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# On the Politics of *Global Economy, Global Justice*

**George DeMartino**

*In this paper I respond to the symposium on my book *Global Economy, Global Justice: Normative Objections and Policy Alternatives to Neoliberalism*, with contributions by William Milberg, Julie Graham, Maliha Safri, and Eray Düzenli. This paper explores a topic just briefly mentioned in *Global Economy, Global Justice*—namely, the politics associated with the pursuit of the form of justice that I advance in the book. I argue that the book's principal arguments are informed by the theoretical perspectives in evidence in the papers of Milberg, Graham, and Safri and Düzenli, though I had chosen not to explore these perspectives in detail.*

**Key Words:** Social Ethics, Politics, Globalization

Will Milberg, Julie Graham, Maliha Safri, and Eray Düzenli have offered thoughtful commentary on some of the main themes of my book *Global Economy, Global Justice (GEGJ)*. For this I am extraordinarily grateful. In what follows I respond briefly to each commentary in turn. Following the lead of these writers, I will discuss politics a bit more than I chose to do in the book.

Will Milberg's response provides a very nice account of important developments in orthodox neoclassical theory over the postwar period that bear on its normative foundations. He argues that the welfarism that I criticized in the book has by now been displaced in orthodox theory, owing largely to its own internal failings. Welfarism is the idea that alternative social arrangements should be ranked from best to worst by exclusive reference to the subjective states (such as the "utility") of those who are affected by them, such as through application of the infamous Pareto criteria that all economics students confront during their first semester of study. In the view of its advocates, welfarism appeared (incorrectly) to free the economic scientist from the decidedly unscientific task of making value judgments. Milberg argues that in the wake of the collapse of this normative principle, economics has moved away from social welfare functions, generalizable models, and even from explicit reference to human welfare at all.

My own sense is that in the vacuum created by the evaporation of welfare economics among theoretical economists, two developments have ensued.

First, economics students today receive little training in welfare economics (other than, perhaps, in those rare courses on the history of economic thought). But since welfare economics was the one permissible avenue by which consideration of social

ethics might enter the field of economics, the banishment of welfare economics implies that today's economics students are hardly trained in ethics at all. If I am correct, then this means that a generation of economists is coming of age who are unaware of the failings of welfarism (which would explain its continued implicit presence in much policy work, which Milberg notes); and that these economists are unaware of the degree to which their theoretical and policy work is guided by ethical principles (of which they also remain largely unaware). Hence, for instance, the continued emphasis on economic growth among economists as the most prevalent desideratum for assessing economic outcomes, despite the fact that the evaporation of welfarism has robbed growth of its chief normative justification.

Second, in this normative void there has emerged a new/strengthened attachment to libertarianism. This may accord with the philosophical orientation of many contemporary economists, but it also serves an important practical function. The shift from welfarism to libertarianism marks the replacement of a consequentialist with a deontological ethics. This is vital: this substitution saves the economic theorist from having to mess around with social welfare functions or other imperfect theoretical constructs that seek to assess and measure policy outcomes and consequences. That this shift also entails collateral damage in the form of the wasting of a substantial part of a century's worth of economic theory (that part of neoclassical theory that concerned not just social welfare but also optimality, positive and negative externalities, and so forth) is but a small price to pay for the substantially more robust defense of the "free market" that emerges. The substitution of libertarianism for welfarism substantially lightens the economist's burden of proving the relative virtues of neoliberalism. In the view of libertarian economists, neoliberalism is deemed ideal because it comports best with the unfettered freedoms of the individual, not because it maximizes social welfare (or anything else). Just ask the good folks at the Cato Institute.

Libertarianism remains latent in much economic work. Indeed, in recent neoclassical contributions to policy debates, we find an uneasy coupling of welfarist and libertarian impulses in pursuit of rhetorical advantage. For instance, in the new debate over whether trade agreements like NAFTA should incorporate strong labor and environmental protections (which I explore at length in the book), neoclassical trade theorists today typically advance two distinct arguments against harmonized standards, drawn respectively from welfarism and libertarianism. The former entails the claim that harmonized labor and environmental standards are "unwise" because they undermine economic efficiency and thereby reduce social welfare. This claim continues to be made, I should note, by scholars of the highest caliber, who are certainly fully aware of the degree to which the concept of social welfare has been discredited by their peers. The latter entails the claim that harmonized standards are "unfair" or "illegitimate" because they amount to a violation of national sovereignty and, by extension, personal liberty. The idea here is that each person knows what standards she desires, and should be allowed to choose for herself that level of protection that accords with her preferences. The heroic presumption then follows that her nation's policies will reflect these preferences. And since this is so, it also follows that the imposition from abroad of any other level of standards amounts to an

unwarranted infringement of her right to live her life as she sees fit (regardless of the consequences for herself or others).

I am appreciative of Milberg's recognition that in the context of this normative confusion it becomes perhaps even more important than in the past to ask explicitly "what makes for a good economic outcome?" That is the question that drives the book, of course, and I think that the more that question has been driven out of orthodox (and even some strands of heterodox) economics in pursuit of objectivity and scientific purity, the more it is vital that we be impudent enough to ask it anew. It is my hope that our doing so will inaugurate a discussion about the value and even ethical imperative of egalitarianism, and about what kinds of policy interventions can realize the objective of genuine, global equality. This is why the book ends with an examination of concrete policy proposals to achieve capabilities equality. They are pitched as appropriate for the year 2025 as a plea that we suspend disbelief for just a moment and try to envision the kind of just world that we'd like to inhabit. This reflects my belief that at present the greatest obstacle to progress lies not in the power of multinational corporations or hypermilitarized barbaric states or the International Monetary Fund, but in our failure to conjure up visions of how the world might be otherwise. Breaking the sway of neoclassical theory, which is among the primary goals of the book, is offered as a crucial step toward that objective. As Keynes and Milberg rightly remind us, we often fail to realize the degree to which we remain intellectually and politically imprisoned by outdated ideas and conceptions. At present, this is almost as true of many of the critics of neoliberalism as it is of its most ardent defenders. I return to this matter below.

Graham raises in a most delicate way concerns that need to be examined continually in theoretical and practical struggles over the definition and pursuit of global justice (and global policy regimes). What violence must we perpetrate in order to install a regime that promises this or that notion of justice? What risks do we run when we elevate contingent, partial, locally articulated social ethics into completed, universal accounts of justice? How might the images of the perfect that emerge from the kind of abstract, problem-solving thought experiment that I conduct in the book interrupt our achievement of the good? Indeed, how might it even ensure the reproduction of systems of oppression that resist reform by virtue of their purported universalism and perfection? How, in short, might our theoretical and practical work to emancipate actually establish the grounds for renewed and even deepened oppression?

These concerns have particular force in the tradition of poststructuralism that informs Graham's own work and her response to *GEGJ*. In this tradition, universals are deeply suspect; images of completed projects are onerous and even imprisoning; policy prescriptions are (necessarily?) reductionist; and claims of justice obscure the violence that always attends the conclusion of normative contest.

To all these sentiments I am deeply sympathetic and, if I could rewrite the book now, I would emphasize them early and often. But I take it as given that post-structuralism does not strip from us the right or ability to intervene in policy debate in the local or even the global domain. I take these sentiments as cautions of danger all around, not as proscriptions from traveling this or that road. I take them as recommendations to adopt a certain attitude in one's theoretical and political work,

not as directives about the domains in which one should or should not work. The challenge that I set for myself in writing *GEGJ* was to think through just what I could comfortably say about normative matters (like justice, objectivism/relativism, and so forth) and about global policy regimes while not forgetting the many lessons I have learned from scholars like Graham (and Gibson-Graham and her colleagues and students, including those who are associated with this journal) who have made what I consider to be breathtaking advances in poststructuralist political economy.

As Graham rightly argues, *GEGJ* has much to say about policy but precious little to say about politics. I am grateful to her for rescuing the politics in her commentary. One of the reasons for this imbalance is that it seems to me that the policy domain appears to represent alien territory for many poststructuralists, while those same theorists are much more comfortable in the domain of politics. This is evidenced by the tremendous imbalance in the poststructuralist literature between the two. Poststructuralists have little difficulty articulating and debating political principles (consider the ongoing debate over identity politics), but they have not in general demonstrated the same willingness to engage policy, other than to offer important critiques of reductionist policy discourse. And a similar relative silence arises in the normative domain—critique, yes; prescription, *not so much*.<sup>1</sup>

I think these silences are deeply consequential and, indeed, wrong-headed. The idea that policy prescription is forbidden by virtue of a recognition of the overdetermination of social life or related epistemological considerations cannot bear up under close scrutiny. We (all of us) necessarily set, follow and/or transgress policy (with a small “p”) every moment of our lives—in our personal relationships and households, our communities, and in the larger aggregations of which we are a part. Poststructuralist sensibilities can inform the kinds of policy we embrace, perhaps, and they surely inform the kinds of claims we make for policy, but they cannot be taken to place the policy domain off limits. Likewise, the view that normative matters can be somehow kept at bay simply by not treating them is itself a modernist error, one that has informed orthodox economics and much of the natural sciences for generations. Indeed, at the risk of triteness it can be argued that the eschewal of normative matters is itself a normative position (and one that leaves me cold, for reasons that I presented at length in the book). There are normative commitments here, there, and everywhere (this is a theoretical and perhaps an empirical claim, not a normative one). Best, then, that we should get to work uncovering them, critiquing and refining them, and ultimately, advocating those that survive our scrutiny.

That said, the principal goal in writing the book was not to engage these matters, but to do something else entirely. I wanted to write a book that spoke to students of political economy and social activists, about political economy. I wanted *GEGJ* to encourage students and others to consider why economists hold to the views they do—about theory and policy—and why these views are normatively deficient. I was most concerned in this regard to offer an alternative normative foundation for

1. I should note that Graham's own work and that of the Community Economies Collective (2001) are wonderful exceptions to this general tendency.

economics, one based in the egalitarianism of Marx and Sen rather than the utilitarian/welfarist tradition of Bentham, Hicks, and Samuelson. I wanted the book to help students undertake ethical critique of the policies that are now widely advocated by neoclassical economists, but also to spark an awareness of the viability of alternative policies that might better advance the global egalitarian project. The Marxist in me wanted to establish normative space for class emancipation, as I worried that much contemporary heterodox political economy is failing to do that. The book represents an attempt, at a fairly low level of abstraction, to bring poststructuralist and egalitarian sensibilities to practical, concrete policy matters. In the execution of the book, the kinds of issues that Graham raises here were sidelined. I am therefore deeply appreciative of the careful reading she has given the text, teasing out as she has some of the most important commitments that guided the book but that appear only indirectly and implicitly.

I want to emphasize that I share Graham's unease about universal prescriptions. I worried about this in the crafting (initially with Stephen Cullenberg) of the SITS trading regime—a regime to which all contributors to this symposium have referred, and which would essentially provide incentives and means for national governments to promote capabilities equality among their citizens. But in thinking through this matter I was guided by the rather obvious point that *there will always be a global regime*, whether we seek one or not. It's not optional. Even the absence of all global rules for economic engagement would represent a regime—a particularly dangerous one, perhaps, but a regime nonetheless. So the issue is *what kind of regime* will there be—and what kind will best advance the egalitarian project and the other normative commitments that we embrace?

For my part, the neoliberal regime that has emerged over the past several decades has important defects. First, it deepens rather than lessens inequality in substantive freedoms, both nationally and internationally. As a related point, it is apt to deepen class oppression (DeMartino 2003). This is bad enough. But it also does something else that I think troubles Graham even more than it does me: it comprises mechanisms (incentives and punishments) that impair projects (like the ones with which she is involved) to establish a terrain of economic difference. On its face an entirely permissive system, global neoliberalism can be quite constricting for local communities seeking alternative ways of provisioning themselves. I am not speaking here of “capitalism”; I am speaking instead of a policy regime that provides little buffer between distinct local, regional, and national economies. It seems to me that those of us who seek to establish the grounds for viable economic experimentation—for the proliferation of nonexploitative class arrangements, for instance—ought to ask the question whether there are other imaginable, viable, global policy regimes that might provide greater space at the local level for economic difference. What alternative global regimes might be more permissive, more tolerant, and more conducive to local arrangements that promote equality of substantive freedoms?

If I had my way, this is the lens through which Graham and others with poststructuralist sensibilities would view SITS and the other specific policies advanced in the book. Not as a global directive about how all should live, or how all local economies should be structured. Quite the contrary. Like all regimes, this one is selectively tolerant, and selectively intolerant. What it tolerates (better than

global neoliberalism) is economic difference; economic experimentation; class justice. What it refuses to tolerate (more so than neoliberalism) is egregious inequality in substantive freedoms. That, at least, is the motivation that inspired its construction.

I am thrilled to find in Maliha Safri and Eray Düzenli's commentary evidence of the pedagogical value of *GEGJ*. As I mentioned above, the book is intended in the first instance as a teaching text, and I'd hoped that foregrounding the question "what makes for a good economic outcome?" would provide access for students and instructors alike to the normative theory and policy analysis that follow. If they've found this exercise useful in engaging students about the underpinnings and purposes of political economy, then I am deeply gratified.

Safri and Düzenli have emphasized the radical indeterminacy of the capabilities framework that I advance (drawing on Sen) in the book. In doing so, their synopsis represents a better engagement with Graham's concerns than I am myself able to craft. The capabilities approach helped me to manage a tension I have felt for some time between the impulse to rant against oppression and inequality wherever and whenever it appears, and the recognition that none of us has it just right. Our assessments of social arrangements are what they are—hopelessly partial, indelibly colored by the social contexts we inhabit, grounded in our time, our place, our... This tension forms the basis of one chapter of the book ("Whose Values? Whose Rules?"). It is one that anthropologists, political theorists, and many others have wrestled with for a long time, but which is relatively new to political economists. At present, when new global policy regimes are being erected to manage the nature of economic intercourse across national borders, economists can no longer ignore it.

In the book I argue for the need to resist the twin poles of moral objectivism and (cultural) relativism, and to recognize instead the need to manage the inevitable tension between these two principles. Many other theorists (such as Martha Nussbaum) have led the way in this regard, and in the book I draw on this work to indicate just what "managing this tension" implies. Not least, the capabilities framework of Sen, Nussbaum, and others helps to do just this. It does not try to adjudicate between objectivism and relativism; indeed, it leaves space for both to work side by side in pursuit of the equality of substantive freedoms. It draws on the best of what objectivism and relativism have to offer while refusing to concede the epistemological point to either. It entails a universal claim—that we should all enjoy equal substantive freedom to live a good life—while leaving the content of that demand open to local specification. It is therefore apt to antagonize both the ardent objectivists and relativists among us—but that can't be such a bad thing. The world would be a far better place, it seems to me, if we all agreed to live in the murky middle between, rather than at, the poles of that dichotomy.

Safri and Düzenli's commentary infuses *GEGJ* with a level of theoretical sophistication that the book on its own lacks. Like Graham, they focus on the book's implicit politics. They claim that capabilities equality could be taken as the economic content or face of radical democracy. In this connection, they emphasize the point that capabilities equality could provide normative suture to debates arising in the context of international economics and international policy regimes.

I like this argument (and the related points that appear in their essay) very much. It speaks to the matter of “managing the tension” that I mentioned a moment ago. The politics of seeking capabilities equality is an open-ended politics of conflict (and conflict resolution), experimentation, frustration, and negotiation. Capabilities equality isn’t something that is ever achieved, since it is always apt to be rearticulated and redefined even in the moment of its approach. It is instead a partial normative commitment that will be fleshed out (however imperfectly) in the course of the politics that seek it. Unlike welfarism, which depoliticizes politics by deciding pressing policy matters based on individuals’ willingness-to-pay calculations and cost-benefit analysis, this is a normative principle that *demand*s participatory politics.

Capabilities equality is a normative principle that is worthy of careful consideration by those seeking to displace the brutality and punishing inequality of the world around us. There are no doubt other normative principles that can do the job—and I hope through the book to have encouraged reconsideration among political economists of these principles. This reconsideration is vital: unfortunately, heterodox political economists today often draw on welfarism in their indictments of neoliberalism, rather than advance an alternative normative principle. We see this most starkly in the claim often advanced by the left that neoliberalism fails to make good on *its* promises, such as rapid growth and full employment. As Safri and Düzenli rightly argue, this traps the Left on a normative terrain that is most hostile to egalitarianism. Instead, and as I try to demonstrate throughout *GEGJ*, the Left should be demonstrating that neoliberalism promises *the wrong things*. Unlike welfarism, capabilities equality can be of tremendous service to the political campaigns of those who seek economic justice, and to the practice of devising just policies. Not least, it opens up space to rethink and to advocate for class justice—a notion that has been largely displaced from contemporary debate over global economic regimes, in part due to the hegemony of welfarism in economics and economic policy debate.

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