

NIELSEN'S JUST GLOBALIZATION

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Kai Nielsen's work truly is a model for what engaged philosophical argument can and should aspire to be.¹ He is militantly committed to clarity and to the rejection of dogma. His palpable good faith and sincerity are evident in everything he writes. I can't pretend to have read more than a fraction of Nielsen's voluminous writings, but one of my favorite passages of his is from a recent essay and is reprinted in *Globalization and Justice*:

it seems to me necessary both to do ideal theory *and* to see very clearly its limitations . . . If we are at all reasonable, what ends we will advocate – including what principles of global justice – will not be taken independently of considerations concerning both the means by which they can be achieved and questions concerning what the likely effects of acting in accordance with them would be. We need carefully to ask what measures we will need to take for their achievement or approximation. And we will need carefully to consider the human costs of their achievement. When we engage in such inquiries with any attentiveness, it is quite possible that some of the ends we advocate will change, given a better knowledge of the range of feasible means for achieving them and the alternative available ends, together with their comparative attractiveness and the means available for realizing them. Similarly, ends that seem to us on reflection desirable will [a]ffect the means we will seriously entertain. There are, in short, reciprocal interactions all the way along. (*GJ*: 245–46; see also 14–15, 140–41)

Constructing a vision of a more just society and world is not a merely theoretical exercise for Nielsen. He wants such constructions to have

¹ I would like to thank my fellow panelists from the mini-conference on "Global Justice" at the 2004 Pacific APA Meeting in Pasadena, California: David Reidy, Kok-Chor Tan, and most of all Kai Nielsen. In preparing this version, Richard Bradley and Jay Mandle gave me valuable suggestions. References to Kai Nielsen, *Globalization and Justice* (Humanity Books, 2003), will be made in the text.

practical import, and therefore he is properly sensitive to the “human costs of their achievement.” Similarly, he recognizes the fact that although an ideal may be attractive, there may be no realistic or morally acceptable path to it from where we are. Although arguing for socialism, he recognizes that it may turn out to be impossible to achieve and that a form of social democracy may be the best we can realistically hope for. In a poignant and brilliant phrase, he worries at one point that his account of socialism might be excessively utopian, or as he puts it: “socialism with a professorial face” (GJ: 266). Nielsen is, therefore, sensitive to the need to consider second-best options. He points out “There are capitalisms and capitalisms” (GJ: 22).

Despite presenting himself as sympathetic to the anti-globalization movement, he states: “I am against capitalist globalization, but not against globalization *per se*” (GJ: 299; cf. 33, 318). Unfortunately, Nielsen is not entirely clear what makes a form of globalization specifically *capitalist*. Perhaps Nielsen is using the term simply as a pejorative catch-all for the elements of the current order that he finds objectionable. But Nielsen doesn’t use the term “capitalism” that way in the domestic sphere, where he identifies the specific features that make a system a form of capitalism. This is an important point since we must identify precisely what is objectionable about the current globalization if we are to construct a realistic and superior alternative. It must be said that Nielsen is much more successful in specifying an alternative domestic model than what “socialism on a world-wide scale” (GJ: 15) would look like.

In the domestic sphere, Nielsen explains, a capitalist society is characterized by a class division between capitalists, “who own and, directly or indirectly, control at least the principal means of production” and the workers “who work for a wage and typically own no means of production . . .” (GJ: 196). In contrast, socialism requires that: “there (a) must be a public ownership and control of at least the major means of production and (b) it must not be a society with an extensive labor market where most citizens sell their labor power as a commodity and own or control little, if any, of the means of production . . .” (GJ: 42; cf. 54, 195–96). Public ownership of the means of production may either entail state control of essentially all enterprises or a combination of state control of certain key enterprises with worker control of others. (GJ: 55–58).

Analogously, a capitalist global order would seem to be one in which there is a class structure dividing those who have private ownership of the means of production and those who do not. But what is the alternative to this? What would the kind of “thoroughly democratic socialist globalization” (GJ: 299) that Nielsen favors look like? It is unclear. He asserts that it would not threaten democracy, and indeed since democracy would not “stop . . . at the workplace gate” it would “extend democracy in a far deeper way than can now be achieved in even the best

of the social liberal capitalist democracies" (GJ: 299). Most importantly, it presumably wouldn't be characterized by the serious moral shortfalls that he outlines in the current global order. According to Nielsen:

capitalist globalization increases and systematizes the already extensive exploitation in the world . . . Such a globalization increases poverty, malnutrition, starvation, and illiteracy . . .

Capitalist globalization also – and of course, relatedly – gives rise to very inegalitarian structures throughout the world and exacerbates already existing inequalities . . .

Capitalist globalization is also destructive, and dangerously so, of the environment and, as well, is disruptive of the cultural identities and social cohesion of peoples. Moreover, it pushes the commercialization of culture. (GJ: 319)

Nielsen cites data from Thomas Pogge indicating that "Each year, some 18 million [people] die prematurely from poverty-related causes. This is one-third of all human deaths – 50,000 every day, including 34,000 children under age five."² And he is entirely convincing when he argues against neo-Malthusians that it is not a lack of food or resources that prevents us from satisfying basic needs universally. It is a lack of political will. (GJ: 252–61). I want to emphasize that I am in complete agreement with Nielsen that global poverty constitutes a moral catastrophe that we face – or more likely, *don't* face up to – every day.

On the other hand, Nielsen says little to establish that these outrages are the result of something called capitalist globalization. In fact, the track record of the current global order (assuming that it can be usefully characterized as a form of capitalism) is much more complicated than Nielsen's uniformly negative portrayal suggests. As the UN's *Human Development Report 2003* observes, "The past 30 years saw dramatic improvements in the developing world. Life expectancy increased by eight years. Illiteracy was cut nearly in half, to 25 %. And in East Asia, the number of people surviving on less than \$1 a day was almost halved just in the 1990s."³ But the trends have certainly not been unambiguously positive, either. When we disaggregate these numbers by country, we find that: "Some 54 countries are poorer now than in 1990. In 21 a larger proportion of people is going hungry . . . In 12, primary school enrolments are shrinking. In 34, life expectancy has fallen."⁴ The *Report* summarizes its findings this way: "For human development the 1990s were the best of years and the worst of years. Some regions and countries saw unprecedented progress, while others stagnated or reversed."⁵ Some poor countries, most notably

² Pogge 2002: 2.

³ United Nations Development Programme 2003: 2.

⁴ *Ibid.*

⁵ *Ibid.*: 40.

in East Asia and especially China, have reduced poverty dramatically by pursuing policies that integrated them into the world economy. But others, especially in sub-Saharan Africa, have slipped further down the path of disaster. To be sure, integration into the global economy by itself is neither necessary nor sufficient for economic development and the reduction of poverty. But this should be a welcome observation for Nielsen, since it reinforces the point that globalization is not a uniform monolith. There is room to debate what kind of globalization would be most beneficial to the world's poorest citizens.

On an analogy to Nielsen's discussion of domestic democratic socialism, "socialism on a world-wide scale" presumably would eliminate private ownership of the means of production in all but the smallest enterprises. There are two major options: some kind of collective control of the means of production or worker control of the means of production. (*GJ*: 55–56). Sometimes, Nielsen seems to favor the first option. But centralized control of the world's productive assets, even if it were attractive, is completely unrealistic, and Nielsen never calls for it explicitly. This leaves some kind of worker control as providing the socialist character of a globalized socialism.

While worker control may be a valuable goal in itself, it is unclear how it is supposed to address the problems that Nielsen cites as being specifically associated with globalization. I simply don't see any reason to believe that changing the internal structure of firms to give workers greater control would have any significant effect on the problems of globalization that Nielsen cites. Worker control of the means of production may reduce inequality within a society, but it would not obviously address inequality or domination among countries. Nor would it clearly do anything directly to reduce environmental degradation, the disruption of cultural identities, or illiteracy. The reason why is clear: under market socialism, worker controlled firms must compete in markets and respond to the same (or similar) market pressures that capitalist firms now face.

One striking aspect of Nielsen's socialism on a global scale is that, like his model of domestic socialism, it relies heavily on markets. For Nielsen, one of the lessons that the collapse of the Soviet Union has driven home is that an efficient economy must depend in large part on market relations. Market socialism, he says, "will keep the market efficiency of capitalist society while giving more people more control over their own lives" (*GJ*: 62). Under market socialism, "many smaller-scale industries . . . can, and should, operate within market parameters and thus within the discipline of the market. If they operate inefficiently they can and should be allowed to go under" (*GJ*: 61). Of course, as Nielsen might put it, there is "going under" and there is "going under." A just society will limit the damage that markets can inflict on individuals, but if the market is to impose discipline, as Nielsen says it must in the name of efficiency, there

will have to be some pain somewhere. Even in Nielsen's market socialism, markets will create winners and losers.

Sometimes, Nielsen objects to inequality as such, but his deeper objection is that inequality sometimes allows one individual or group to *dominate* another: "The crucial thing to guard against is extensive disparities of wealth and influence that would allow for domination by one class of another class . . ." (*GJ*: 58). Markets, when working properly, are characterized by exchanges that are mutually advantageous. But when inequalities among the parties are large, markets will tend to reinforce those inequalities, as the better-off are able to press their advantage. Furthermore, if one of the parties is (in absolute terms) very badly off, the threat advantage of the other party increases dramatically. People in desperate conditions are willing to agree to essentially *any* terms. It is not enough to say that such an agreement is mutually advantageous, even if it is true. What is objectionable is the fact that people are in a position where they cannot reasonably say no. By themselves, markets are not sensitive to such domination.

There is another criticism that is often made of markets, and although Nielsen isn't explicit, he hints at it (see *GJ*: 204, 255). The thought is that market relations tend to foster poisonous social relations that dangerously infect all areas of society. The root of the problem is straightforward. When an individual engages in market interactions, she views others as valuable only to the extent that they make an instrumental contribution to *her* ends. The worth or merit of *their* ends are irrelevant to her. In markets, individuals view their interactions *strategically*. While arguably appropriate to market interactions, such strategic attitudes are corruptions in other contexts.

Jürgen Habermas has developed a sophisticated version of this critique by contrasting "strategic" and "communicative" interactions.⁶ When subjects engage in communicative action, they orient themselves not to achieving their pre-given goals, such as maximizing their utility, but toward establishing a rational consensus. They do this by citing reasons that they believe all parties can recognize and share. In the ideal, participants reach consensus by relying only on the "unforced force of the better argument."⁷ Although Habermas is certainly best known for his analysis of this communicative use of reason, he is explicit that not all social interactions are or can be of this type. Sometimes we aim not at rational consensus, but rather at securing a path to ends that we have already established. This is what happens in market interactions, for

⁶ The following discussion of Habermas draws on Mandle (2000: ch. 5). See Habermas (1984: 285–86; cf. 101; 1990: 58, 133–34).

⁷ Habermas (1987: 130).

example, where each side “instrumentalizes” the other and, of course, is “instrumentalized” by the other.

Habermas believes that the tendency for instrumental relations to spread beyond the market and into cultural or political areas is a serious threat to the justice, legitimacy, and stability of society. But it is important to recognize (as Habermas *does*) the *value* of instrumental relations when they are properly confined to appropriate spheres. Nielsen recognizes the value of markets in expanding productivity and efficiency. But there is more to it than this. For in modern circumstances, there is every reason to believe that a diversity of conflicting, indeed, irreconcilable worldviews and value-orientations will continue to persist and flourish. Communicative reason, even in the ideal, will not always be able to reach consensus on a total system of values.

When there is no consensus on ends, just and productive social interactions may still be possible. Market interactions are often possible even in the face of sharply divided systems of value because they are based on a far more minimal set of norms. Nielsen is right that market ideology may interfere with the attainment of the good of community. But communities, in the sense characterized by deeply shared values, are not always to be had. This is especially true in a global context where practices, cultures, and values differ far more widely than in any single society. The key, then, is to embed market relations in institutional structures that prevent domination and to ensure that political structures, especially, are insulated from the corrupting power of wealth.

It is all very well to proclaim these goals, but as Nielsen is aware, such moralizing may seem pointless or worse unless there is some possible mechanism that could bring it about. This is the point that Rawls makes when he discusses the idea of a “realistic utopia.”⁸ Nielsen, I think, accepts this idea, but he suggests a crucial further requirement when he writes: “Unlike with psychoanalysis, things do not have to get worse before they get better” (*GJ*: 277). If our only path from where we are to a more just world requires that things first get worse before generating a progressive backlash, we will find ourselves in an ethically hopeless bind and a politically suicidal position. Unfortunately, although he recognizes and wants to avoid such a trap, Nielsen has great difficulty seeing a path that escapes it. For example, he writes of the United States and other economically developed capitalist societies, “When the effects of radical right policies have had the time to sink in . . . ‘the middle class,’ along with the poor, may be ready, in some more thorough way, to attune themselves to different options and to come to revolt” (*GJ*: 275). Are those of us who want a more just global order condemned to hope that things get worse in order to generate a stronger backlash?

⁸ Rawls (1999: 11–23, 127–28).

When assessing whether the growth of international markets leads to an objectionable instrumental attitude toward foreigners, it is important not to be naïve about the attitudes that existed before the recent dramatic expansion of trans-national market interactions. Generally, it has not been an inspiring history. At best, attitudes were frequently based on ignorance and indifference. At worst, there was a violent hostility toward foreigners and unfamiliar ways of life. Globalization, even if predominantly through the growth of market relations, can help to familiarize and therefore to humanize people who would otherwise feel no connection to one another.

One need not accept Montesquieu's argument that because people become dependent on one another through economic interaction, "commerce cures destructive prejudices."⁹ Certainly there is nothing as inevitable as he suggests. The point is simply this: when people are indifferent or hostile toward one another, market interactions may be an important first step in creating relations of respect and toleration and the possible discovery or creation of a deeper consensus. As Rawls observes, over time people interacting initially on the basis of self-interest alone "may come to care about each other . . . This mutual caring is the outcome of their fruitful cooperative efforts and common experiences over a considerable period of time."¹⁰ When one keeps in mind the diversity of cultures, practices, and values, together with the history of indifference and hostility across borders, it seems that the growth of market relations may provide a valuable initial source of peaceful interactions, even if not fully adequate by themselves. It is at least possible that the spread of globalization and of market interactions may eventually lead to greater humanizing tendencies.

As Nielsen argues, the point of such scenarios is not that they are inevitable or even more likely than other paths. The point is only that they are "in the realm of *empirically reasonable political possibilities*" (GJ: 270). And the mechanism does not require that progress is made only as a backlash against further disaster. If such a path is possible (as I've argued) but not inevitable (as it surely is not) then our job is not simply to moralize, but to help steer us onto this path. Recognizing this possibility serves "to remind ourselves that we are also, or at least can be, political actors in the world as well as spinners of what we hope are not just-so stories" (GJ: 270).

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⁹ Montesquieu (1989: bk. 20, ch. 1, 2: 338–39).

¹⁰ Rawls (1999: 113).

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