth or liberal markets. All sorts of 'alternative' models of development, based on value and factual premises rather different from those of the economic growth paradigm are offered (many linked to ecological visions or feminist perspectives, as in the writings of Vandana Shiva²⁴). At the extreme there is the rejection of 'development' altogether as an appropriate object of pursuit. Thus for instance Sachs and others in *The Development Dictionary* see development discourse as inseparably linked to the global economy which 'homogenises' cultures, and therefore reject it as an important organising concept for identifying desirable social change.

These critical responses to the dominant paradigm of development are all based on alternative value systems which have in more recent years led to more sustained philosophical reflection on what the bases of these are. During the last ten years, mainstream moral philosophy has entered the development stage to a significant degree. Three kinds of questions can be identified: first, if development is about change from a worse state to a better state and this involves centrally the improvement of the lives of human beings, by what criteria do we measure that improvement? What is the good life, human well-being or flourishing? This has been the primary focus of discussion. But two further kinds of question arise: part of what

makes a society move from a worse state to a better state is the general nature and quality of its social structure and relations, how human well-being is distributed in the society, what kinds of liberties and rights are in place, what kind of moral culture exists, what values of democratic participation are established, and so on. Third, ethical questions can be raised about the pursuit of development by a country in term of its external relations to at least three things: the environment, future generations and other countries in the world.²⁵

Here we enter the heartland of ethical theory and the application of the kinds of cosmopolitan theory discussed in Chapter 5: Kantianism, human rights, neo-Aristotelianism, utilitarianism and liberal contract theories.²⁶ Different normative theories will give different accounts of the values (ideas of well-being) and social norms involved; some more extensive (thick), some less extensive (thin) and open to cultural variation. What will generally be accepted (as part of the more meta-ethical or conceptual aspects of development ethics) is that the general idea of development is normative or evaluative. If a formal definition of development is 'a process of socio-economic change which ought to happen', then the challenge is to give an account of what kinds of changes ought to happen and why!²⁷

What also emerged from these alternative approaches is an important feature: the criticisms of the economic paradigm are not merely criticisms of it as applied to poorer countries in the South. They are in effect (if not in primary focus) criticisms of that paradigm as applied to rich countries as well. In other words development ethics is not really about ethical issues to do with the South, it is about development anywhere. Indeed, much of what motivates philosophical enquiry into the appropriate basis of social change stems from an unease about the priorities and commitments of rich countries themselves. Of course, one source of that unease, already noted, stems precisely from the relationship which rich countries have with poorer countries, both in terms of their aid programmes but also much more significantly in terms of their wider economic relationships. Another source of unease though about the economic growth policies of the North stems from a concern about the way of life in the North, considered in its own right, as being too affluent, too materialistic, too consumerist, and so there is a desire to consider more explicitly the essential values which, the thinker claims, should underlie policy in the North. A third area of concern which invites a re-examination of the basic values underlying development in the North stems of course from concern for the environment, protecting Nature now and the well-being of future generations, and underpins the immense interest in sustainable development.

C. UNIVERSALISM, PARTICULARISM AND RELATIVISM

One kind of consideration, of immense importance in its own right but pertinent to the three cosmopolitan approaches, is the issue of relativism, particularism and universalism. Much of the ethical concern about development has come from an unease that the patterns of development which are dominant in the North are not appropriate to social change in the South, and that in many ways what is happening with the strengthening of the global economy is the destruction of traditional cultures, worldviews and value systems, even though such local or traditional value systems are in fact right for those cultures and the appropriate bases for whatever change needs to take place. In other words, the values which should underlie social change vary from society to society. What is happening in the global economy is but the latest manifestation of European cultural imperialism or 'Eurocentrism'. Most but not all writers in development ethics share this unease, but in varying degrees and with different views of its theoretical significance.

One response, noted earlier, is to see the idea of 'development' as closely tied to the European value system, itself born of the Enlightenment and the idea of 'universal reason', and thus, in the name of celebrating diversity and the need to defend traditional value systems against the encroachment of global capitalism, to reject the idea of development altogether as an appropriate vehicle for articulating desirable social change. (Much of the language of Latin American Liberation Theology reflects this, rejecting development in favour of 'liberation'.) But those within development ethics, who retain a commitment to the central concept but recognise that rival values can be built into it, can also make the point that diversity of cultures and norms within them are to be defended in the name of development, as Goulet does. This is because it can be claimed that the kinds of social change which ought to happen or would be beneficial, will be different in different places, and will, for instance, depend upon the values already accepted by the people in question.

But the recognition that much diversity needs to be accepted and defended (in the face of the 'homogenising' tendency of international economics) can stem from two very different theoretical positions, relativism and universalism incorporating diversity. It is possible of course for a development ethicist to have the first view. There is nothing in the general position of being interested in the ethical issues in development which precludes such a position. On the whole however those interested in development ethics do not adopt this position, but rather the universalist position which incorporates diversity, pluralism and particularism. This stems from both a belief in a universal value core itself and also from a belief in the validity of norms of global responsibility, such as those of the

rich to support authentic development in the South, norms which are problematic on a purely relativist position.

Most thinkers interested in development ethics then prefer to identify some kind of universal value framework and then accommodate various kinds of diversity within it. Thus those who advocate a neo-Aristotelian or Kantian or 'rights' approach are generally keen to show that their theories are at a sufficiently high level of generality to allow significant variations in different societies' development: these variations are expressions of or interpretations of the underlying value in different social contexts. It would not be their intention to see their theory as projecting an essentially Western value theory onto other parts of the world, though their critics might argue that, despite their intentions, they are doing just that. On the other hand, it should be noted that, just as nothing in the idea of development ethics precludes relativism, so nothing in the idea precludes an attachment to a dogmatic idealism of some kind or other which the thinker knows full well is not actually accepted in many of the societies for which it is recommended. Thus a highly specific religious model of appropriate change, a model dominated by an ecological vision, or a model advocated by an avid secular libertarian defender of free choice, might be advocated for all societies, with the quite specific and intended implication that what is dominant and accepted in most countries at present is simply misguided. But I trust that the difficulties with such an approach, whether in a development context or elsewhere, have already been adequately indicated.

NOTES

1. Quoted, for example, by Sachs, *Development Dictionary*, p. 2.
2. The issue of the internal mal-distribution of wealth was noted by World Commission on Development, *The Brandt Report*, ch. 8.
3. There is here a big interpretative issue, not pursued, as to whether agreements between radically unequal parties, whether the weaker party is a Southern government or a worker, are genuinely 'free'. The radical will say such contracts are formally free, as Marx noted, but really coercive; the libertarian that they are free, because what is chosen is the lesser of two evils.
4. One area where this approach supports some controls, beyond what is assumed traditionally as a necessary backcloth to the proper functioning of markets, is over environmental regulation, to the extent that practices cause harm. See Chapter 9.
5. For general criticism see Bauer, *Reality and Rhetoric*; for arguments linked to environmental constraints see Hardin, 'Lifeboat ethics: the case against helping the poor'. Hardin, like other neo-Malthusians, adopts the line that any aid that fuels population increases makes worse the problems aid is

intended to solve.

6. See Riddell, *Foreign Aid Reconsidered*.
7. Singer, 'Famine, affluence and morality' and, extended, 'Rich and poor' in *Practical Ethics*.
8. Shue, *Basic Rights*, p. 52.
9. O'Neill, *Faces of Hunger*, chs 7 and 8.
10. Beitz, *Political Theory and International Relations*, pt III.
11. Ross, *The Right and the Good*, ch. II.
12. See, for example, Hayter, *The Creation of World Poverty*.
13. Dower, *World Poverty – Challenge and Response* and 'World poverty'.
14. For a defence of charity not justice as the basis of aid, see Graham, *Ethics and International Relations*, ch. 7.
15. See, for example, Scarrow, 'Institutional rights and international duties' and Lehman, 'Equal pay for equal work in the Third World' on the issue of appropriate levels of wages.
16. Other principles like non-discrimination need to be added. This discussion of business ethics is only concerned with some of the aspects which arise in the international context which illustrate my main themes. For a general survey of business ethics in its global context see Donaldson, *The Ethics of International Business*.
17. See O'Neill, 'International justice: distribution' for a useful exploration of these wider issues. In practice the priorities for action in a shared world ethic may be much the same for my approach and the more radical one, unless differences of means are adopted.
18. See, for example, Dower, 'Are official aid and private charity ethically on a par?'
19. Many philosophers and others interested in these value issues belong to the International Development Ethics Association.
20. Sen, various works including *On Ethics and Economics* and *Inequality Re-examined*.
21. Goulet, many works including *The Cruel Choice* and *Development Ethics – Theory and Practice*.
22. UNDP, *Human Development Reports*.
23. UN, *Declaration on the Right to Development*, preamble, para 2.
24. See Shiva, *Staying Alive – Women, Ecology and Development*.
25. See Dower, 'Sustainability and the right to development'.
26. For many of these see Aman, *Ethical Principles for Development*.
27. See, for example, Dower, *What is Development? A Philosopher's Answer*.