Beyond the liberal peace project: toward peace with justice

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Recommended Citation
van der Linden, Harry, "Beyond the liberal peace project: toward peace with justice" / (2001): -. Available at https://digitalcommons.butler.edu/facsch_papers/647

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Published in *Journal of Social Philosophy, Vol. 32, No. 2, Fall 2001, 419-430.*

**Abstract:**

This paper questions that the global spread of political liberalism is our best hope for international peace. This "liberal peace project" (LPP) is based on the thesis, first formulated by Kant and recently by Michael Doyle, that liberal states by their very nature are bound not to wage war with one another. The LPP neglects that the globalization of the economy and unsustainable economic growth may increasingly become sources of conflict. Peace requires justice in the form of a socially regulated global economy, including labor rights and standards and taxes on resource extraction to be allocated to the global poor.

**Beyond the Liberal Peace Project: Toward Peace with Justice**

The core idea of what I will explicate in this paper as the "liberal peace project" (LPP) is that the global spread of political liberalism, or capitalist democracy, is our best hope for the realization of lasting world peace. Proponents of the LPP differ as to whether this road to world peace requires that all individual states become liberal, or only most states (provided that the others are domestically well organized and accept liberal norms of international conflict resolution). I will not explore this distinction, even though it has practical significance in that it implies differing views concerning how urgent it is to democratize any given nonliberal state. The LPP, as I will construct it here, has influenced recent U.S. foreign policy and is defended in its main aspects by many contemporary liberal thinkers, including Michael Doyle, Francis Fukuyama, John Rawls, and Bruce Russett. I will argue that the LPP is deeply flawed by not recognizing that both the spread of democracy and the peace potential of this process require a fundamental social regulation of the growing global economy, or a global market with justice, and with it a democratization of international institutions.

The LPP takes as its point of departure Doyle's thesis, first defended in his 1983 article "Kant, Liberal Legacies, and Foreign Affairs," that liberal states by their
very nature are bound to maintain peace among each other. This thesis, drawn from Immanuel Kant's *To Perpetual Peace*, is supported by the fact that even though since 1800 stable liberal states have frequently fought wars with nonliberal states, they have not fought with one another. Doyle's thesis is widely accepted among contemporary peace researchers; it is even celebrated as being "as close as anything we have to an empirical law in international relations" and as "one of the strongest nontrivial or nontautological generalizations that can be made about international relations." The next step of the LPP is to argue that because the number of liberal democracies has increased with growing pace during the last two centuries, and especially since the end of the Cold War, we may with confidence anticipate future world peace established through a rapidly expanding peaceful "union" of liberal states. In his 1983 article, even before the recent increase of democratic states, Doyle predicts on basis of the rate of increase of liberal states since 1800 that a worldwide union of peaceful democratic states may be expected by the early 2100s. Bruce Russett is in a way even more optimistic about the possibility of lasting peace, writing in 1993 that "our children will wonder" if we do not use the recent "global democratic wave" to bring about "the end of history" in the sense of the end of "the history of wars and conquest" (138). The final step of the LPP is to outline a foreign policy conducive to the realization of the "predictions" or "historical possibilities" of liberal peace.

LPP foreign policy must strengthen the present union of liberal states and also expand it through the democratization of all or most nonliberal states. Many LPP proponents reject intervention aimed at promoting democracy as ineffective or countereffective in that it may make nonliberal states less perceptive to liberal norms of international conflict resolution. What characterizes the LPP is the proposal that the factors that account for stable peace between democratic states should be integrated, where possible, into foreign policy toward both liberal and
nonliberal states. The expectation is that such a foreign policy will sustain the present union of liberal states and induce nonliberal states to become democratic or at least appreciative of liberal norms of international conduct.

Drawing from *To Perpetual Peace*, Doyle argues that three factors account for the peaceful relations between liberal democracies: Executive authority is subject to popular control and the people will consent to war only for good liberal causes; democratic citizens and leaders seek to accommodate people of other nations also committed to conflict resolution through public and consensual means; and, liberal states create through free trade and international division of labor mutually beneficial economic ties that war would disrupt. Doyle (1983a, 232) adds that none of these factors "is alone sufficient, but together (and only where together) they plausibly connect the characteristics of liberal polities and economies with sustained liberal peace." The three factors may be more broadly formulated as stating, respectively, that the institutional structure, political culture, and market economy of the liberal state explain democratic peace. Recent research studies confirm these factors, but differ in the relative weight that they assign to each factor (see Oneal et al. 1996, and Gates, Knutsen, and Moses 1996).

The "political culture" and "market economy" factors can be integrated into LPP foreign policy, even though less effectively with regard to nonliberal states. Thus the main features of this policy are to reject interventionist and expansionist policies; to engage in self-defensive war only; to uphold restrictions on war conduct; to seek to solve conflict through accommodation and open dialogue; to honor basic human rights; and to promote free trade and economic interdependence. Liberal states have frequently, and often brutally, violated LPP foreign policy in their dealings with nonliberal states, but here again the future seems promising from the LPP perspective in that the end of the Cold War has brought liberal states somewhat closer to acting in accordance with LPP foreign policy.
The thesis that liberal states do not fight wars with one another requires for its historical truth some "adjustments": Only secure and fully liberal democratic states are to be included (so that, for example, Germany in WWI does not refute the thesis), while interventions (e.g., the intervention by the United States in Allende’s Chile), as well as conflicts with fewer than 1000 casualties per year (e.g., recent border clashes between Ecuador and Peru), are to be excluded. Even so, it is a remarkable fact that liberal democracies typically have solved their conflicts with one another in a peaceful manner, and this fact, in conjunction with the recent increase of democratic states, convincingly grounds the hope for global peace if one assumes a historical-political continuum in the sense that there will be no significantly new problems confronting the international order in the future. This assumption, however, is untenable.

The LPP pays little attention to, or misjudges the significance of, two intertwined processes that increasingly will shape our world and that may block the emergence of new liberal democracies, weaken or even dissolve existing democracies, and raise the likelihood of violent international conflict. These processes are the globalization of the economy and unsustainable economic growth.

Unsustainable growth involves a depletion of nonrenewable resources, a scarcity of renewable resources, or damage to the environment. Most experts maintain that there will be no serious scarcity of nonrenewable resources over the next few decades (Hammond 1998, 442-44). Still, there is reason for concern when we look at the issue over the longer range. Shortages may occur once more developing nations come to emulate the high consumption patterns of the present wealthy liberal democracies. Substitutes for scarce resources may be found, but the social and economic costs of conversion may be prohibitively high, especially for less wealthy countries. The promise of increasing “dematerialization” and “de-
energization” of production and consumption must be similarly qualified. Shortages of nonrenewable resources may lead to direct international conflict or may obstruct peace by strengthening the interests of rich liberal democracies in maintaining authoritarian regimes that guarantee them access to the scarce resources.

The problem of scarcity of renewable resources is much more urgent and serious. Overfishing has already led to the recent "cod wars," and these might turn out to be only faint foreshadowings of future conflicts over shared rivers and aquifers caused by water shortages due to increased needs of growing numbers of people. Moreover, it is not clear that the growing demand for food over the next fifty years or so can be met by greatly increasing crop yields per hectare (Goodland 1998). Less success in intensification means that scarcity of cultivatable land or the distribution of food will become more significant sources of conflict.

Acid rain, toxic waste, and the like cause significant environmental damage, but presumably the most pressing problem in this regard is global warming. There is still some disagreement about the scope and reality of global warming, but a conservative risk-taking approach seems rational here in light of the seriousness and irreversibility of the harms (cf. Freeman, Pierce, and Dodd 1998, 341–42). The expected harms include large permanently flooded land areas, expanding deserts, reduced or destroyed harvests, and more frequent droughts and intense storms. Global warming may induce international conflict because, among other reasons, its expected harms for individual states will not correlate with the degree of responsibility of each of these states for its cause. Broadly speaking, the wealthy nations contribute most to global warming, but the negative impact will be greatest on the developing world. Poor nations will also be least able to take measures, such as the building of sea walls, against the harmful effects (UNDP 1998, 57 and 79).

In all these cases of impending environmental threats to peace, it is difficult to see how the spread of liberal democracy *alone* would prevent conflict. The LPP,
with its optimistic expectations of democratic global peace, encourages people to continue "sleepwalking through history," to use Lester Brown's apt phrase to describe the common inattention to possible future catastrophes caused by unsustainable growth (1996, 17).

LPP proponents appeal to Kant in claiming that international "free trade" is conducive to the emergence of democracy. This suggests a lack of understanding of the changes taking place in our current world economy. The present globalization of the economy involves a "shift from a world economy that is an aggregation of national market economies [as Kant viewed world trade], quite varied in their regulatory and redistributive principles, to a global market economy governed by a uniform set of rules" (Robinson 1995a, 373). The new rules are the rules of laissez-faire, and this makes it easier for the main actors of the world market, the global corporations, to opt for profit-motivated transfers of production from developed economies to developing ones, or between developing economies. The trend is that global companies take on a transnational character and become "global webs" that create products that are "international composites," whereby the different parts of the composites are ideally produced by the cheapest available capable workers anywhere on the globe.

It is the very nature of unregulated capitalist ("neoliberal") global production, then, that causes in the wealthy liberal democracies capital flight and dislocated communities, a breakdown of the welfare state, and economic polarization due to stagnant or lower wages for many workers. These processes weaken democracy. Global corporations exploit a rapidly growing labor force, including children, in many developing countries, which goes hand in hand with the uprooting of local communities. Again, these developments are antithetical to democracy; for flourishing democracy requires educated and informed citizens who communicate and interact within a wide variety of social and political organizations, whereas the
reality for the workers in the global factory is all too often illiteracy, isolation, and a daily struggle for basic necessities. The global economy is harmful to democracy in a third way: Global companies aggressively seek to sell standardized products and services for a world market (Barnet and Cavanagh 1995) and thus call forth not only local struggles against cultural homogenization but also narrow ethnic and particularistic sentiments that reject "Western democracy and human rights" (Barber 1996). These sentiments are also fueled by extreme poverty without prospect of improvement. An additional threat here to democratic peace is that nations or groups may seek to escape such desperate poverty through military conquest and terrorist attacks and will use ever more destructive means available to them.

The neoliberal globalization of the economy also blocks democratic peace by its role in the ongoing environmental deterioration. Drastic population growth and rapid industrialization and urbanization pose as such threats to the environment, but the global economy worsens the situation in significant ways and impairs solutions. Developing countries in great need of investment "permit" global corporations to damage their environment and deplete their resources. Competition for global capital leads even wealthy countries to lower their targeted environmental standards. GATT/WTO, NAFTA, and other such trade agreements/institutions have the same effect (Nader and Wallach 1996). More broadly, the current globalization of the economy is a poor instrument for reducing the extreme international rich-poor divide that constitutes a major obstacle to sustainable economic development. A sustainable world economy necessitates far-reaching global environmental agreements, but these will be difficult to reach or maintain when the developing nations see the wealthy economies becoming ever wealthier and continuing to place a disproportionate burden on the environment. What adds to the problem is that the rich economies and their global corporations promote a high consumption lifestyle. Environmentally speaking, this lifestyle cannot presently, or within a few
generations, be universally shared except when one makes very optimistic assumptions concerning future technological innovations.\(^{11}\)

The upshot is that the LPP hope for world peace within the foreseeable future is unwarranted if the present economic trend continues toward an unregulated world market dominated by giant global corporations. Two solutions present themselves. The first is that democratic peace and, more broadly, human flourishing and justice, require that we reverse the present economic trend and aim for "economic localization."\(^{12}\) The second solution is that our immediate goal should be that the unregulated global market is transformed into a socially regulated world market, or a market with a substantial "social dimension."\(^{13}\)

In my view, only the second solution offers a credible political program. Proponents of economic localization rightly argue that the local community must get more control over the economy, but they wrongly claim that the economy itself must become local in that production is primarily for and by the local community. Certainly, local production has a role to play in the good economy (as in agriculture), but as a sole aim it is inconsistent with highly industrialized society, even on a broad understanding of "community." Further, calls for reversing economic globalization and interdependence seem to be based on an underestimation of how far we have already proceeded along these lines. The program of economic localization may lead to success on a limited scale, but even the long-term viability of limited local production will typically hinge on success in socially regulating the global market in the form of granting all communities the right to take some basic protectionist measures in some production areas. Another problem with the economic localization proposal is that many communities, especially in developing countries, need outside investment for their economic development. A socially regulated global market can provide such capital (see below); mere economic localization might mean continued misery due to inadequate resources.
The global social dimension should include consumer rights, labor rights and standards, and rules concerning investment and the environment. Consumers everywhere should be provided with safe and healthy products and with clear and informative labeling. Introduction of new products should go hand in hand with consumer education so as to prevent disasters such as the recent unscrupulous marketing of infant formula in the developing world to communities without clean water or adequate income. Dumping practices and deceptive advertising should be prohibited, and consumers should be provided with information concerning how their purchases affect the environment (UNDP 1998, 11 and 61-62). The most significant labor rights and standards that must be globally enforced are the prohibition of child labor and forced prison labor, the right to unionize and to bargain collectively, safety and due process in the workplace, a reasonable minimum wage (one that will increase with growing productivity), limited working hours, paid holidays, adequate job training, and nondiscriminatory treatment. Many of these economic rights are in word upheld by most nations (through their signing of various human rights documents), but we are very far away from an effective integration of economic rights into the global market. To be sure, LPP foreign policy seeks to promote basic human rights, but it neglects in practice economic rights at the cost of civil and political rights. Globally enforced economic rights and standards will not only improve the standard of living of numerous consumers and workers but also provide them with the opportunity and skills for realizing or strengthening democracy.

Global regulatory rules concerning investment should include limitations on subsidies (tax breaks, free land, infrastructural provisions) promised in the international bidding game of attracting global companies (cf. Reich 1991, 296-98); a worldwide minimum corporate tax rate; and the right of local communities to be fully informed about the impact of outside investment and to refuse this investment
when it threatens to destroy their local culture or livelihood or bring unacceptable environmental damage. Global guidelines should also be developed for compensation to local communities in the case of corporate relocation. This compensation should consist of severance pay, job training grants, and funds for buyouts or attracting new industries. Regulated global capital will still leave many areas in the developing world in great poverty, and so reduction in world poverty and the rich-poor divide as preconditions for world peace will require additional investment measures. Some LPP proponents recognize the limits of private capital in arguing that development aid is necessary to reduce severe poverty as an obstacle to the spread of democracy.\(^1\) It would be a mistake to reject such aid, but aid as a voluntary program cannot provide a guaranteed and steady source of investment capital. What these LPP proponents fail to see is that a proposal is needed that is less subject to the fluctuations of political and charitable sentiments and that can be built into the very mechanisms of the global economy.

One proposal that fits the bill is to tax international currency transactions, as first proposed by James Tobin, and then to distribute the revenues on a per capita basis to nations for the purpose of investment. Even a small "Tobin tax" (around \(\frac{1}{2}\) %) could generate $300-$500 billion annually. Ian Robinson has recently elaborated this proposal and argues that the "structural funds" generated by the Tobin tax should be allocated only to governments that respect basic labor rights and are democratic. He rightly notes that this would provide an incentive for repressive countries to improve their labor and/or democratic record, but neglects to discuss the fate of those who live under stable corrupt regimes (1995a, 378; 1995b, 496). In the case of such regimes, it seems morally preferable to allocate funds to local communities or to organizations that seek to alleviate poverty (UNICEF, OXFAM, CARE, and the like).
A second viable proposal is Thomas Pogge's "global resources dividend" (GRD), a payment on the extraction of natural resources that is to be allocated to the global poor. Pogge views this allocation as a matter of justice. On basis of the widely accepted premise that the earth’s resources ultimately belong to all people, he argues that the private and unlimited extraction of these resources in our world must be at least of some benefit to all. This condition is not satisfied for the very poor. Pogge (1998, 507) writes: “While the global poor are ... largely excluded from natural resources, condemned to watching helplessly as the affluent distribute the abundant natural wealth of this planet among themselves, they do get their proportional share of the burdens resulting from the degradation of our natural environment -- a disproportionate share even, in that they lack the knowledge and the means to protect themselves.” Pogge concludes that in order to make present resource distribution at all justified the global poor must be compensated. The GRD offers this compensation; it is a small and morally minimal share of the value of resources that belongs to the global poor. A modest GRD on some resources (e.g., oil, gas, coal, and a few basic minerals) would create funds on the same order as the Tobin tax and rapidly raise the standard of living of the global poor. A comparative strength of the GRD is that it would encourage resource preservation, but the Tobin tax might be cheaper and easier to implement.

Pogge's argument for his GRD shows that the global social dimension is not only a demand of peace but also a demand of justice; or we may say that real peace, or peace with justice, requires the social dimension. In short, the worldwide use of resources within the global market must be in the interest of all, and it is only when this is realized through the GRD that we may begin to hope for true global cooperation. What further supports the GRD, Pogge notes (1998, 504 and 509), is that it is a compensation for the fact that the global rich-poor divide is rooted in a history of colonialism and exploitation and that it corrects the fact that present
global institutional arrangements persistently work against the global poor. It is debatable whether affluent citizens of wealthy countries have a strong individual duty to give significant parts of their income to the global poor, but justice definitely requires that these citizens seek alternative institutional arrangements that improve the economic chances of the global poor. Universal economic rights and standards are also demands of justice in that they contribute in fundamental ways to global equality of opportunity. Accordingly, my main criticism thus far of the LPP may be summarized as that the LPP seeks world peace without demanding global justice.

The global social dimension should lastly include a wide variety of (additional) environmental measures. Governments should eliminate subsidies on water, energy, pesticides, etc., because these encourage environmentally irresponsible conduct. Instead, governments should force producers and consumers through taxation to pay for the real environmental costs of their choices. Present automobile driving, logging, mining, electricity use, and so on, involve commonly unpaid costs such as air and water pollution, acid rain, deforestation, global warming, abandoned toxic plants, and future resource scarcity (Roodman 1996, 173-74). Some governments have taken significant steps in these directions, but their efforts have been restricted by the logic of the unrestricted global market: High environmental taxes invite industrial flight, whereas subsidies attract global corporations (cf. UNDP 1998, box 5.8). It is, therefore, crucial to create global agreements. Worldwide agreements are also important in preventing taxation or subsidy elimination from having a regressive impact on the global poor. One solution might be to have a global redistributive schema for some environmental taxes. It would also help if a system of tradable permits were developed in which poor countries could lend for payment their fair share of globally allowable pollution and emissions to industrial countries. Justice further requires that the industrial countries that occupy so much of the world’s ecological space, as it were, provide the developing nations with efficient and clean
technologies so that they can optimally use the ecological space left. These nations should be provided with technologies that “leapfrog over steps in the traditional development path followed by industrial countries” (UNDP 1998, box 4.16).

Tradable permits and environmental taxes have their limits as instruments for environmental improvement: They discourage conduct that is ecologically harmful but do not prohibit and halt such conduct. Thus global regulatory standards or laws, not directed market forces, are needed where there is no reasonable room for trade-offs, as in the preservation of endangered species and the management of nuclear and other very hazardous materials. Moreover, only direct governmental or international action can prevent the neighborhoods of the poor everywhere from being the places of the greatest environmental degradation and harm (cf. Roodman 1996, 175).

The institutional implementation of a global social dimension requires a vertical dispersal of sovereignty from the national level to both more local and more global levels (cf. Pogge 1992, 61-62). The unregulated global market has already diminished the sovereignty of the state by forcing it to tailor its economic and social policies to the demands of global capital and transnational corporations. This “globalization from above,” however, has been countered with a “globalization from below.” Consumer and labor organizations, for example, in their endeavor to promote economic rights have organized locally, built alliances with other activist groups in civil society, and have established successful cooperative ties across borders. The socially regulated market requires that such endeavors of seeking to regain lost sovereignty be strengthened. The global social dimension further necessitates more democratic workplaces and local and regional control over the environment and culture. At the same time, new international institutions, or the strengthening of existing ones (such as the International Labor Organization), are needed to formulate global consumer and labor rights and standards and to review
violations by global companies and enforce compliance. The same is true in regard to global environmental measures, worldwide investment rules, and economic development schemas (such as the GRD). In general, these institutions will only gain wide acceptance and become truly effective if they become (more) democratic. This means that the LPP falls short in not grasping that global peace requires democracy not only within the state but also within the international community and its institutions. A crucial step would be to reform the United Nations (see Held 1995).

War as defined within the LPP is large-scale violence between states. Neoliberal global economic development and integration, it has just been noted, weaken the power of the state. So if one makes the very debatable assumption that humanity can proceed on the neoliberal road for the next hundred years without bringing about environmental catastrophes, it is conceivable that peace between the nations will be realized within the time range of the LPP predictions or expectations. But will this peace then be as envisioned within the LPP? The current globalization of the economy is characterized by polarization: New economic elites are emerging in the developing countries, while wages and benefits continue to fall comparatively or even absolutely for many workers in wealthy nations. Thus the international peace that the globalization of the economy possibly could bring about is one in which global economic elites who know no borders dominate international relations. It is the peace of corporate cosmopolitans, with the silent support of the dwindling middle class, exploiting in varying degrees and scope the poor and powerless everywhere. On this account, the LPP offers the unattractive prospect of a world in which the curse of war has been replaced by the curse of civil unrest and conflict. It can be concluded again, then, that the LPP neglects an insight that is as true globally as locally: There can be no genuine peace without justice.
Notes

1 See Doyle 1983a, 1983b, Fukuyama 1992, Rawls 1993, and Russett 1993. Doyle is more critical of liberal internationalism in his most recent work. See note 2, below. Both the Bush and Clinton administrations have made statements in support of the LPP. Clinton declared, for example, in his 1994 State of the Union address that "the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere" (cited in Carothers 1994, 48).

2 See Doyle 1983a, 213. See also Doyle 1997, 265. Doyle’s most recent work appeared while this paper was in progress. It was brought to my attention in a helpful reader report for this journal. Doyle updates and restates here the main points of his 1983 essay, but also questions liberal internationalism from the perspective of both “realist” and “socialist” international theory. This questioning leads Doyle in the direction of some of my objections to the LPP, but he ends up with policy recommendations that are much less far-reaching than my proposals.

3 See Lake 1992, 28, citing Jack Levy and Bruce Russett. Many classical liberal thinkers in addition to Kant expressed the idea of liberal peace (see note 6, below). The idea had also its early defenders among liberal politicians, such as Woodrow Wilson. However, it was not until the 1970s that empirical reports in support of the idea began to emerge. Doyle was the first to combine empirical support with a detailed explication and normative defense of the idea of liberal peace. His work was pivotal in making the LPP a popular idea among recent liberal theorists. For a brief discussion of the historical roots of the idea of democratic peace, see Russett 1993, 3-11, and Rummel 1991, 352-53. I wish to thank Ronald J. Glossop for bringing Rummel's work to my attention.

4 See Doyle 1983b, 352. On basis of To Perpetual Peace, Doyle distinguishes between two paths toward peace. The "transnational track" involves that nonliberal states turn democratic under the influence of their political, economic, and cultural interactions with liberal states. The "international track" involves that states become democratic as the result of war and security pressures. Doyle calculates that the first path may lead to peace by 2101, the second by 2113. Doyle (1997, 480-82) revises the first figure to 2050. My concern here is the transnational track, for only this track has practical implications for liberal foreign policy. The international track offers no scenario for action but provides the hope that good
will come from evil (war). Kant held that such hope facilitates the fulfillment of the duty to seek global peace. See van der Linden 1988, 110-11 and 115.

5 This fits with Kant's view. For a detailed criticism of his rejection of intervention, see van der Linden 1995.


7 Too great optimism must be guarded against even on account of the LPP itself: Many of the new democratic states can hardly be described as liberal democracies because they do not protect basic political and civil rights for all their citizens and they may not evolve in this direction.

8 An anonymous reader of this paper rightly noted that the LPP with its state-centered orientation also pays little attention to ethnic conflict as a cause of war. This cause of war, however, does not refute as such the LPP predictions and expectations in that it is not a new phenomenon. Still, the issue is relevant, for, as I observe below, the globalization of the economy seems to strengthen this cause of war.

9 Although this appeal is not incorrect, it should also be noted that Kant was critical of free trade as promoting the accumulation of the instruments of war as well as colonial conquest. See van der Linden 1988, 113-15.

10 See Reich 1991, 113. Korten (1995, 125) points out that global companies can either have a multinational or transnational character. The multinational company has different branches in various nations, and each branch has some degree of autonomy, is integrated in the local economy, and has some national character. The transnational company takes on the form of networks, is vertically integrated, and has no real loyalty to any particular nation. The current trend is toward the formation of transnational global companies.

11 Approximately one billion people live at present a high-consumption middle-class lifestyle. See Keyfitz 1998, 497. The world population in 2050 is expected to be around ten billion. Obviously, to make the high-consumption lifestyle sustainable and accessible to all or most people within the next fifty years or so would require extremely rapid technological progress.
Goldsmith (1996, 502) argues for this goal, as do many other writers in the book in which his essay is printed.

The idea of a "social dimension" was first proposed within the European Union. I will argue for a social dimension more far-reaching than the one adopted by the EU.

Cf. Yasuaki 1999, 112-18. The mistake should also be avoided that economic rights are stressed at the cost of civil and political rights. Cf. Sen 1999.

It may be objected that improved labor rights and standards will raise labor costs, and that this may reduce the incentive of global corporations to expand production in developing countries. Thus it might seem that good intentions might lead to economic stagnation and rising unemployment. This argument is offered by Amsden 1995/96. In response, it should be noted that wages in most developing countries are extremely low so that their improvement hardly would influence profits, especially when better wages go hand in hand with greater productivity. Better wages also create larger internal markets, offering an incentive for global capital investment. See Rothstein 1995/96. Moreover, even if some loss in private capital investment would result, this is not a weighty problem for my argument because the "social dimension" that I propose also includes the creation of public funds for investment in developing countries. Cf. Brecher and Costello 1994, 137.

See Rawls 1993, 77, and Russett 1993, 133. Russett stresses much more the importance of aid, holding that new democracies with a high economic development are more stable than those in great poverty. Rawls declares, to the contrary, that "well-ordered societies can get on with very little." In other words, the real problem of oppressive developing countries is their political culture rather than their poverty. Rawls adopts here a surprisingly conservative viewpoint, but its rational core is that economic programs must include strategies for changes in political culture.

It would in the first year alone at least double the real income of the world’s poorest 20%. UNDP (1998, 37) estimates that $40 billion per year added to the $55 billion allocated to development aid in 1997 would achieve worldwide access to basic social services, including education, health care, food, and sanitation.

Cf. Pogge 1998, 517. Another problem with the GRD is that it might worsen the position of countries with a GDP per capita between that of the wealthiest and the poorest countries. The (upper) middle-income countries would receive no GRD and the increase of the price of resources would weigh more heavily on them than on the wealthy nations. The
implementation of the GRD might require additional adjustments, but my main concern here is to argue only for the need for some investment schema that makes the global market profitable to the very poor.

19 Cf. Reich 1991, chapters 24 and 25. In my view, this misguided cosmopolitanism is a poor reason for rejecting cosmopolitanism in general and for supporting nationalism instead, but this is a point that cannot be argued here.

References


