

# 1. PETER SINGER

Singer, writing at a time (1971) when large numbers of deaths were occurring in East Bengal due to lack of food and other essentials, argues that the affluent have a moral obligation to give a large part of their wealth to those who are suffering for want of basic necessities. He derives this conclusion from the premises that (1) "suffering and death from lack of food, shelter, and medical care are bad," and (2) "if it is in our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, we ought, morally, to do it," and further argues that the moral obligation of the affluent is not diminished either by the physical distance between rich and poor, or by the fact that there are many other people similarly able to help. Singer claims that the effect of his argument is to upset traditional moral categories: Giving to the distant poor is widely considered to be an act of charity and/or supererogatory, but if Singer is correct it becomes a matter of duty or obligation.

## **Famine, Affluence, and Morality**

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As I write this, in November 1971, people are dying in East Bengal from lack of food, shelter, and medical care. The suffering and death that are occurring there now are not inevitable, not unavoidable in any fatalistic sense of the term. Constant poverty, a cyclone, and a civil war have turned at least 9 million people into destitute refugees; nevertheless, it is not beyond the capacity of the richer nations to give enough assistance to reduce any further suffering to very small proportions. The decisions and actions of human beings can prevent this kind of suffering. Unfortunately, human beings have not made the necessary decisions. At the individual level, people have, with very few exceptions, not responded to the situation in any significant way. Generally

speaking, people have not given large sums to relief funds; they have not written to their parliamentary representatives demanding increased government assistance; they have not demonstrated in the streets, held symbolic fasts, or done anything else directed toward providing the refugees with the means to satisfy their essential needs. At the government level, no government has given the sort of massive aid that would enable the refugees to survive for more than a few days. Britain, for instance, has given rather more than most countries. It has, to date, given £14,750,000. For comparative purposes, Britain's share of the nonrecoverable development costs of the Anglo-French Concorde project is already in excess of £275,000,000, and on present estimates will reach £440,000,000. The implication is that the British government values a supersonic transport more than thirty times as highly as it values the lives of the 9 million refugees. Australia is another country which, on a per capita basis, is well up in the "aid to Bengal" table. Australia's aid, however, amounts to less than one-twelfth of the cost of Sydney's new opera house. The total amount given, from all sources, now stands at about £65,000,000. The estimated cost of keeping the refugees alive for one year is £464,000,000. Most of the refugees have now been in the camps for more than six months. The World Bank has said that India needs a minimum of £300,000,000 in assistance from other countries before the end of the year. It seems obvious that assistance on this scale will not be forthcoming. India will be forced to choose between letting the refugees starve or diverting funds from its own development program, which will mean that more of its own people will starve in the future.<sup>1</sup>

These are the essential facts about the present situation in Bengal. So far as it concerns us here, there is nothing unique about this situation except its magnitude. The Bengal emergency is just the latest and most acute of a series of major emergencies in various parts of the world, arising both from natural and from man-made causes. There are also many parts of the world in which people die from malnutrition and lack of food independent of any special emergency. I take Bengal as my example only because it is the present concern, and because the size of the problem has ensured that it has been given adequate publicity. Neither individuals nor governments can claim to be unaware of what is happening there.

What are the moral implications of a situation like this? In what follows, I shall argue that the way people in relatively affluent countries react to a situation like that in Bengal cannot be justified; indeed, the whole way we look at moral issues—our moral conceptual scheme—needs to be altered, and with it, the way of life that has come to be taken for granted in our society.

In arguing for this conclusion I will not, of course, claim to be morally neutral. I shall, however, try to argue for the moral position that I take, so that anyone who accepts certain assumptions, to be made explicit, will, I hope, accept my conclusion.

I begin with the assumption that suffering and death from lack of food, shelter, and medical care are bad. I think most people will agree about this, although one may reach the same view by different routes. I shall not argue for this view. People can hold all sorts of eccentric positions, and perhaps from some of them it would not follow that death by starvation is in itself bad. It is difficult, perhaps impossible, to refute such positions, and so for brevity I will henceforth take this assumption as accepted. Those who disagree need read no further.

My next point is this: If it is in our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, we ought, morally, to do it. By "without sacrificing anything of comparable moral importance" I mean without causing anything else comparably bad to happen, or doing something that is wrong in itself, or failing to promote some moral good, comparable in significance to the bad thing that we can prevent. This principle seems almost as uncontroversial as the last one. It requires us only to prevent what is bad, and not to promote what is good, and it requires this of us only when we can do it without sacrificing anything that is, from the moral point of view, comparably important. I could even, as far as the application of my argument to the Bengal emergency is concerned, qualify the point so as to make it: If it is in our power to prevent something very bad from happening, without thereby sacrificing anything morally significant, we ought, morally, to do it. An application of this principle would be as follows: If I am walking past a shallow pond and see a child drowning in it, I ought to wade in and pull the child out. This will mean getting my clothes muddy, but this is insignificant, while the death of the child would presumably be a very bad thing.

The uncontroversial appearance of the principle just stated is deceptive. If it were acted upon, even in its qualified form, our lives, our society, and our world would be fundamentally changed. For the principle takes, first, no account of proximity or distance. It makes no moral difference whether the person I can help is a neighbor's child ten yards from me or a Bengali whose name I shall never know, ten thousand miles away. Second, the principle makes no distinction between cases in which I am the only person who could possibly do anything and cases in which I am just one among millions in the same position.

I do not think I need to say much in defense of the refusal to take proximity and distance into account. The fact that a person is physically near to us, so that we have personal contact with him, may make it more likely that we *shall* assist him, but this does not show that we *ought* to help him rather than another who happens to be farther away. If we accept any principle of impartiality, universalizability, equality, or whatever, we cannot discriminate against someone merely because he is far away from us (or we are far away from him). Admittedly, it is possible that we are in a better position to judge what needs to be done to help a person near to us than one far away, and perhaps also to provide the assistance we judge to be necessary. If this were the case, it would be a reason for helping those near to us first. This may once have been a justification for being more concerned with the poor in one's own town than with famine victims in India. Unfortunately for those who like to keep their moral responsibilities limited, instant communication and swift transportation have changed the situation. From the moral point of view, the development of the world into a "global village" has made an important, though still unrecognized, difference to our moral situation. Expert observers and supervisors, sent out by famine relief organizations or permanently stationed in famine-prone areas, can direct our aid to a refugee in Bengal almost as effectively as we could get it to someone in our own block. There would seem, therefore, to be no possible justification for discriminating on geographical grounds.

There may be a greater need to defend the second implication of my principle—that the fact that there are millions of other people in the same position, in respect to the Bengali refugees, as I am, does not make the situation significantly different from a situation in which I am the only person who can prevent something very bad from occurring.

Again, of course, I admit that there is a psychological difference between the cases; one feels less guilty about doing nothing if one can point to others, similarly placed, who have also done nothing. Yet this can make no real difference to our moral obligations.<sup>2</sup> Should I consider that I am less obliged to pull the drowning child out of the pond if on looking around I see other people, no farther away than I am, who have also noticed the child but are doing nothing? One has only to ask this question to see the absurdity of the view that numbers lessen obligation. It is a view that is an ideal excuse for inactivity; unfortunately most of the major evils—poverty, overpopulation, pollution—are problems in which everyone is almost equally involved.

The view that numbers do make a difference can be made plausible if stated in this way: If everyone in circumstances like mine gave £5 to the Bengal Relief Fund, there would be enough to provide food, shelter, and medical care for the refugees; there is no reason why I should give more than anyone else in the same circumstances as I am; therefore I have no obligation to give more than £5. Each premise in this argument is true, and the argument looks sound. It may convince us, unless we notice that it is based on a hypothetical premise, although the conclusion is not stated hypothetically. The argument would be sound if the conclusion were: If everyone in circumstances like mine were to give £5, I would have no obligation to give more than £5. If the conclusion were so stated, however, it would be obvious that the argument has no bearing on a situation in which it is not the case that everyone else gives £5. This, of course, is the actual situation. It is more or less certain that not everyone in circumstances like mine will give £5. So there will not be enough to provide the needed food, shelter, and medical care. Therefore by giving more than £5, I will prevent more suffering than I would if I gave just £5.

It might be thought that this argument has an absurd consequence. Since the situation appears to be that very few people are likely to give substantial amounts, it follows that I and everyone else in similar circumstances ought to give as much as possible, that is, at least up to the point at which by giving more one would begin to cause serious suffering for oneself and one's dependents—perhaps even beyond this point to the point of marginal utility, at which by giving more one would cause oneself and one's dependents as much suffering as one would prevent

in Bengal. If everyone does this, however, there will be more than can be used for the benefit of the refugees, and some of the sacrifice will have been unnecessary. Thus, if everyone does what he ought to do, the result will not be as good as it would be if everyone did a little less than he ought to do, or if only some do all that they ought to do.

The paradox here arises only if we assume that the actions in question—sending money to the relief funds—are performed more or less simultaneously, and are also unexpected. For if it is to be expected that everyone is going to contribute something, then clearly each is not obliged to give as much as he would have been obliged to had others not been giving, too. And if everyone is not acting more or less simultaneously, then those giving later will know how much more is needed, and will have no obligation to give more than is necessary to reach this amount. To say this is not to deny the principle that people in the same circumstances have the same obligations, but to point out that the fact that others have given, or may be expected to give, is a relevant circumstance: Those giving after it has become known that many others are giving and those giving before are not in the same circumstances. So the seemingly absurd consequence of the principle I have put forward can occur only if people are in error about the actual circumstances—that is, if they think they are giving when others are not, but in fact they are giving when others are. The result of everyone doing what he really ought to do cannot be worse than the result of everyone doing less than he ought to do, although the result of everyone doing what he reasonably believes he ought to do could be.

If my argument so far has been sound, neither our distance from a preventable evil nor the number of other people who, in respect to that evil, are in the same situation as we are, lessens our obligation to mitigate or prevent that evil. I shall therefore take as established the principle I asserted earlier. As I have already said, I need to assert it only in its qualified form: If it is in our power to prevent something very bad from happening, without thereby sacrificing anything else morally significant, we ought, morally, to do it.

The outcome of this argument is that our traditional moral categories are upset. The traditional distinction between duty and charity cannot be drawn, or at least, not in the place we normally draw it. Giving money to the Bengal Relief Fund is regarded as an act of charity in our

society. The bodies that collect money are known as "charities." These organizations see themselves in this way—if you send them a check, you will be thanked for your "generosity." Because giving money is regarded as an act of charity, it is not thought that there is anything wrong with not giving. The charitable man may be praised, but the man who is not charitable is not condemned. People do not feel in any way ashamed or guilty about spending money on new clothes or a new car instead of giving it to famine relief (Indeed, the alternative does not occur to them.) This way of looking at the matter cannot be justified. When we buy new clothes not to keep ourselves warm but to look "well dressed," we are not providing for any important need. We would not be sacrificing anything significant if we were to continue to wear our old clothes, and give the money to famine relief. By doing so, we would be preventing another person from starving. It follows from what I have said earlier that we ought to give money away, rather than spend it on clothes we do not need to keep us warm. To do so is not charitable, or generous. Nor is it the kind of act that philosophers and theologians have called "supererogatory"—an act that it would be good to do, but not wrong not to do. On the contrary, we ought to give the money away, and it is wrong not to do so.

I am not maintaining that there are no acts that are charitable, or that there are no acts that it would be good to do but not wrong not to do. It may be possible to redraw the distinction between duty and charity in some other place. All I am arguing here is that the present way of drawing the distinction, which makes it an act of charity for a man living at the level of affluence that most people in the "developed nations" enjoy to give money to save someone else from starvation, cannot be supported. It is beyond the scope of my argument to consider whether the distinction should be redrawn or abolished altogether. There would be many other possible ways of drawing the distinction—for instance, one might decide that it is good to make other people as happy as possible, but not wrong not to do so.

Despite the limited nature of the revision in our moral conceptual scheme which I am proposing, the revision would, given the extent of both affluence and famine in the world today, have radical implications. These implications may lead to further objections, distinct from those I have already considered. I shall discuss two of these.

One objection to the position I have taken might be simply that it is too drastic a revision of our moral scheme. People do not ordinarily judge in the way I have suggested they should. Most people reserve their moral condemnation for those who violate some moral norm, such as the norm against taking another person's property. They do not condemn those who indulge in luxury instead of giving to famine relief. But given that I did not set out to present a morally neutral description of the way people make moral judgments, the way people do in fact judge has nothing to do with the validity of my conclusion. My conclusion follows from the principle I advanced earlier, and unless that principle is rejected, or the arguments shown to be unsound, I think the conclusion must stand, however strange it appears.

It might, nevertheless, be interesting to consider why our society, and most other societies, do judge differently from the way I have suggested they should. In a well-known article, J. O. Urmson suggests that the imperatives of duty, which tell us what we must do, as distinct from what it would be good to do but not wrong not to do, function so as to prohibit behavior that is intolerable if men are to live together in society.<sup>3</sup> This may explain the origin and continued existence of the present division between acts of duty and acts of charity. Moral attitudes are shaped by the needs of society, and no doubt society needs people who will observe the rules that make social existence tolerable. From the point of view of a particular society, it is essential to prevent violations of norms against killing, stealing, and so on. It is quite inessential, however, to help people outside one's own society.

If this is an explanation of our common distinction between duty and supererogation, however, it is not a justification of it. The moral point of view requires us to look beyond the interests of our own society. Previously, as I have already mentioned, this may hardly have been feasible, but it is quite feasible now. From the moral point of view, the prevention of the starvation of millions of people outside our society must be considered at least as pressing as the upholding of property norms within our society.

It has been argued by some writers, among them Sidgwick and Urmson, that we need to have a basic moral code that is not too far beyond the capacities of the ordinary man, for otherwise there will be a general breakdown of compliance with the moral code. Crudely

stated, this argument suggests that if we tell people that they ought to refrain from murder and give everything they do not really need to famine relief, they will do neither, whereas if we tell them that they ought to refrain from murder and that it is good to give to famine relief but not wrong not to do so, they will at least refrain from murder. The issue here is: Where should we draw the line between conduct that is required and conduct that is good although not required, so as to get the best possible result? This would seem to be an empirical question, although a very difficult one. One objection to the Sidgwick-Urmson line of argument is that it takes insufficient account of the effect that moral standards can have on the decisions we make. Given a society in which a wealthy man who gives 5 percent of his income to famine relief is regarded as most generous, it is not surprising that a proposal that we all ought to give away half our incomes will be thought to be absurdly unrealistic. In a society which held that no man should have more than enough while others have less than they need, such a proposal might seem narrow-minded. What it is possible for a man to do and what he is likely to do are both, I think, very greatly influenced by what people around him are doing and expecting him to do. In any case, the possibility that by spreading the idea that we ought to be doing very much more than we are to relieve famine we shall bring about a general breakdown of moral behavior seems remote. If the stakes are an end to widespread starvation, it is worth the risk. Finally, it should be emphasized that these considerations are relevant only to the issue of what we should require from others, and not to what we ourselves ought to do.

The second objection to my attack on the present distinction between duty and charity is one that has from time to time been made against utilitarianism. It follows from some forms of utilitarian theory that we all ought, morally, to be working full-time to increase the balance of happiness over misery. The position I have taken here would not lead to this conclusion in all circumstances, for if there were no bad occurrences that we could prevent without sacrificing something of comparable moral importance, my argument would have no application. Given the present conditions in many parts of the world, however, it does follow from my argument that we ought, morally, to be working full-time to relieve great suffering of the sort that occurs as a

result of famine or other disasters. Of course, mitigating circumstances can be adduced—for instance, that if we wear ourselves out through overwork, we shall be less effective than we would otherwise have been. Nevertheless, when all considerations of this sort have been taken into account, the conclusion remains: We ought to be preventing as much suffering as we can without sacrificing something else of comparable moral importance. This conclusion is one that we may be reluctant to face. I cannot see, though, why it should be regarded as a criticism of the position for which I have argued, rather than a criticism of our ordinary standards of behavior. Since most people are self-interested to some degree, very few of us are likely to do everything that we ought to do. It would, however, hardly be honest to take this as evidence that it is not the case that we ought to do it.

It may still be thought that my conclusions are so wildly out of line with what everyone else thinks and has always thought that there must be something wrong with the argument somewhere. In order to show that my conclusions, while certainly contrary to contemporary Western moral standards, would not have seemed so extraordinary at other times and in other places, I would like to quote a passage from a writer not normally thought of as a way-out radical, Thomas Aquinas.

Now, according to the natural order instituted by divine providence, material goods are provided for the satisfaction of human needs. Therefore the division and appropriation of property, which proceeds from human law, must not hinder the satisfaction of man's necessity from such goods. Equally, whatever a man has in superabundance is owed, of natural right, to the poor for their sustenance. So Ambrosius says, and it is also to be found in the *Decretum Gratianr*. "The bread which you withhold belongs to the hungry; the clothing you shut away, to the naked; and the money you bury in the earth is the redemption and freedom of the penniless."<sup>4</sup>

I now want to consider a number of points, more practical than philosophical, that are relevant to the application of the moral conclusion we have reached. These points challenge not the idea that we ought to be doing all we can to prevent starvation, but the idea that giving away a great deal of money is the best means to this end.

It is sometimes said that overseas aid should be a government responsibility, and that therefore one ought not to give to privately run charities. Giving privately, it is said, allows the government and the noncontributing members of society to escape their responsibilities.

This argument seems to assume that the more people there are who give to privately organized famine relief funds, the less likely it is that the government will take over full responsibility for such aid. This assumption is unsupported, and does not strike me as at all plausible. The opposite view—that if no one gives voluntarily, a government will assume that its citizens are uninterested in famine relief and would not wish to be forced into giving aid—seems more plausible. In any case, unless there were a definite probability that by refusing to give one would be helping to bring about massive government assistance, people who do refuse to make voluntary contributions are refusing to prevent a certain amount of suffering without being able to point to any tangible beneficial consequence of their refusal. So the onus of showing how their refusal will bring about government action is on those who refuse to give.

I do not, of course, want to dispute the contention that governments of affluent nations should be giving many times the amount of genuine, no-strings-attached aid that they are giving now. I agree, too, that giving privately is not enough, and that we ought to be campaigning actively for entirely new standards for both public and private contributions to famine relief. Indeed, I would sympathize with someone who thought that campaigning was more important than giving oneself, although I doubt whether preaching what one does not practice would be very effective. Unfortunately, for many people the idea that "It's the government's responsibility" is a reason for not giving that does not appear to entail any political action, either.

Another, more serious reason for not giving to famine relief funds is that until there is effective population control, relieving famine merely postpones starvation. If we save the Bengal refugees now, others, perhaps the children of these refugees, will face starvation in a few years' time. In support of this, one may cite the now-well-known facts about the population explosion and the relatively limited scope for expanded production.

This point, like the previous one, is an argument against relieving suffering that is happening now, because of a belief about what might

happen in the future; it is unlike the previous point in that very good evidence can be adduced in support of this belief about the future. I will not go into the evidence here. I accept that the earth cannot support indefinitely a population rising at the present rate. This certainly poses a problem for anyone who thinks it important to prevent famine. Again, however, one could accept this argument without drawing the conclusion that it absolves one from any obligation to do anything to prevent famine. The conclusion that should be drawn is that the best means of preventing famine, in the long run, is population control. It would then follow from the position reached earlier that one ought to be doing all one can to promote population control (unless one held that all forms of population control were wrong in themselves, or would have significantly bad consequences). Since there are organizations working specifically for population control, one would then support them rather than more orthodox methods of preventing famine.

A third point raised by the conclusion reached earlier relates to the question of just how much we all ought to be giving away. One possibility, which has already been mentioned, is that we ought to give until we reach the level of marginal utility—that is, the level at which, by giving more, I would cause as much suffering to myself or my dependents as I would relieve by my gift. This would mean, of course, that one would reduce oneself to very near the material circumstances of a Bengali refugee. It will be recalled that earlier I put forward both a strong and a moderate version of the principle of preventing bad occurrences. The strong version, which required us to prevent bad things from happening unless in doing so we would be sacrificing something of comparable moral significance, does seem to require reducing ourselves to the level of marginal utility. I should also say that the strong version seems to me to be the correct one. I proposed the more moderate version—that we should prevent bad occurrences unless, to do so, we had to sacrifice something morally significant—only in order to show that even on this surely undeniable principle a great change in our way of life is required. On the more moderate principle, it may not follow that we ought to reduce ourselves to the level of marginal utility, for one might hold that to reduce oneself and one's family to this level is to cause something significantly bad to happen. Whether this is so I shall not discuss, since, as I have said, I can see no good reason for holding the moderate version

of the principle rather than the strong version. Even if we accepted the principle only in its moderate form, however, it should be clear that we would have to give away enough to ensure that the consumer society, dependent as it is on people spending on trivia rather than giving to famine relief, would slow down and perhaps disappear entirely. There are several reasons why this would be desirable in itself. The value and necessity of economic growth are now being questioned not only by conservationists, but by economists as well.<sup>5</sup> There is no doubt, too, that the consumer society has had a distorting effect on the goals and purposes of its members. Yet looking at the matter purely from the point of view of overseas aid, there must be a limit to the extent to which we should deliberately slow down our economy; for it might be the case that if we gave away, say, 40 percent of our gross national product, we would slow down the economy so much that in absolute terms we would be giving less than if we gave 25 percent of the much larger GNP that we would have if we limited our contribution to this smaller percentage.

I mention this only as an indication of the sort of factor that one would have to take into account in working out an ideal. Since Western societies generally consider 1 percent of the GNP an acceptable level for overseas aid, the matter is entirely academic. Nor does it affect the question of how much an individual should give in a society in which very few are giving substantial amounts.

It is sometimes said, though less often now than it used to be, that philosophers have no special role to play in public affairs, since most public issues depend primarily on an assessment of facts. On questions of fact, it is said, philosophers as such have no special expertise, and so it has been possible to engage in philosophy without committing oneself to any position on major public issues. No doubt there are some issues of social policy and foreign policy about which it can truly be said that a really expert assessment of the facts is required before taking sides or acting, but the issue of famine is surely not one of these. The facts about the existence of suffering are beyond dispute. Nor, I think, is it disputed that we can do something about it, either through orthodox methods of famine relief or through population control or both. This is therefore an issue on which philosophers are competent to take a position. The issue is one that faces everyone who has more money than he needs to support himself and his dependents, or who is in a position to take some sort of

political action. These categories must include practically every teacher and student of philosophy in the universities of the Western world. If philosophy is to deal with matters that are relevant to both teachers and students, this is an issue that philosophers should discuss.

Discussion, though, is not enough. What is the point of relating philosophy to public (and personal) affairs if we do not take our conclusions seriously? In this instance, taking our conclusion seriously means acting upon it. The philosopher will not find it any easier than anyone else to alter his attitudes and way of life to the extent that, if I am right, is involved in doing everything that we ought to be doing. At the very least, though, one can make a start. The philosopher who does so will have to sacrifice some of the benefits of the consumer society, but he can find compensation in the satisfaction of a way of life in which theory and practice, if not yet in harmony, are at least coming together.

#### NOTES

1. There was also a third possibility: that India would go to war to enable the refugees to return to their lands. Since I wrote this paper, India has taken this way out. The situation is no longer that described above, but this does not affect my argument, as the next paragraph indicates.

2. In view of the special sense philosophers often give to the term, I should say that I use "obligation" simply as the abstract noun derived from "ought," so that "I have an obligation to" means no more, and no less, than "I ought to." This usage is in accordance with the definition of "ought" given by the *Shorter Oxford English Dictionary*: "the general verb to express duty or obligation." I do not think any issue of substance hangs on the way the term is used; sentences in which I use "obligation" could all be rewritten, although somewhat clumsily, as sentences in which a clause containing "ought" replaces the term "obligation."

3. J. O. Urmson, "Saints and Heroes," in *Essays in Moral Philosophy*, ed. Abraham I. Melden (Seattle and London, 1958), p. 214. For a related but significantly different view see also Henry Sidgwick, *The Methods of Ethics*, 7th ed. (London, 1907), pp. 220-21, 492-93.

4. *Summa Theologica*, II-II, Question 66, Article 7, in *Aquinas: Selected Political Writings*, ed. A. P. d'Entreves, trans. J. G. Dawson (Oxford, 1948), p. 171.

5. See, for instance, John Kenneth Galbraith, *The New Industrial State* (Boston, 1967); and E.J. Mishan, *The Costs of Economic Growth* (London, 1967).

### 3 one economy

#### **The World Trade Organization Fracas**

If there is one organization that critics of globalization point to as responsible for pushing the process onward—and in the wrong way—it is the World Trade Organization. Tony Clarke, director of the Ottawa-based Polaris Institute, expresses a now-wide-spread view when he describes the WTO as the mechanism for "accelerating and extending the transfer of peoples' sovereignty from nation states to global corporations."<sup>1</sup> We have become so familiar with protests against the development of a single global economy that it is already difficult to recall the mentality of the period before the December 1999 Seattle meeting of the WTO, when the very existence of that organization had barely penetrated the minds of most Americans. Before the dramatic events in Seattle, if the popular media mentioned the WTO at all it was in glowing terms of the economic benefits that were flowing from the expansion of world trade. Since, as the most prevalent metaphor of the time put it, "a rising tide lifts all boats," these

benefits were bound to reach the poorest nations as well. Very few people had any idea that there was serious opposition to the WTO and its program of removing barriers to world trade. Television footage from Seattle of demonstrators dressed as sea turtles protesting against WTO decisions, anarchists in black tights throwing bricks at the commanding heights of global capitalism, and ordinary American unionists marching against cheap imports made by child labor awakened the American public to the existence of opposition to the WTO. When the protesters unexpectedly proved capable of disrupting the schedules of presidents and prime ministers, they immediately became front-page news. Their impact was reinforced when the new round of trade negotiations expected to begin in Seattle failed to get started. Even then, the initial response of media commentators was bewilderment, incomprehension, and ridicule. Thomas Friedman wrote an intemperate op-ed piece for the *New York Times* that began by asking: "Is there anything more ridiculous in the news today than the protests against the World Trade Organization in Seattle?" He went on to call the protestors "a Noah's ark of flat-earth advocates, protectionist trade unions and yuppies looking for their 1960s fix."<sup>2</sup> These "ridiculous" protestors succeeded in generating a whole new debate about the impact of world trade and the WTO.

Has any non-criminal organization ever been so vehemently condemned on such wide-ranging grounds by critics from so many different countries as the WTO? According to Victor Menotti, director of the Environment Program of the U.S.-based International Forum on Globalization, the regime of trade and investment fostered by the WTO has "unleashed global economic forces that systematically punish ecologically sound forestry while rewarding destructive practices that accelerate forest degradation."<sup>3</sup> From the standpoint of Compassion in World Farm-

ing, a leading British campaigner for farm animals, the WTO is "The Biggest Threat Facing Animal Welfare Today."<sup>4</sup> Martin Khor, the Malaysia-based leader of the Third World Network, claims that the WTO is "an instrument to govern the South."<sup>5</sup> Vandana Shiva, founder and president of India's Research Foundation for Science, Technology and Ecology and author of *Biopiracy: The Plunder of Nature and Knowledge*, writes that the rules of the WTO are "primarily rules of robbery, camouflaged by arithmetic and legalese," and global free trade in food and agriculture is "the biggest refugee creation program in the world." It is, not to put too fine a point on it, "leading to slavery."<sup>6</sup> All in all, many of these critics would agree with the summary judgment attributed to the Zapatistas, an organization of Mexican peasants, that the WTO is simply "the biggest enemy of mankind."<sup>7</sup>

A few weeks after the failure of the Seattle meeting, I found myself in Davos, Switzerland, as an invited speaker at the annual meeting of the World Economic Forum. Pre-Seattle attitudes—and a baffled incomprehension about the protests—were still evident. I heard politicians like President Ernesto Zedillo of Mexico, and corporate leaders like Lewis Campbell, chief executive of Textron, a corporation with a turnover of \$10 billion a year, swiftly dismiss the protesters as falling into one of two groups: those who were well-intentioned in their concern to protect the environment or help the world's poorest people but were naive and misled by their emotions; and those who, under the cynical guise of defending human rights and the environment, were seeking to protect their own well-paid jobs in inefficient industries by high tariff barriers that raise costs for domestic consumers and leave workers in less developed countries stuck in dire poverty.

There were dissenting voices at Davos—U.S. labor leader

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 irii)<sup>4</sup> > jiklicikc of corporate chieftains and heads of govern-  
 ment ilc|Miinuius of economics and finance. Then British Prime  
 Minister Tony Blair and U.S. President Bill Clinton showed that  
 they were quicker learners than most of the corporate chief exec-  
 utives present, saying that genuine issues had been raised and  
 they needed serious consideration. Nevertheless there was no real  
 discussion of what those issues might be or of how they might be  
 resolved. It was as if everyone already knew that globalization was  
 economically beneficial, and "good for the economy" was identi-  
 cal in meaning to "good all things considered." So the real ques-  
 tion was how to brush off the vexing opposition and make faster  
 headway toward the goal of a single world economy, free of all  
 barriers to trade or investment between different states. The alter-  
 native was, in Zedillo's word, just "globaphobia."<sup>8</sup>

The International Forum on Globalization helped to organize  
 the protests at Seattle and is one of the WTO's most prominent  
 critics. In September 2000, to coincide with the Millennium As-  
 sembly of the United Nations, the IFG held a forum on "Global-  
 ization and the Role of the United Nations," in New York. It was  
 a sharp contrast to the Davos meeting. For ten hours speaker af-  
 ter speaker blasted the WTO and global corporate power. No one  
 supportive of the WTO had been invited to speak, and there was  
 no opportunity to ask questions or discuss anything that had  
 been said. Though the IFG advocates grassroots involvement in  
 decision-making, the World Economic Forum allowed more au-  
 dience participation and presented a greater diversity of view-  
 points.

As the protests at meetings of the WTO, the World Bank and  
 other international bodies continue—from Seattle to Washing-  
 ton D.C., Prague, Melbourne, Quebec City, Gothenburg, Genoa,

and New York—genuine open-minded exploration of the crucial and difficult issues arising from globalization is losing out to partisan polemics, long in rhetoric and thin in substance, with each side speaking only to its own supporters who already know who the saints and sinners are. Endlessly repeated rituals of street theater do not provide opportunities for the kind of discussion that is needed. Economics raises questions of value, and economists tend to be too focused on markets to give sufficient importance to values that are not dealt with well by the market.

### **The Four Charges**

Among the many charges commonly made against the WTO, four are central to any assessment of the role that the WTO, and economic globalization more generally, plays in forming a world that is different from anything that has existed up to now:

1. The WTO places economic considerations ahead of concerns for the environment, animal welfare, and even human rights.
2. The WTO erodes national sovereignty.
3. The WTO is undemocratic.
4. The WTO increases inequality; or (a stronger charge) it makes the rich richer and leaves the world's poorest people even worse off than they would otherwise have been.

Before we can consider these charges, we need some background. The World Trade Organization was created by the "Uruguay Round" of talks held by member nations of the General Agreement on Tariffs and Trade, or GATT. It came into existence in January 1995, and by January 2002 had 144 member nations, accounting for more than 97 percent of world trade.<sup>9</sup> Although it seems as if the WTO is a new organization, it is essentially the successor to GATT, which has been around for fifty years. Its *raison d'être* is also the same as that of GATT, namely

the belief that free trade makes people better off, on average and in the long run. This belief is based on the usual rationale of the market, that if two people have different abilities to make products that they both desire, they will do better if they each work in the areas of production where they are most efficient (or least inefficient) relative to the other person, and then exchange, rather than if they both try to make the full range of products they want. This will be true, it is claimed, whether the people are neighbors or live on opposite sides of the world, as long as the transaction costs involved in making the exchange are less than the differences in their costs of production. Moreover this exchange should be particularly good for countries with low labor costs, because they should be able to produce goods more cheaply than countries with high labor costs. Hence we can expect the demand for labor in those countries to rise, and once the supply of labor begins to tighten, wages should rise too. Thus a free market should have the effect not only of making the world as a whole more prosperous, but more specifically, of assisting the poorest nations.

The agreement by which the WTO was set up gives it the power to enforce a set of rules and agreements relating to free trade that now total about 30,000 pages.<sup>10</sup> If one member nation believes that it is disadvantaged by actions taken by another member nation that are in breach of these rules, the first nation can make a complaint. If efforts to mediate the dispute fail, a dispute panel, consisting of experts in trade and law, is set up to hear it. These dispute panels are the most distinctive difference between the old GATT and the new WTO. In formal terms, the dispute panel does not decide the dispute but recommends a decision to the membership. In practice the decision of the dispute panel is invariably adopted. If the complaint is upheld and the member nation continues to act in breach of WTO rules, it can

ally emptying it of substantive content. If, in a democracy, a court were to interpret a law in a similar manner, the legislature could revise the law to give effect to its intention. In the case of the WTO, however, since decisions are taken by consensus, it takes only one member-nation in support of the Appellate Body's interpretation of Article XX to block the efforts of other member-nations to change it.

Even if WTO decisions were taken by a majority of the *states* that are members of the WTO, this would still not be a democratic decision-procedure. It would give the democratically elected government of India, representing a billion people, the same number of votes—one—as the democratically elected government of Iceland, representing 275,000. The two may differ in influence in various ways, but there is no formal mechanism for recognizing the difference in population size. In the absence of any means of giving weight to population numbers, the WTO cannot be a truly democratic institution.

#### **The Fourth Charge: Taking from the Poor to Give to the Rich**

Against the charge that the WTO is a kind of Robin Hood in reverse, President George W. Bush echoed the line taken by most advocates of global free trade when he said in a speech at the World Bank: "Those who protest free trade are no friends of the poor. Those who protest free trade seek to deny them their best hope for escaping poverty."<sup>29</sup> How much truth is there in the claim that free trade, as promoted by the WTO, has helped the world's poorest people?

Although the WTO's critics all agree that the trade body has done more to help huge global corporations than to help the poor, the facts are not easy to sort out, and on some aspects of this question, leading opponents of the WTO do not speak with one voice. Within the covers of a single volume published by the In-

ternational Forum on Globalization, Walden Bello and Vandana Shiva, based respectively in Thailand and India, say that the rich nations do not offer a level playing field to the poor nations, and so free trade does not benefit the South, while Anuradha Mittal, of the U.S. group Food First, tries to arouse the opposition of Americans to free trade by showing that free trade between the United States, Mexico, and Canada has caused hundreds of thousands of U.S. jobs to shift to Mexico and Canada.<sup>30</sup> Since Mexico is a much poorer country than the United States, any transfer of work from the United States to Mexico can be expected to raise the income of people who are, on average, much less well off than those U.S. workers who lose their jobs. Those who favor reducing poverty globally, rather than only in their own country, should see this as a good thing.

Another relevant question is whether free trade means cheaper goods, and whether this is good for the poor. Vandana Shiva, one of the best-known WTO opponents from one of the less developed countries, writes that the liberalization of trade in India means that more food is exported, and as a result "food prices have doubled and the poor have had to cut their consumption in half." To anyone familiar with poverty in India *before* trade liberalization, it is difficult to believe that India's poor would be able to survive at all if they had to cut their food consumption in half, so such claims may well provoke skepticism. That skepticism is not allayed when one reads, on the very next page, that Indian farmers have lost markets and mills have had to close, because "cheap, subsidized imports of soybeans are dumped on the Indian market . . . thus worsening the country's balance of payments situation."<sup>31</sup> If the lowering of trade barriers has meant that soybeans are now cheaper than they were before, it is strange that this same lowering of trade barriers should have caused food prices as a whole to double. Moreover the large quantities of food that Shiva

claims are exported because of trade liberalization should have improved the country's balance of payments. There may be an explanation of such apparently conflicting claims, but if there is, Shiva does not offer it.

In trying to assess the impact of recent trade reforms, it is useful to distinguish two questions:

- Has *inequality* increased during the period of global economic liberalization?
- Have the poor become worse off?

The questions are distinct, because it would be possible for the situation of the poor to improve, in absolute terms—they might eat better, have safer water and greater access to education and health care, and so on—while the situation of the rich improves even more, so that the absolute dollar gap in income and wealth between the rich and the poor is greater than it was when the poor were worse off. (In what follows, unless otherwise specified, I will use "rich" and "poor" to refer to people on high and low incomes, respectively, rather than those with great or small assets. Of course, those with a high income often tend to have a lot of assets, and vice versa. But the correlation is not perfect.) We will also, of course, need to ask whether the changes that can be observed are the result of economic globalization, or merely happen to have coincided with it.

We can begin by describing the present state of poverty in the world. One commonly cited figure, derived from development reports issued by the World Bank and the United Nations, is that of a global population of more than 6 billion, about one-fifth, or 1.2 billion, live on less than \$1 per day, and nearly half, or 2.8 billion, live on less than \$2 per day. Awful as this sounds, these figures, quoted without further explanation, can be misleading—in the sense of giving the impression that the world's poorest

people are not as impoverished as they really are. For we may think to ourselves: the purchasing power of one U.S. dollar in, say, Ethiopia, is vastly greater than the purchasing power of one U.S. dollar in New York. So perhaps these people, though poor, are not as desperately poor as we might imagine? In fact, the figures already take the difference in purchasing power into account. The World Bank's international poverty line—below which these 1.2 billion people fall—is defined as "\$1.08 1993 PPP US\$" per day, and "PPP" stands for "purchasing power parity." Hence the purchasing power of the daily income of someone right on the World Bank's international poverty line is equivalent to what one could have purchased in the United States in 1993 for \$1.08. Granted, there has been some inflation in the United States since 1993, so if we were to express this sum in terms of what can be purchased in the United States in 2000, the figure would rise to \$1.28. If we are interested in the actual income of someone living on the poverty line in one of the world's poorest countries—how much their annual earnings would amount to, if they changed them into \$US at prevailing exchange rates—we would have to divide this sum by about 4 to take into account the greater purchasing power of \$USi in these countries, as compared with market exchange rates. That yields an actual income of about 32 cents per day. And this figure, remember, is the poverty line itself, in other words, the *upper* bound of a fifth of the world's population. The *average* income of these 1.2 billion people is about 30 percent less, which makes it about 23 cents in U.S. currency at market exchange rates, or the purchasing power equivalent of 92 cents in U.S. currency in the year 2000.<sup>32</sup>

It is not surprising that of these 1.2 billion people, about 826 million lack adequate nutrition, more than 850 million are illiterate, and almost all lack access to even the most basic sanitation. In rich countries, less than one child in a hundred dies before the age

of five; in the poorest countries, one in five does. That is 30,000 young children dying every day from preventable causes. Life expectancy in rich nations averages 77, whereas in sub-Saharan Africa it is 48.<sup>33</sup>

This is absolute poverty, which has been described as "a condition of life so characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality and low life expectancy as to be beneath any reasonable definition of human decency."<sup>34</sup>\* In contrast the average per capita income of the world's wealthiest nations (which contain less than 15 percent of the world's population) is \$27,500. This 15 percent of the population divides among itself almost 80 percent of the wealth that the world produces, whereas the assets of the poorest 46 percent of the world's population amount to just 1.25 percent of the world's wealth.<sup>35</sup> The 1999 *Human Development Report* provided an oft-quoted symbol of the far extremities of inequality in the distribution of the world's wealth when it noted that the assets of the world's richest three individuals exceeded the combined Gross National Products of all of the least developed countries, with a population totaling 600 million people.<sup>36</sup>

It is commonly said that inequality between the world's richest and poorest countries has increased during the period in which world trade has increased. Even a 1999 study published by the WTO accepts this view, stating flatly: "It is an empirical fact that the income gap between poor and rich countries has increased in recent decades."<sup>37</sup> According to the widely quoted 1999 *Human Development Report*, in 1820 the fifth of the world's population living in the world's richest countries collectively received three times the combined income of the fifth of the world's population living in the poorest countries. A century later this ratio had increased to 11 to 1. By 1960 it was 30 to 1; by 1990, 60 to 1; and by 1997, 74 to 1.<sup>38</sup> These figures suggest not only an increasing gap

between rich nations and poor nations, but an increasing rate of growth in this gap, which grew at an annual rate of 1.66 percent between 1820 and 1960, but between 1990 and 1997 grew at an annual rate of 3 percent.

The 1999 *Human Development Report* figures need to be treated with caution, however, because they are based on comparing incomes at market exchange rates. As we have seen, a given unit of currency may purchase four times as much in a poor country as it could purchase in a rich one, if converted at market exchange rates. When Arne Melchior, Kjetil Telle, and Henrik Wiig, investigating the impact of globalization on inequality for the Norwegian Ministry of Foreign Affairs, adjusted incomes for purchasing power they found that between the 1960s and 1997 there was a continuous decrease in the gap between the average income of the richest nations containing a third of the world's population and the average income of the poorest nations containing a third of the world's population. There was also a small but steady decrease in the gap between the average income of the richest countries containing a fifth of the world's population, and the average income in the poorest countries containing a fifth of the world's population. On the other hand there was an increase in the gap between the average income in the richest countries containing a tenth of the world's population and the poorest countries containing a tenth of the world's population. The reason for the difference between the different sets of comparisons is that in the last three decades the fastest-growing developing countries have not been among the very poorest. Average income in China has grown rapidly and this explains most of the reduction in inequality between the top and bottom thirds. The 2001 *Human Development Report* acknowledged that the Norwegian researchers had got it right, accepting the need to base international comparisons of living standards on purchasing power parity and reporting that

on this basis, the ratio of the average income of the richest nations containing a fifth of the world's population to the average income of the poorest nations containing a fifth of the world's population had fallen between 1970 and 1997, from 15 to 1 to 13 to 1, although in the case of the richest 10 percent of nations and the poorest 10 percent of nations, the ratio had grown from 19 to 1 to 27 to 1.<sup>39</sup>

There is, however, a problem even with these figures. As the cumbersome language of the previous paragraph indicates, they compare the average income in rich nations with the average income in poor nations. They are not comparisons of the richest tenth, fifth, or third of the world's population with the poorest tenth, fifth, or third. Obviously, there are some poor people in rich nations, and a few very rich people in poor nations, and when we compare national averages, these intrastate differences could mask the real differences between the world's richest and poorest people. Ideally, we should look at individual household income, rather than national averages. Branko Milanovic, a researcher at the World Bank, has attempted to do this, but the data are much more difficult to obtain. He has compared individual household incomes for two years, 1988 and 1993, and found a sharp increase in inequality between the income of the richest fifth and the poorest fifth of the world's population during these five years.<sup>40</sup> The main reason his results differ from those of Melchior, Telle, and Wiig is that income in urban areas of countries like China and India has risen much faster than income in rural areas. Using national average incomes compresses these urban/rural differences into a single figure. On the other hand, a comparison between just two time-points is not enough to establish a clear trend.

To sum up, although we have quite good data on national per capita average income, that data—on which Melchior, Telle, and Wiig base their study—cannot give us the answer to the right

question: Has global income inequality increased? Milanovic, on the other hand, asks the right question, but doesn't have enough data to answer it. As he himself puts it, on the basis of the research he has done so far:

It is impossible to aver whether inequality is really increasing or whether we see just a temporary spike, or indeed whether the change in the coefficients is statistically significant—bearing in mind numerous and serious data problems.<sup>41</sup>

What really matters? Suppose that the changes Melchior, Telle, and Wiig found hold good for individual incomes, as well as national average incomes. If we are concerned about inequality, should we be pleased to learn that the top and bottom thirds—67 percent of the world's population—have, on average, more equal incomes, if at the same time the top and bottom tenths, amounting to 20 percent of the world's population, have grown even further apart? Different people may have different intuitions about this, but from a broadly utilitarian point of view, these apparently baffling questions do not really raise anything of fundamental importance. Inequality is not significant in itself. It matters because of the impact it has on welfare. We could argue about whether we should be equally concerned with promoting the welfare of all members of society, or whether we should give some kind of priority to promoting the welfare of society's poorest members, but whatever we decide, what matters is people's welfare, and not the size of the gap between rich and poor. Sometimes greater inequality will mean a decrease in overall welfare. There is some evidence that inequality hampers economic growth.<sup>42</sup> Inequality can also undermine the self-esteem of those on the lower levels of society and make them feel worse off than they would be if they were living on the same income in a more egalitarian society.

Sometimes, however, inequality does not matter so greatly. For those who are desperately struggling to get enough to eat and to house and clothe their children, perhaps the need to keep up with ones neighbors is less significant than it is for those who have no difficulty in meeting their basic needs. For people near the bare minimum on which they can survive, a small addition to their income may make a large difference to their welfare, even if their neighbors' incomes grow by much more in dollar terms. So the more important issue about the opening up of world trade may be whether it has made the worlds poor worse off than they would otherwise have been, not relative to the rich, but in absolute terms.

Have the poor really have become worse off during the globalization era? On this question the 1997 *Human Development Report* struck a positive note, indicating that poverty has fallen more in the past fifty years than in the previous 500.<sup>43</sup> But the 1999 *Human Development Report* painted a much gloomier picture, showing that on a per capita basis, the Gross Domestic Product of the world's least-developed countries declined by more than 10 percent between 1990 and 1997, from \$277 to \$245 per annum. Most of these countries are in sub-Saharan Africa, and for that region in general, poverty appears to have increased in recent years, with per capita GDP falling during the same 1990-1997 period from an average per annum of \$542 to \$518.<sup>44</sup> The 2001 *Human Development Report* combines both the positive and the negative, balancing the 1 percent fall in the already low average incomes in sub-Saharan Africa over the period 1975 to 1999 with the overall rise—almost a doubling—of average incomes in developing countries during the same period. Melchior, Telle, and Wiig paint a similar picture, showing that the average income in the poorest nations containing one-fifth of the world's population more than doubled, when adjusted for purchasing power, be-

tween 1965 to 1998, rising from \$US551 to \$US1137; but in 16 of the world's poorest countries—12 of them in sub-Saharan Africa—average per capita income has fallen. Because of its population size, China's economic improvement plays an important part in the increase in average income in the developing countries.<sup>45</sup>

Income is only one indicator of well-being, and it is helpful to consider others. Life expectancy is obviously an important one. Between 1962 and 1997 average global life expectancy at birth increased from 55 to 66.6 years. Moreover the biggest gain in life expectancy has been in the developing nations, so there has also been a significant decrease in the inequality of life expectancy between nations. In 1960 the average life expectancy for developing countries was only 60 percent of that in the industrial nations. By 1993, it was 82 percent.<sup>46</sup> (But note that, as with income, these figures are national averages, which mask within-country differences that mean greater global differences between individuals.) Life expectancy rose sharply in all regions in the period up to 1987; subsequently it rose much more slowly in Africa, where AIDS has caused life expectancy to fall in some countries, and it has also fallen in Eastern Europe, reflecting the impact of increased poverty following the end of communism.

Food is the most basic need of all, and hence the extent to which people lack it is a crude but useful measure of deprivation. According to the Food and Agriculture Organization, the number of people who are undernourished fell from 960 million in 1969—1971 to 790 million in 1995—1997. This decrease may seem like very modest progress over a quarter of a century, but taking into account the growth in world population during this period, it means that the proportion of people who are undernourished has fallen from 37 percent to 18 percent.<sup>47</sup>

Each year the United Nations Development Program reports

on each country's progress in terms of a composite measure called the Human Development Index, based on a combination of indicators for income, life expectancy, and education. The Human Development Index scores for the developing countries, and also for the least developed countries, considered separately, have risen consistently between 1960 and 1993, suggesting that the world's poorer people have become better off overall in terms of income, life expectancy, and the amount of education they receive.<sup>48</sup>

Globally, the World Bank estimates that the number of people living below the international poverty line has risen slightly since 1987.<sup>49</sup> But should the increase in absolute numbers be taken as a sign that poverty is getting worse, or the decrease in the proportion of the population who are poor as a sign that things are improving? One could argue either way. Life below the poverty line is so lacking in the basic necessities for a decent life that it is a bad thing that anyone has to subsist in these conditions. Yet if human life, when some minimum requirements are satisfied, is a good thing—and it takes a serious pessimist to deny that—then we should be pleased that there are more human beings living above the poverty line, and the diminishing fraction of the total population forced to live below that line can be seen as a good thing. To go further into the choice between these differing value judgments would lead us into deep philosophical issues and take us far from the themes of this book, so here it will be enough merely to note that both views have something to be said for them. We can then move on to our final question: Is there a causal link between poverty and economic globalization?<sup>50</sup>

On theoretical grounds, as we have seen, there is some reason to believe that open markets and free trade should increase economic welfare as a whole. The theory finds some support in an Organization for Economic Cooperation and Development (OECD) study showing that when corporations go into for-

eign countries, they generally pay more than the national average wage.<sup>51</sup> But information about average wages does not alleviate concerns about poverty, as long as inequality is increasing. We have seen that whether global inequality has increased during the era of expanding world trade is still highly contentious. We don't have the household income data we would need to get a well-grounded answer. Since a correlation does not show a causal connection, even if we had all the data we needed on trends in global income distribution, and even if these data showed rising inequality and poverty, it would still be difficult to judge whether economic globalization has contributed to any increase that might have occurred in economic inequality and in the number of people living in poverty. Consider, as illustrating the difficulty of the problem, the following three expert opinions.

Peter Lindert and Jeffrey Williamson have studied the connection between inequality and globalization for the National Bureau of Economic Research, in Cambridge, Massachusetts. They are among those who accept that as the global economy has become more integrated over the past two centuries, so too economic inequality between nations has increased. In their view, however, globalization has not brought about this widening income gap. On the contrary, without globalization the rise in inequality would have been greater still. Their figures indicate that in Third World countries between 1973 and 1992, per capita Gross Domestic Product rose fastest in those countries strongly open to trade, rose more slowly in countries moderately open to trade, and actually fell in countries that were hostile to trade. They summarize their conclusion by saying that "world incomes would still be unequal under complete global integration, as they are in any large integrated national economy. But they would be less unequal in a fully integrated world economy than in one fully segmented."<sup>52</sup>