

# “Assisting” the Global Poor<sup>\*</sup>

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We citizens of the affluent countries tend to discuss our obligations toward the distant needy in terms of donations and transfers, assistance and redistribution: How much of our wealth, if any, ought we to give away to the hungry abroad? This way of conceiving the problem is a very serious error — and a very costly one for the global poor.

In his book *The Law of Peoples*, John Rawls adds an eighth law to his previous account: peoples have a duty to assist other peoples living under unfavorable conditions that prevent their having a just or decent political and social regime.”<sup>1</sup> This addition is meant to show that Rawls’ proposal can give a plausible account of global economic justice, albeit a less egalitarian one than his cosmopolitan critics have been urging upon him.<sup>2</sup>

It is doubtful that the new amendment would be adopted in Rawls’ international original position, which represents liberal and decent peoples only. Each such representative is rational<sup>3</sup> and concerned to achieve agreement on an international order that supports his or her own people’s ability to be stably organized according to its own conception of justice or decency.<sup>4</sup> Such representatives may well agree to assist one another in times of need. But why is it rational for them to commit to assisting poor peoples that never had a liberal or decent social order?

This challenge highlights how Rawls’ international original position is too strongly focused on safeguarding the well-orderedness of liberal and decent societies and therefore triply implausible: First, peoples neither liberal nor decent are not represented in Rawls’ international original position, and the interests of their members are thereby discounted completely.<sup>5</sup> Second, because (liberal and decent) *peoples* count equally, the interests of their individual members (in the viability and stability of their domestic order) are represented unequally to the

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<sup>1</sup> Rawls 1999, 37. For his earlier account, see Rawls 1993b, 55.

<sup>2</sup> Cf. Rawls 1999, 115-9, discussing Beitz 1979 and Pogge 1994.

<sup>3</sup> Rawls 1999, 32, 63, 69.

<sup>4</sup> Rawls 1999, 29, 33, 34f., 40, 63-67, 69, 115, 120. A society is well-ordered if it has a stable social order that is either liberal or decent (Rawls 1999, 4 and 63).

<sup>5</sup> This feature renders problematic not only Rawls’ asserted duty to assist burdened societies, but also his call for “forceful intervention” in the affairs of non-well-ordered societies that internally commit egregious offenses against human rights (cf. Rawls 1999, 94n.6). Even if such interventions fall short of war (which must not be instigated for reasons other than self-defense — Rawls 1999, 37), they may entail considerable costs for the intervening people(s) whose representatives would thus not rationally make a blanket commitment to such interventions.

detriment of those who belong to more populous peoples.<sup>6</sup> Third, other important interests of members of liberal or decent peoples are not represented — for example, their interest in their socio-economic position relative to that of other societies.<sup>7</sup>

Though more demanding than what his international original position can justify, Rawls' duty of assistance may still not be demanding enough. This duty stipulates only an *absolute* target: No people should be prevented by poverty from organizing itself as a liberal or decent society. Rawls opposes any *relative* target: Above the absolute threshold, international inequalities are entirely unconstrained and hence permitted to increase indefinitely.

Rawls suggests why he opposes any relative target: Once a people has attained the modest economic capacities necessary to sustain a liberal or decent social order, it is morally free to decide whether to make further net savings. If it does not, then its *per capita* income may fall further and further behind that of other peoples with higher savings and investments. It has a right to make this decision. But it also then has a responsibility to accept the consequences. It cannot plausibly complain later about the evolved discrepancy in affluence — let alone demand a share of the much greater incomes other societies have become able to generate.<sup>8</sup>

One might adduce against this argument that the effects of crucial decisions made for a society are often suffered by persons who had no role in this decision — by later generations, or by persons at the bottom of a recent hierarchical society.”<sup>9</sup> Rawls' second principle of domestic justice forbids institutions under which the burdens of costly decisions made for a family are (above some absolute threshold) fully borne by members of this family alone. Decent societies (as Rawls describes them) may well be committed to similar domestic burden sharing. So it is unclear why liberal and decent societies should be categorically opposed to any analogous scheme of *international* burden sharing, even to a scheme that demands little from the wealthier societies and adjusts itself to the actual impact of perverse incentives and moral hazards.<sup>10</sup>

Given my topic, I will focus on another problem with Rawls' argument: its suggestion that the causes of severe poverty lie within the poor countries themselves. Rawls stresses repeatedly that this is true of the world as it is: “the causes of the wealth of a people and the forms it takes lie in their political culture and in the religious, philosophical, and moral traditions that support the basic structure of their political and social institutions, as well as in the industriousness and cooperative talents of its members, all supported by their political virtues. ... the political culture of a burdened society is all-important ... Crucial also is the country's population policy.”<sup>11</sup> When societies fail to thrive, “the problem is commonly the nature of the public

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<sup>6</sup> Rawls recognizes this problem, in general terms at least, and is concerned to defend his use of an original position “that is fair to peoples and not to individual persons” (Rawls 1999, 17n.9).

<sup>7</sup> Cf. Pogge 1994, 208f.

<sup>8</sup> Cf. Rawls 1999, 106f. for the appeal to the just saving principle and 117f. for two invented stories illustrating such unjustified complaints about international inequality.

<sup>9</sup> Rawls extensively discusses such societies, exemplified by an imaginary Kazanistan, as ones that liberal peoples should welcome as equal “members in good standing of a Society of Peoples” (Rawls 1999, 59).

<sup>10</sup> Rawls' difference principle requires analogous adjustments of the domestic scheme of institutionalized burden sharing among families. Cf. Pogge 1989, 252f.

<sup>11</sup> Rawls 1999, 108.

political culture and the religious and philosophical traditions that underlie its institutions. The great social evils in poorer societies are likely to be oppressive government and corrupt elites.”<sup>12</sup>

This empirical view about poverty leads rather directly to the important moral error here under attack: to the false idea that the problem of global poverty concerns us citizens of the rich countries mainly as potential helpers. I will therefore examine in detail the empirical view of the purely domestic causation of severe poverty, showing why it is false and also why it is so widely held in the developed world.

It is well to recall that existing peoples have arrived at their present levels of social, economic and cultural development through an historical process that was pervaded by enslavement, colonialism, even genocide. While these monumental crimes are now in the past, they left a legacy of great inequalities which would be unacceptable even if peoples were now masters of their own development. Even if the peoples of Africa had had, in recent decades, a real opportunity to achieve similar rates of economic growth as the developed countries, achieving such growth could not have helped them overcome their initial 30:1 disadvantage in *per capita* income. And it is unclear then whether we may simply take for granted this existing inequality as if it had come about through choices freely made within each people. By seeing the problem of poverty merely in terms of assistance, we overlook that our enormous economic advantage is deeply tainted by the way it accumulated over the course of *one* historical process that also destroyed the societies and cultures of four continents.

But let us leave aside the legacies of historical injustice and focus on the empirical view that at least in the post-colonial era the causes of the *persistence* of severe poverty, and hence the key to its eradication, lie within the poor countries themselves. Many find this view compelling in light of the great variation in how the former colonies have evolved over the last forty years. Some of these countries have done quite well in economic growth and poverty reduction while others exhibit worsening poverty and declining *per capita* incomes. Isn't it obvious that such strongly divergent national trajectories must be due to divergent *domestic* causal factors in the countries concerned? And isn't it clear, then, that the persistence of severe poverty has local causes?

This reasoning connects three thoughts: There are international variations in the evolution of severe poverty. These variations must be caused by local (country-specific) factors. These factors, together, fully explain the overall evolution of severe poverty worldwide. To see the fallacy, consider this parallel: There are variations in the performance of my students. These variations must be caused by local (student-specific) factors. These factors, together, fully explain the overall performance of my class.

Clearly, the parallel reasoning results in a falsehood: The overall performance of my class also crucially depends on the quality of my teaching (and on various other global factors as well). This shows that the second step is invalid. To see this more precisely, one must appreciate that there are two distinct questions about the evolution of severe poverty. One question concerns the observed variation in national trajectories. In the answer to this question, local factors must

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<sup>12</sup> Rawls 1993b, 77 — echoing Michael Walzer: It is not the sign for some collective derangement or radical incapacity for a political community to produce an authoritarian regime. Indeed, the history, culture, and religion of the community may be such that authoritarian regimes come, as it were, naturally, reflecting a widely shared world view or way of life” (Walzer 1980, 224f.).

play a central role. But, however full and correct, this answer may not suffice to answer the second question, which concerns the overall evolution of poverty worldwide: Even if student-specific factors fully explain observed variations in the performance of my students, the quality of my teaching may still play a major role in explaining why they did not all do much better or worse than they actually did. Likewise, even if country-specific factors fully explain the observed variations in the economic performance of the developing countries, global factors may still play a major role in explaining why they did not all do much better or worse than they did in fact.

This is not just a theoretical possibility. Our world is characterized by considerable international economic interaction regulated by an elaborate system of treaties and conventions about trade, investments, loans, patents, copyrights, trademarks, double taxation, labor standards, environmental protection, use of seabed resources, and much else. In many ways, all such agreements can be shaped to be more or less favorable to various affected parties such as, for example, the poor or the rich societies. Had these rules been shaped to be more favorable to the poor countries, their people would now be much better off.

Let me support this point with a quote from the *Economist* which — being strongly supportive of WTO globalization and having vilified, on its cover and in its editorial pages, the protesters of Seattle, Washington and Genoa as enemies of the poor<sup>13</sup> — is surely not biased in my favor:

Rich countries cut their tariffs by less in the Uruguay Round than poor ones did. Since then, they have found new ways to close their markets, notably by imposing anti-dumping duties on imports they deem unfairly cheap'. Rich countries are particularly protectionist in many of the sectors where developing countries are best able to compete, such as agriculture, textiles, and clothing. As a result, according to a new study by Thomas Hertel, of Purdue University, and Will Martin, of the World Bank, rich countries' average tariffs on manufacturing imports from poor countries are four times higher than those on imports from other rich countries. This imposes a big burden on poor countries. The United Nations Conference on Trade and Development (UNCTAD) estimates that they could export \$700 billion more a year by 2005 if rich countries did more to open their markets. Poor countries are also hobbled by a lack of know-how. Many had little understanding of what they signed up to in the Uruguay Round. That ignorance is now costing them dear. Michael Finger of the World Bank and Philip Schuler of the University of Maryland estimate that implementing commitments to improve trade procedures and establish technical and intellectual-property standards can cost more than a year's development budget for the poorest countries. Moreover, in those areas where poor countries could benefit from world trade rules, they are often unable to do so. ... Of the WTO's 134 members, 29 do not even have missions at its headquarters in Geneva. Many more can barely afford to bring cases to the WTO.<sup>14</sup>

Such effects of the going WTO rules show that the causes of the persistence of severe poverty do not, *pace* Rawls, lie solely in the poor countries themselves. The global economic order also

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<sup>13</sup> Cf., for instance, the *Economist* cover of 11 December 1999, showing an Indian child in rags with the heading 'the real losers of Seattle.' Cf. also the editorial in the same issue (*ibid.*, 15) and the case for globalisation," *Economist*, 23 September 2000, 19f. and 85-87.

<sup>14</sup> The *Economist*, 25 September 1999, 89. The cited studies — Hertel and Martin, UNCTAD, Finger and Schuler — are included in the bibliography.

has a considerable causal impact. It is not surprising that this order is shaped to reflect the interests of the rich countries and their citizens and corporations. In the world as it is, the 14.9 percent of humankind living in high-income economies” (32 countries plus Hong Kong) have 79.7 percent of global income while the other 85.1 percent of humankind share the remaining 20.3 percent.<sup>15</sup> It is of great importance for poor countries to be allowed access to the markets of the high-income economies, where *per capita* incomes are 22.4 times higher on average. This fact gives our governments greatly superior bargaining power. If our officials serve us well in intergovernmental negotiations about the ground rules of the world economy, they will be able to use this superior bargaining power, and their advantages in information and expertise, to shape each facet of the global order to our benefit, allowing us to capture the lion’s share of the gains from economic cooperation. In this way, large inequalities, once accumulated, have a tendency to intensify<sup>16</sup> — and this is happening, quite dramatically, on the global plane: the income gap between the fifth of the world’s people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960.”<sup>17</sup>

If the global economic order plays a major role in the persistence of severe poverty worldwide, and if our governments, acting in our name, are prominently involved in shaping and upholding this order, then the suffering of the distant needy may well engage not merely weak positive duties to assist but also more stringent negative duties not to harm. Yet, this thought is strangely

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<sup>15</sup> World Bank 2001, 233. Inequalities in wealth are significantly greater than inequalities in income. Well-off persons typically have more net worth than annual income, while the poor typically own less than one annual income. The huge fortunes of the ultra-rich have been specially highlighted in recent *Human Development Reports*: the world’s 200 richest people more than doubled their net worth in the four years to 1998, to more than \$1 trillion. The assets of the top three billionaires are more than the combined GNP of all least developed countries and their 600 million people” (UNDP 1999, 3). The additional cost of achieving and maintaining universal access to basic education for all, basic health care for all, reproductive health care for all women, adequate food for all and safe water and sanitation for all is ... less than 4% of the combined wealth of the 225 richest people in the world” (UNDP 1998, 30).

<sup>16</sup> Rawls makes this point himself, quite forcefully, in the domestic context (Rawls 1993a, 267). In the international arena, he vaguely endorses fair standards of trade” and writes that any unjustified distributive effects” of cooperative organizations should be corrected (Rawls 1999, 43). But he gives no content to these evaluative terms and does not incorporate them into his law of peoples (*cf.* Pogge 2001, 251f.). Even Rawls’ ideal Society of Peoples is compatible then with the imposition of a skewed global economic order that perpetuates the relative poverty of a large majority of humankind who are collectively unable to reform it by peaceful means. Such a global order is unjust even if it also requires the affluent societies to ride to the rescue (pursuant to their duty of assistance) whenever worsening poverty threatens the well-orderedness of any liberal or decent society. And yet, the added duty of assistance makes Rawls’ realistic utopia” a significant improvement over the status quo.

<sup>17</sup> UNDP 1999, 3. A detailed study of the development of income inequality among *persons* world-wide shows a similarly dramatic trend. Over a recent five-year period, world inequality has increased ... from a Gini of 62.8 in 1988 to 66.0 in 1993. This represents an increase of 0.6 Gini points per year. This is a very fast increase, faster than the increase experienced by the US and UK in the decade of the 1980’s. ... The bottom 5 percent of the world grew poorer, as their real incomes decreased between 1988 and 1993 by ¼, while the richest quintile grew richer. It gained 12 percent in real terms, that is it grew more than twice as much as mean world income (5.7 percent)” (Milanovic 2002, 88).

absent from the debates about our relation to the distant needy. Even those who have most forcefully presented the eradication of severe poverty as an important moral task for us are content to present us as mere bystanders. Thus, Peter Singer argues that we should donate most of our income to save lives in the developing countries. He makes his case by telling the story of a healthy young professor who, walking by a shallow pond, sees a small child in it about to drown. Surely, Singer says, the professor has a duty to save the child, even at the cost of dirtying his clothes. And similarly, he argues, we have a duty to send money to poverty relief organizations that can, for each few dollars they receive, save one more child from a painful hunger death. It is, in one way, a virtue of Singer's argument that it reaches even those who subscribe to the Domestic Poverty Thesis (DPT), the view that the persistence of severe poverty has purely local causes. But by catering to this empirical view, Singer also reinforces the common moral view that the citizens and governments of the affluent societies, whom he is addressing, are as innocent in regard to the persistence of severe poverty abroad as the professor is in regard to the child's predicament.

Having argued that the DPT, though widely held in the developed countries, is nonetheless quite far from the truth, I should be able to give some reasons for its popularity. I can see four main such reasons. The first is that belief in this thesis is rather comfortable for people in the developed world. Most of us know at least vaguely of the horrendous conditions among the global poor. We confront poverty statistics such as these: Some 1,200 million human beings live below the \$1/day international poverty line, some 2,800 million below \$2/day;<sup>18</sup> 826 million are undernourished, 968 million lack access to safe water, 2,400 million lack access to basic sanitation, and 854 million adults are illiterate;<sup>19</sup> more than 880 million lack access to basic health services;<sup>20</sup> approximately 1,000 million have no adequate shelter and 2,000 million no electricity.<sup>21</sup> Two out of five children in the developing world are stunted, one in three is underweight and one in ten is wasted.<sup>22</sup> 250 million children between 5 and 14 do wage work outside their household — often under harsh or cruel conditions: as soldiers, prostitutes, or domestic servants, or in agriculture, construction, textile or carpet production.<sup>23</sup> Roughly one third of all human deaths, some 50,000 daily, are due to poverty-related causes,<sup>24</sup> easily preventable through better nutrition, safe drinking water, vaccines, cheap re-hydration packs,

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<sup>18</sup> Defined in terms of the *purchasing power* that \$1.08 and \$2.15 had in the US in the year 1993, these poverty lines actually correspond to about \$1/3 and \$2/3 per person per day in a typical poor country. Those below the lower threshold fall 30 percent below it on average — they are 20 percent of humankind with about one third of one percent of global income. Those below the higher threshold fall 44.4 percent below it on average — they are 46 percent of humankind with about 1.2 percent of global income. Cf. World Bank 2000, 17 and 23, Chen and Ravallion 2001, [www.worldbank.org/research/povmonitor/](http://www.worldbank.org/research/povmonitor/), and Pogge 2002, 97.

<sup>19</sup> UNDP 2001, 22 and 9.

<sup>20</sup> UNDP 1999, 22.

<sup>21</sup> UNDP 1998, 49.

<sup>22</sup> FAO 1999, 11.

<sup>23</sup> World Bank 1999, 62. According to the International Labor Organization 'some 250 million children between the ages of 5 and 14 are working in developing countries — 120 million full time, 130 million part time' <[www.ilo.org/public/english/standards/ipe/simpoc/stats/4stt.htm](http://www.ilo.org/public/english/standards/ipe/simpoc/stats/4stt.htm)>.

<sup>24</sup> Cf. FAO 1999 and UNICEF 2002. Two thirds of these are deaths of children. For the frequency of specific causes of deaths see WHO 2001, Annex Table 2.

and antibiotics. Severe suffering on such a scale is considerably more disturbing to us when we see it as due, in part, to a global institutional order that also sustains our comparatively lavish lifestyles by securing our resources and economic dominance. The DPT shields us from such discomfort.

A second reason for the popularity of the DPT in the developed world is awareness of the great differences among developing countries' economic performance. These differences draw our attention to domestic factors and international differences and thus away from global factors. Many ignore the causal role of global factors completely, often falling prey to the fallacy discussed above. Others commit another fallacy by concluding from the success of a few developing countries that the existing global economic order is quite hospitable to poverty eradication. This reasoning involves a some-all fallacy: The fact that *some* persons born into poverty in the US become millionaires does not show that *all* such persons can do likewise. The reason is that the pathways to riches are sparse. They are not rigidly limited, to be sure, but the US clearly cannot achieve the kind of economic growth rates needed for everyone to become a millionaire (keeping fixed the value of the currency and the real income millionaires can now enjoy). The same holds true for developing countries. The Asian tigers — Hong Kong, Taiwan, Singapore, and South Korea — achieved impressive rates of economic growth and poverty reduction. They did so through a state-sponsored build-up of industries that mass produce low-tech consumer products. These industries were globally competitive because they enjoyed a considerable labor-cost advantage over competitors in the developed countries and greater state support than competitors in other developing countries. Building such industries was hugely profitable for the Asian tigers, which together constitute well under 2 percent of the population of the developing world. But this developmental strategy could not have been anywhere near as profitable for a considerably larger subset of the developing world. We cannot conclude then that the existing global economic order, though less favorable to the poor countries than it might be, is still favorable enough for all of them to do as well as the Asian tigers have done in fact.

A third reason for the popularity of the DPT in the developed world is the prevailing research focus among social scientists, who also pay much more attention to the differences among national and regional developmental trajectories than to the overall evolution of poverty and inequality worldwide. There is a vast literature, spanning several academic disciplines, which analyses the causal roles of the local climate, natural environment, resources, food habits, diseases, history, culture, social institutions, economic policies, leadership personalities and much else.<sup>25</sup> Advice dispensed by developmental economists and others is also overwhelmingly focused on the design of national economic institutions and policies. Thus, libertarian economists of the "freshwater" school (so named because its leading lights have taught in Chicago) argue that a country's best way to expel human misery is economic growth, and its best way to achieve economic growth is to foster free enterprise with a minimum in taxes, regulations, and red tape. A competing, more left-leaning school of thought, represented by Amartya Sen, contends that poverty persists because poor countries have *too little* government: public schools, hospitals, and infrastructure. Sen's favorite poster child is the poor Indian state of Kerala whose socialist government has given priority to fulfilling basic needs and thereby achieved more for that population's health, education and life expectancy than the governments of other, more affluent Indian states.<sup>26</sup> These hot and important debates about appropriate

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<sup>25</sup> Some notable recent contributions are Landes 1998, Diamond 1999, and Harrison and Huntington 2001.

<sup>26</sup> The leftist political coalition responsible for these policies was nevertheless soundly defeated in the last assembly elections, 10 May 2001, gaining only 40 seats out of 140.

economic policies and social institutions for the poor countries overshadow the even more important questions about the causal roles of the rules of our globalized world economy in the persistence of severe poverty.

This research focus among social scientists is surely partly due to the first two reasons: They, too, and their readers, are overly impressed by dramatic international differentials in economic performance and feel more comfortable with work that traces the persistence of severe poverty back to local causes rather than to global institutions we are involved in upholding. But there is also a good methodological reason for the research bias toward national and local causes: There being only this one world to observe, it is hard to obtain solid evidence about how the overall incidence of poverty would have evolved differently if this or that global factor had been different. By contrast, solid evidence about the effects of national and local factors can be gleaned from many developing countries that differ in their natural environment, history, culture, political and economic system, and government policies.

A fourth reason for the popularity of the DPT is the prevalence of brutal and corrupt governments and elites in the developing world. It seems far-fetched, even preposterous, to blame the global economic order for the persistence of severe poverty in countries that are ruled by obvious thugs and crooks. It also seems that whatever benefits global institutional reforms might bring to such countries would be captured by their corrupt elites, bringing little relief to the general population while reinforcing the power of their oppressors. Many among us believe then that we should postpone reforms that would make the global order fairer to the developing countries until they will have put their house in order by making their national political and economic order fairer to the domestic poor.

This last reason, too, is a bad one, because the existing global order is itself a crucial causal factor in the prevalence of brutality, corruption and oppression in the developing world. For example, it was only in 1999 that the developed countries finally agreed to curb their firms' bribery of foreign officials by adopting the *OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions*.<sup>27</sup> Until then, most developed states did not merely legally authorize their firms to bribe foreign officials, but even allowed them to deduct such bribes from their taxable revenues, thereby providing financial inducements and moral support to the practice of bribing politicians and officials in the developing countries.<sup>28</sup> This practice diverts the loyalties of officials in developing countries and also makes a great difference to which persons are motivated to scramble for public office in the first place. Developing countries have suffered staggering losses as a result, most clearly in the awarding of public contracts. These losses arise in part from the fact that bribes are priced in: Bidders on contracts must raise their price in order to get paid enough to pay the bribes. Additional losses arise as bidders can afford to be non-competitive, knowing that the success of their bid will depend on their bribes more than on the substance of their offer. Even greater losses arise from the fact that officials focused on bribes pay little attention to whether the goods and services

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<sup>27</sup> The convention went into effect in February 1999 and has been ratified by 34 states <[www.oecd.org/daf/nocorruption/annex2.htm](http://www.oecd.org/daf/nocorruption/annex2.htm)>.

<sup>28</sup> In the United States, the post-Watergate Congress tried to prevent the bribing of foreign officials through its 1977 Foreign Corrupt Practices Act, passed after the Lockheed Corporation was found to have paid — not a modest sum to some third-world official, but rather — a US\$2 million bribe to Prime Minister Kakuei Tanaka of powerful and democratic Japan. Not wanting its firms to be at a disadvantage vis-à-vis their foreign rivals, the US was a major supporter of the Convention, as was the non-governmental organization Transparency International, which helped mobilize public support in many OECD countries.



they purchase in their country's behalf are of good quality or even needed at all. Much of what developing countries have imported over the decades has been of no use to them — or even harmful, by promoting environmental degradation or violence (bribery is especially pervasive in the arms trade). Preliminary evidence suggests that the new *Convention* is ineffective in curbing bribery by multinational corporation.<sup>29</sup> But even if it were effective, it would be very hard to overcome the pervasive culture of corruption that is now deeply entrenched in many developing countries thanks to the extensive bribery they were subjected to during their formative years.

The issue of bribery is part of a larger problem. The political and economic elites of poor countries interact with their domestic inferiors, on the one hand, and with foreign governments and corporations, on the other. These two constituencies differ enormously in wealth and power. The former are for the most part poorly educated and heavily preoccupied with the daily struggle to make ends meet. The latter, by contrast, have vastly greater rewards and penalties at their disposal. Politicians with a normal interest in their own political and economic success can be expected, therefore, to cater to the interests of foreign governments and corporations rather than to the competing interests of their much poorer compatriots. And this, of course, is what we find: There are plenty of developing-country governments that came to power or stay in power only thanks to foreign support. And there are plenty of developing-country politicians and bureaucrats who, induced or even bribed by foreigners, work against the interests of their people: *for* the development of a tourist-friendly sex industry (whose forced exploitation of children and women they tolerate and profit from), *for* the importation of unneeded, obsolete, or overpriced products at public expense, *for* the permission to import hazardous products, wastes, or factories, *against* laws protecting employees or the environment, and so on.

To be sure, there would not be such huge asymmetries in incentives if the developing countries were more democratic, allowing their populations a genuine political role. Why then are most of the poor countries so far from being genuinely democratic? This question brings further aspects of the current global institutional order into view.

It is a very central feature of this order that any group controlling a preponderance of the means of coercion within a country is internationally recognized as the legitimate government of this country's territory and people — regardless of how this group came to power, of how it exercises power, and of the extent to which it is supported or opposed by the population it rules. That such a group exercising effective power receives international recognition means not merely that we engage it in negotiations. It means also that we accept this group's right to act for the people it rules, that we, most significantly, confer upon it the privileges freely to dispose of the country's natural resources (international resource privilege) and freely to borrow in the country's name (international borrowing privilege).

The *resource privilege* we confer upon a group in power is much more than mere acquiescence in its effective control over the natural resources of the country in question. This privilege includes the power<sup>30</sup> to effect legally valid transfers of ownership rights in such resources. Thus a corporation that has purchased resources from the Saudis or Suharto, or from Mobuto or Sani

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<sup>29</sup> “Plenty of laws exist to ban bribery by companies. But big multinationals continue to sidestep them with ease” — so the current situation is summarized in the Short Arm of the Law,” *Economist*, 2 March 2002, 63-65, at 63.

<sup>30</sup> As understood by Hohfeld (1919), a power involves the legally recognized authority to alter the distribution of first-order liberty rights, claim rights, and duties. Having a power or powers in this sense is distinct from having power (*i.e.*, control over physical force and/or means of coercion).

Abacha, has thereby become entitled to be — and actually *is* — recognized anywhere in the world as the legitimate owner of these resources. This is a remarkable feature of our global order. A group that overpowers the guards and takes control of a warehouse may be able to give some of the merchandise to others, accepting money in exchange. But the fence who pays them becomes merely the possessor, not the owner, of the loot. Contrast this with a group that overpowers an elected government and takes control of a country. Such a group, too, can give away some of the country's natural resources, accepting money in exchange. In this case, however, the purchaser acquires not merely possession, but all the rights and liberties of ownership, which are supposed to be — and actually *are* — protected and enforced by all other states' courts and police forces. The international resource privilege, then, is the legal power to confer globally valid ownership rights in the country's resources.

This international resource privilege has disastrous effects in those many poor countries where the resource sector constitutes a large segment of the national economy. Whoever can take power in such a country by whatever means can maintain his rule, even against widespread popular opposition, by buying the arms and soldiers he needs with revenues from the export of natural resources (and funds borrowed abroad in the country's name). The resource privilege thus gives insiders strong incentives toward the violent acquisition and exercise of political power, thus causing coup attempts and civil wars. Moreover, it also gives outsiders strong incentives to corrupt the officials of such countries who, no matter how badly they rule, continue to have resources to sell and money to spend.

Nigeria is a case in point. Depending on the oil price, its crude oil exports yield about \$8-\$10 billion annually, roughly one quarter to one third of its national income. Whoever controls this revenue stream can afford enough weapons and soldiers to keep himself in power regardless of what the population may think of him. And so long as he succeeds in doing so, his purse will be continuously replenished with new funds with which he can cement his rule and live in opulence. With such a powerful incentive, it cannot be surprising that, during 28 of the past 32 years, Nigeria has been ruled by military strongmen who took power and ruled by force.<sup>31</sup> Nor can it be surprising that even a well-intentioned elected president fails to stop gross corruption: Obasanjo knows full well that, if he tried to spend the oil revenues for the benefit of the Nigerian people, military officers could — thanks to the international resource privilege — quickly restore their customary perks.<sup>32</sup> With such a huge price on his head, even the best-intentioned president cannot redirect the oil revenues toward the public good and survive in power.

The incentives arising from the international resource privilege help explain what economists have long observed and found puzzling: the significant *negative* correlation between resource wealth (relative to GDP) and economic performance.<sup>33</sup> This explanation is confirmed by a

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<sup>31</sup> Cf. 贊oing on down,” in *Economist*, 8 June 1996, 46-48. A later update says: 茶il revenues [are] paid directly to the government at the highest level .... The head of state has supreme power and control of all the cash. He depends on nobody and nothing but oil. Patronage and corruption spread downwards from the top” (*Economist*, 12 December 1998, 19).

<sup>32</sup> Because Olusegun Obasanjo was, and is, a prominent member of the Advisory Council of Transparency International (*cf.* note 28), his election in early 1999 had raised great hopes. These hopes were sorely disappointed as Nigeria continues to hover at the very bottom of TI's Corruption Perception Index <[www.transparency.org/documents/cpi/2001/cpi2001.html](http://www.transparency.org/documents/cpi/2001/cpi2001.html)>.

<sup>33</sup> This resource curse” or Dutch disease” is exemplified by many developing countries which, despite great natural wealth, have achieved little economic growth and poverty reduction over

recent regression analysis by two Yale economists, which shows that the causal link from resource wealth to poor economic performance is mediated through reduced chances for democracy.<sup>34</sup> Holding the global order fixed as a given background, the authors do not consider how the causal link they analyze itself depends on a global order that grants the resource privilege to all in power, irrespective of their domestic illegitimacy.

The *borrowing privilege* we confer upon a group in power includes the power to impose internationally valid legal obligations upon the country at large. Any successor government that refuses to honor debts incurred by an ever so corrupt, brutal, undemocratic, unconstitutional, repressive, unpopular predecessor will be severely punished by the banks and governments of other countries. At minimum it will lose its own borrowing privilege by being excluded from the international financial markets. Such refusals are therefore quite rare, as governments, even when newly elected after a dramatic break with the past, are compelled to pay the debts of their ever so awful predecessors.

The international borrowing privilege makes three important contributions to the incidence of oppressive and corrupt elites in the developing world. First, this privilege facilitates borrowing by destructive rulers who can borrow more money and can do so more cheaply than they could do if they alone, rather than the entire country, were obliged to repay. In this way, the borrowing privilege helps such rulers maintain themselves in power even against near-universal popular discontent and opposition.<sup>35</sup> Second, the international borrowing privilege imposes

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the last decades. Here are the more important resource-rich developing countries with their average annual rates of change in real GDP *per capita* from 1975 to 1999: Nigeria -0.8 percent, Congo/Zaire -4.7 percent, Kenya +0.4 percent, Angola -2.1 percent, Mozambique +1.3 percent, Senegal -0.3 percent, Brazil +0.8 percent, Venezuela -1.0 percent, Ecuador +0.3 percent, Saudi Arabia -2.2 percent, United Arab Emirates -3.7 percent, Oman +2.8 percent, Kuwait -1.5 percent, Bahrain -0.5 percent, Brunei -2.1 percent, Indonesia +4.6 percent, the Philippines +0.1 percent (UNDP 2001, 178-81; in some cases a somewhat different period was used due to insufficient data). Thus, with the notable exception of Indonesia, the resource-rich developing countries fell far below the 2.2 percent annual rate in real *per capita* growth of the developed countries — even while the developing countries on the whole did slightly better (2.3 percent) than the developed countries, thanks to rapid growth in China and the rest of east and south-east Asia (*ibid.*, 181).

<sup>34</sup> All petrostates or resource-dependent countries in Africa fail to initiate meaningful political reforms. ... besides South Africa, transition to democracy has been successful only in resource-poor countries” (Lam and Wantchekon 1999, 31); Our cross-country regression confirms our theoretical insights. We find that a one percentage increase in the size of the natural resource sector [relative to GDP] generates a decrease by half a percentage point in the probability of survival of democratic regimes” (*ibid.*, 35). See also Wantchekon 1999.

<sup>35</sup> The rulers of resource-rich developing countries have been especially adept at supplementing their income from resource sales by mortgaging their countries’ future for their own benefit. As of 1998, Nigeria’s foreign debt, run up by its succession of military dictatorships, stood at 79% of GNP. The 1998 ratios of foreign debt to GNP for other large resource-rich countries were: Kenya 61%, Angola 297%, Mozambique 223%, Brazil 31%, Venezuela 40%, Indonesia 176%, the Philippines 70% (UNDP 2000, 219-21). The 1997 ratio for the Congo/Zaire is 232% (UNDP 1999, 195). Needless to say, little of the borrowed funds were channeled into productive investments, e.g. in education and infrastructure, which would augment economic growth and thus tax revenues that could help meet interest and repayment

upon democratic successor regimes the often huge debts of their corrupt predecessors. It thereby saps the capacity of such democratic governments to implement structural reforms and other political programs, thus rendering such governments less successful and less stable than they would otherwise be. (It is small consolation that putschists are sometimes weakened by being held liable for the debts of their democratic predecessors.) Third, the international borrowing privilege strengthens incentives toward coup attempts: Whoever succeeds in bringing a preponderance of the means of coercion under his control gets the borrowing privilege as an additional reward.

By discussing several global systemic factors in some detail, I hope to have undermined a view that, encouraged by libertarian and more leftist economists alike, most people in the developed world are all too eager to believe: The causes of severe poverty are indigenous to the countries in which it occurs, and the affluent societies and their governments do not substantially contribute to the persistence of severe poverty worldwide. This view is dramatically mistaken. Yes, domestic factors contribute to the persistence of severe poverty in many countries. But these contributions depend on features of the global institutional order, which sustain some of those factors and exacerbate the impact of others. In these ways, the non-indigenous factors I have discussed are a major determinant in the evolution of severe poverty worldwide. They are crucial for explaining the inability and especially the unwillingness of the poor countries' leaders to pursue more effective strategies of poverty eradication. And they are crucial therefore for explaining why global inequality is increasing so rapidly that substantial global economic growth since the end of the Cold War has not reduced income poverty and malnutrition<sup>36</sup> — *despite* substantial technological progress and global economic growth, *despite* a huge poverty reduction in China,<sup>37</sup> *despite* the post-Cold-War peace dividend,<sup>38</sup> and *despite* a 32-percent drop in real food prices since 1985.<sup>39</sup> If we are serious about eradicating severe poverty worldwide, we must understand the causal role of such non-indigenous factors and be willing to consider ways of modifying them or of reducing their impact.<sup>40</sup>

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obligations. Much was taken for personal use or expended on "internal security" and the military.

<sup>36</sup> Cf. the annual UNDP reports for the number of undernourished, stuck above 800 million. The incidence of \$1/day income poverty is reported to be flat and \$2/day income poverty to be up about ten percent over the period (World Bank 2000, 23, and Chen and Ravallion 2001, tables 2 and 3). Severe income poverty would likely show a far more dramatic increase if the World Bank were not using a wholly inappropriate procedure for calculating the purchasing power of poor households (cf. Reddy and Pogge 2002 for a comprehensive critique).

<sup>37</sup> The incidence of \$1/day income poverty in China is reported to be down 30 percent over the period (Chen and Ravallion 2001, Table 2).

<sup>38</sup> Thanks to the end of the Cold War, military expenditures worldwide have declined from 4.7 percent of aggregate GDP in 1985 to 2.9 percent in 1996 (UNDP 1998, 197) — a savings of currently about \$550 billion annually.

<sup>39</sup> The World Bank Food Index fell from 124 in 1985 to 84.5 in 2000. These statistics are updated in *global Commodity Markets* published by the World Bank's Development Prospects Group.

<sup>40</sup> A detailed proposal for reforming the international resource and borrowing privileges is presented in Pogge 2002, chapter 6.

If the DPT were true, the moral issues the distant needy raise for us could plausibly be considered under the assistance label alone. But since the DPT is seriously mistaken, this label may be misleading insofar as we may also be *contributing to*, or *profiting from*, social factors that exacerbate severe poverty abroad.

However, we can still deny that we are so contributing or profiting, even if we acknowledge the DPT collapse and accept our shared responsibility for the existing global institutional order. We can say for instance that our imposition of this order benefits the global poor, or at least does not harm them by exacerbating their poverty. While such claims are often made, for the WTO rules for example, it remains quite unclear what their meaning is supposed to be. Benefit, after all, is a comparative notion which implicitly appeals to some baseline scenario under which the global poor would be even worse off than they are now in the world as it is. What baseline might we adduce to show the global poor that they are benefiting from the present global order?

There are three options. We might invoke a *diachronic* comparison, appealing to the trend in the depth or incidence of severe poverty worldwide. But this argument fails for two independent reasons. Its premise is false: Severe income poverty and malnutrition are not actually in decline (note 36). And its inference is invalid: Severe poverty might be declining, in China for example, *despite* the fact that the global economic order tends to exacerbate such poverty. A diachronic comparison does not permit us to judge this possibility one way or the other and is therefore useless for isolating the impact of a specific causal factor.

Our second option is to invoke a *subjunctive* comparison with an *historical* baseline. To judge whether the Indonesian occupation reduced illiteracy in East Timor, we should not ask diachronically whether illiteracy declined, but counterfactually whether illiteracy declined more than it would have declined without the occupation. Adopting this idea, we might argue that the existing global order is benefiting the global poor insofar as they are better off than they would be if some preceding set of rules had remained in force. But this argument takes for granted what cannot be simply assumed — that those preceding rules were neutral, neither harming nor benefiting the global poor. By the same reasoning one could demonstrate that the military regime led by Senior General Than Shwe is benefiting the Burmese people because they are better off than they would now be if the preceding regime headed by General Ne Win had continued.

Our third option is to invoke a *subjunctive* comparison with an appropriate *hypothetical* baseline — arguing perhaps that even more people would live and die even more miserably in some fictional state of nature than in this world as we have made it. But this option, too, is unpromising so long as we lack a precise and morally uniquely appropriate specification of that fictional world and a morally uniquely appropriate standard for comparing the two worlds in regard to severe poverty. You may think that these worries are merely academic, that our world is surely vastly better in this regard than any conceivable state of nature. And so it indeed appears from our vantage point. And yet: Worldwide 34,000 children under age five die daily from hunger and preventable diseases.”<sup>41</sup> Try to conceive a state of nature that can match this amazing feat of our globalized civilization!<sup>42</sup>

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<sup>41</sup> USDA 1999, p. iii. The US government presents this fact whilst arguing that the developed countries should increase development assistance for agriculture by \$2.6 billion annually rather than the \$6 billion proposed by the FAO (*ibid.*, Appendix A).

<sup>42</sup> Cf. Pogge 2002, 136-9.

None of our three options is suitable for explicating our question — whether the existing global order harms or benefits the global poor — in a way that is both clear and appropriate to the assessment of this order. This failure suggests the inverse strategy: Instead of basing our justice assessment of an institutional order on whether it does harm (independently defined), we can make our judgment of whether the imposition of an institutional order does harm turn on an assessment of this order by some harm-independent criterion of justice.

To illustrate the idea, consider the institutional order of the US in its infancy, which greatly disadvantaged women vis-à-vis men. Our judgment of this order as unjust is not based on an historical comparison with how well-off women were under British rule. It is not based on a comparison with how well-off women would have been had British rule continued. And it is not based on a comparison with how well-off women would be in some state of nature. (All these comparisons can be more plausibly invoked to justify than to condemn the institutional order under consideration.) Rather, it is because it assigned an inferior status to women that we judge this order to have been unjust to women and its imposition a harm done to them.

Many harm-independent criteria might be proposed for assessing the justice of our global institutional order. Such criteria differ in at least three respects. They differ in how they identify the relevant affected parties: as individual persons, households, social groups, nations, or states. They differ in their absolute demands — requiring, for instance, that affected parties must enjoy security of self and property or access to basic necessities. And they differ in their relative demands — requiring perhaps that basic rights or basic educational or medical opportunities must be equal or that economic inequalities must be constrained.

Even if our global order fails to meet some such absolute or relative demands, it may still be defended on the grounds that this failure is unavoidable. An assessment of its justice must be sensitive then to information about what alternatives are feasible and about the conditions such feasible alternatives would engender. With regard to alternatives that diverge greatly from the existing global order, it may be impossible to establish such information in a rigorous way. It is quite possible, however, to estimate the impact of the existing global order relative to its close institutional alternatives. We saw such estimates in the passage from the *Economist* quoted above: The developing countries are missing out on some \$700 billion annually in export revenues because the developed countries insisted on grandfathering heavy protections of their markets — through tariffs, quotas, anti-dumping duties, and subsidies to domestic producers.<sup>43</sup> It is quite possible, though unseemly among economists, to extend this estimate to the number of poverty deaths that would have been avoided by a more symmetrical opening of markets.<sup>44</sup> The number is large, as \$700 billion annually is 11 percent of the gross national incomes of all developing countries, representing 85.1 percent of humankind.<sup>45</sup>

Many features of the existing global order embody similar trade-offs between the interests of the high-income countries and their citizens on the one hand and the global poor on the other.

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<sup>43</sup> In 2000, the rich countries spent \$245 billion on subsidies to their farmers alone (Wolf 2001).

<sup>44</sup> Where such estimates are seemly, they are readily supplied. After the terrorist attacks of 11 September 2001, the President of the World Bank publicized his estimate — that tens of thousands more children will die worldwide and some 10 million people are likely to be living below the poverty line of \$1 a day ... because the attacks will delay the rich countries' recovery into 2002" ([http://econ.worldbank.org/files/2462\\_press-release.pdf](http://econ.worldbank.org/files/2462_press-release.pdf)).

<sup>45</sup> World Bank 2001, 233.

An unconditional resource privilege gives us access to a larger, cheaper and more reliable supply of foreign resources, because we can acquire ownership of them from anyone who happens to exercise effective power without regard to whether the country's population either approves the sale or benefits from the proceeds. Advantageous also to putschists and tyrants in the developing world, broad resource and borrowing privileges are much worse, however, for the global poor than would be narrower such privileges conditional on minimal domestic legitimacy. The existing TRIPS agreement is better for us and worse for the global poor than an alternative that would have required the rich countries to supply funds for shielding the global poor from higher prices of important drugs and seeds.<sup>46</sup> The existing Law of the Sea Treaty is better for us and worse for them than an alternative that would have guaranteed the poor countries some share of the value of harvested seabed resources.<sup>47</sup> It is better for us and worse for the global poor that we do not have to pay for the negative externalities we impose on them: for the pollution we have produced over many decades and the resulting effects on their environment and climate, for the rapid depletion of natural resources, for the contribution of our tourists to the AIDS epidemic, and for the violence caused by our demand for drugs and our war on drugs.

The cumulative impact of all these trade-offs upon the global poor is likely to be staggering. In the 14 years since the end of the Cold War, some 250 million human beings have died prematurely from poverty-related causes, with 18 million more added each year.<sup>48</sup> Had the developed countries shaping the global rules given more weight to the interests of the global poor, the toll in human death and suffering would certainly and foreseeably have been vastly lower at negligible cost to our affluence. It is then very hard to see how we might defend the trade-offs manifested in the existing global order as compatible with justice. And if this order is unjust, then it follows, without appeal to any diachronic or subjunctive baseline, that we are harming the global poor — by imposing on them an unjust global order under which the incidence of poverty, malnutrition, and premature death is much higher than it would be under any just global order.

There are three ways of defending the trade-offs that our governments, often in collusion with corrupt and oppressive leaders in the developing world, have imposed. First we might say that it is permissible for us vigorously to promote our own interests in negotiations about how to fine-tune the various rules of the global order, even when doing so conflicts with the interests of the global poor. With our incomes 200 to 300 times larger than theirs<sup>49</sup> and so many hundreds of

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<sup>46</sup> The Trade-Related Aspects of Intellectual Property Rights (TRIPS) Treaty was concluded in 1995. For a discussion of its content and impact, *cf.* UNDP 1999, chapter 2.

<sup>47</sup> Such guarantees were part of the initial 1982 version of the Treaty, but the Clinton administration succeeded in renegotiating them out of the Treaty just before it came into force in 1996 (Pogge 2002, 125f.).

<sup>48</sup> *Cf.* note 24 above.

<sup>49</sup> Incomes in the high-income countries are \$75 per person per day on average (World Bank 2001, 233) as against 37 cents for people living below \$2/day and 23 cents for people living below \$1/day. *Cf.* note 18 above. Incomes of the poor are higher when converted not by market exchange rates but by their purchasing power in terms of basic necessities. The incomes of the poor are about four times higher when converted (as the World Bank does) by general purchasing power parities, which are however quite irrelevant to the actual consumption options of the global poor (Reddy and Pogge 2002).

millions living on the brink of starvation,<sup>50</sup> this justification of the *status quo* is rarely voiced in public. To be sure, it is widely thought that our politicians and diplomats ought to represent the interests of their compatriots. But it is also widely thought that this mandate has its limits: Even if they are able to do so, our politicians and diplomats ought not to impose global rules under which we have unfair advantages that add millions of poverty deaths in the developing world. In the examples I have given, it looks like our politicians and diplomats have done exactly that.

Our second defense avers that appearances are here deceptive, that the decisions reflected in the existing rules do benefit the global poor as well at least in the long run. But in some important cases, such a defense strains credulity. It is very hard to deny that global poverty is exacerbated by the special prerogatives the rich countries gave themselves under WTO rules to protect their markets through tariffs, quotas, anti-dumping duties, and subsidies to domestic producers. Still, career incentives do produce such denials, which in the more clear-cut cases of unfair rules, often take a weaker form: Instead of claiming that certain prerogatives for the rich countries do not exacerbate poverty, economists merely claim that there are many complicating factors, methodological difficulties and other imponderabilia so that intellectual honesty precludes our drawing any firm conclusions.<sup>51</sup> If all else fails, we can fall back on the weakest claim: Yes, this particular fine-tuning of the rules was indeed worse for the global poor, but it was an honest mistake. When the rules were designed, developmental economics was less advanced and the relevant officials could not possibly have known that they were serving our interests at the expense of many premature deaths from poverty-related causes.

Boilerplate empirical defenses of this kind are easily produced and well-received. And it is quite unlikely that there will ever be a serious inquiry into what our politicians and diplomats and officials in the WTO, IMF, and World Bank knew and should have known during their negotiations of international agreements. The possibility that these respectable gentlemen might be hunger-willing executioners, committing a rather large-scale crime against humanity in our name, will never be taken seriously in the developed world. And yet, nagging doubts remain. If our representatives did make honest mistakes to the detriment of the global poor, should we not at least make up for these mistakes through a real effort at reducing the unexpectedly large incidence of severe poverty today?

Similar questions are raised by our third defense, which asserts that the global rules we have imposed are not merely good for us, but also good for global efficiency, productivity, and economic growth. These rules are Pareto-superior to their competitors — not in the normal sense (better for some and worse for no one), but in this weaker sense: The rules are better for some and worse for others but so that the former can, out of their relative gains, fully compensate the latter for their relative losses. I doubt this argument can succeed for the grandfathering clauses in the WTO Treaty allowing us to protect our markets through tariffs, quotas, anti-dumping duties, and subsidies to domestic producers. But it may well succeed in other cases such as the TRIPS Agreement. Still, even when it succeeds, there is the nagging question: Given the vast economic inequality between gainers and losers (note 49), is the mere *possibility* of compensation sufficient to vindicate our decision? Or must there rather be *actual* compensation, so that we keep only such relative gains as exceed their relative losses?

The questions concluding the last two paragraphs indicate more precisely how, with the collapse of the DPT, conventional discussions of the distant needy under the assistance label are misleading. The label is not inaccurate: As affluent people and countries, we surely have

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<sup>50</sup> 826 million persons are unable to obtain enough to eat (UNDP 2001, 22).

<sup>51</sup> Such scruples are selective (*cf.* note 44).



positive duties to assist persons mired in life-threatening poverty whom we can help at little cost. But the label detracts from weightier, negative duties that also apply to us: We should reduce severe harms we will have caused; and we should not take advantage of injustice at the expense of its victims. These negative duties apply to us if we (and third world elites) are imposing global rules that are unfair to the global poor, thus contributing to and profiting from social factors that exacerbate severe poverty abroad. We must then at least compensate the global poor. Failing to do this, we would be harming them and taking advantage of injustice at the expense of its victims. And insofar as we do compensate, we are not merely “assisting” the poor abroad, but mitigating the effects of unfair rules that bring us unjust gains at their expense. We are not redistributing” from the rich to the poor, but offsetting an unjust redistribution from the poor to the rich — *re*-redistributing, if you like.

Let me illustrate the special weight these two negative duties are generally thought to have: Imagine, by the side of a country road, an injured child who must be rushed to the hospital if her leg is to be saved. As a competent bystander who ignores her plight, you are subject to moral criticism for failing to assist. But if you are the driver who injured the child in the first place, then more is morally at stake: By leaving the child’s needs unattended, you would greatly increase the harm you will have done to her. As we judge such a driver more harshly than the bystander, we should judge ourselves more harshly, too, if we are involved in upholding unjust rules that contribute to severe poverty we ignore.

Imagine further a society in which an aboriginal minority suffers severe discrimination in education and employment, reducing their wages far below those of their white compatriots. As an affluent foreigner, you may think that perhaps you ought to do something to assist these people. But if you are profiting from the discrimination (by employing an aboriginal driver or by purchasing aboriginal artwork for instance), then more is morally at stake: We judge ourselves more harshly for taking advantage of an injustice by keeping such gains than for failing to spend additional assets we have on supporting poor aboriginals. As we do this, we should also judge ourselves more harshly insofar as assets we fail to use toward reducing severe poverty abroad constitute profits we derive from an unjust global order that also contributes to the persistence of this poverty.

Negative duties not to support and not to profit from an unfair institutional order that foreseeably contributes to severe deprivations are not only weightier than the positive duty to help relieve such deprivations. They are also much less sensitive to variations in community and distance. Duties to assist are strongest toward the near and dear and weakest toward foreigners in distant lands. But duties not to harm do not fade in this way. Consider again the driver who hits a child and then leaves her unattended by the side of the road. We do not upgrade our moral assessment of him when we learn that he did this far away from his home to a child with whom he had no communal bond of nationality, language, culture or religion. If, through the global institutional order we impose, we cause poverty to persist in the poor countries, then our moral responsibility for the associated deaths and suffering is not diminished by diversity of nationality and geographical or cultural distance. It might be so diminished, perhaps, if harming foreigners were necessary to save ourselves from a comparable fate. But in the real world, the poverty problem — though it involves one third of all human deaths — is quite small in economic terms: The 2,800 million persons below the World Bank’s higher \$2/day poverty line need about \$300 billion in extra income to reach this line. This gap amounts to only 1.2 percent of the aggregate income of the high-income economies.<sup>52</sup> No needs or even mildly serious

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<sup>52</sup> Cf. note 18. The aggregate income of the high-income economies is \$24,828.8 billion annually (World Bank 2001, 233).

interests of ours would suffer if we eradicated severe poverty through a reform of the global order or through other initiatives designed to compensate for its effects on the global poor.<sup>53</sup>

It is widely believed in the developed world that we are already spending an inordinate amount on such initiatives. Such beliefs are contradicted by the facts: The rich countries have reduced their official development assistance (ODA) from 0.34 percent of their combined GNPs in 1990 to 0.22 percent in 2000.<sup>54</sup> Most ODA is allocated for political effect: Only 19 percent goes to the 43 least developed countries;<sup>55</sup> and only 8.3 percent is spent on meeting basic needs — much less than the 20 percent the high-income countries promised in the “20:20 compact” made within the OECD.<sup>56</sup> This means that in the year 2000, with aggregate ODA at \$53 billion,<sup>57</sup> the rich countries together spent \$4.4 billion on meeting basic needs in the developing world<sup>58</sup> — less than \$5 from each of us for the entire year.

When people like us die in their 60s or 70s, we can look back on a lifespans during which over a billion human beings, mostly children, have died from poverty-related causes. This regular death toll is foreseeable, and the developed countries could obviously reduce it dramatically at little cost to ourselves (*cf.* notes 52 and 53). And yet, very few citizens of the developed countries find these facts disturbing. This unconcern of most of us can be explained, in large part, by their false view of why severe poverty persists. Most of us subscribe to the DPT, to the view that the causes of the persistence of severe poverty are domestic to the countries in which it occurs. With a more accurate understanding of the role global institutional factors play in the persistence of severe poverty, this problem would, I am convinced, be taken much more seriously by many, including my esteemed teacher John Rawls.

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<sup>53</sup> The WHO Commission on Macroeconomics and Health (chaired by Jeffrey Sachs) has estimated that deaths from poverty-related causes could be reduced by 8 million annually at a cost of \$62 billion per year. The Commission proposes that the developed countries pay \$27 billion of this, leaving \$35 billion annually to be contributed by the poor countries themselves. *Cf. Economist*, 22 December 2001, 82f.

<sup>54</sup> UNDP 2001, 190, and [www1.oecd.org/media/release/ODA\\_april01.pdf](http://www1.oecd.org/media/release/ODA_april01.pdf), both giving details for each affluent country. The US reduced ODA from 0.21 to 0.10 percent of GNP in a time of great prosperity culminating in enormous budget surpluses.

<sup>55</sup> Down from 26 percent in 1990 (UNDP 2001, 190).

<sup>56</sup> UNDP 2000, 79.

<sup>57</sup> [www1.oecd.org/media/release/ODA\\_april01.pdf](http://www1.oecd.org/media/release/ODA_april01.pdf). This small amount is not enhanced much by charitable giving which, at about \$200 billion, is especially strong in the US. Only 1.3 percent of this amount goes to organizations concerned with international affairs, and a fraction of that to organizations working toward the fulfillment of basic needs abroad. *Cf. Giving USA 2001* for details.

<sup>58</sup> This was less than one percent of their “peace dividend” (*cf.* note 38). After the end of the Cold War, the developed countries were able to reduce their military expenditures from 4.1 percent of their combined GDPs in 1985 to 2.2 percent in 1998 (UNDP 1998, 197; UNDP 2000, 217). With their combined GDPs at \$23,982 billion (UNDP 2001, 181), their “peace dividend” in the year 2000 can be estimated at \$456 billion.

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