Economics Versus Human Rights

Manuel Couret Branco

Routledge frontiers of political economy

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Human rights and economics are the concepts that have contributed the most to free human kind, the former from fear and the latter from want. Consequently, they should be complementing rather than competing. Unfortunately it does not seem to be the case. In this book Manuel Couret Branco shows how mainstream economics discourse is intrinsically opposed to the promotion of human rights, especially economic, social and cultural rights.

Considering a variety of issues, this book looks at the conflict between economics and human rights at a theoretical level; how economics is opposed to the right to work; how economics, being a science concerned with the provision of goods and services for commercial purposes, conflicts with the idea of providing those same goods and services as rights, using as examples the right to water and the right to social security; the opposition of economics to cultural freedom, supported by the argument that economics tends to homogenize cultures on the basis of the idea that there is only one best culture to fulfil economic objectives; how economics contributes to the erosion of the democratic idea; and, finally, the opposition of economic globalization to democracy.

The main conclusion of the book is that enhancing human rights in the global economy era demands a radical transformation of economics and of the economy. This transformation should be characterized by reinstating the primacy of the person over the economy, by replacing economics at the service of human dignity. One of the aspects of this transformation concerns the need for a democratic control of the market. This democratic control means that people affected by economic decisions should be able to participate in the making of those decisions. In other words, the book proposes the recognition of economics as essentially a political science, and, thereby, the rehabilitation of politics within economics discourse.

Economic theoricians and academics concerned with human rights will find this book an excellent contribution to the debate and it will also be of considerable interest to students and researchers engaged with development and underdevelopment; democracy; cultural freedom and economic globalization.

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To Isabel and Matilde

Contents

Introduction

Human rights are assuredly one of the most influential and fruitful concepts of modern times and for many of the planet's poor and oppressed they are regarded as the miraculous lenitive that can bring them that justice and that dignity indispensable to brightening their ephemeral earthly existence. Economics, in its turn, has developed a considerable number of tools especially designed to overcome, or at least mitigate scarcity, probably the most tormenting spectre that haunts the deprived each day. Human rights and economics thus contribute immensely to freeing human kind from what are probably the two most constraining chains amongst the many that oppress it: human rights from fear, and economics from want. Beside the fact that both human rights and economics deal with the same subject, the human being, economics and human rights are closely bound in yet many other ways. Indeed, there is no real individual freedom without freedom from want and there is no real economic choice without freedom of expression. There is, therefore, an economic dimension to human rights as much as a human rights dimension to economics.

The Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations on 10 December 1948, proclaimed a set of rights that to a certain extent intended to set the course of human progress; a course directed at the search for extensive freedom and material well-being and security. It seems that, in the aftermath of the Second World War, the victorious nations wanted to protect themselves not only against fascism but also against economic depression that was thought by many to be right at the heart of the seductive power fascism exerted on people within the nations that would eventually be defeated. Why then, since 1948, is there such a gap between the promises of human rights and the reality? In other words, why does it seem that human rights violations have largely outnumbered their achievements in the last half century of our history?

Some may say that since the proclamation of human rights the great majority of nations in the world have had other fish to fry, namely that they have had to concentrate all their energies into tackling poverty. Poverty is certainly the most striking violation of the first amongst all human rights, a right without which all others seem meaningless, namely the right to live. But let us not deceive ourselves. Not only does poverty constitute a contemptible excuse for developing countries' poor human rights records, but material wealth itself does not protect developed countries from seeing their own achievements on human rights also being questioned.

In an interview with the French monthly Le Monde Diplomatique, Noam Chomsky, a patently dissonant voice, declared exactly this: that there is a growing democratic deficit within the Western world today. According to him, this deficit is not imposed through any violent totalitarian subjection but through a much more subtle mechanism that he calls *brainwashing in freedom* (Chomsky 2007). This mechanism would instil in people the directing line they are supposed to follow as imperceptibly as the air they breathe through the production of a justificatory ideology which altruistically proclaims that it is all being done for their sake and that there is no alternative, to recall Margaret Thatcher's famous statement. Furthermore, the powerlessness of the masses that ensues from this discourse is accompanied by another key sensation which the system needs to install in people's minds as part of the production process for its justificatory ideology, namely fear. Indeed, in order to oblige people to stay in line, economics discourse needs to produce a set of threats, or better still, a set of potential losses should there be any non-compliance with the directing line.

Take the case of firm delocalization, for instance. According to a poll carried out in France jointly by CSA-L'Expansion-France Inter in October 2004, 88 per cent of the people questioned considered it to be a serious problem, 70 per cent believed it to be a lasting phenomenon, and, finally, 35 per cent declared that their job or that of a close relation was susceptible to being delocalized. Something as plain in economics as the product lifecycle, a theory partly used to justify firm delocalization, which states that early in a given product's life cycle all the parts and labour involved in its production come from the country where it was invented and that, in time, production gradually moves away from that original country, is therefore perceived by people as a serious threat rather than as a simple stage of the general process of development.

In principle there should be nothing wrong with the fact that the manufacturing of some products emigrates and eventually disappears, as did long ago splintered stone hunting artefacts. The problem is that delocalization, as with many other economic principles, has been regularly used as an argument to curtail workers rights, in other words to keep them in line. In 2004, for example, Volkswagen's management, in its negotiations with the union IG Metall, did not hesitate to threaten the workers with the delocalization of 30,000 jobs if a decrease in production costs of German plants could not be reached within five years by freezing wages, rendering schedules flexible and modifying the counting of working hours (Fontagné 2005: 6). Very often, then, the proclaimed altruistic detachment of the application of economic laws seems, on the contrary, to be directed towards justifying to the masses the satisfaction of the interests of those minorities that hold the power to make such threats.

It is not unexpected, therefore, that many works critically examining the relationship between the economy and human rights, such as the series *The Political Economy of Human Rights* by Noam Chomsky or *The Politics of*

Human Rights by Tony Evans, tend to insist on the more, or less, hidden interests in the economy, namely of the United States, taken as somewhat illegitimate or just unethical, for the erosion of human rights in the world today (Chomsky 1979; Evans 2005). The main purpose of the present essay, in contrast, is to challenge the logic of mainstream economic thought itself. In this view the decline of human rights, or simply their lack of assertion, especially in so far as economic, social and cultural rights are concerned, should not be seen as the outcome of doing the right economics wrongly, but of doing the wrong economics rightly.

First of all, what are we talking about when we talk about economics? A rapid overview can identify at least 20 schools of economic thought, from neoclassic to evolutionary, from Marxist to post-Keynesian. If one wished to be accurate, a work on the interaction of economics with human rights would have to be divided into at least 20 chapters. The sort of economics that will be referred to in this volume results from a considerably narrower point of view though. Economics, here, will be mainstream economics, the dominant school of thought, not only within academia, but also within offices of government and the media. Although one could easily mistake mainstream with neoclassical theory and therefore call the essay 'neoclassical economics versus human rights', one should not succumb to such a hasty amalgamation. Mainstream economists do not see themselves as neo-classicists, or anything else for that matter, but simply as economists; all those who call themselves economists, but who do not share the same principles, are at best exiled to such peripheral domains as sociology, history or the philosophy of economics. What then characterizes mainstream economics, in other words economics?

Mainstream economics, as in the case of any other school of thought, is characterized by its particular methodology, its particular rationality and its particular analytical weaponry. Mainstream economics is therefore individualistic, utilitarian and equilibrium driven and, ultimately, obsessed with mathematical formalization. Being individualistic, mainstream economics defines its goals in terms of the pursuit of the isolated individual's personal interest, social welfare, for instance, being the arithmetic sum of each individual's welfare. Being utilitarian and equilibrium driven, mainstream economics is oriented towards the maximization of the individual's utility, that is to say monetary income, and the social equilibrium of supply and demand; the market, with its automatic paraphernalia, being the right institution called upon to regulate this process. Being obsessed with mathematical formalization, mainstream economics privileges quantitative cause and effect analysis, and unrealistically reduces society's complexity in order to discover scientific laws similar to those governing the realm of nature.

In the following pages it will be argued that, nowadays, mainstream economics discourse is clearly one of the most substantial contributors to the production of the above mentioned justificatory ideology. It will be argued that mainstream economics discourse regards human rights as competing rather than completing, and that in doing so this discourse is also one of the major obstacles standing before the promotion of human rights. Indeed, economic theory and practice themselves are often contradictory to promoting human rights. It is by implementing what economics proclaims as being right that one relegates human rights, most especially economic, social and cultural rights, to the background. If one wishes to take human rights seriously, one should then start by taking a critical look at economics discourse and the way it is produced. This same critical approach will not look at human rights though. This may seem reductive and partial as human rights' principles are as disputable as economics postulates. The purpose of this volume, nevertheless, is not to engage in a paradigmatic discussion about human rights, a task well beyond the skills of its author, but to explore the paradigmatic implications for economics of the tacit acceptance of human rights as international consuetudinary legislation.

This volume will not examine the impacts of mainstream economics discourse on all human rights either; it will concern essentially economic, social and cultural rights as expressed in the International Covenant on Economic, Social and Cultural Rights adopted by the General Assembly of the United Nations in December 1966. In the last two chapters some considerations will be made on the implications for democracy of unfolding economic logic, however. This choice was made not only because economics is more intimately connected with economic, social and cultural rights than with civil and political rights, but also because, seen as laudable goals more than binding legislation, the former have been clearly neglected when compared to the latter.

As a matter of fact, the Chairperson of the Committee on Economic, Social and Cultural Rights during the Vienna Conference on human rights in 1993 himself passed on this idea stating that:

> (we continue) to tolerate all too often breaches of economic, social and cultural rights, which if they were committed against civil and political rights, would provoke expressions of horror and outrage and would lead to concerted calls for immediate remedial action. In effect, despite the rhetoric, violations, of civil and political rights, continue to be treated as though they were far more serious, and more patently intolerable, than massive and direct denials of economic, social and cultural rights.
>
> (in Albuquerque 2005: 2)

Finally, in addressing the economics versus human rights issue, this volume also intends to contribute to the major discussion concerning the construction of a human rights-based political economy, in other words a political economy that takes human rights to be simultaneously the means and the ends of progress.

Economics versus Human Rights addresses the set of issues mentioned above in six chapters. The first chapter examines the conflicting languages of economics and of human rights. It is said that economics values individual and economic freedom and from that, many could hastily conclude that mainstream economics would value human rights. The purpose of this chapter is to show that, on the contrary, mainstream economics is fundamentally contradictory to many human rights, especially economic, social and cultural rights. The main reason for this is that mainstream economics and human rights have trouble in communicating, the latter speaking the language of rights and the former the language of wants. Within the language of wants, ability to pay is the key question, whereas within the language of rights, it is entitlement. If in the first case exclusion and inequality are tolerable, in the second case the only acceptable situation is the one characterized by inclusion and equality. In other words goods and services can be unequally distributed, rights cannot.

For this reason one cannot theoretically count on the market to provide economic, social and cultural rights for instance, because there is no mechanism in the market which can guarantee that rights will be provided and that they will be provided equally. In conclusion, by considering the introduction of different logics into the economic equation as insufferable interferences with economic logic, mainstream economics stands against human rights. The same sort of analysis will also concern the conflict between utility and rights, and between economic problems and rights violation. In the first case it is argued that maximizing everybody's utility along mainstream economic lines may be contradictory with guaranteeing their individual rights, and in the second case that, by considering human rights' unanswered issues as problems opposed to the human rights vision whereby these same issues are seen as violations, human rights are downgraded by economics when compared to other objectives.

In the second chapter the relation between economic logic and what is probably the most important amongst economic rights – the right to work – is examined. The right to work has been debated since the French Revolution and was solemnly proclaimed in 1966 by the United Nations General Assembly along with other economic rights. Despite its legal weight, economics does not seem to consider it as anything more than a legal ornament; therefore, the main purpose of this chapter is to make economics take the right to work seriously. First of all, it is shown that the logic pertaining to the right to work is contradictory to mainstream economic logic. Second, it is argued that in a global world the enforcement of the right to work demands global responsibility, or State and corporate cooperation. Finally, we come to the conclusion that the majority of current employment policies cannot qualify as right-to-work securing policies and that the right to work is at the heart of the conflict between capital and labour.

The third chapter concerns the obstacles economics puts before the provision of goods and services as rights. Indeed, asserting a considerable amount of economic, social and cultural rights implies providing several goods and services. Some of these goods are manifestly public *strictu sensu*, but a large part can be included in the private goods and services sphere. If economics can efficiently deal with the provision of, let us say, normal private goods and services, it deals poorly with this same provision when these goods and services are intended to satisfy human rights. This subject was already discussed in the first chapter at a logical level. In this chapter examples will be given in order to clarify the argument. It will be shown, then, how economics does not intrinsically favour people's entitlement to the right to water and the right to social security, the latter being explicitly registered in human rights' treaties and the former having just recently been institutionally deduced from many of its articles.

Chapter 4 discusses the role played by economics in fettering cultural diversity and, thus, cultural freedom. Close attention is given here to the new upsurge of cultural determinism that perfectly fits mainstream economics discourse despite the fact that, theoretically, this school of thought should intrinsically ignore culture. The starting point of this chapter is that cultural determinism fetters cultural diversity by maintaining that there is basically only one best culture to promote development. Indeed, by arguing that some attitudes which may constitute an obstacle to the development process are culturally founded, cultural determinism argues that underdevelopment is essentially generated endogenously, in other words, that people in developing countries, with their beliefs and their attitudes, are thereby more responsible for the poverty in which they live, for their own economic and social rights deprivation, and that, consequently, they should adopt different cultural practices in order to reach the good life. The simplicity of these arguments has seduced a large number of scholars, but what seems to be a cultural brake on economic development could actually be explained otherwise.

This critique of cultural determinism's arguments attempts to supply an alternative version of the interaction of culture and development, from which power, class, domination and the international division of labour will not be excised. This chapter also tries to show how the remarkable resilience of some of the developing world's cultural features, which is sometimes mistaken for a resistance to progress – an inability to evolve – may on the contrary be partly considered as a response to an unfavourable political and economic environment, sometimes even as the result of a manipulation of traditional institutions in order to achieve domination by external forces. In order to simplify this study only four of the cultural features most often referred to will be brought into focus: religion, family and patterns of kinship, ethnic diversity, and political culture.

In the fifth chapter it is argued that mainstream economics logic is detrimental to democracy. Believing that freedom of choice constitutes a pillar of rational choice in economic theory regardless of the definition of rational choice one adopts, free choice in economics seems senseless without political freedom of choice. Democracy, therefore, plays an important role in economic efficiency as much as in social fairness. Following this line of thought, one should expect that economics, both in theory and in practice, should permanently strengthen the role of democracy in its institutional construction. Unfortunately it does not seem to be the case. Although historically many of the democratic achievements in the past two centuries have been intimately connected to the development of liberal economics, one can assert that mainstream liberal economics is intrinsically contradictory to the democratic ideal. The first stage of the demonstration of this thesis concerns the dismantling of the naturalization process that economics has undergone with the purpose of transforming economic decisions into mere responses to plain technical issues supposedly free from democratic debate. The second stage concerns the ways in which the market has managed to legitimize its hegemony in society and the reasons why this contributes to the erosion of democracy. Within this hegemony five aspects will be dealt with in this chapter: the imposition of a market jurisdiction; the deregulation of the economy; the process of political and economic unaccountability; and the de-politicization of free choice.

Finally, the sixth and last chapter of this volume examines the impacts of globalization on democracy. Despite some remarkable economic achievements in many parts of the world, the gap between the rich and the poor has become wider rather than narrower during what has been called the globalization process, which has even led some of its initial supporters to doubt its benevolence (see Stiglitz 2003, 2006). One must recognize, though, that in the political sphere success seems much more unequivocal. Indeed, beyond a handful of anachronistic exceptions, the world seems to have adopted democratic political regimes. From there to the conclusion that globalization favours democracy is a small step that many economists and political scientists all over the world have not hesitated to make. Refusing to share this optimism, many other scientists have, on the contrary, severely questioned the democratic character of the global economy almost since the term globalization itself was invented. In this chapter it is shown how the logic of globalization, in other words the logic of internationalized market capitalism, conflicts with a substantive definition of democracy in developed as much as in developing countries.

1 Economics and human rights lost in translation

Besides the fact that economics and human rights share a common object, ourselves, they are also intimately connected in other ways. On the one hand, one must admit that asserting human rights demands economic means, and on the other hand efficacy and efficiency of the agent's economic decisions presupposes a significant degree of liberty. There is, therefore, an economic dimension to human rights as much as a human rights dimension to economics. Nevertheless one cannot avoid noticing that, unlike many other phenomena in society which are not supposed to belong to the so-called economic realm, as for example human nature, human rights have not been explicitly incorporated into economics discourse, in other words the language of human rights has not been translated into that of economics.

At the end of the nineteenth century Léon Walras, for instance, is supposed to have declared that economics would explain why competition is the only means to increase wealth, and ethics would convey how wealth should be distributed (in Denis 1993), thereby clearly separating what belongs to the economics domain and what should be left aside. Well, not only is economics directly concerned with human rights when goods and services have to be provided in order to guarantee some of them, but it should also be remembered that one of the most meaningful attempts to reform the economics paradigm places human rights at the heart of the matter (see Sen 1999a; UNDP annual reports), by taking them simultaneously as the means and goals of economic development. Therefore, in the process of reaching the good society, economics and human rights should not remain lost in translation.

The economic dimension of human rights

There are many reasons for economics not ignoring human rights. First of all, there is an entire set of proclaimed human rights that concern economics directly. According to this set of rights it has to be recognized that, in accordance with the Universal Declaration of Human Rights, the ideal of free human beings enjoying freedom from fear and deprivation can only be achieved if the conditions are created for everyone to enjoy their economic, social and cultural rights, as well as their civil and political rights. Indeed, one may legitimately question the substance of the individual's right to choose, be it a political leadership or a religious belief, when facing the possibility of immediate death through a lack of the economic means to obtain medical treatment, for instance. On the other hand, realizing that the individual, having duties to other individuals and the community to which he or she belongs, is under a responsibility to strive for the promotion and observance of these recognized rights, responsibility becomes one of the major issues in the assertion of human rights. In other words the definition of who or what is responsible for providing rights to the individual more or less outweighs the discussion on the foundations of their legitimacy.

Economic, social and cultural rights

Although many human rights, civil and political as much as economic, social and cultural, had already been registered in several national constitutions, their universal character, in other words their tacit acceptance as international consuetudinary legislation, only emerged from the debate on the construction of the United Nations Organization (UN), with the signature of the United Nations Charter in San Francisco on 26 June 1945. This charter was later complemented by the Universal Declaration of Human Rights (UDHR), proclaimed at the general assembly of the United Nations on 10 December 1948. In order to avoid any historical injustice, one should also emphasize the role of the president of the United States at the time, Franklin D. Roosevelt, who in his State of the Union address of 6 January 1941, publicly appealed to the universal acknowledgement that all people should have freedom of speech, freedom to worship God in their own way, freedom from want and freedom from fear.

In each of these moments human rights were taken in their entirety, in other words their civil, political, economic, social and cultural dimensions were one, without distinction, or more precisely, without any hierarchy of importance between those rights. Within the UDHR the right to be presumed innocent until proved guilty (art. 11), the right to freedom of opinion and expression (art. 19), the right to work (art. 23), the right to social security (art. 22), and the right to freedom of religion (art. 18), all for instance cohabitated harmoniously. The distinctions that gave birth to the approval of two different documents, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) by the General Assembly of the United Nations in 16 December 1966, arose from the vicissitudes of the low-intensity conflict between the two great political and economic blocks that characterized world history in the second half of the twentieth century.

This so-called Cold War not only divided human rights into two large groups, but it also delayed its implementation. Indeed, because it was not a treaty, the UDHR alone did not have the binding character of an international law. From the beginning of the discussion on the definition of universal human rights, western countries gave special relevance to civil and political rights, relegating to the background economic, social and cultural rights, which in their understanding did not constitute rights in the true meaning of the word, but only, at most, laudable goals, social preferences which the guarantee of civil and political rights might, or might not, sustain, whereas countries under the Soviet sphere of influence, as well as some developing countries, emphasized economic, social and cultural rights. This adherence of human rights to the language of the Cold War is undoubtedly the main reason for the fact that it was only in 1966, almost 20 years after the proclamation of the UDHR, that documents with the strength of law were finally adopted by the international community. The division between the two blocks was then consubstantiated in the drafting and subsequent approval of two different covenants. The ratification process, in its turn, lasted another ten years, until in January and March 1976 the two covenants came into force when they were ratified by a minimum of 35 UN members.

For a long time, therefore, human rights rhetoric was being waved essentially as an argument in defence of geo-political interests, each block accusing the other of not ensuring human rights. As a matter of fact this war of propaganda lasted long after the approval and ratification of both international covenants on human rights. A good example of this senseless rhetoric is given by the annual report drafted by the Reagan administration in 1981, in which, under the pretext that economic, social and cultural rights were being used as an argument by the Soviet block to disregard civil and political rights, not a single line on the former rights was included (Cingranelli and Richards 2005: 8).

The ICESCR throughout its 31 articles establishes a set of rights based on the peremptory obligation of guaranteeing all individuals the satisfaction of the needs without which their life (a dignifying life one should add) would not be possible. The first economic right recorded in the covenant concerns the right to self-determination of all peoples along with the right to freely dispose of their natural wealth and resources (art. 1). Next, a set of rights concerning work is formulated. First the right to work *strictu sensu* (art. 6), and second the so-called rights at work, which include the right to a wage sufficient enough to provide a decent life to workers and their family; safe and healthy working conditions; and paid vacations (art. 7). Finally, the right to form trade unions and to go on strike is added to this set of rights (art.8).

The ICESCR also recognizes the right of everyone, regardless of their having a job or not, to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions (art. 11). This covenant also proclaims the right to social security, by means of protection schemes in illness and old age for instance. Within the rights covering social protection, special reference must be made to rights concerning the protection of mothers for a reasonable period before and after childbirth, and those protecting children and young persons from economic and social exploitation, namely by proposing that signatory countries should institute age limits below which the paid employment of child labour is to be prohibited and punishable by law (art. 10). The last set of rights recognizes the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, to progressively free education, and to cultural, artistic and scientific freedom (arts. 12, 13, 14, 15 respectively). Finally it should be stressed that the ICESCR proclaims that all rights should be enjoyed by everyone without discrimination whatsoever, be it ethnic, religious or political, or based on gender or economic status (art. 2).

As one might expect, schools within the realm of political economy took these rights in rather diverse ways. Liberal economics seems to have understood many of them as obstacles to the operation of markets, or at best to have ignored them; on the other hand, heterodox economics, and especially a current within the development branch, assigned them a decisive role. Shortly after their proclamation at the UN, and under the impulse of numerous economists unhappy with the slow pace of progress in many developing countries, economic rights were translated into development economics as basic needs. According to this approach, development thereby consisted in satisfying these needs before anything else. In 1976 the Director-General of the International Labour Organization (ILO) identified four main types of basic needs. The first group included the minimum requirements of a family in terms of food, housing, clothing and so on; the second, access to essential services such as drinking water, sanitation, transport, health and education. The third group stated the satisfaction of the basic need for an adequately remunerated job for everyone able and willing to work; and the last established more qualitative needs, such as a healthier and more humane environment, people's participation in the making of decisions that affect their lives, and the freedom of individuals (ILO 1976).

Despite being, theoretically, two faces of the same project and of having been ratified by 149 and 152 countries respectively, one is forced to note the hierarchic inferiority of the ICESCR when compared with the ICCPR. It is true that the degree to which these rights are guaranteed varies from signatory country to signatory country, according to the way they were transposed into each national legislation, namely each constitution, but the statutory difference between the two covenants is already manifest in their actual drafting. In the ICCPR, signatory states are explicitly obliged to guarantee the listed rights immediately, whereas in the ICECSR those same signatory states only commit themselves to working towards its achievement (Harvey 2002). Furthermore, in their very wording, economic, social and cultural rights assume the character of an aspiration, deeply contrasting with the character of bounden duty adopted by civil and political rights (Osiatynski 2005).

This economic, social and cultural rights inferiority is also reflected in the institutional sphere. First, the ICESCR did not establish any independent agency designed to monitor its application at the national level, whereas the ICCPR anticipated the creation of the Human Rights Committee composed of 18 independent experts charged precisely with verifying the signatory states' respect for civil and political rights. Second, and once again contrary to the ICCPR, no mechanism intended to communicate alleged economic, social and cultural rights violations was proposed within the ICESCR. Indeed, since 1976 the optional protocol to the ICCPR has recognized the Human Rights Committee's jurisdiction to receive and examine complaints from individuals allegedly victims of civil and political rights violations; this was not the case with its sibling until 2008. After nearly four years of negotiations, the UN Working Group on an Optional Protocol to the ICESCR achieved a final version of the Protocol. After being approved by the Human Rights Council the text of the Optional Protocol will be sent to the UN General Assembly for adoption and opened up for ratification by states. This confirms as stated previously that the main issue today does not consist in the legitimization of economic, social and cultural rights as much as in the definition of mechanisms designed to implement them, in other words in the definition of the social and legal responsibility for these rights.

Economics and responsibility for human rights

Despite the comprehensive legitimacy of economic, social and cultural rights and the acknowledged legal weight of human rights proclamations, in practice the implementation of economic, social and cultural rights is far from displaying such a peremptory character. For instance, as with the former proclamations of the United Nations on human rights, there is no schedule imposed on the countries to secure these rights for their citizens. Furthermore, there is not even a consensus on their human rights status. Indeed, the right of economic, social and cultural rights to qualify as human rights is still intensely debated. The question here is the ability of economic, social and cultural rights to become something more than just rights in the manifesto sense, in other words to be justiciable, meaning the possibility of compulsory enforcement and the ability to bring people or institutions before a court of law in the event of manifest violations of these rights. As a matter of fact, many scholars consider that economic, social and cultural rights are not justiciable and therefore cannot be taken as individual legal claims and, consequently, as duties towards others.

From this point of view, these rights should be reduced to mere solemn statements of important policy goals, not implying therefore any sort of legal responsibility for institutions representing society, such as the State for instance (see Donnelly 2005). This argument is as powerful as it is refutable, however. There are also many scholars who consider all rights to be justiciable, thereby implying a duty or responsibility of the community to the individual (see Canotilho 1984; Queiroz 2002; Freeman 2004). First of all, certain economic rights are unequivocally enforceable by a court of law. Indeed, non-compliance with the right to go on strike, the right to equality in the workplace or the right to paid holidays, for example, can easily be examined in court, and therefore the non-justiciability argument is not convincing enough to justify the outrageous delay in the implementation of economic, social and cultural rights.

It is true that this manifest justiciability cannot be extended to all economic, social and cultural rights with the same ease. This is the case, for example, with the right to work, the right to a decent living standard, or the right to health. This inability to extend rights' justiciability can frequently result from a narrow interpretation of both rights and justiciability, however. Take the right to health, for instance. When one asserts the right to health, one does not maintain that nature and hazard cannot afflict one's life, but that, when available, one cannot be denied medical treatment if urgently need. In this case it is not illness or death that consubstantiate a violation of the right to health as many would ironically state, but the deliberate deprivation of an available medical treatment, an attitude that can perfectly be justiciable.

Besides, the very strength of non-justiciability in court argumentation may represent its main weakness. Indeed, justiciability or non-justiciability of a certain right cannot constitute the key element in the analysis of both the nature and responsibility of rights, because any obsessive fixation on court justiciability may become a synonym for transferring the legitimacy of rights assertion from the hands of the community at large to those of lawyers and judges in particular. As a matter of fact, responsibility can be exerted outside of the courts. Indeed, economic, social and cultural rights implementation can, and probably should, be examined on the political stage. This is one of the reasons why democracy is so important in asserting economic, social and cultural rights.

The distinction made by Immanuel Kant between what he called perfect and imperfect duties is, in this respect, very enlightening (Kant [1788] 1989). According to Kant a perfect duty is the one that perfectly connects rights to predefined and precise duties of certain agents, making it comparable to a legal right. Imperfect duties, on the other hand, are general and non-compulsory duties allowing extensive interpretation of the ways in which they must be accomplished. Despite this lesser degree of imperativeness in the case of imperfect duties, Kant draws attention to the fact that non-compliance with imperfect duties involves a serious moral and political breach. Therefore, from the contingent lack of justiciability of many economic, social and cultural rights, one should not infer by any means a lack of responsibility. If society, with regard to the enforcement of economic, social and cultural rights, cannot be accountable before a court of law, it must still be accountable before individuals in the shape of voters. In other words, as far as economic, social and cultural rights are concerned, legal justiciability could, and probably should, be replaced by political responsibility.

Therefore, if one accepts the right to work or the right to housing, for instance, then one should also accept that each individual has some sort of credit with society concerning the availability of a job or shelter. If there are not enough jobs and houses for everybody and therefore the individual's right to work and to housing is not being secured, to whom then should he or she turn? As the right of an individual corresponds perforce to the duty of another or of the community at large, the responsibility issue is crucial within human rights literature in general. In economics language, if the right is represented by demand, duty should be consubstantiated by supply. Following this same line of thought, if the individual represents demand who or what should represent supply?

In human rights literature in general, the right of an individual constitutes a duty of society which is usually embodied by the State. Thus, wherever there is a right of an individual, there is a duty of the State to provide institutional protection to this right (Canotilho 1984; Bobbio 1992). This means that there is a positive obligation of the State to do everything within its power to realize fundamental rights, although many maintain that there is no subjective right of the citizen in this respect (Queiroz 2002: 102). In conclusion, economic, social and cultural rights presuppose a duty by the community, even if it is accepted that the realization of these rights could be restricted by an availability of means.

First of all one has to admit that the State should be, in the last resort, the guarantor of civil and political rights, but that does not seem so obvious where economic, social and cultural rights are concerned. A globalized world requires a global system of justice, meaning that the responsibility model centred in the State should be extended to non-State agents' obligations (UNDP 2000). Indeed, times change and the United Nations system of human rights was established at a time in which the nation-state reigned unchallenged. The progressive autonomy of markets, namely of financial markets, should therefore imply the redistribution of responsibility for human rights in order to correspond as closely as possible to the distribution of economic influence that characterizes contemporary societies. This subject will be taken up more thoroughly in the chapter concerning the right to work.

Second, and despite it being only partial, the State's responsibility for guaranteeing human rights is not easily compatible with the progressive erosion of its role as characterized in the globalization process, and which is, as a matter of fact, intrinsic to mainstream economic philosophy (see the last chapter of this book). If one considers the State to be exclusively responsible for human rights assertion, the erosion of its role would correspond inevitably to the erosion of human rights. Consequently, human rights' assertion in the global world paradoxically demands the reinforcement of the State. Within national territories, responsibility for human rights' assertion implies, indeed, a strong State. Does anybody honestly believe that human rights are better protected in those countries where the State, under the pretext that non-interference is the best method to enforce human rights, rigorously refrains from intervening? Furthermore, globalization itself may demand the extension of the State's responsibility for human rights beyond national borders, as the notion of humanitarian intervention, for instance, clearly implies.

Availability of means and human rights

Advocates of negative freedom define individual freedom of action as a lack of constraint imposed by other individuals or, very commonly, by the State. This lack of constraint is supposed to allow the individual to take alternative courses of action. However, as the ICESCR recognizes, there are many other constraints than just those inferred by the idea of negative freedom. The lack of means also places a heavy constraint on the freedom to act. Unless these means are available, like food, clothing or shelter, an individual will most certainly be unable to act freely, says Robin Archer. In his view the poverty that leaves the potential litigant unable to go to court is just as much of a constraint as arbitrary arrest (Archer 1995: 17). This is precisely the argument that advocates of economic, social and cultural rights put forward. Civil and political rights do not make sense, or rather are impossible to ensure, without guaranteeing some economic, social and cultural rights.

The availability of means concept that will be referred to in this subheading concerns a different matter, though. The issue here is not the need to satisfy economic rights in order to satisfy, in their turn, civil and political rights, but the availability of means in general to satisfy all rights; in other words the argument which maintains that ensuring rights is costly and that therefore satisfying rights is conditional on the availability of resources, implying the requirement of some sort of social or national ability to pay. The argument according to which the realization of economic and social rights is costly, and therefore is dependent on the good performance of the economy, finds an unexpected ally in the very text of economic, social and cultural rights proclamations. In article 2 of the ICESCR, for instance, it is said that:

> 1. Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures

This article's content is likely to be interpreted in many different ways and some do not hesitate to consider this ductility as an unequivocal manifestation of economic and social rights frivolity, especially when compared to civil and political rights. First of all, the 'availability of means' clause constitutes a severe obstacle to promoting economic, social and cultural rights, since a loose interpretation of this clause can be used to justify a disregard for their realization. Indeed, there are no criteria determining the minimum level of available means necessary to guarantee these rights. Consequently it is impossible to define objectively what pace of rights implementation is compatible with the signatory-states' commitment to them (see Chapman 2005), or which level of resources implies which rhythm of implementation. In this sense, the availability of means condition can be used to legitimize all sorts of dilatory schemes that prevent economic, social and cultural rights from being truly enforced.

If rights seem to be hindered by an availability of means clause, economics nevertheless cannot live without it. Indeed, the main basic economic problem consists precisely in the impossibility of immediately satisfying every human want, not only because wants seem infinite but also because their satisfaction is constrained by the availability of resources, in other words by a given budget. By introducing an availability of means clause, rights are objectively placed on the same footing as wants. According to this logic (pure common sense for economics), not only is one forced to accept the fact that rights might not be guaranteed to everybody, but also that some rights might not be guaranteed at all.

The separation between negative and positive rights also contributes to this attributed frivolity of economic and social rights. Indeed, within the philosophy of human rights the distinction between negative and positive rights made by some philosophers and political scientists could be extended to the concept of cost. According to this view, a positive right imposes a moral obligation on a person to do something for someone, while a negative right merely obliges others to refrain from interfering with someone's attempt to do something. Therefore, whereas positive rights would demand means (in other words they are costly), negative rights would simply demand the absence of interference, and therefore would not involve a cost.

Positive rights would therefore demand from society a positive intervention, in other words the provision of goods and services, which entails bearing a cost. To ensure negative rights, on the other hand, one merely needs no objection from society, meaning that no cost is supposed to be involved in guaranteeing these rights, and therefore that they are not subjected to any sort of availability of means clause. Ensuring the right to property would, therefore, be exempted from mobilizing resources as opposed to ensuring the right to social security, for example. Consequently, economics can easily take negative rights simply as formal constraints and therefore insert them as such into its welfare function. On the other hand, by taking positive rights as an outcome of this same welfare function, economics deals with economic and social rights as dependent variables.

There would be nothing wrong with this handling of rights if only this distinction could be relevant. It is not true that, what are usually considered negative rights, do not involve a mobilization of resources. In other words it is completely misleading to claim that there is no cost involved in ensuring negative rights. Indeed, would it occur to anyone in their right mind that it is possible to guarantee an individual the right to a fair trial by simply not opposing this same individual having a fair trial? Means are needed, not only to build the institutions that will conduct the above-mentioned trials and remunerate the services rendered, but also to build the institutions that are supposed to contribute to the training of all the individuals, judges, lawyers, clerks and so on called to participate in a trial.

One can admit that political will is the essential element in promoting freedom of speech, but it is a delusion to believe that freedom of speech consists simply in letting people say whatever they wish. In a truly free society, freedom of speech also demands, and perhaps mainly so, the fabrication of the capacity to formulate an opinion, implying the need for institutions conditioned by the availability of means, such as a free press and educational institutions, without which speech becomes merely a rhetorical exercise. Consequently, negative rights as much as positive rights are subjected to an availability of means condition. The insistence on the availability of means clause of economic, social and cultural rights, to which one should add progressiveness in its implementation, sharply contrasts with their absence in the proclamations of civil and political rights, reinforcing the idea that guaranteeing economic, social and cultural rights is not in any way whatsoever an obligation of society, but at most a mere happy consequence of expanding economic resources. In other words the implementation of these rights does not result from a political will, as much as from a trickling-down effect of economic performance.

The reference to progressiveness and availability of means, as far as economic, social and cultural rights are concerned, not only appears to be unnecessary (all human rights, in the end, are submitted to a progressiveness and to an availability of means condition), but also reveals the cynicism that has struck the drafting of the ICESCR itself when compared to the ICCPR. The key issue raised by the progressiveness and availability of means clause concerns a different matter, however. Indeed, the definition of the manner in which priorities should be given in the implementation of rights is significantly more important. Rights being indivisible, in other words each rights value being intrinsically equal, it is not possible, nor indeed acceptable, that they should be taken on a hierarchical basis. What then should the criteria be for arguing which rights can be ensured today and which should wait to be ensured tomorrow? Furthermore, who should be bestowed with the power to determine these same priorities in the assertion of human rights?

These unanswered questions and these characteristics of economic, social and cultural rights can shed some light on why, since the ICESCR was approved and even in countries that have ratified it, many economic, social and cultural rights, such as employment or housing for all, more than being just a delusion seem to have simply vanished as goals. The key question, though, does not concern the determination of the legal implications for signatory countries, as much as the recognition of what the obligations of society and therefore of the economy are if it chooses to pursue the enhancement of human rights, and economic, social and cultural rights in particular. In this sense, if there is some sort of institutional inferiority of economic, social and cultural rights when compared to civil and political rights, economic discourse stands as a decisive obstacle to the implementation of economic, social and cultural rights. The description of the mechanisms through which mainstream economics opposes these rights constitutes the *plat de résistance* of the following pages.

The conflicting languages of economics and human rights

One of the main reasons for the unjustifiable divorce mentioned in the introductory chapter seems to be the fact that economics and human rights do not share the same language. Indeed, one can seldom find the concept of human rights within economic reasoning, with the remarkable exceptions of its explicit incorporation of property rights and its implicit references to freedom of expression. Both these rights constitute essential pillars of economic rationality as there is no such thing as personal interest without property rights and, although history has given us many examples of an unnatural cohabitation of economic liberty and political repression, I firmly believe that separating rational choice from freedom of choice, and therefore from freedom of expression, is unconceivable. Following this line of thought, economic, social and cultural rights, should be treated likewise. To its own advantage, nevertheless, economics prefers to concentrate on merely satisfying wants (solvable wants one might add), rather than to exhaust itself by trying to encapsulate human rights within its theoretical body.

Wants versus rights

One is, indeed, forced to admit that economic theory feels more comfortable when dealing with wants than with rights. Within economic analysis, satisfying wants implies the use of concepts like cost, benefit and price, and therefore the issue is ability to pay, in other words purchasing power. With rights, on the other hand, the issue is quite different; the heart of the matter here concerns entitlement, the criteria according to which an individual should be qualified to enjoy rights (purchasing power being obviously excluded) and the consequences of the use of such criteria. Furthermore, whilst dealing with needs, economics can take shelter in a positivist approach; dealing with rights, on the other hand, compels it to risk a normative stance, adding supplementary embarrassment to economics' traditional insight.

In traditional economic theory, efficiency and equity are dealt with separately. Whereas efficiency, being essentially a technical issue, can be approached through positive analysis, equity, on account of its value judgement content, demands a normative approach. This separation has been severely questioned by many economists for a long time, but the fact is that economic resources can be unequally allocated, for example, without economic efficiency being the least troubled. As a matter of fact, from a normative liberal standpoint, inequality is perfectly compatible with social justice as long as the least favoured sectors of a community can improve their living conditions, as ensues from the wording of John Rawls' second principle of justice (Rawls 1972). Besides inequality, economic efficiency can also tolerate exclusion of individuals from the distribution of resources when limited by tight budget constraints.

None of this is tolerable when rights are at stake. Rights, if they are to be fully taken as rights, must be equally allocated amongst all those entitled to enjoy them within the community. Basic liberties, for instance, do not admit any allocation other than an egalitarian one (see Rawls 1972). Indeed, it is quite unacceptable for some individuals to deposit more votes in the ballot box than others. One need not be reminded that universal suffrage, as opposed to historical property or tax-based electoral systems for example, confers one and only one vote to every citizen of voting age. Beyond the legitimate statutory exceptions, basic liberties do not admit of exclusion either. If a citizen is arbitrarily excluded from participating in an election, this not only means that he is denied his right to vote but also that the right to vote is not ensured in the community to which he belongs, even if all except one are allowed to participate in the voting. Indeed, rights are either guaranteed for all or they are not guaranteed for anyone.

A slight digression is perhaps now in order to specify the way in which economics classifies goods as well as services. Economics divides goods into two main categories, public and private. In economics a public good is a good that is non-rivalrous and non-excludable. This means that the consumption of this good by one individual does not reduce the amount of the good left for the consumption of other individuals, and that no individual can effectively be excluded from consuming that good. Take the example of a bowl of strawberries and cream. If one individual eats it, that particular bowl ceases to be available for the consumption of other individuals. It is also possible to prevent an individual from consuming the bowl of strawberries if he or she is not willing to pay for it. In this case it is that rivalry and exclusion which makes our bowl of strawberries and cream a private good. On the other hand, breathing air does not significantly reduce the amount of air available to others, nor can people be excluded from breathing it. That is why air is a public good, a pure public good one might even add.

Therefore, when economics states that individuals cannot be excluded from breathing air, it is not stating a moral imperative, it is not indeed referring to the fact that an individual prevented from breathing air will merely die; it is just saying that individuals cannot be prevented from breathing air because it is technically impossible to exclude from consumption individuals who are not willing to pay. In other words it is openly pointing out that no individual can make a living out of selling air to breathe, because there is plenty of free air available. In the real world it is hard to stick to this categorization of goods, as we shall see in the chapter dedicated to the provision of goods and services as rights, but for the time being this division between private and public goods is sufficient enough to make our point.

As can be easily observed, asserting human rights implies the provision of both public and private goods and services, which means that economics, whether it likes it or not, is forced to deal with human rights. However, the introduction of human rights, namely economic, social and cultural rights, into economics' theoretical body would force economics to adopt an unnatural behaviour, since to accept rights would also require accepting that the allocation of many goods and services should not necessarily observe market distribution rules. The economic efficiency precept does not contradict this where public goods and services are concerned; but satisfying rights, economic and social rights in particular, goes way beyond the definition of distributive rules referring only to public goods and services. It applies to private goods and services too, as determined by article 11 of the ICESCR, for instance, which declares the right of all persons to an adequate standard of living for both themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. As a simple private good, housing for example can be unequally distributed and can contemplate exclusion, that is to say homelessness. As a right, housing not only demands that it be distributed in such a way that nobody is deprived of shelter, but also that some basic qualitative criteria must be met, in other words normative issues which traditional economics is unwilling to address.

Another aspect that may enlighten us regarding the divorce between economics and human rights is the fact that there is an institution within whose vocabulary equity and inclusion can be found – the State. Indeed, one of the State's functions is to promote equity and inclusion in the allocation of its resources; therefore, the introduction of human rights language into economics means that the responsibility for the process of allocating private goods and services as rights might have to be transferred from the market to the State. However, given that traditional economics abhors State intervention, being seen as an unbearable interference with the market, one should not be surprised if economics ends up displaying a notable distaste for a concept which actually contributes to legitimizing such interference.

Utility versus rights

Let us now consider the idea that human rights can be interpreted as the limit to which individuals can tolerate losses for the benefit of others (see Dworkin 1978). Indeed, even when the promotion of noble social objectives is at stake, human rights must protect individuals, and particularly minorities, from policies that benefit the community as a whole, but which place an intolerable burden upon them. Promoting human rights should, therefore, institutionally guarantee that justice of means is equally as important as nobility of ends. This safeguard is crucial when economics is confronted with human rights, since achieving the maximum of social utility, the foundational design of mainstream political economy, may collide with certain individuals' utility, that is to say their rights.

From the strictly economic point of view this result may be satisfactory and even optimal, but from the point of view of rights it may not be tolerable. There is mainly one condition for allowing the rights of individuals to be subordinated to society's interests, and that is that the individual must consent to this sacrifice, either explicitly or indirectly, by freely participating in elections that eventually legitimize the authorities that require the individual's sacrifice – but only insofar as these demands are not arbitrary and do not support any sort of kleptocratic governance. So, for example, if one were to consider the right to work and protection against torture on the same footing, providing greater security to the community at the expense of torturing a suspect of terrorism would be as reproachable as achieving greater economic efficiency at the expense of greater unemployment or of lowering workers' standard of living below human decency. Indeed, traditional economics has a hard time addressing this sort of issue, even when it is willing to do so.

Within traditional economics the individual seeks to maximize his utility function, in other words he looks for the highest income possible. Considering all humans alike, this same traditional economics interprets social utility as the sum of individual utilities, the utility of the community being therefore measured in this case by national income. This calculation system, despite being theoretically contested by many economists, has nevertheless obtained a recognition that overcomes the orthodox versus heterodox methodological rift. Within this system it is perfectly conceivable, either from a formal or a moral point of view, that disutility, or negative utility, for an individual may end up not only not affecting social utility but even contributing to raising it. Indeed, in Europe since the mid 1970s, despite unemployment having been multiplied by a factor of three which meant that many workers saw their individual utility being considerably reduced, national income, in other words social utility, kept growing rapidly almost everywhere.

The introduction of the language of rights, on the other hand, radically changes the common welfare function. Indeed, depriving an individual of a particular right, or simply reducing its enjoyment, affects the entire community negatively. As opposed to social utility, the degree to which a right is guaranteed cannot be measured by the sum of the number of individuals enjoying it, but rather by the degree to which the purpose of that right is guaranteed for every individual. Therefore the degree of democratic participation, for instance, cannot be measured by the number of individuals benefiting from the right to vote, but rather by the extent of the decisions that are submitted to the scrutiny of all. As we have seen before, arbitrarily denying an individual the right to vote is equivalent to denying it to the whole of the community – even if, taken one by one, no other citizen seems to be affected. In this case, therefore, arbitrary individual deprivation of the right to vote not only affects the maximization of democracy but can also represent a deprivation of democracy for the community as a whole. In this sense, seeking the maximization of national income can be inconsistent with promoting human rights if that implies, as a consequence, that one individual is condemned to earn an income incompatible with a decent life.

A very well-known legal dilemma in the United States, *US* v. *Holmes* (see Harvey 2002), perfectly illustrates the essence of this conflict. In the beginning of spring 1841 an American ship collided with an iceberg while crossing the North-Atlantic and rapidly sank, leaving 41 passengers and crew members squeezed into a precarious lifeboat. Despite the lifeboat being overloaded, the crew managed to keep it afloat for 24 hours thanks to favourable weather conditions. However, the following day these conditions got worse and began swamping the lifeboat without hope. Then, fully convinced that this precarious craft would soon sink and drag every castaway into the frozen depths of the ocean, the officer in charge of the lifeboat ordered the crew members to throw overboard all male adults unaccompanied by their wives. Fourteen men, and two women who chose the same fate as their brothers, were sacrificed. Thus, much lighter, the lifeboat withstood the severe weather and by the following dawn all the remaining passengers were rescued by a ship passing in the distance.

From the strict utilitarian point of view, the officer involved limited himself to maximizing the group's utility, given the constraints in terms of the lifeboat's capacity and the weather conditions. The only alternative left to him was keeping every passenger aboard the lifeboat and condemning them all to be swallowed up by the fury of the waves, depriving all, and not just a few, of their obviously highly valued life expectations. Comparing both solutions and their final degrees of utility, sacrificing 16 passengers was therefore perfectly legitimate. From the point of view of rights, however, the outcome is manifestly incompatible. Indeed, the sacrificed passengers were not only deprived of their lives, but also of their right to live, and consequently the rescuing of the remaining passengers could be considered a criminal act. That is exactly what happened in this story when the survivors were brought ashore. Anticipating all the legal complications their decision might bring them, all the crew members fled, with the exception of one, who ended up being taken to court and sentenced to six months in prison for manslaughter.

The judge who pronounced the verdict nevertheless considered that the officer's procedure could have been legitimate had he taken one of two options:

the first being that members of the crew could have been sacrificed instead of the passengers, this being interpreted as the fulfilment of a duty; and the second that the sacrificed passengers could have been either volunteers or picked by drawing lots. In both these cases, the attempt on the victims' lives could have been acceptable from a rights point of view. Indeed, I strongly believe that voluntary renunciation of the right to live often constitutes a substantive assertion of this same right much more eloquently than its protection. This is the case of all those who in the course of history have died for causes they manifestly valued more than their own lives.

The verdict pronounced by the judge and his comments reveal that it was not the result of the officer's decision that was condemned, but the process that led to it. In other words it was not the maximization of social utility, the sacrifice of passengers, that was illegitimate, but the arbitrariness of the process by which the victims were chosen. Bear in mind that both the officer's behaviour and the alternatives proposed by the judge are equivalent in terms of the result. This result, however, can be valued differently, depending on whether one looks at it from the point of view of social utility or from the point of view of individual rights. According to the verdict of the court, social utility constitutes a perfectly legitimate goal, but under no circumstances should it overrule human rights.

On a different register but sharing the same matrix of the above-mentioned dilemma, Jean Paul Fitoussi, in a seminar on Social Europe that took place in Lisbon in 1997, declared that if its economic model was to be maintained, Europe could only become richer, in other words increase social utility based on the aggregation of individual incomes if a non-negligible part of its population would agree to becoming poorer. From the point of view of utility maximization such a path could be admissible, but Fitoussi added that the consequent inequality could be intolerable from the point of view of justice and politically unsustainable from the point of view of democracy. In such circumstances the liberal quest for maximum social income may indeed be contrary to some of the basic injunctions of human rights philosophy.

Economic problems versus rights violations

In the language of human rights the rights of individuals correspond to duties of other individuals, in other words human rights represent the rights which individuals have over the conduct of others. Therefore, if the rights of some individuals are not ensured, this is due to the fact that other individuals or institutions have failed in carrying out their duties. In human rights language, responsibility is therefore a key issue as we saw earlier in this text. However, if the behaviour of agents or institutions represents an obstacle to the assertion of human rights, then it is their duty to change it. From this one can deduce that individuals have rights over the design of economic and social arrangements, namely over the definition of economic systems as far as they affect the assertion of human rights.

This construction of human rights reveals yet another contradiction with the language of economics. Indeed, economics' main objective, as it is taught to many undergraduate students around the world, is to give an answer to what have been called the basic economic problems. These basic economic problems consist first in figuring out what goods should be produced, how many and when; second how these goods should be produced, in other words by whom and with which resources; and, finally, for whom these goods should be produced, which also means answering questions about the social distribution of benefits. Although in some of these aspects a normative approach is inevitable, the basic economic problems are mainly positive. Even when distributional issues are at stake, it is the arithmetical distributional problem that is being referred to rather than the ethical problem. In other words, the basic problem does not concern the distribution that best equates with justice, but simply the calculation of the arithmetic distribution which derives from the application of principles of efficiency and rationality, regardless of any value judgement.

In economics, deprivation has been seen as the outcome of either nature's random behaviour or human incompetence. In other words, deprivation resulted either from nature playing nasty tricks on people or people being incapable of making the right decisions in addressing basic economic problems. The search for the good life signified, therefore, a struggle to dominate nature or to predict and mitigate its whims, and a quest for efficiency in human action. The rhetoric of human rights, in contrast, introduces a substantially different approach to deprivation by transforming economic problems into possible rights violations, that is to say into discrimination or structures that prevent people from exercising rights (Offenheiser and Holcombe 2003: 275).

Within the language of economic problems one may have to surrender to the insolubility of deprivation; on the other hand, within the language of rights violations deprivation is not inevitable and therefore there is no reason for tolerating it. A high level of unemployment, for example, ceases to be seen as a fate weighing on economies, a lesser wrong or a bitter macroeconomic instrument, but rather an attack on human rights, taking Riccardo Petrella (2004) amongst others when he says that involuntary unemployment should be considered illegal. Furthermore, the idea of rights violation leads us to responsibility, in other words to identify its source, sharply contrasting with the anonymous and unaccountable character of decentralized economic decisions taken in the market. Indeed, if an individual, through his actions, deprives another individual of his welfare, the former is accountable to the latter or a court of law. None of this occurs, however, in problem-based economic logic: no individual and no institution are accountable for a state of affairs in which another individual becomes worse off, thus revealing another contradiction between the languages of economics and human rights.

As a matter of fact, this discussion also stems from the justiciability debate regarding economic, social and cultural rights. As we saw earlier, some scholars consider that economic and social rights are only rights in the manifesto sense and that, therefore, they are not justiciable and cannot be treated as individual legal claims, in other words they do not constitute a duty for others. In this sense to be out of a job would be considered an unfortunate situation, but not a crime.

In other words, in the language of economic problems, full employment for instance would be the outcome of a fortunate conjugation of fruitful effort and nature's generosity, rather than of the pressure of a claim. In the same spirit, universal suffrage, to take another example, is very often considered not just a demand of democracy but a windfall of economic progress. In 1968, shortly after a successful military coup, an Argentinean government official told Albert O. Hirschman that only when the country had attained economic stability and a certain level of economic growth would it be ready for the reinstatement of civil liberties (Hirschman 1988: 112).

Thus, in claiming the universal suffrage, one should not appeal to justice and human rights but rather engage in creating the conditions for economic progress. Economics uses this kind of argument very often. For instance, welfare is seen as being the outcome not of a claim but of a trickle-down effect of economic efficiency and growth. This idea that presents many human rights, economic, social and cultural as well as civil and political, as the result of economic progress is simply fallacious. Throughout history human rights have essentially been won through struggle, not received (Bhaduri 1993). Indeed, women's right to vote, the right to form trade unions or the right to paid vacations resulted from collective movements staking their claim to these rights, often in the face of violent opposition as a matter of fact.

This difference regarding the meaning of causality reveals yet another clash between economics and human rights, this time concerning the way humans are considered in the process of meeting their needs. Indeed, when facing human welfare, rights language takes the individual as a legitimate petitioner whereas economics is more inclined to consider him a creditor for a reward, a lucky winner or even a beggar. By putting the emphasis on entitlement, human rights discourse empowers all individuals in their struggle for the good life, whereas by putting the emphasis on skills, risk or kindness, economics contributes to the legitimate potential exclusion of individuals considered to be unfit, unlucky or simply undeserving of the enjoyment of a life with dignity.

2 Economics versus the right to work

The dogmatic injunction according to which economics should separate ethics from efficiency, the latter meaning that the economy strictly aims at the production of the maximum output given a certain amount of resources or at using the smallest amount of resources possible for the production of a given amount of output, has been so successfully rooted in mainstream economic thought that, in times of severe unemployment, one should not be surprised if the economy does not seem too eager to create jobs. Indeed, work being one resource amongst others, it is quite natural that the economy should try to save as much work as it can. This is what efficiency is all about within the mainstream development paradigm. Cars spend less petrol, home appliances spend less electricity, communications take less time, and economic activity requires fewer people. What, then, should be the place of our right to work in a world relentlessly pursuing economic perfection?

In a debate on unemployment, Maurice Allais, awarded the so-called Nobel Prize of Economics in 1988, stated that employment was his main struggle, because, according to him, high levels of joblessness should be taken as a major threat to liberal society (Allais 1996: 14). In doing so, Allais was recognizing that unemployment is not only a waste of human resources, a source of public social-security deficits or a depressive element for global demand; it is also a threat of disruption to our modern democratic ethos. According to this vision, unemployment is basically bad for society. Individuals and their rights do not seem to be the main concern here. Sharing Allais' concern for the disruptive effects of unemployment on society, John K. Galbraith also expresses his concern for people when stating that it is in the interest of both people and society to guarantee a job for every person who is fit and willing to work. He believes that if affluent society can live with relatively high levels of involuntary unemployment, the good society should not (Galbraith 1998, 1996).

Genesis and definition of the right to work

It is in the French Constitution of 1793 that the existence of such a thing as a human right to work, namely the right of an individual to a job that is freely chosen and allowing a dignified existence, is explicitly recognized (Harvey 2002; Tanghe

1989). Half a century later the discussions that accompanied the drafting of the French Constitution of 1848 are probably amongst the best documented debates on this matter, displaying passionate speeches of both the defenders and the detractors of the existence of a constitutional right to work (see Garnier 1848; Proudhon 1938). Before that, rather than a human right, work would most probably have been considered an outrage. Indeed, for the ancient Greeks as well as for the Romans, labour, even paid labour, was considered 'unfreedom' (Godelier 1986; Heilbronner 1988; Méda 1995), and therefore the idea of ensuring every individual access to a paying job would seem senseless at the very least. In the Middle Ages and until the Industrial Revolution, this association of work and deprivation of freedom is not as explicit, but the depreciating character of work persists. In the fifteenth century, to be enrolled in public works was a legal punishment (Tanghe 1989: 109) and in the seventeenth century, in order to oblige some of the poor people to work, the State was forced to intern them in concentration factories (Polanyi 1983). For a very long period of time, therefore, it seems that society demanded that people work more than people demanded a job from society.

This vision would soon change. Indeed, several arguments maintaining the right to work as a logical deduction of a worker's right to life in a capitalist society made their appearance. In a primitive society where there were no property rights and there was no division of labour, to have the right to live, that is to say to have access to the means necessary to support life, would mean the same as to have the right to hunt, to fish or to gather. Once social division of labour made its appearance, and therefore the subsistence mode of production was substituted by the first mercantile mode of production, access to the means necessary to support life implied earning an income. In this situation it is of the utmost importance that one should have access to the means of production, namely land. History followed its course and the means of production was progressively subjected to private appropriation and accumulation in the hands of a few, leaving the great majority of the population with no other alternative for obtaining an income than to sell their labour power. Therefore, in a society characterized by the wage relation, to live means to work.

The 1891 encyclical *Rerum Novarum*, in which Pope Leo XIII expresses his concern about the living conditions of the working classes, but also about the need to protect private property and to reject socialism, sets forth this argument in a claim for a right to work:

> The Preservation of life is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages.

Along with the recognition of the right to work as an interpretation of the right to live in an economy dominated by the capitalist mode of production, this citation also reflects the general view of the Catholic Church as far as the role of work is concerned. Work has always been glorified in the Christian tradition regardless of the

Catholic versus Protestant schism, partly because work fitted perfectly in the church's philosophy of submission regarding the poor, the humble attitude of the worker symbolizing the appropriate attitude for the servant of God (Heilbronner 1988: 88).

Thus, insofar as work in the capitalist mode of production has become the main means of acquiring an income, recognizing the right to live should be equivalent to recognizing the right to work (Méda 1995: 119). The right to work would be nothing but the metamorphosis of the primitive rights of hunting, fishing and gathering (Tanghe 1989: 166) resulting from the advent of capitalism, the fatal and necessary consequence of property (Proudhon 1938: 422). In this view the right to work is maintained, not on some kind of absolute and universal legitimacy to which human rights cannot aspire (Bobbio 1992: 19), but on the historical conditions that characterize the capitalist mode of production, and namely the intrinsic inequality before the right to live of the individuals involved in the wage relation.

The wage relation, in theory, confronts two individuals who stand as equals, one expressing supply and the other demand, in a market where labour is exchanged. In this commercial relationship each of the two parties is supposed to have the same need of each other in terms of asserting their right to live, each one being free to contract with the other. In reality, more than just a theoretical hypothesis, this is a myth. It is not difficult to understand that, as far as the struggle for life is concerned, one of the parties is strongly disadvantaged. Adam Smith, himself, recognizes this fact in the *Wealth of Nations*.

> A landlord, a farmer, a master manufacturer, a merchant, though they did not employ a single workman, could generally live a year or two upon the stocks which they have already acquired. Many workman could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate.
>
> (Smith 1776)

In the eighteenth century, in many European countries the main concern of the unemployed was not so much the shortage of jobs, however, as the role of corporations that limited access to those jobs. Therefore the first claims to a right to work represented a demand for the freedom to compete for jobs, and not so much a demand for the availability of jobs for all. Although they differ in substance, it seems that some of the arguments set forth are valid to legitimize both conceptions of the right to work. A liberal economist like Turgot, for example, criticizing the corporative labour market, says that:

> We owe to all our subjects the assurance of the full enjoyment of their rights; we owe this protection above all to this class of men who, having no property besides their work and their industry, are all the more in need and in right of work [...] since it is the only resource they have in order to subsist.
>
> (in Tanghe 1989)

The differences in the origins of unemployment cannot hide the fact that the problem for the worker is exactly the same; he cannot find a job. That this happens as a consequence of a shortage of jobs or as a consequence of overregulated job markets is of little importance to him in his quest for subsistence. The socialists in the nineteenth century, for example, also refer to this argument in order to justify their claim to a right to work, consisting now in the provision of jobs for all. In the discussions of the French constitution of 1848 Louis Blanc would state:

> Is it true or not that all men have a right to live from the day they were born? Is it true or not that if a few end up seizing all the instruments of work, getting hold of the power of working, the others will be condemned [...] either to be slaves of the former or to die? [...] Is it fair that, if all men have the right to live from the moment they were born, the power of realizing this right should be concentrated in the hands of a few.
>
> (in Tanghe 1989)

Therefore, on account of the inequality established in the capitalist system between the two contractors in the labour market, freedom to work, in other words freedom to engage in a contract, would appear to be somewhat meaningless without a right to work. In this sense, the right to work would stem not only from the natural right to live, but also from the particularities of historical development, in other words from the rise and consolidation of the capitalist system.

Although there are several references to the right to work from 1848 onwards (see Harvey 2002), such as the US Employment Act of 1946 for example, which established full employment as being a right guaranteed to the American people and gave the federal government a mandate to do everything in its authority to achieve it, it was not until 1948, when the discussion about universal human rights arose in the recently created United Nations Organization (UN), that the right to work achieved explicit general recognition as a human right. In article 23 of the Universal Declaration of Human Rights (UDHR) it is proclaimed that:

> 1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
>
> [...]
>
> 3. Everyone who works has the right to just and favourable remuneration ensuring himself and his family an existence worthy of human dignity, and supplemented if necessary by other means of social protection.

This proclamation clearly states not only that people have the right to a job but also to a decent job, and therefore ensuring the right to work and favouring any kind of job are not synonymous. Furthermore, people have the right to protection against unemployment, which should be understood as a set of mechanisms protecting an individual from becoming unemployed and not simply from the consequences of being unemployed. In other words, not only should one have the right to financial compensation for being out of a job, for example, but one should also be entitled to some kind of job security.

As seen in the first chapter, and despite the legal weight that it has assumed over the years, the Universal Declaration of Human Rights did not impose binding obligations on the governments of the signatory states. In order to allow individual countries to assume such obligations concerning the right to work, the international community designed the International Covenant on Economic, Social and Cultural Rights (ICESCR), which came into force in 1976, ten years after having been approved by the General Assembly of the United Nations. Concerning the right to work, the ICESCR proclaims the following:

> **Article 6**
> 1. The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.
>
> 2. The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.
>
> **Article 7**
> The State Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:
>
> (a) Remuneration which provides all workers, as a minimum, with:
>
> [. . .]
>
> (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant.

There are two main dimensions to the right to work in both the UDHR and the ICESCR. The first one is quantitative and maintains that the right to work means the existence of sufficient jobs for everyone, not only the right to compete on terms of equality for scarce employment opportunities (Harvey 2005: 9; Canotilho 1984: 35). It is not by accident that The United Nations Charter, drafted in 1945, proclaims in Article 55 that the United Nations shall promote 'Higher standards of living, full employment and conditions of economic and social progress and development'. The second dimension of the right to work is qualitative and regards those criteria that determine whether a particular job qualifies as decent work. These criteria sum up what could also be called the rights of an individual at work, and concern wages, working hours, working conditions, the right to join and form unions to protect one's interests, and so on. Different policies are usually demanded to secure each of these dimensions, and although trade-offs between them could be expected, ensuring the right to work should not tolerate them. That is why some public action aimed at just creating jobs may not qualify as a right-to-work securing policy if, for instance, it disregards rights at work.

The conflicting natures of economics and the right to work

For those members of the international community that have signed and ratified the proclamations described above, the process through which they were approved confers sufficient legitimacy upon the right to work, but given the highly political nature of this process it should not come as a surprise that, especially amongst economists, economic rights are seen at best as legal ornaments. Indeed, because many economists take work as a commodity and therefore as a variable submitted to the supposedly natural law of supply and demand, they tend to be suspicious of political processes, often taking them as illegitimate interferences within the economic realm. Besides this natural reaction of economics, there are several other reasons for mainstream economics to reject the right to work.

Before that, however, the argument will be made that mainstream economic theory could intellectually legitimize the right to work, and therefore could, and definitely should, take economic rights more seriously. The starting point for this argument is the universal acceptance of the right to live, not only in terms of legal protection from being murdered, but also in terms of access to the goods necessary to support life, and the perception that we are living in a merchant society, in other words in a society where the great majority of these goods are obtained through purchase. The second aspect of this argumentation rests on the assumption that the economic system in its effort to endure should be concerned with social sustainability, the right to work being one possible instrument of this sustainability.

Of the right to work as a counterpart of a moral obligation to work

The first argument for demonstrating the possibility of a mainstream legitimization of the right to work can be found within the basic ethics of its exchange theory. Although one of the central aspects of mainstream positivist economics is the fact that it is supposed to separate economic phenomena belonging to the scientific realm from those belonging to the moral realm, there is, indeed, an intrinsic moral code underlying every exchange process. This moral code tells us that in order to satisfy human wants one has an obligation to produce some effort, to consent to sacrifice. In a commercial society where human wants are met through the intermediation of money, the counterpart that the economic moral code demands from individuals is a certain amount of work, or any other socially useful activity, except in cases of incapacity caused by obvious misfortune. Even in so-called primitive societies, the absence of merchant exchange does not imply that wants can be met without any sort of recompense (see Mauss [1950] 1983).

There is, therefore, an obligation to work and by definition an obligation corresponds to a right. 'As well as there is no father without a son, there is no right without an obligation and vice versa', says Norberto Bobbio (1992: 80). The economic moral code presupposes, therefore, the existence of a right to work, in the same way that if there is a compulsory period of schooling for children of a certain age, none of them can be refused attendance at classes. If the argument that you cannot seat any more children in the classroom seems unacceptable as a means of rejecting a child, in the same way it would seem inconceivable to refuse a job to someone on the basis of the fact that there are no more jobs available. This right does not concern a particular job with a particular firm, however. In spite of this reservation, one must admit that a political economy that fails to allow its citizens to contribute to the commonwealth fails fundamentally.

Hopefully it will not be trying the reader's patience too much if a little more explanation is given to support the existence of the moral code described here. Mainstream economics is based on the assumption that every human being naturally responds in more or less the same way when facing decisions in the economic realm; its nature is built upon the utilitarian principle according to which human behaviour is directed towards obtaining pleasure and avoiding pain. The construction of this principle did not result from the systematic observation of human behaviour. It is most probable that it was developed through an effort of introspection (Brown 1972) which constitutes the closest approach to the scientific method of psychology available in the eighteenth century.

Although this conception of man was built upon strong convictions rather than upon rigorous research, these principles are confirmed by modern neurology. António Damásio says that pain and pleasure are the 'handles needed by the body to make the instinctive and the acquired strategies act effectively' (Damásio 1995: 266). He also stresses that pain acts to sound an alarm to put a human being on his guard, urging him to avoid its origin and to correct its consequences, operating as protection for his survival (Damásio 1995: 268). Human beings sometimes do this instinctively but they also have the ability to connect one idea to another and, therefore, to act rationally.

In this manner human beings, when behaving in the economic realm, are supposed either to look for the maximum of pleasure or the minimum of pain. They are supposed to do this by performing two different and alternative operations, either maximizing pleasure with a given amount of pain or minimizing pain with a given amount of pleasure. In each case, when the intensity of pain equals the pleasure received they have reached the maximum satisfaction possible, since any additional unit of pleasure would have to be obtained by enduring a higher level of pain; in other words the pain endured would be stronger than the pleasure received. It is important to stress that in economics pain is always present; there is no such thing as a maximization problem which does not involve pain. Therefore the search for utility, that is to say pleasure, in an exchange-based society implies the individual having to give up a socially equivalent amount of utility; in other words it implies an endurance of pain supposedly of the same value as the pleasure received.

Economic theory considers an exchange of pain with pleasure as normal, but not an exchange involving pleasure alone, or pain alone, for the same individual. There is a line in the film, *What's New Pussycat? (1965),* which explains this problem better than any handbook on economics. The character played by Woody Allen is sitting at the terrace of the Closerie des Lilas café in Paris and informs a friend, played by Peter O'Toole, that he has found a job dressing and undressing dancers at the famous night club, Crazy Horse Saloon. Very happy for him, Peter O'Toole asks 'how much is it a month?', and Woody Allen replies, let's say, '100 dollars a month'. Looking astonished Peter O'Toole exclaims 'that's not much!' and Woody Allen replies, begging for understanding, 'that's all I can afford!' The normal or moral utility, therefore, can only be obtained through some kind of sacrifice of a different sort of utility, in other words in exchange for a disutility.

Now, in mainstream economic theory, utility is obtained in the consumption sphere. Indeed, our needs and desires are satisfied through the destruction of the utility contained in the commodities we acquire. Logically, disutility should be endured in the opposite sphere, which is to say at work (Méda 1995; Perret 1995; Lane 1994). This principle, which considers work as disutility, and therefore as a counterpart of utility, is very clearly stated in Genesis 3.19 when it announces that 'you shall eat your bread in the sweat of your face', as much as in the modern accounting systems, where for each asset there is a corresponding liability (Lane 1994: 26). The conclusion is that, in order to enjoy the utility offered by the consumption of goods and services, one is obliged to endure a disutility, which is to work. The moral code of mainstream economic theory would therefore presuppose an obligation to work, thus recognizing implicitly the right to work.

Of the right to work as an instrument for social responsibility and sustainability

The second and last argument that can be used to favour the right to work in a mainstream perspective is based on the social utility of the existence of such a right. The first step in this argumentation demands the acceptance of the goodness of a free society, of the utility of individual free choice within the economic as well as the political realms. Indeed, a free society demands the participation of responsible individuals insofar as what is at stake in an election is precisely the accountability of the representatives before the electors on matters concerning the community. In other words an election is an exercise in responsibility. One cannot consider full political responsibility, however, without reciprocity or rather without the responsibility of both those who are elected and those who elect. That is why otherwise entitled citizens, unaccountable before the law such as those under age, cannot vote.

It can be argued, however, that work is a key element in conferring responsibility to citizens. Bernard Perret reminds us, for example, that at the time of giving a child a monthly allowance, every parent knows instinctively that it is dangerous to dissociate money from effort (Perret 1995: 106). Therefore, despite the fact that an individual may benefit from an unconditional basic income with the purpose of ensuring his or her right to live, it seems clear that the responsibility requirement turns the basic income's unconditional character into a problem for freedom. In other words, even if an unconditional basic income may insure the individual his right to live just as much as a wage, it nevertheless does not grant the same degree of responsibility. The right to live in a free society should demand, therefore, the right to work.

Furthermore, there is general agreement on the fact that unemployment is in many regards the cause of social harm. First, it is one of the major causes of poverty and is associated with a wide range of psychological and physical effects (see Harvey 2002) which together contribute to reducing the well-being of many. Second, unemployment is believed to be at the origin of increased criminal activity and other anti-social behaviour (see Fougère *et al.* 2006; Harvey, 2002). This last argument was also put forward in France in the nineteenth century by the utopian socialist Charles Fourier. According to him, if the proletarian does not manage to sell his labour power, he has no alternative but to starve or to engage in wrongful mendicancy (in Tanghe 1989: 166); he also said that the first task of politics was to find a new social order that would make proletarians prefer work to idleness and brigandage (in Harvey 2002: 391).

Thus, if society is concerned with its sustainability, in other words if it organizes itself in order to endure, it should be worried not only about the well-being of the people but also about preventing this well-being from being affected by anti-social forms of behaviour. These forms of behaviour can come not only from isolated individual acts, such as crime, but also from mass movements that can provoke serious disruption. The rise of fascism in pre-Second World War Europe, and some forms of terrorism, certainly found fertile ground in the social discontent provoked by mass unemployment. This was also the argument for passing the US Employment Act of 1946. In the aftermath of the Second World War, US congressmen believed that worldwide mass unemployment was responsible for the rise of Nazism and consequently for the war and the great melting away of prosperity which resulted from it (Santoni 1986: 5), not to mention the apocalyptical decimation of human resources. That is also the essence of French philosopher Henri Hude's argument. For him the free liberal society in which we live demands the realization of three conditions: the right to live, that is to say access to the means necessary to support life; the obligation to work, without which there is a risk of social irresponsibility; and the right to earn one's living, in other words the right to work (Hude 1994).

The basic contradiction between economics and the right to work

The first contradiction between economics and an individual's right to work regards the fact that, according to mainstream welfare economics, too much concern for rights could lead to the pursuit of policies that reduce rather than enhance human welfare and, in the particular case of unemployment, would end up boosting unemployment instead of creating jobs. The argument is based on the alleged perverse effects on welfare of pursuing notions of fairness (see Kaplow and Shavel 2003).

It could probably be possible to demonstrate that strict adherence to principles such as the right to work would have a perverse effect on the ability of society to provide everyone with a job, but the present chapter is not the place to analyse the perversity argument in depth. Nevertheless, it does call for a general comment as it constitutes an important pillar of what Albert Hirschman calls the rhetoric of reaction, a set of arguments regularly put forward since the nineteenth century to counteract social progress. The first argument of this rhetoric maintains that every action directed at improving a given aspect of the political, social and economic order ends up aggravating the very situation that it was supposed to correct; the second, that every attempt to transform the social order is vain, and the third, that the cost of these reforms is too high (Hirschman 1991).

In relation to the quantitative aspect of the right to work, the debate on employment policies is very animated and has not yet reached any unanimous conclusions as to which policies have contributed to creating jobs and which have not. But with respect to the qualitative aspects of the right to work, namely rights at work, validating the perversity argument would mean that legislative measures which have been implemented in many countries around the world should have worsened the working conditions of the population. In order for this perversity argument to be valid, one should consider that the implementation of measures concerning, for instance, equality in access to jobs would have rendered this access more unequal than before, paid vacations would have limited workers' leisure, and the protection of trade unions would have transformed union work into a much more dangerous activity. This argument seems frankly preposterous. Moreover, Albert O. Hirschman reminds us that in the nineteenth-century universal suffrage, which is one of the pillars of modern political rights, was also accused by many of having a perverse effect on democracy (Hirschman 1991).

Another sort of opposition of economics to the right to work stems from the presupposition that guaranteeing jobs for all would mean an intolerable confiscation of the right to property, an inviolable principle of mainstream economics. This position is actually extended to all economic, social and cultural rights. In Hillel Steiner's view, for instance, the only rational theory of rights is one that avoids conflict (Steiner 1994); consequently he only recognizes the right to property, since all economic, social and cultural rights would conflict with property. According to the liberals during the discussion of the French constitution of 1848, the State should be responsible for the eventual implementation of the right to work, and on account of the fact that the State did not have proper resources, the enforcement of the right to work would have to be done through taxation and inevitably proprietors would end up paying it (Tanghe 1989: 167). In this view, the right to work would be considered an amputation of the entrepreneur's income, and Pierre Joseph Proudhon himself says that, if profit becomes null, proprietors lose their interest in property, and if property is discouraged, property vanishes (Proudhon 1938: 431).

From this point of view the right to work would be an attack on property because it would diminish its profitability. As a matter of fact, many other constituents of the right to work have suffered the same accusation. In the nineteenth century the reduction of working hours, a qualitative aspect of the right to work, was attacked by Nassau Senior on the grounds that profit was obtained during the last hour of the working day and that any reduction in it would therefore end up suppressing profit (see Marx 1977). Slightly more recently, the employers' reaction to the introduction of paid holidays after the Front Populaire won the 1936 general election in France also brought in the argument of diminishing profitability. However, economic history has shown not only that general profitability did not suffer from the reduction of working hours and paid holidays, but also that new forms of property were developed as a result of increased leisure. This contradiction between the right to work and the right to property can be understood above all in the light of the conflict between capital and labour. The first aspect of this conflict concerns the contradiction between labour considered as a productive factor and labour taken as an end or an asset. The second aspect of this conflict regards the microeconomic and the macroeconomic role played by unemployment.

In the traditional economic system, labour is both a productive factor and an end. It is a productive factor in that, along with capital, it participates in the production of value, and it is an end in the sense that, in compliance with the moral code of economics, one has an obligation to work. On the one hand, in order to maximize social utility through consumption, society should aim to supply the largest number of jobs possible. On the other hand, in order to maximize their profits, firms have to focus on minimizing the use of productive factors, and therefore should aim at supplying the smallest number of jobs possible. There is, therefore, a conflict between utility from the workers' perspective and utility as seen by firms.

The second aspect concerns the role that unemployment has been called upon to play in order to regulate microeconomic and macroeconomic variables. The microeconomic aspect of this conflict concerns the fact that, for firms, unemployment is useful in attaining certain objectives. For a long time, unemployment and the spectrum of hunger have been seen as an explicit threat to workers in order to make them work harder and stay in line (see Linhart 2006; Méda 1995; Kalecki 1971). In this respect the recent model that attempts to explain unemployment as a result of what has been called efficiency wages is nothing but a modern version of unemployment as an instrument to promote worker discipline.

According to this theory, firms keep wages above market level because this would grant them cooperation from their employees and thus higher levels of productivity. In such circumstances unemployment would not only strengthen their employees' loyalty (the difference between being employed and unemployed in terms of income being much wider than if the employee were earning a competitive wage), but would also allow firms to lower their efficiency wages. Indeed, it appears that according to empirical studies wages tend to be lower in regions where the unemployment rate is high and vice versa, giving unemployment another important role in containing firms' costs (Borjas 2005: 504). In this case, if involuntary unemployment might appear to be a nuisance for workers, for firms, on the contrary, it can be considered a very productive device.

In a sort of extrapolation of this last role, from the micro level to the macro level, the famous Philips curve contended that there was a long term trade-off between inflation and unemployment. Some economists like Milton Friedman and Edmund Phelps contested the nature of that relationship, but not its principle, and considered that in the long run there seems to be an equilibrium unemployment rate, called Natural Rate of Unemployment (NRU), which persists regardless of the rate of inflation (Borjas 2005). The more modern version of the NRU takes a slightly different stand, considering the NRU an economic equilibrium that, if reached by the economy, allows inflation to remain constant (Devine 2004), or in other words a rate of unemployment where inflation does not accelerate, this being called the Non-Accelerating Inflation Rate of Unemployment (NAIRU).

In either version the principle is the same. Unemployment appears to be an instrument in controlling inflation, and full employment is no longer a goal. The trade-off between unemployment and inflation embodies, therefore, a conflict between labour and capital. Workers are interested in the lowest rate of unemployment possible and capitalists, on the other hand, are especially interested in the lowest rate of inflation possible. The Philips curve and the natural rate theory of unemployment, in either of its versions, therefore, become a clear theoretical and practical manifestation of the capital-versus-labour goal conflict, and more precisely the conflict between labour and financial capital, as inflation is primarily supposed to affect financial interests (see Kalecki 1971).

Stability of prices may be a strong preference, revealed eventually by a major part of the population, but it cannot aspire, in any respect, to the same status as a recognized human right. In this case it seems clear that within mainstream economics and public policy intervention, the preference for stable prices outweighs the human right to work. Take a very recent study by Samuel Bentolila, Juan Dolado and Juan Jimeno. These authors maintain that the striking decrease in unemployment without inflation that Spain has witnessed during the last decade is due to the immigration boom (Bentolila *et al.* 2007). In other words, the flattening of the Philips curve was essentially due to the fact that the bargaining power of immigrants is considerably lower than that of their Spanish colleagues for relieving the pressure that falling unemployment usually puts on wages. The flexible observance of the right to work becomes, then, a tool for reaching more highly ranked goals, such as inflation.

Writing about the foundation of human rights, Norberto Bobbio says that the origins of the right to work and the right to property are historically determined by the nature of the power relationships that characterized the societies in the midst of which these claims were made. In a society where only proprietors had active citizenship, it seemed obvious that the right to property should be taken as a fundamental right, and in the same way, as industrialization developed and workers' movements made their appearance, it became obvious that the right to work should be considered a fundamental right (Bobbio 1992: 77).

If, on the one hand, the fact that after the Great Depression of the 1930s and up until the 1980s priority was given to fighting unemployment could in part be the manifestation of a shift in democracy, namely from a proprietor's democracy towards a worker's democracy (see Pinilla 1989: 61), then, on the other hand, the fact that fighting inflation appears nowadays to be more important in public policy suggests that the weights on the scales have been reversed. Incidentally, the fact that economic literature has never talked about such a thing as a Non-Accelerating Unemployment Rate of Inflation (NAURI) is quite revealing as to which of the conflicting sides has captivated the most interest from economic research. Not only has capital, and especially financial capital, recovered its supremacy, but economic orthodoxy has also produced a discourse conveying the idea that labour rights clash with what has generally been called economic freedom and that, by outstripping its status as a mere clause for the efficiency of a particular regulatory system, freedom of the market has been upgraded to a fundamental right in the language produced by this same orthodoxy (see Cunha 1998).

Corporations: labour consumers or labour predators

In mainstream economics, corporations are supposed to pursue exclusively microeconomic objectives, namely efficiency. In other words, corporations should not be concerned with unemployment. More recently, under pressure from consumers and perhaps responding to a sense of ethical vacuity felt in their activity, corporations have been progressively incorporating into their utility function what has been called Corporate Social Responsibility (CSR) (see Chauveau and Rosé 2003). This means that rights should be getting more attention from corporations aspiring to be taken as socially responsible.

The introduction of the concept of stakeholders, that is to say individuals and communities affected by corporate decisions, also operates a shift in the usual perception of the enforcement of economic rights in general (Hertel 2003), and the right to work in particular. By considering workers, including the unemployed, as stakeholders, it cannot then be said that firms remain accountable to shareholders alone. Therefore, acknowledging that the majority of jobs are supplied by firms, it does not seem proper to sustain the argument that securing the right to work, or fighting unemployment, does not somehow concern firms.

Despite this ethical revival, so-called corporate rational economic behaviour can be intrinsically contradictory with the right to work. In other words, in looking to maximize their utility, corporations can cause unemployment and therefore damage to the right to work. What kinds of behaviour come under this category? Any sort of damage to employment cannot be considered, in the short term, to be contradictory with the right to work. There is damage to employment that can be considered normal, even desirable. It is historically proven that agricultural development was accompanied by a progressive, yet significant, decrease in the active population working in agriculture. In the first stage, unemployment was indeed generated, but it would be improper to qualify this process as an attempt against the right to work.

This decrease in agricultural employment was actually a fundamental step in the development process (see Clark 1988) that very few economists refute, even within radical schools. Indeed, in a second stage, productivity gains allowed not only new jobs to be created in other sectors but also higher wages, which substantially and unequivocally contributed to promoting social goals that later on were to be called economic and social rights. This process is painful, though, because it is lasting and not uniform. That is why the expression 'destructive creation' imagined by Joseph Schumpeter ([1942] 1971) fits the process so well.

Nevertheless, many job losses cannot be included in this creative destruction process so easily, if at all. In what became since then known as the Schmidt theorem, former German Chancellor Helmut Schmidt maintained in 1976 that today's profits were tomorrow's investments and these the day after tomorrow's jobs (Le Monde 6 July 1976). In other words, the former German leader was supporting the idea according to which short term corporate competitiveness guarantees employment in the long run. The therapeutics should, consequently, be prescribed accordingly. Any corporate behaviour pursuing corporate profitability, such as downsizing for instance, in other words a substantial reduction in a company's employment level, should, therefore be welcome in order to promote employment. CBS News on 26 December 1995, reported the following:

> Businessmen manage companies by being exclusively concerned with their shareholders: it is necessary to increase profitability. The easiest means? Suppressing thousands of jobs. Some examples: 3M […] announces 5000 layoffs; shares go up 2.68 dollars, which increases the company's value by more than one billion dollars.
>
> (in Le Monde Diplomatique February 1996)

Despite the common sense in which some would like us to believe, this sort of behaviour can hardly constitute an example of an action aimed at boosting employment. Furthermore, it is doubtful that even the short term objectives of this strategy may have been achieved. Indeed, a report from Mercer Managing Consulting shows that only 27 per cent of the 131 companies that had carried out downsizing ended up expanding their activities and their profits later on (Le Monde Diplomatique January 1997). These radical examples do not represent all job losses, obviously, but it raises a question as to how to determine a priori which are the good and which are the bad cuts in employment.

What does securing the right to work mean?

In this respect a line must be drawn between the quantitative and the qualitative aspects of the right to work. As regards the qualitative aspect of the right to work, in other words rights at work, their enforcement is facilitated since they are more easily defined and justiciable. Equality in access to work, for example, can be enforced through legislative measures, and the prevaricators can be taken to court; the same can happen if a firm is not paying sufficient wages when laws determine the existence of a minimum wage. It is much more complicated as far as the quantitative aspect of the right to work is concerned, however.

In different institutional texts, including the UDHR, it appears that to secure the quantitative aspect of the right to work means to ensure full employment. What does full employment consist of, then? The only true consensus on this matter concerns the fact that full employment should be different from zero unemployment, frictional unemployment having to be accepted because it is not prejudicial to society, but quite the contrary. By reason of this inconclusiveness one has to resort to some sort of a second-best consensus which would establish full employment at around a 2 per cent rate of unemployment (see Harvey 2002). From this standpoint an analysis of historic figures can but show that, since the proclamation of the right to work within the ICESCR in 1966, unemployment rates seldom got close to the figure of 2 per cent, even during periods of rapid economic expansion. Table 2.1 is very enlightening regarding the feeble commitment of the richest countries in the world to the right to work.

If securing the right to work means ensuring full employment, then action has to concentrate on creating sufficient jobs to satisfy the jobs-for-all purpose, in other words on filling the jobs gap. Nevertheless, as we have warned in the beginning of this chapter, not all job-creation mechanisms qualify for right-to-work securing policies. What demands should such policies meet, then? One can argue the existence of four major requirements, the first being that policies must contribute to filling the job gap; the second, that they should not jeopardize other requirements of the right to work, namely rights at work; the third, that the jobs to be created should be productive and not just occupational (see article 6.2. of the ICESCR); and finally, that the burden of securing the right to work should be equitably distributed amongst the members of society, in other words that there should be corporate and State co-responsibility.

Employment policies and the right to work

Although it can be maintained that corporate and State co-responsibility is needed to secure the right to work, one must recognize that the State should be mainly responsible for this process, not only because of the policy instruments it holds, but also on account of the fact that, as we have seen before when discussing justiciability and responsibility, ensuring the quantitative aspect of the right to work requires mainly political responsibility, in other words State accountability. What should its behaviour be, then? This is a crucial question, though not an easy one to answer. Indeed, according to Norberto Bobbio, the problem with human rights today and economic and social rights in particular, is not so much their legitimacy, since it is usually easy to obtain general agreement on their proposition, but actually the methods required for their enforcement (Bobbio 1992: 24).

In this case, should securing the right to work imply the State being obliged to supply an amount of jobs equal to the difference between the number of jobs that the economy autonomously requires, at a given moment in time, and the number of jobs necessary to employ every citizen capable of and willing to work? Should it just mean that the State, being given instruments of policy, should use them in order to promote the private supply of sufficient jobs in the economy? Finally,

Table 2.1 Unemployment: standardized rate as percentage of active population

	1960–1964	1965–1972	1973–1979	1980–1987	1988–1995	1996–1999	2000–2006
Australia	2.5	1.9	4.6	7.7	8.7	7.8	5.8
Austria	1.6	1.4	1.4	3.1	3.6	4.3	4.3
Belgium	2.3	2.3	5.8	11.2	8.4	9.2	7.7
Canada	5.5	4.7	6.9	9.7	9.5	8.7	7.0
Denmark	2.2	1.7	4.1	7.0	8.1	5.3	4.7
Finland	1.4	2.4	4.1	5.1	9.9	12.2	8.8
France	1.5	2.3	4.3	8.9	10.5	11.9	9.2
Germany *	0.8	0.8	2.9	6.1	5.6	7.1	8.9
Ireland	5.1	5.3	7.3	13.8	14.7	8.9	4.4
Italy	3.5	4.2	4.5	6.7	8.1	9.9	8.4
Japan	1.4	1.3	1.8	2.5	2.5	3.9	4.8
Netherlands	0.9	1.7	4.7	10.0	7.2	4.7	3.5
New Zealand	0.0	0.3	0.7	4.7	8.1	6.8	4.6
Norway	2.2	1.7	1.8	2.4	5.2	3.9	3.9
Portugal	2.3	2.5	5.5	7.8	5.4	5.9	5.9
Spain	2.4	2.7	4.9	17.6	19.6	19.4	10.3
Sweden	1.2	1.6	1.6	2.3	5.1	8.7	5.9
Switzerland	0.2	0.0	0.8	1.8	2.8	3.7	3.6
United Kingdom	2.6	3.1	4.8	10.5	8.8	6.9	5.0
United States	5.5	4.3	6.4	7.6	6.1	4.8	5.1

Sources: Nickel *et al.* (2005) for data before 2000, and OECD (2007) for data after 2000.

Note
* Before 2000, data only concerns that part of Germany known as Western Germany before 1990.

should securing the right to work mean that the State could legally force firms to create jobs against their will? In Portugal, for instance, in the aftermath of the revolution of 25 April 1974, some large farms in the southern part of the country were obliged to hire workers, based on the perception that according to technical criteria, such as the extent of the arable surface and factor productivity, it was economically both possible and desirable for the farm to support a larger workforce (Branco 1988). Nevertheless, it is apparently no easy matter to determine the criteria sustaining the State's decision for each and every economic activity, which leads us to consider that this kind of policy for securing the right to work cannot be generalized. Direct job creation by the State, and various sorts of incentives for job creation by the private sector should therefore be the only policies left.

The next step towards designing right-to-work securing policies is to determine the causes of unemployment, taking for granted that if one attacks the source of unemployment one can solve the problem. Literature on labour economics displays an immense variety of causes of unemployment. Those most often mentioned are overregulated labour markets characterized by rigid wages, weak mobility and excessive job protection legislation, overgenerous social protection schemes for the unemployed, a mismatch of supply and demand in the labour market, and feeble economic growth rates.

Based on these assumptions, major employment policies therefore concentrate on deregulating the labour market, assuming direct job creation by the State or stimulating job creation from corporations, educating the workforce, or reshaping the work load. In the following paragraphs, some of these policies will be scrutinized in the light of right-to-work requirements. Please keep in mind, though, that the issue here will not be so much the effectiveness of these policies in creating jobs, since there is no consensus on the empirical findings concerning that subject, but mainly the ability of such policies to meet the other demands of the right to work.

Labour market deregulation policies

This review will start by scrutinizing labour market deregulation policies. Under the label of labour market deregulation there are many policies to be found. Amongst the most important of these should be highlighted the reduction of trade union influence, the introduction of wage flexibility (in most cases questioning the existence of minimum wages), and the reduction of job protection mechanisms. Excessive job protection allegedly discourages job creation based on the assumption that creating a job in a relatively warm period of the economy can become a liability as the firm will not be able to suppress it when, on the contrary, the economy cools off. Wage rigidity is considered an obstacle to the adjustment of demand for labour, preventing firms from creating jobs at a lower wage than the legal minimum. Trade unions, in turn, are supposed to be responsible for wage rigidity and excessive job protection.

In the light of right-to-work policies, these kinds of measures pose a clear threat to its qualitative aspects, and therefore, should not qualify as right-to-work securing policies. Wage flexibility has been accused of being partly responsible for the significance of the working poor phenomenon (European Commission 1994: 153), which is to say people that, despite being employed, do not manage to enjoy a decent standard of living. This status concerns about 6 per cent to 8 per cent of the workers in the European Union of 15 members, and 10 per cent in the United States (Lefresne 2006). In turn, job protection softening is responsible for what has been called job precariousness (see Lefresne 2006; Boltanski and Chiapello 1999), which prevents many workers from enjoying regular working rights and benefits, such as the right to go on strike or to be given paid holidays (see Articles 7 (d) and 8 (d) of the ICESCR).

The progressive irrelevancy of the modern work contract is particularly alarming in this sense. Before the existence of a work contract, it was the task rather than the work that was being paid for, which placed the worker in a weaker position in the bargaining process. The work contract, on the other hand, introduced two fundamental elements in a rights-at-work securing vision; it introduced rights and duties, and thus promoted equality of the intervening parts in the labour transaction, and brought true recognition for the entity of the worker, thereby acknowledging the worker as a central player in modern society (Méda 1999). After all, reducing trade union influence is clearly contrary to the text of the ICESCR, which specifically recognizes the right to form trade unions and to join the trade union of one's choice. In conclusion, creating jobs under these circumstances can scarcely qualify as right-to-work securing policies.

Attached to labour market deregulation policies one can very often find reforms in the unemployment benefits system as a set of measures supposed to favour employment. It is said that overgenerous benefits, like high replacement ratios and long duration of benefits, can reduce both the intensity of job search and geographical mobility, and so be a cause of unemployment (Borjas 2005; Shackleton 1998). Reducing these benefits would, then, stimulate unemployed workers to accept more easily jobs that they would otherwise refuse. The first comment that these policies suggest is that it seems very clear they do not aim to fill the jobs gap. These measures tend to push unemployed workers to accept the jobs that are available, but do not stimulate the availability of more jobs. In response to this objection, the advocates of benefit tightening argue that overgenerous benefits happen to push up real wages as, in order to rescue jobless workers from the delights of unemployment, real wages in the job market have to be substantially higher than benefits (OECD 2006). Therefore, overgenerous benefits push up wages and consequently restrain demand for work, in other words job creation. Argued in this manner, benefit tightening policies, consequently, fall into the same group as wage flexibility, thereby receiving the same criticism.

The second comment concerns the philosophy underlying these measures. By concentrating efforts on reducing unemployment benefits, what society is telling the unemployed is, on the one hand, that they are the ones who are mainly responsible for their situation (see Forrester 1996) and, on the other hand, that the only solution to force them to work is by threatening them with misery, a pre-industrial workfare scheme revisited. Now, this is exactly what was meant to be avoided in the right to work proclamations in stating 'the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts'. Is someone acting freely when taking an unwanted job because his or her unemployment benefits have been withdrawn?

Active policies of job creation

Active policies of job creation can be divided in two large groups, the first consisting of direct job creation by the State, and the second of indirect job creation by this same State through the use of incentives to boost the private sector's demand for work. If one leaves aside those jobs that naturally result from State activity, the first kind of job creation falls into the group of the so-called State as employer of last resort (Méda 1995; Tanghe 1989; Harvey 1999), in other words the State as being directly responsible for closing the jobs gap.

Despite the presumed effectiveness of this policy, one cannot deduce that it is a right-to-work securing policy in the sense that it does not meet some of the demands that have been considered here previously. First of all it would place the burden of the right to work exclusively on the State. The second objection concerns the type of jobs the State would create. If these jobs are created in order to deliver public goods, one ought to ask why they have not been supplied before based on the need for these goods, and not just on the need to create jobs. If these jobs are located out of the public goods sphere and are supposed to meet the needs of the consumers of private goods, one ought to question the reasons for not having seen them supplied by private economic agents, and therefore one should also question the nature of an economic system that leaves an important section of the population's needs unsatisfied. If these jobs do not correspond to any of the profiles, if they do not add utility, then one should ask why people might waste any time doing useless work. If necessary, let us remember that in the right-to-work proclamations it is stated that, in order to ensure the right to work, the State Parties should 'achieve steady economic, social and cultural development and full and productive employment', not thereby considering what could be called occupational jobs.

Another set of policies often proposed, although only implemented in a sort of positive-discriminative fashion as alternative or complementary, is the use of wage subsidies and tax cuts to reward each new job created. Once again, what seems to be a good idea might not be so. On the one hand, there are some doubts concerning the effectiveness of these measures on account of the frequent substitution effects that have been noticed – in other words, some firms, in order to benefit from these subsidies or tax cuts, hire workers to replace other workers previously laid off (Le Goff 1996). On the other hand, it is a step towards the externalization of a social cost by firms, in the sense that they may benefit from subsidies or tax cuts for jobs that they had to create anyway, thus receiving an unjustified bonus. Indeed, this set of policies can produce a windfall effect allowing firms to transform social costs into private benefits and thereby unduly overcharge the public treasury.

In France, for example, the amount of subsidies distributed to firms on the basis of joblessness amounted to 24.5 billion euros (some 31.7 billion US dollars) in 2004, representing a multiplication factor of 40 since 1973 (Lefresne 2006). In France, again in 2004, some 8.5 million workers saw their wages complemented by State subsidies and, far from reducing the unemployment rate, this measure above all allowed firms to exempt themselves from paying decent wages (Lefresne 2006). The famous Speenhamland edict of 1795 (see Polanyi 1983) also granted English rural workers a wage complement that was justified by the need of the State to secure the poor people's right to live. This intervention had the same perverse effect already seen above. Landowners seized the opportunity to reduce wages, making undue profit as these cuts largely compensated for the taxes they had to pay in order for the State to finance the grants (Tanghe 1989: 191) In addition, the small farmers who did not hire workers also had to pay the tax but, unlike large farmers, could not find compensation for higher costs in lower wages. Furthermore, very small farmers who used to work for wages for the large farmers in order to complement their income also had to pay the tax, but could not benefit from the grant because they owned land (Tanghe 1989: 191). Thus, with the Speenhamland edict, the bottom of the social scale in rural areas was burdened more than the top and collected fewer benefits. This is a very good example of how the poor frequently end up paying for policies that are supposed to benefit them, and into the bargain contribute to raising the profits of the rich.

We could, then, be facing an unfair socialization of prejudice and a privatisation of profit as an excuse for fighting against the lack of work. The externalization of social costs by the private sector promoted by these active policies of job creation is all the more intolerable as the tax burden weighs mainly on labour income (see Branco 1998; Gorz 1997), thus implying a growing inequality of income distribution between labour and capital. The largest share of responsibility in fighting the persisting high levels of joblessness would therefore be imputable to those who have a job, a policy consistent with another brilliant idea which maintains that the fiercest enemies of the unemployed would be the employed themselves, a theory also known as the 'insider/outsider' conflict.

Reshaping the work load

Under the designation of reshaping the work load, two substantially different sets of measures will be presented. The first one concerns reducing labour supply, in other words the permanent or temporary early retirement of workers from the labour market, and the second refers to work sharing, or rather to work-time redistribution. None of these policies are intended to create more jobs, in the sense that they would increase the total amount of work demanded by the economy. They operate the other way around. Reducing the labour supply is one very obvious way of filling the jobs gap, even if it does not mean more jobs available but just fewer people willing to work. Indeed, it is quite simple to understand that if labour supply is reduced, all things remaining equal, unemployment will decrease. Sharing work time is, in turn, supposed to create more jobs because the amount of work already in demand would end up being shared by more people, that is to say, by more jobs.

At first view, distributing subsidies in order to convince people to withdraw from the job market either temporarily or definitively does not seem to undermine the right to work ideal and, furthermore, appears to have many positive aspects. It allows people to concentrate on activities they would not otherwise have been able to engage in and to which they attach great value, such as bringing up children or taking care of the elderly, for example. One should be cautious of eventual perverse effects that may arise, however. Early retirement incentives may put excessive pressure on eligible workers who nevertheless prefer to stay in the labour market, and contributes to the development of an age stigma. Temporary retirement with the intention of favouring families that have young children, for example, can also be transformed into an instrument of gender discrimination, as it may push women in particular out of the labour market.

The starting point regarding work sharing as a means to filling the jobs gap and securing the right to work is the observation that for quite some time now it seems that there are not enough jobs available to satisfy everyone's right to work. Economic growth could theoretically expand the demand for work. However, not only are there doubts about the sustainability of growth in the long run (see Daly 1997; Goodland 1997), but also the ability of this same growth to increase the amount of work to be done, in other words to create new jobs, has not been unequivocally demonstrated. The fact that in France, between 1970 and 1992, there was a 70 per cent increase in total output and only 6 per cent in employment (European Commission 1994: 149) is a good example of the nonexistence of a tight relationship between growth and jobs. Redistributing work time by reducing work hours could, then, seem the only instrument available to reduce the job gap. French economist René Passet (2000: 249) states that, since the end of the nineteenth century, job creation in France has actually been the outcome of working time reduction, not of economic growth. Here, between 1949 and 1991, the truly active population rose by 16.5 per cent from 19.074 million to 22.204 million people (Maréchal 1999: 203). However, according to Marcel Maréchal, these 3.13 million jobs were mainly created thanks to the reduction in the average annual working time per worker, which in the same period decreased from 1,952 to 1,537 hours, confirming, as a matter of fact, an historical trend, as in 1837 the average annual work time amounted to 3,041 hours (Maréchal 1999: 203–205).

The concept of job sharing needs to be specified in order to avoid some objections due to misunderstandings, however. Job sharing considered as an instrument of securing the right to work should not by any means concern a mechanism within which employed workers come to share their meagre wage with the unemployed through the implementation of involuntary part-time jobs. This constitutes a softer version of technical unemployment, frequently used by various firms in order to reduce the global wage burden. In this view, work redistribution has to be understood in terms of a broader redistribution of wealth, and this should concern the whole of society. The former way of understanding work sharing means that the redistribution of wealth would be done through wages alone, and this is contrary to the idea that the burden of right-to-work securing policies should be equitably distributed. Work-sharing experiences that have been implemented within this philosophy have mainly resulted in lower wages and job precariousness (Collin 1997: 96–98), not qualifying, however, as right-to-work securing policies even if the jobs gap has apparently been reduced.

Work-sharing that meets the demands for right to work securing policies implies a reduction in working hours without a reduction in wages, which means that income redistribution is not accomplished solely within wages but within overall income, including income from capital therefore. In doing so, work sharing meets its major obstacle, which is the capital-versus-labour conflict concerning the distribution of income, or in other words the conflict between wages and rents. It does not seem probable, then, that this distribution of income will be accepted without significant transformations in the political and economic systems. Therefore, securing the right to work through work-sharing schemes within the prevailing system, or at least respecting its essence, will not be easy to implement without some kind of broad agreement between the State and the corporate sector.

Employment and dignified work

Before ending this chapter some reference has to be made to the issue of dignified work, one of the requirements for jobs to qualify as right-to-work securing outcomes. Indeed, if major employment policies have been scrutinized in the previous paragraphs, nothing has yet been said about the nature of jobs to be created, beyond some vague references to the need for wages to be sufficient to ensure a dignifying life for workers and their families. In abstract terms, this reference may be considered enough to convey the idea of a dignifying life; in concrete terms, though, some categories of jobs can legitimately raise questions. Indeed, in spite of the fact that certain jobs meet all the demands of rights at work, society can question their pertinence as human rights. Take the case of jobs created in the security sector, be it prison guards or bodyguards. The reason for this query lies in the fact that it is hard to dissociate the notions of human rights and human progress. Indeed, one can hardly associate the need for protection in response to a violent society as a symptom of human progress. Let us not be fooled, a society that demands more and more people employed in security is not a more secure society. Likewise, a society that needs to employ more workers in environmental regeneration is not necessarily a society in which people enjoy a better environment, nor is a society that demands more doctors and more hospital beds a society in which people enjoy better health.

Furthermore, guaranteeing a job to everyone does not seem sufficient to ensure that society does not slide into a dual labour market, in other words into the so-called two-tier society. Bernard Perret maintains that in today's labour market, stemming from the technological and organizational revolution, work will become more qualified on average, but inevitably a substantial and perhaps growing part of the jobs created will concern relatively unpleasant and poorly qualified tasks, incorporating little or no technical progress. In the current framework of global competition this sort of job would actually present the advantage of being more lasting, because by incorporating hardly any technical progress they would be less subject to labour capital substitution, and thus less exposed to delocalization because they would be more protected from international competition.

What kind of tasks are these? Bernard Perret himself puts forward some hypotheses: maintenance and cleaning tasks, changing a broken window, cleaning offices at night, helping the elderly and infirm in their daily hygiene, ironing shirt collars, changing the bed sheets in hotels, removing graffiti from walls, cleaning pavements of dog droppings or cleaning polluted beaches (Perret 1995: 113). A quarter of a century ago François Perroux maintained that, within a development process, human resources had serious chances of improving in quantity and in quality. He added that:

> As it becomes more powerful and more complex, the social and economic system supplies economic and intellectual products in greater number and more sophisticated forms. In order to obtain them, more qualified agents are needed. On the other hand customers become more demanding regarding volume and quality. From this follows a cumulative process in which men are drawn by the system and the system by men.
>
> (Perroux 1981: 51)

One is strongly inclined to believe that this labour refinement, which will allegedly characterize tomorrow's society, will only concern part of the population, the other being relegated to what Perret calls the shadowy zones of highly competitive systems. Perroux himself declares that the improvement in human resources is only hypothetical, as it is perfectly possible that the process he describes concentrates, condenses and converges on only one part of the population (Perroux 1981: 51).

On the other hand, on account of the likely weak productivity of an activity incorporating little or no technical progress, wages in these sectors will hardly be able to follow those in the more competitive sectors, which will contribute to sharpening income inequality. As a matter of fact, an income gap is necessary for some of these service jobs to survive because, if one hour of a poorly qualified job that is within the reach of everybody were paid at the same level as a more qualified job, there would be no reason for them to be introduced into the job market. That is why André Gorz speaks of the new valets of the wage society (Gorz 1993). In order to avoid these wage discrepancies one could be tempted to index wages in these sectors to those of more competitive sectors, but that would create a gap between overall productivity growth and income evolution, responsible for encouraging inflationary tensions.

The logical outcome of this process is social dualism, which was also the corollary of the introduction of more flexibility in the labour market. Yet another spectre haunts developed societies, wasting qualified human resources and the consequent frustration of individual and collective projects. Indeed, the education system will certainly continue to discharge more and more qualified individuals into the labour market, who as a result of the growing mismatch between demand and supply of labour will be forced to remain unemployed or accept jobs for which they are manifestly overqualified. This waste and this frustration will certainly contribute to accelerating the corrosion process of the social structure already undertaken by mass unemployment.

Economics for the right to work

Despite the factual disrespect for the right to work, none of the signatory states of human rights proclamations dare to set aside the rambling discourse on the struggle against unemployment. As a result, one is constantly confronted with new and imaginative instruments designed by the policy makers in order to fight joblessness. When it comes to finding a solution to what John Maynard Keynes called capitalism's major vice, why then are we experiencing this feeling of powerlessness? The purpose of this chapter was not to discover new policies aimed at the creation of jobs, but to compare and contrast employment and human rights discourses. Nevertheless, being conscious that a paradigmatic analysis without any policy-oriented reflection might be considered intellectually vain, the following concluding remarks will focus on the general attributes of new right-to-work enforcement policies.

First of all it seems quite natural that an economy which does not aim at full employment can only expect to reach it through the art of magic, in other words by some sort of supernatural trickle-down effect which takes full employment as the by-product of the attainment of higher ranked goals, such as perfect markets. But magic is no longer what it used to be, and therefore it seems also quite clear that, in fighting unemployment, mainstream economics happens to be not only shooting in the wrong direction, but also causing excessive collateral damage. Indeed, we have seen that under the cover of employment policies, in other words wannabe right-to-work policies, one can frequently end up facing as many attacks on this same right to work. Misstatements are countless.

The first misstatement concerns the fact that promoting the right to work is not a synonym for fighting the unemployment rate. It is quite noticeable that, in this past decade, many countries have substantially reduced their unemployment rate, but one can count on one's fingers those that have done so without seriously questioning the qualitative aspects of the right to work, either by reducing the standard of living of the working classes, or by depriving them of many of the universally proclaimed rights at work. Flexible, that is to say lower wages, involuntary part time jobs, erosion of unemployment benefits, trade union irrelevancy, are some of the many schemes that, regardless of their effectiveness in reducing unemployment, can hardly qualify as right-to-work policies.

Second, promoting the right to work is not so much about work as about people. Now, by taking humans as a resource like any other, economics can only rationally aim at saving work, in other words involving the fewest people possible in the process of producing wealth. In rights language, individuals are not resources holding productive specifications, but citizens holding rights. Therefore, there seems to be a contradiction between the purposes of providing everyone with work and effectively managing the human resource. While trying to demonstrate the importance of culture in economic performance, a recent study perfectly illustrated this confusion.

The study compared the behaviours of two farming communities in Illinois, USA. The allegedly poorer economic performing farmers, descended from German Catholic immigrants, seldom sold their land, and used labour intensive technologies in order to employ all members of the family. On the other hand, the better performing Protestant farmers, originally from other states of the Union, sold their land more often, and used less labour intensive technologies (Guizo *et al.* 2006: 25). While trying to show that culture matters in economic performance, what these researchers ended up doing was plainly asserting that, for mainstream economics, providing jobs to the community is not that valuable a goal as far as economic performance goes.

The third misstatement concerns the fact that the State is traditionally supposed to hold exclusive responsibility for implementing economic rights-promoting policies. In the wake of the progressive irrelevancy of the State in economic affairs, the main consequence of this equivoque is the progressive irrelevancy of economic rights, and therefore of the right to work. Under these conditions, if one should have few expectations about the State's ability to secure the right to work, clearly one should expect the right to work to be even less secure under decentralized decisions made by the market alone. Economic rights, unlike rights of freedom, require centralized intervention which in today's global world demands global responsibility. In other words, right-to-work enforcement policies should be designed neither for nor against the market, but with the market and for the people.

The last misstatement addressed here concerns the fact that economics does not seem to be at the service of the people anymore, but on the contrary, people seem to be at the service of economics. By insisting on labour market deregulation policies that have impoverished many workers throughout the world, such as constricting unemployment benefits, despite its efficacy not having been empirically demonstrated (see Altman 2004), policy makers do not seem to be aiming to create employment but simply to obtain labour market deregulation. Thus, instead of merely being an instrument of procuring economic efficiency, labour market deregulation has patently been upgraded to a goal of economic and social policy.

The question one should ask about human rights and the economy is not so much whether human rights, like the right to work, are good or bad for the economy, but what are the necessary arrangements the economy should make as a consequence of choosing to pursue the goal of human rights. Evidently, promoting human rights has a cost, but is that not a constant of every choice? Therefore, if it is impossible to respect the human right to work in a given set of economic rules, one should not necessarily give up on human rights, but rather enrich the system and change its rules. It is by doing so that, instead of subjecting people to its specific purposes, economics will fulfil its real duty which is to pursue people's proclaimed goals.

3 Economics versus the provision of goods and services as human rights

When we critically referred to the distinction between negative and positive rights in Chapter 1, we said that only very few rights could be ensured by refraining from interfering with individual action. Indeed, the great majority of rights, the so-called negative as much as the so-called positive, demand the affirmative action of providing goods and services, which also means the full participation of economics. It is quite obvious that ensuring many human rights, most especially economic, social and cultural rights, demands the production of both tangible objects, like houses, and intangible services like justice or social security. As with every human right, this provision of goods and services raises the questions of how and by whom should these goods and services be produced, and also how should they be distributed within the community. As one would expect, the answer to these questions differs according to which goods and services we are talking about. Some general questions apply to all, however.

In the first place, one must stress the normative character of this particular sort of production. Indeed, to produce goods and services in order to satisfy a consumer's viable demand is one thing; to produce these exact same goods and services in order to satisfy a citizen's request is quite another. The tension lies precisely along the line that separates these two different manifestations of an individual need; the former, of an economic and therefore private nature, and the latter, of a political and therefore public nature. For this reason market and State responsibility in providing goods and services as human rights will be the main subject examined here. Water and social security will be taken as examples of goods and services that need to be provided in order to ensure human rights and therefore the issue this chapter wishes to address concerns the conflicting role played by mainstream economics discourse in the unequal assertion of every person's human right to clean water and social security.

Economics versus the right to water

Water is at the origin of life on earth, no organism can live without water under any of its forms; as a matter of fact all living beings, humans included, live in an aqueous environment. For a long time water was considered an element and it was only in the eighteenth century with the works of Henry Cavendish that it was demonstrated that water consisted, after all, of a combination of two atoms of hydrogen and one of oxygen. Two centuries later, as a result of the development of research in social sciences, other structures of water have been revealed. Indeed, water also happens to be an economic, social and cultural good, and, if it alone mattered, all there is left to discover would be the exact proportion of each of its constituent parts, which could be used as a good intended to satisfy the ever-growing range of human needs.

Despite water being essential to human life in its many dimensions, access to it is far from being guaranteed to everybody and, amidst those communities which benefit from this access, water is also far from being distributed equitably. The World Health Organization believes that more than a billion people are deprived of basic access to water (WHO 2001:1). The United Nations Organization, in its turn, estimates that about 2.3 billion people suffer from diseases connected to water, in other words to both its shortage and poor quality (UN 1997: 39).

Water being essential to human survival, a humane political economy, in other words a political economy directed at satisfying basic human needs, should be especially concerned with the issue of water availability and distribution. As far as the satisfaction of basic needs is concerned, one could fairly safely state that it is relatively easy and cheap to provide access to water for everybody. The 2006 Human Development Report even states that the direct and indirect costs of keeping the current deficit of safe water provision in developing countries represent nine times the cost of providing universal coverage (UNDP 2006: 42). Why is there such inequality in its distribution then? In many developing countries where access to water is guaranteed, inequality prevails through pricing for instance. Indeed, it appears that poorer households often pay more for water than richer ones. According to the Human Development Report, households living in slums pay five to ten times more for water than wealthier households in developing world cities (UNDP 2006:10). This inequality represents a serious violation of a human right (as will be developed further later on) and therefore should not be tolerated.

Water as an economic good

Until the beginning of the second half of the twentieth century the weak demographic pressure put on available resources led people, as well as economists, to take water as a free good, in other words as a good available for consumption according to the principle of first come first served (Bontems and Rotillon 1998). However, the fast pace of economic development that has characterized the world economy since then, has boosted water consumption in order to meet all kinds of demands and implied that water management had to be thought out within a framework of scarcity, which in turn implied changes in the way water was classified as a good. This fact, along with the shocking gap between supply and demand, meant that the right to water could also be expressed as an economic problem. The first step that must be taken in order to express the right to water as an economic problem consists in identifying what sort of economic good water is. The United Nations explicitly mentions water as a public good, but because this classification could appear at first sight as deriving from political discourse rather than from economic analysis, and in order to avoid any misunderstandings, one should argue more carefully.

As we have seen in the first chapter, economics divides goods into two main categories, public and private, according to particular combinations of rivalry and exclusion in their consumption. In reality, however, it is very hard to make all goods fall exclusively into these two categories. Indeed, based on the combinations of exclusion and rivalry one can determine two other categories of goods. There are goods that are rivalrous but non-excludable and goods that are excludable but non-rivalrous. Goods that fall into the first group are called common pool goods and goods that fall into the second group, toll or club goods. In the first case it is impossible or very hard to stop people from consuming these goods, but the consumption of one individual limits the consumption of another individual. This is the case concerning fish in the ocean, for instance.

One can freely fish in the ocean but the stock is limited and therefore excessive fishing by one individual can prevent successful fishing by another. In the other group, consumption of one individual does not affect the ability of another individual to consume in his turn, but it is possible to exclude individuals from consumption if they are not willing to pay. An often cited example is cable television. By watching a particular show, an individual does not limit the ability of another individual to watch the same or another show, but if an individual does not pay for cable, service is cut. Now, what does this tell us about the classification of water as a good?

From a strictly technical point of view classifying water is not an easy task. Sustainable consumption of water in nature, drinking it out of a river or a lake, does not imply rivalry nor does it provoke exclusion, and therefore in these circumstances water must be considered a public good. This public character of water seems to be suggested by Adam Smith quite a while ago when he declared that ‘nothing is more useful than water: but it will purchase scarce any thing; scarce any thing can be had in exchange for it’ (Smith 1776). The absence of exchange value, in other words the impossibility of reaching a market price, is indeed another interpretation of what is a public good. Non-rivalry and non-exclusion are reinforced by the fact that there are no property rights on water in its first state, that is to say, its natural state. But this does not mean that there should be no rules for its distribution besides that of first come first served. Fresh water may not be unlimited on the planet, especially if pollution and overconsumption continue at the current pace.

For this reason it should be more realistic to include water amongst common pool goods where unsustainability of consumption has been identified in the absence of strict distributive rules. Garrett Hardin in his famous article on the tragedy of commons shows how the inexistence of property rights along with the absence of distributive rules can lead to an unsustainable use of a resource (Hardin 1968), and therefore, in the case of water, to eventually depriving every individual of a human right. Preservation and supply of common pool goods are, consequently, a collective responsibility, and thus demand the presence of a public authority. The *Tribunal de Las Águas* in Valencia, Spain, is an institution that is more than 1,000 years old and it still meets every week to allocate the use of the regional water distribution network for agriculture, demonstrating, once again, the longevity of water's public character.

However, the form in which water appears before consumers today has not a lot to do with the classification proposed above. Indeed, the great majority of the world's population benefits from water by the intermediation of infrastructures such as plumbing and other forms of collection and distribution. However, unlike water itself, these infrastructures can be privately appropriated, which means that exclusion and rivalry can be simultaneously introduced in terms of water supply. Indeed, one can be excluded from consuming water because one only has access to the water tap if willing to pay, and there can be rivalry because one particular water tap may only serve one particular home and cannot be used without its owner's permission. In modern times, therefore, water could technically speaking be considered a private good like any other, but if one recognizes water as a human right, as the South African Constitution, for instance, explicitly does, the way water is perceived may change once again.

Water as a human right

The Universal Declaration of Human Rights states in Article 3 the unalienable right to life; a life which other articles, as we have already seen, take to be more than just plain survival, demanding furthermore that it should meet the minimum standards of human dignity and that it should be enjoyed with freedom and safety. Indeed, this right to life demands certain access to both the natural resources and the manufactured goods that are considered to be indispensable to life according to the requirements described. Natural resources that fall into this category could, then, be considered as some sort of common capital for existence (see Petrella 2004), which implies a specific approach to both its exploitation and its distribution. In this sense, water, in almost all of its forms and all of its uses, should probably be the first of these resources to be listed amongst common capital items. Indeed, an adequate amount of safe water is necessary to prevent death by dehydration, to reduce the risk of diseases related to water and to attend to many other sorts of indispensable needs like farming or manufacturing, cooking or personal and domestic hygiene, to which one should also add a wide range of cultural needs such as the performance of religious rites or the plain enjoyment of leisure.

It should not come as a surprise, then, that the imperious satisfaction of these needs has given birth to several petitions maintaining that water ought to be considered a human right. On 2 April 1998, a group of international personalities, such as the former presidents of Portugal and Argentina, Mário Soares and Raúl Alfonsín respectively, issued a manifesto in which water was declared a common good belonging to all inhabitants on earth and an unalienable individual and collective right. In response to that and to other pleas, and in continuation of the International Covenant on Economic, Social and Cultural Rights (ICESCR), the United Nations Committee on Economic, Social and Cultural Rights proclaimed, in November 2002, the Right to Water as a substantive implication of the implementation of the ICESCR, resulting from an extensive interpretation of its Articles 11 and 12.

These articles state the following:

> **Article 11**
> 1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.
>
> **Article 12**
> 1. The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.
> 2. The steps to be taken by the States Parties to the present Covenant to achieve the full realization of this right shall include those necessary for:
> (a) The provision for the reduction of the stillbirth-rate and of infant mortality and for the healthy development of the child;
> (b) The improvement of all aspects of environmental and industrial hygiene;

In the introduction of the text in which these substantive implications are commented upon, it is said that water is a limited natural resource and a public good fundamental for life and health, that this human right to water is indispensable for leading a life with human dignity and that it is a prerequisite for the realization of other human rights (UN 2002: 1). According to this committee the human right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use.

The right to water, therefore, as with the great majority of economic, social, and cultural rights, has both a quantitative and a qualitative dimension. From the quantitative point of view, it is stated that everyone should be provided with an amount of water sufficient to meet human needs according to WHO parameters. This quantity is not easy to determine because it can vary according to cultural idiosyncrasies and geographical location, but it is assumed that a person needs a minimum of 20 litres per day (UNDP 2006: 8). This amount seems derisive when citizens in western developed countries spend more than that in just flushing their toilets, but even this meagre quantity is not accessible to many on the planet. From the qualitative point of view, it is in turn stressed that the amount of water provided should be safe; in other words its consumption should not put human health at risk. As commonly occurs in human rights, it is also added that no discrimination based on gender, religion, or social condition, amongst others, should be tolerated as regards access to this same water.

Now, if water strictly speaking can be classified as a public or a common pool good, and tap water as a private good, the entire process of providing safe water to people displays a dual character. On the other hand, water being also a human right, one is forced to admit the preponderance of its public character. Indeed, if water constitutes a human right because it is essential to life and a prerequisite for the enjoyment of other human rights, the excludable character of private goods means, therefore, that it is possible for an individual to be deprived of a human right on the basis of purchasing power. This immediately transforms the inability to get access to water into a rights violation and consequently into a major political issue.

Should this politicization of water exclude economics from the process of sustainably ensuring clean water to people all around the world? The fact that the UN declaration on the right to water states that people should have the means to access water (UN 2002: 6) signifies that it is acceptable for water to have a price and therefore to be submitted to economic principles. However, one should not infer that the market should automatically be qualified to promote the human right to water. Indeed, there are reasons to believe that the market alone, and mainstream economics along with it, is not theoretically equipped to meet this challenge without abdicating an important set of constitutive principles.

Market hegemony versus the right to water

One of the crucial questions one should ask about asserting the right to water, as with any human right, consists in determining which institution is better qualified to ensure every citizen the amount of water that meets both the quantitative and the qualitative requirements of the right to water. In recent years State inefficiency in delivering water to all has, most especially in developing countries, constituted the main argument set forth by those who maintain that the market should play a more active role in providing goods and services as human rights. As a result, one has been witnessing extensive privatization of the water supply in developed as much as in developing countries. Nevertheless, by making the market an absolute value and an infallible means of rationally allocating all goods, mainstream economics aims to reduce all categories of goods, and thus of rights, to just one, the commodity. Now this *commodification* of society, which is at the foundation of mainstream economics discourse, is contradictory within a society whose purpose is to enhance human rights. In the following pages it will be argued that the market is not fully equipped to play the role of a supplier of water as a human right because, first, the market does not utter social preferences; second, it is not accountable; third, it is inefficient; and finally, the water market cannot be a competitive market.

The market does not utter social preferences

First of all, when universal rights such as human rights are being promoted, one is asserting a social preference. In the case of the right to water one is therefore inclined to admit that the degree to which people's needs are covered in a certain instance may be better than in another. A situation in which, for instance, all the population benefits from safe tap water is better than any other. Actually, water being a human right, universal coverage is the only acceptable situation, at least as a tendency. Any situation other than universal coverage must therefore be considered not only inferior, but also unacceptable, as it could constitute a violation of a human right.

Indeed, in this sense, the market should have a hard time promoting the right to water simply because it does not utter social preferences, such as preferences of structure concerning, for example, income distribution or water coverage. As a result of all the information conveyed by economic agents, the market can utter many preferences, as for instance how much water to produce, how and when, but it does not have arguments to assert that universal coverage is better than any other structure of water distribution. As was said in the first chapter, what matters for the market is that agents are satisfied, in other words that sellers are able to sell the amounts they wish at market prices and that buyers are able to buy what they intend at the same market prices. The fact that some agents are not able to buy what they wish at market prices on account of an excessively tightened budget constraint is of almost no concern. In terms of private goods in general this may be acceptable, but when private goods are taken as rights, as with tap water, exclusion becomes intolerable.

Therefore, and despite the fact that there are many examples of public inability to achieve universal water coverage, especially in developing countries, like in Dar-es-Salam, Tanzania, or in Ouagadougou, Burkina-Faso, for example, where less than 30 per cent of the population is connected to the public water distribution system (UNDP 2006: 9), frequently because water is still too expensive for poor households (UNDP 2006: 10), water supplied by the market has proven to be a poor alternative to public distribution. In Manila in the Philippines, for instance, Maynilad Water Services, which holds Manila's west zone concession, raised tariffs by as much as 400 per cent between 1997 and 2003. Manila Water Company, the east zone concessionaire, raised water tariffs by 700 per cent in the same period (Netto 2005).

Considering the purchasing power of the average citizen of the Philippines, it should not be difficult to predict that the privatization of water distribution resulted in a considerable part of Manila's population being deprived of their right to water. In some of the poorer neighbourhoods of La Paz, Bolivia, the multinational company Suez-Lyonnaise des Eaux, through its local subsidiary Aguas del Illimani, also raised water tariffs by 600 per cent in 2004, and the objective of connecting 15,000 households to the water distribution system was cut down to zero (Chavez 2005: 11). As a result of the pressure exerted by more than 600 district associations, the government eventually revoked the concession contract with Aguas del Illimani just as happened with the American based Bechtel in April 2000 Cochabamba (Chavez 2005: 11).

Comparative history concerning water supply can also explain why the market fails in efficiently promoting the right to water in poor countries. Private companies supplying water in developed countries have inherited a heavy infrastructure paid for by past public investments, supplying universal coverage to an average high-income market. In developing countries, on the other hand, limited and frequently damaged infrastructure, low levels of connection and high levels of poverty, increase the tensions between business profitability and the supply of water at a fair price to all. In Buenos Aires, Argentina, for example, the water concession holder managed to expand the connections to the supply system, but at a slower pace than agreed in the concession contract because progress was slower in the poorer areas of the city. In Jakarta, Indonesia, likewise, three quarters of the new connections concerned medium and high income households, or private and public institutions (UNDP 2006).

The market is not accountable

If one takes into consideration that, in human rights language, the rights of individuals correspond to the duties of other individuals, then if the rights of some individuals are not ensured this is due to the fact that other individuals or institutions have failed in carrying out their duties. In human rights language, responsibility is, therefore, a key issue. When the State, for example, fails in ensuring human rights to an individual, the State is accountable either legally in a court of law, or politically through elections. If the market fails in ensuring human rights, to whom should an individual turn? The State is both elected and known, the market, on the other hand, is by definition anonymous. In this sense, the market is therefore not only unequipped to ensure the right to water in particular, but also to allocate rights in general.

Responsibility and democratic control of water suppliers has recently proved to be a key element in reaching universal water coverage. In Porto Alegre, Brazil, for instance, water services were private until 1904; then the city took them over. Today, with the participatory budget process, a municipal management system that was created specifically in Porto Alegre, the city people meet together throughout the year and decide where the investments of the Municipal Department of Water and Sanitary Sewage are going to be made. As one might expect, people are mainly interested in obtaining wider access to water and sanitation and thus, between 1989 and 1996, the number of households with access to water services rose from 80 per cent to 98 per cent, while the percentage of population served by the municipal sewage system rose from 46 per cent to 85 per cent (Netto 2005).

The market is inefficient

Water can be used by people for different purposes, from human consumption to production activities such as transportation, industry, agriculture and fishing, as well as cultural, recreational, leisure, conservation and environmental activities. Taking into consideration the diversity of uses and the indispensability of water to satisfy basic human needs, a new question is raised, which is how to prioritize the different types of water demand. A competitive market allocates water between different alternative uses in accordance with the laws of economic efficiency. These laws only consider the direct use value for human consumption and the value of economic goods produced when water is used as an input. However, supporting water allocation between alternative uses based on laws of economic efficiency can produce inefficient social allocation, especially when the decision is between human consumption and agricultural or industrial uses. Being inefficient from the point of view of human consumption, this market mediation can therefore lead to the violation of an individual's right to water.

From this perspective, and given its crucial role in human survival, it is perfectly admissible for society to establish priorities. In this context, when water supplies are not enough to satisfy all uses, it seems quite acceptable that priority should be given to direct human consumption over other uses, such as leisure. As a matter of fact, this priority should be kept even when the alternative use is land irrigation. Though agriculture is vital to guarantee other human rights, like access to food, it is possible to farm without irrigation, whereas it is impossible for a human being to survive without drinking water. However, in many parts of the planet, mainly in developing countries, the lack of access to irrigation water can lead to a denial of the right to food and indirectly to a violation of the right to water in those cases where water is indispensable to produce crops.

As seen before, water is in its essence a common pool good. This classification is especially appropriate when the different alternative uses of water are prioritized. In order to reach the optimal solution in managing common pool goods, mainstream economics can resort to game theory, namely to the prisoner's dilemma. According to this game, the best outcome for each individual user is to act selfishly while the other user acts cooperatively, and the worst outcome is to act cooperatively while the other user acts selfishly. The best outcome for society and resource conservation, the one which better secures the right to water, is reached when there is cooperation amongst the several users of the resource. Now this cooperation is only possible when there is a strong public or community commitment present. This outcome, if used in the decision between the different alternative uses or in the allocation between users, maximizes social welfare, but requires a mediation that is beyond the competitive market mechanism.

Furthermore, in order to overcome the conflicts that emerge when common pool resources are shared, society should promote the participation of users engaged in the decision-making process about resource allocation, and penalize selfish individual actions through material and moral sanctions, which threaten the user's reputation. With respect to user participation and resource valuation, group valuation proposed by social and political theory has gained increased attention recently. This valuation method is based on the principles of deliberative democracy and assumes that public decision-making should result from an open public debate rather than from the aggregation of separately measured individual preferences (De Groot 2006).

Finally, water is exhaustible over a given period of time, which means that its use can only be renewable if the extraction rate is lower than, or equal, to the recharge rate. This is a vital question, since the guarantee of human rights in general and the right to water in particular does not consider any sort of term beyond which it would be acceptable for a human right to be no longer ensured, which implies that water as a human right should have a sustainable use. In such circumstances, it is difficult to conciliate individual and social interests, since no market mechanism can prevent the total amount of individual consumption resulting from the maximization of individual utility from exceeding the recharge rate.

The water market is not competitive

The next set of arguments against the provision of the human right to water by the market stems from the fact that real water markets do not resemble the competitive market model (Henriques *et al.* 2006). First of all, water presents physical characteristics, such as mobility and property of state change, which implies that it should be transported and delivered as a flow rather than as stock. Measuring and monitoring this flow is both complex and costly, which can frequently become an obstacle to determining clear property and usufructuary rights.

Second, water is an irreplaceable and indispensable good and therefore cannot be appropriated in an exclusive regime by any given user or supplier. Third, the almost exclusive primary producer is nature, which by definition does not behave as an economic agent. Fourth, for many communities water is a free gift of nature, and there are strong social, cultural and religious objections to establishing a price, and consequently a market, for water. Fifth, the demand for non-consumptive market uses, such as recreational and ecological, is a social want for a public good that is likely to be undersupplied by a competitive market mechanism. Sixth, the majority of consumptive water uses has side effects, such as pollution, which as an externality should be dealt with within the framework of the public water supply and be subjected to public control.

Finally, for technological reasons, water distribution can be considered a natural monopoly in the sense that, if competition is allowed between companies in order to get hold of a concession, the consumer cannot choose his supplier as he can, for instance, with cable or telephone. If one is dissatisfied with one's cable or telephone supplier, one can change. On the contrary, one cannot change on an individual basis one's water supplier. For this set of reasons, therefore, and if economic, social and cultural rights are to be taken seriously, it is of the utmost importance that decisions concerning water distribution should be made by all those affected by that same distribution, which means that it should be submitted do democratic control, implying therefore public, or at least mixed, rather than private management.

Economics versus the right to social security

According to the Committee on Economic Social and Cultural Rights only 20 per cent of the world's population benefits from adequate social protection (CESCR 2006), which makes social security one of the lesser guaranteed human rights on the planet. This being said, and in order to avoid misunderstandings, we should perhaps start by defining over the next few pages what is to be considered as social security, since its definition is exceedingly sparse in every human rights proclamation. Social security can be considered, therefore, as the set of institutions, measures, obligations and transfers whose purpose is, first, to guarantee access to health and social services, and, second, to provide income security to meet life's risks, in other words to avoid or alleviate poverty resulting from unemployment, disability and old age (ILO 2005).

Social security as a human right

If one believes that all humans are born free and equal in dignity and rights, as is declared in Article 1 of the UDHR, inequalities in access to goods and services necessary to support the right to life can only be due to natural inequalities that determine different needs, even if one may admit that other criteria can be called upon to play a role in determining the distribution of social wealth in general. In a family society, for instance, although need constitutes the main criteria according to which resources are allocated amongst its members, merit has sometimes been taken into account, and even status in certain more authoritarian families (see Bobbio 1996).

The major inequalities that prevail in society do not stem from this logic, though. Inequality in access to health does not stem from poor people's lesser needs but from poor people's lesser purchasing power. The same happens with income inequalities in old age; they do not stem from any natural discrepancy in the natural deterioration of the poor's ability to work in relation to the rich, but from the inequality of income accumulation during their respective lifetimes. Social security, then, consists in a correcting mechanism for the inequalities imposed by society on humans with the purpose of bringing them somewhat closer to the natural state of equality. It should be stressed here that one should not mistake social security with social assistance. The inequalities referred to here, therefore, do not include all inequalities but only those perceived with regard to misfortune, the uncertain, or in the case of old age, the inevitable.

According to the various proclamations concerning human rights, social security can be considered a human right because it constitutes a prerequisite to the realization of other rights, such as the right to health, the right to an adequate standard of living or the right to the protection of motherhood (CESCR 2006), all concurring with the assertion of the right to life.

Regarding social security the UDHR proclaims that:

> **Article 22**
> Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

> **Article 25**
> 1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

The ICESCR, in its turn, states in Article 9 that: ‘The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.’

As with the right to water, if one voluntarily forgets the question of how social security can be provided to the people, the main issue in asserting the right to social security concerns responsibility, in other words, who should provide social security.

The responsibility of ensuring the right to social security

Social security being a positive human right, the question of responsibility arises once again all the more so given that it consists in a productive act. In May 2006, during a meeting of the Committee on Economic, Social and Cultural Rights of the United Nations, it was stressed that a significant number of countries that had been ensuring a certain level of social protection through public intervention were transferring part of the responsibility to the private sector (CESCR 2006). By doing so, this committee recognizes not only the primacy of publicly supplying social security, but also the concern that this privatization raises. As with water in the previous pages, let us now classify social security as an economic good, or rather, economic service, according to the same methodology.

First of all there is no rivalry in the consumption of this service, because by benefiting from social security an individual does not interfere with another individual’s ability to benefit from this same service, with one slight nuance, however, since some might say that a doctor can only see one patient at a time and therefore rivalry is always present. No matter how powerful this argument may be, one should not forget that social security and medical treatment are not quite synonymous. Social security means access to treatment, not treatment itself. It is perfectly possible that an individual benefiting from social security might never require medical treatment. In this case one cannot say that, because an individual never received medical treatment, he never benefited from social security. Social security is a guarantee of consumption, not consumption itself, as one can easily understand with any kind of insurance.

Even if there is no rivalry in social security, there is nevertheless exclusion. Indeed, it is possible to prevent an individual from consuming social security if he is not willing to pay. In this sense one can classify social security as belonging to the toll or club goods category. This classification theoretically allows for the private supply of social security, and therefore one should not be as worried with its privatization as the Committee on Economic, Social and Cultural Rights of the

United Nations seems to be. Notwithstanding all the criticism one can direct at the United States system, several of the items that make up social security are privately supplied there, and many happen to be quite satisfied with this. The problem is that by admitting exclusion, privately supplied social security can also deprive an individual of the exercise of a human right, and, as a matter of fact, a substantial part of the United States population is deprived of social protection. In that social security substantially differs from other toll or club goods and services, such as cable television. Indeed, cable television does not happen to be considered a human right in any of its proclamations, and thus one should not be excessively worried by the fact that part of the population does not have access to it.

There are also technical arguments for maintaining the inability of the market to supply social security as a human right. The first one concerns efficacy, efficacy meaning here the ability to cover risks adequately. Indeed, the insurance market, as any inter-temporal market, is affected by problems related to incentives and information. These problems explain why, for instance, insurance companies have never been able to supply a product that can adequately cover the risk of unemployment, despite the fact that such a product would probably be highly praised by workers. One can identify two main problems affecting private unemployment insurance.

The first one, which I do not wish to explore too deeply here, concerns the difficulty in calculating both the insurance premium and the substitution income received by the insured in the event of unemployment. The second one concerns asymmetric risks, or the so-called anti-selection phenomenon (see Piketty 1997). One can easily presume that some workers are more exposed to the risk of becoming unemployed than others. It is, therefore, quite natural that competition between insurance companies will lead to attracting preferentially low risk clients, in other words workers who have a weak probability of losing their jobs, and if possible to exclude those who, on the contrary, have a stronger probability of becoming unemployed. This problem could be mitigated if income was in some way indexed to the risk of unemployment. The higher the risk of becoming unemployed, the higher the wage would be and therefore the higher the insurance premium. But that is obviously not the case. Actually, workers who suffer from a higher risk of unemployment, such as those who are poorly qualified, are frequently also those who get the lowest wages. On the other hand, one could also consider as an injustice that those workers who are submitted to the highest risk of unemployment should, in addition, be those who must pay the highest insurance premiums.

If private unemployment insurance does not seem to attract private enterprise, private health insurance or private retirement pension schemes have been quite successful. Nevertheless, it can be argued that the market intrinsically fails in providing health insurance and retirement pensions as human rights, as well. As far as health insurance is concerned, there are two main arguments to maintain public instead of private provision. First of all, where health is concerned, only the supplier or in other words the doctor can correctly measure its value, which means that with private insurance there is a risk of consumers being forced to support excessive prices and excessive consumption (Piketty 1997). Second, a purely private system would most certainly try to calculate each subscriber's health risk, leading to the same problems detected above with the putative unemployment insurance.

Let us now examine retirement pensions in the same fashion. The main problem here consists in the market's imperfection when dealing with transferring an individual's income from the active period to the retirement period (Piketty 1997). In other words, through capitalization, in contrast with the public contribution system, a private insurance company cannot guarantee by the end of its customer's active period a comfortable level of income without operating in financial markets. To start with, the inherent uncertainty attached to most financial operations should prevent the epithet 'security' being applied to a pension obtained in such a manner. One can agree with the fact that modern management systems can significantly reduce the risk of the above-mentioned operations, and sometimes can even provide higher pensions to retired workers. Nevertheless, one should not be talking of social security but simply of investment, two substantially different concepts.

An individual may prefer one to the other, and it could even be demonstrated that by choosing a private pension scheme an individual would benefit from a higher income than by choosing a public system, but in the end a private scheme still would not be social security. The utility versus rights debate surfaces here once again, as a matter of fact. By means of a public contribution pension system an individual can be granted less utility than by means of a private capitalization scheme. Nevertheless, with a public pension system, income is an a priori guarantee which constitutes the essence of a right, whereas with a private pension scheme, income constitutes an a posteriori result of a financial operation, whose profitability is submitted to probability, an uncertainty that contradicts the binding character of a right.

Why is there a growing pressure to transfer many public responsibilities to the private sector, despite all the ethical and technical objections to privately supplied social security, then? Above all, those who maintain this transfer claim that, in face of the structural problems that affect the State, this can no longer guarantee social security's sustainability. In the next subheading we shall see how this argument could be seen as part of the anti-social security rhetoric produced by mainstream economics discourse, which is as old as the very idea of social security itself.

The conflict between the social and the economic

Out of contempt for its general recognition as a human right, economics does not seem to have internalized social security as a necessity or even as an investment, but rather as a constraint. Indeed, several objections to social security can be found in mainstream economics discourse. Friedrich von Hayek, for instance, put forward what is probably the most radical critique to the very idea of social security, arguing that it would jeopardize other rights considered more important.

He claimed that freedom is threatened every time the State arrogates to itself the power to exclusively supply certain services, such as social security, because this would imply a redistribution of income and therefore an undue expropriation of the individual (Hayek 1960: 289–290).

Despite the fact that Hayek's argument perfectly fitted orthodox economics discourse, the alleged attack of social security on fundamental rights was not accepted as much as he would probably expect, even amongst liberal economists. From the 1970s on, therefore, the arguments against social security insisted mainly on the idea of it being a burden for the economy (see Piketty 1997). At a meeting of the Committee on Economic, Social and Cultural Rights of the United Nations, the regional vice-president for Europe of the International Organization of Employers, Michel Barde, stated on social security that any model had to conform to the socio-economic realities of a country, and that there had to be a balance between the resources needed for social security and the need to maintain employment, competitiveness, and economic growth (CESCR 2006).

First of all, it is absolutely amazing that one can consider social security to be too expensive today when this system was born after the Second World War in a bankrupt Europe. Social security kept growing in the post-war years on a par with income per head having increased threefold in Western Europe and the United States between 1950 and 1980 (Bairoch 1986: 393). From this moment on, the liberal revival in economics has been repeatedly reproducing the excessive burden discourse despite the fact that income per head in OECD countries has once again multiplied by the same factor (UNDP 2000: 181). As a matter of fact, even if wealth had stagnated, this argument could hardly sustain the expensiveness critique. Amartya Sen shows how, in the United Kingdom, progress in life expectancy during the twentieth century did not result from increasing wealth but from political options. Indeed, the strongest increases in life expectancy of the civilian population happened precisely while the United Kingdom was displaying the lowest rates of economic growth, coinciding with both world wars. According to Sen, this progress was obtained thanks to the social transformations allowed by the wave of national cohesion and solidarity produced by the state of war, consubstantiated in rising public expenditure directed at social services (Sen 1999a). It is, indeed, hard to conceive that, what the United Kingdom managed to achieve during the most dramatic periods of its twentieth century history, is now seen as a luxury in times of peace and unequivocal prosperity!

Second, as Paul Krugman (1994) has shown, the concept of competitiveness applied to nations is senseless. A company can be competitive because it is by nature ephemeral; but a nation, even when it transforms itself into another nation, is not ephemeral, it simply does not vanish, except in the case of a cataclysm. A nation as opposed to a company does not cease its activity. According to Krugman, this *corporatization* of nations is not only a mistake but also a danger, because it leads policies in the wrong direction. Furthermore, from a global point of view, growing national competitiveness for all on the world markets, measured by each nation's foreign exchange balance, is a mathematical impossibility since there cannot only be nations that export more than they import, in other words there cannot be such a thing as a global trade surplus. Indeed, at a given moment in time exports must necessarily be globally equal to imports, in other words all national trade surpluses must match all national trade deficits. Therefore, a strategy resting on national competitiveness is senseless. Even if one considers the hypothesis that there may be global winners and losers, trade surpluses do not necessarily make global winners and, in turn, trade deficits do not automatically make global losers.

Third, the much propagated trade-off between competitiveness and social security has no unequivocal empirical support. According to the International Labour Organization (ILO) there seems to be, on the contrary, a strong positive correlation between expenditure on social protection and high labour productivity (ILO 2005: 7), a good indicator for economic efficiency, which in turn is a good indicator of competitiveness. As is well known, a correlation can be interpreted in several manners. One can say that social expenditure stimulates rather than hinders high productivity, but one can also state that it is high productivity that allows high social expenditure and, therefore, that it is abusive to take social expenditure as a productivity enhancer.

This correlation allows an undeniable conclusion, though, which is that the alleged trade-off between social protection and labour productivity does not exist. Therefore, even if one feels reluctant to accept that social expenditure enhances competitiveness, one should at least recognize that obliging people to choose between social protection and competitiveness is a fallacy. As a matter of fact all these objections to social security fall within the apreviously mentioned rhetoric of reaction put forward by Albert O. Hirschman.

This standpoint, shared by a majority of mainstream economists, stems from a biased and old fashioned interpretation of the social. Indeed, within mainstream economics the social has always been seen as a by-product, a happy consequence, even a palliative, of the economic. According to this philosophy the economic designates the set of activities submitted to profitability and the social, in turn, the set of operations implemented to correct the intolerable human costs of the market economy that will eventually affect this same profitability (Bartoli 1996). Thus, social redistribution becomes possible only by means of a good performance of the economy. In the hierarchy of spheres the social comes after the economic, it depends on the economic, the social therefore being some sort of concession accepted by the economic as the outcome of a peculiar diplomatic game the market seems to be playing with the people.

As a matter of fact, the international competitiveness argument to which mainstream economics resorts in order to constrain social security constitutes a striking example of a self-fulfilling prophecy. Indeed, within the framework of the free circulation of goods and capital one may admit that, at the microeconomic level, social security may represent an overload of costs weighing on the competitiveness of many firms when these are obliged to face competitors from territories that are not subjected to the same level of social costs. The global economy, however, has not fallen out of the sky, it does not stem from a natural process. On the contrary, one must bear in mind that this international deregulation that is being put forward to justify cutbacks in social security was originally wished for, and then established, by those regulatory institutions that have been proclaiming ever since their foundation that same liberal economic thought that accuses social security of being too expensive.

A great deal of confidence is indeed needed to sustain the inevitability of social security's surrender to global competitiveness when openness of the economy has been precisely one of the key elements of the strategy designed to deliberately frustrate the progress of the welfare state. In addition, one should stress that the social security burden would probably be much lighter if unemployment could be significantly reduced, and if immigrant workers were more welcome in developed countries in order to correct those demographic imbalances that weigh on social security. In this respect, it is quite stunning that this same economic discourse that, on the one hand, encourages free circulation of capital as part of the open economy construction should, on the other hand, patently discourage free circulation of labour.

The essence of the conflict between economics and human rights also resides in the ways the political and the social are comprehended. As Henri Bartoli states, the social and the political should be taken as the territories where major social choices are made rather than those where the conflicting natures of economy and society are expressed (Bartoli 1996). It is, indeed, important to stress that history has demonstrated that a cohesive and sympathetic society is as important for both the economy and human rights as courts and the market.

4 Economics versus cultural freedom

Amongst the set of rights registered in the Universal Declaration of Human Rights (UDHR) and the subsequent international covenants, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR), cultural rights are probably those that have received least attention. To a certain extent this poor attention is understandable on account of the intrinsic difficulty in defining them. Indeed, in contrast with other rights, indicators of cultural freedom are scarce. One can admittedly apprehend the idea of cultural freedom, but it has not been possible to measure this same cultural freedom beyond the simple enumeration of the existence of specific legislation concerning, for example, the rights of minorities.

Furthermore, human rights are thought of as the rights of individuals. However, recognizing cultural rights as rights of minorities implies the recognition of rights of groups, placing them at a different level from that of other human rights. That is why cultural rights that can be expressed as the civil and political rights of individuals have been more easily recognized. The right to have and to manifest a religion or belief in worship, observance, practice and teaching, for instance, is fully recognized in the ICCPR. All cultural rights cannot be apprehended in the same fashion though. As a result of this impossibility, UNESCO in 2001 approved a document entitled Universal Declaration on Cultural Diversity in which it is stated that cultural diversity is an ethical imperative inseparable from respect for the dignity of the individual, as necessary for humankind as biodiversity is for nature (UNESCO 2002). In the following year the United Nations Committee on Human Rights finally approved the first-ever resolution on cultural rights entitled 'Promotion of the enjoyment of the cultural rights of everyone and respect for different cultural identities', henceforth widening human rights language to cultural identity.

The very definition of culture, on the other hand, suffers from an upsetting lack of consensus. Excessively reductive definitions of culture do not allow us to explain much, because they unrealistically leave aside too many relevant ingredients. In the same way, excessively complex definitions within which everything ends up being considered as culture explain nothing, because they would consequently explain everything. In order to avoid misunderstandings, culture will be taken in the following pages as the shared knowledge, values, beliefs and attitudes transmitted from generation to generation, which are at the foundation of order and sense, and which allow the members of a community to behave in a convenient and acceptable manner, or at least an understandable one (De Kadt 1999).

Cultural liberty is, then, about allowing people the freedom to choose their identities and to lead the lives they value, without being excluded from other choices important to them, such as those for education, health or job opportunities (UNDP 2004: 6). In other words, cultural freedom is about preventing exclusion based on culture and therefore about striving for cultural diversity. It should be stressed that cultural diversity in itself is not a necessary condition for cultural freedom, in the same way as freedom of political choice does not necessarily demand the participation in elections of a myriad political formations. Nevertheless, it seems to be common sense that without cultural diversity some personal choices may become impracticable.

A political economy analysis of culturally based exclusion should, therefore, essentially be concerned with two phenomena: first, with resource distribution according to cultural affiliation, with income distribution based on ethnic or religious grounds, for example; second, with economic arguments that contribute to reducing cultural diversity, with special reference to cultural deterministic theories of development, which convey the idea that some cultures are better than others, superior to others, legitimating in this way the reduction of cultural diversity and, thus, cultural discrimination and rights deprivation. Finally, it should be stressed that cultural freedom does not mean that one should be forced to live according to the tradition of the group to which one claims to belong. Indeed, culture cannot stand as an argument to deprive certain individuals, or groups of individuals, of other human rights, such as preventing women from obtaining access to education or health care, for instance.

Culture and economic theory

Stating in the *Wealth of Nations* that ‘the desire of bettering our condition is a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go to the grave’, Adam Smith (1776) sent a powerful yet dubious message to future studies in economics and culture, which is that, although undoubtedly a social phenomenon, the motivation for economic welfare stems from the individual, from the intrinsic nature of the human being, and, therefore, not only is it independent of society’s history but it also cuts across cultures. However, culture does not seem completely absent from his work. In that same *Wealth of Nations* Smith gives two examples of how culture can influence economic variables.

Despite considering economic development as the outcome of the individual’s impulse to look for material advancement, Adam Smith certainly introduced culture into his economic model, not as a constituent of the decision, but as a restriction imposed on this same individual impulse. In doing so, more than just laying the foundations of the classical vision of the interaction between culture and economics, he founded the very idea of cultural determinism. About the China of his time he states that:

> China seems to have been long stationary, and had probably long ago acquired that full complement of riches which is consistent with the nature of its laws and institutions. But this complement may be much inferior to what, with other laws and institutions, the nature of its soil, climate, and situation might admit of.
>
> (Smith 1776)

It is not absolutely obvious that Smith was thinking about culture when he mentioned laws and institutions, but in other pages of his major work culture explicitly plays a relevant part. Indeed, in his theory of income distribution, for instance, and in order to calculate the level of the natural wage, he introduces a definition of necessary goods that goes well beyond the idea of them being just those that are strictly indispensable for plain survival, explicitly referring to the idea of cultural needs.

> By necessaries I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty which, it is presumed, nobody can well fall into without extreme bad conduct. Custom, in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them.
>
> (Smith 1776)

Almost a century later, Karl Marx, far from despising culture, as some could infer from the principles of historic materialism, inverted the causality relation that seemed to characterize the classical approach of the interaction between culture and economics. Instead of determining economic performance, culture was now determined by the evolution of the relations of production. In 1859, in his *Contribution for the Critique of Political Economy*, Marx declared:

> In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social

> consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness.
>
> (Marx 1970)

By the end of the nineteenth century neo-classical theory, despite sharing the classical rationale, clearly erased the diversity of social behaviours from the economic equation, because otherwise this school of thought would not have been able to improve, as it did, through quantitative formalization. Indeed, neoclassical economics could not have taken culture into consideration, because within this school of thought individuals are supposed to be all alike. As a matter of fact individualism as a methodology has to ignore culture; otherwise it would have to admit the existence of some entity above the individual, with influence upon his decisions. Non-economic factors, therefore, are not decisive and they should not be taken much into account when examining economic behaviour and economic performance. From this time on, the great majority of economists ignored culture and one had to wait for the beginning of the twentieth century and Max Weber, an economist who became better known as a sociologist, to see culture being given a leading role in the explanation of contrasting economic performances.

His works on Protestant ethics maintained that honesty, effort, renunciation of pleasure, willingness to save and spirit of enterprise were the set of attitudes that could explain why development could not have started anywhere else other than in those regions of Europe where the Protestant branch of Christianity was dominant (Weber [1905] 1958). Actually, Weber himself apparently said that he did not want to demonstrate anything of the kind, meaning that, although these values were an important feature of the industrial revolution, it was somewhat hasty to claim that the Reform ignited economic development, adding that there was evidence that the opposite, that is to say economic development having preceded and stimulated the Reform, was true in many parts of Protestant Europe (Hénaff 2000: 38). The simplicity of this interaction, despite Weber's doubts, was enough, however, to convince many scholars that this set of attitudes, essential to trigger a development process, were culturally determined.

Later, in the 1940s and 1950s, much attention was paid to culture and its role in development processes. Bert Hoselitz, Margaret Mead, Edward Banfield, Everett Hagen, Seymour Martin Lipset and modernization theorists such as Walt Whitman Rostow and Gunnar Myrdal are amongst the most important scholars who placed cultural change at the centre of economic development. As before, the pivotal question in their studies on the interaction of economic and cultural factors concerned the direction of the causation: did culture determine the pace of economic development or, on the contrary, was the nature of society and culture determined by the development process?

During the following years, until the mid-1980s, it seems that interest in culture was somewhat lost, especially due to the rise of neo-Marxist theories that placed the relationship of production and economic structure at the centre of the process, relegating culture to the superstructure, where it seems to be nothing more than a by-product of the development process. However, the cultural materialist perspective, Marvin Harris being its most prominent figure, added to the Marxist theory the fact that, although culture is still clearly determined by the relationship of production and economic structure, there is the possibility of a feedback, of culture in turn determining the path of the development process (see for example Harris [1979] 2001). In this period one should also stress the works of Irma Adelman and Cynthia Morris and their attempt to quantify the role of cultural factors in development processes (see for example Morris and Adelman 1980). Finally, the irresistible rise of the neoclassical approach to development in the 1970s and 1980s, as expected, attributed a minor role to culture.

From the transition of the millennium onwards, there seems to be a noticeable regaining of interest in culture. In 1985 a former USAID official Lawrence Harrison (1985) published a book entitled *Underdevelopment is a State of Mind* where he attempted to demonstrate that, in Latin America, culture had been an obstacle to development. In the 1990s several others joined him in this field, such as Samuel Huntington, who together with Harrison co-edited *Culture Matters: how values shape human progress* (Harrison and Huntington 2000), Douglass North ([1990] 2004), David Landes (1999), or Francis Fukuyama (1995). Culture, institutions or social capital therefore became familiar terms in economics in general, and in development economics in particular.

This new institutional approach to economic development and underdevelopment appears under a somewhat classical and neoclassical guise, however. Culture is introduced in the development model as an informal institution constraining human nature, in other words as an institution limiting the maximization of utility in the case of consumers, and of profits in the case of producers (see Lal 1999). In this sense culture can only be taken as an obstacle to development, underdevelopment being the result of the difficulty in expressing rational economic behaviour under some cultural constraints. According to Douglass North, for instance, it can be observed that formal rules imposed on different societies often produce different outcomes, this being explained by the fact that societies impose informal constraints on themselves which derive from socially transmitted information and are part of the heritage called culture (North [1990] 2004: 37). Going on social capital taken as a lubricant for economic efficiency, Francis Fukuyama says that not all shared values produce social capital because some values might be wrong (Fukuyama 2000: 99).

David Landes, in turn, concludes his book *The Wealth and Poverty of Nations* by saying that what one learns studying the history of economic development is that culture is the main generator of differences between economic performances (Landes 1999). Samuel Huntington shares the same opinion and goes into detail stating that the reason why South Korea joined the developed world and Ghana did not, despite these countries having displayed comparable levels of development in the early 1960s, can be explained by the differences in the values shared by each of the national communities (Huntington 2000: xiii).

The responsibility for the fact that South Koreans would value thrift, investment, hard work, education, organization and discipline, and Ghanaians would not, should be ascribed to their cultural heritage, Huntington concludes.

Most, if not all, of these new cultural determinists would probably not recognize themselves as mainstream though. Nevertheless, the new cultural determinist issues fit perfectly within the mainstream economic and political agenda. Indeed, the economic development theory underlying cultural determinism places the individual and the market at the heart of the development process and the economy does not seem to be embedded in society as much as it seems to be struggling against society. Underdevelopment, in this case, is not political and not related to the historical dominant modes of value production and income distribution and to its inherent conflicts. Therefore, one should not look for an explanation of underdevelopment within the relations developing countries have established with western developed countries, that is to say relations of dependence and domination. The major significance of this new cultural determinist vision of development is that the victim and the guilty party are one and the same person and that the recognition of this fact, along with the indulgence of the developed countries, is the first step towards real development, this indeed being the core of the mainstream agenda for global development in the new millennium.

The political economy of cultural exclusion

According to the Minorities at Risk data set, a research project addressing issues regarding cultural exclusion, there are about 900 million people who belong to groups that are subject to some form of either living mode or participation exclusion not faced by other groups in the state, that is to say something like one in every seven people around the world. Beyond the extreme expression of cultural discrimination embodied by ethnic cleansing, many other forms of cultural exclusion strike minorities, affecting, for instance, the practice of religion, language and citizenship. As the 2004 Human Development Report remarks, cultural exclusion more frequently comes from a simple lack of recognition or respect for people's culture and heritage, or from some cultures being considered inferior, primitive or uncivilized (UNDP 2004: 6).

Living mode exclusion often overlaps with social, economic and political exclusion through discrimination and disadvantage in employment, housing, schooling and political representation. The occupational castes in Nepal, for instance, have under-five mortality rates of more than 17 per cent, compared with around 7 per cent for the higher castes, Newar and Brahmin. Across Latin America indigenous groups are poorer and less represented politically than the non-indigenous. In Mexico, for example, 81 per cent of indigenous people are reckoned to have incomes below the poverty line, compared with 18 per cent for the general population (UNDP 2004: 6). Living mode and participation exclusion, however, do not always overlap. People of Chinese ancestry in South-East Asia, for example, are economically dominant yet have been culturally excluded.

Cultural exclusion is not a prerogative of developing countries, however. Indeed, in the United States, it is estimated that income amongst African-American men is 12–15 per cent lower than the average for other citizens as a result of racial discrimination in the labour market (Darity Jr. and Mason 2004). In 2003 there were four times more black families living below the poverty line than white families, a figure that has remained stable since 1978 (Christian Science Monitor 2003). In 2004 almost 20 per cent of black individuals did not have any kind of health insurance as opposed to 11 per cent of their fellow white citizens (Halimi 2007). Regarding life expectancy, the discrepancy is also quite striking. This discrepancy has been unchanged since 1948 and it seems to be showing even a slight tendency to deteriorate. Thus, a black child can hope to live six years less on average than a white child, whereas this difference was five years in 1978 (Christian Science Monitor 2003). For what comparisons are worth, the life expectancy of a male African-American individual in 2003 places him on the same level as countries of medium human development such as Jordan or Sri Lanka (UNDP 2004).

A political economy of cultural exclusion must therefore worry about the way economic processes and economic institutions contribute to cultural exclusion. Regarding racial discrimination, for instance, one should look for the existence of possible clues that clearly indicate whether economics, or the market, are racist. It is not easy to give an answer to this question, because it is not enough to notice the existence of racial discrimination in the economy in order to put the blame either on economics or on the market. A volume edited by David Colander, Robert Prasch and Falguni Sheth, entitled *Race, Liberalism and Economics*, contributed to providing an answer to this question in 2004 The declared purpose of *Race, Liberalism, and Economics* was to explore how economic reasoning relates to the concepts of liberalism and racism and to examine the issue of race in America, more specifically white racism towards blacks (Colander *et al.* 2004).

Because it is based on methodological individualism, for which all individuals, despite differences in interests and skills, are alike and consequently respond in the same way to the same incentives, mainstream economics leaves little room for racial discrimination. Its criticizable ignorance of culture not only leads mainstream economics to ignore or neglect racial prejudice, but also leads it to consider racism as inefficient. This is very clear with Gary Becker, for whom racial discrimination in the labour markets is essentially attributable to the insufficient freedom of the markets, in other words to exogenous interference in the way they function, and therefore racism cannot be ascribed to economics in itself (see Prasch 2004). David Levy and Sandra Peart agree and reinforce this position, stating that in the nineteenth century liberal economists stood up for the abolition of slavery, whereas its critics supported it (Levy 2001; Levy and Peart 2004).

Indeed, a renowned critic of economic liberalism, such as Thomas Carlyle, took the side of black slavery in the British Caribbean on the grounds that slaves did not have the ability to act rationally. Despite attacking economic liberalism in the name of human dignity, Carlyle seemed to deny humanity to the enslaved

African population, displaying in many writings an infamous discriminatory attitude towards blacks. On the contrary, the liberal John Stuart Mill was clearly against slavery, thereby demonstrating the alleged historical non-discriminatory character of liberal economics (Levy and Peart 2004).

This is quite an interesting approach to the relationship between economics and cultural and racial discrimination but, alas, it also seems inconclusive. If John Stuart Mill can be considered a major character of liberal economics, the choice of Thomas Carlyle to embody the opposition to what was becoming mainstream economics is somewhat of a casting error. He made it into posterity mainly as a man of letters and became known to economists as the author of the epithet 'dismal science' with which he mocked economics. Furthermore, according to Susan Zlotnick, this analysis seems to be poorly founded from an historical point of view, as it is supported on a very convenient selection of historical sources and on a reductive interpretation of these same sources (Zlotnick 2004). Besides, if John Stuart Mill stood up for the abolition of slavery, he also stood up for such a racist enterprise as the British Empire. Falguni Sheth, in turn, declares that John Stuart Mill's posture against racism and slavery did not stem from his allegiance to free markets as much as from a humanistic philosophical argument, and therefore the association made between economic liberalism and anti-racism is slightly spurious (Sheth 2004).

The attitude of neoclassical economists also contributes to the arguments contesting the linkage between liberalism and anti-racism. In this respect, they differ from their classical ancestors, some of the most notable amongst them, such as Alfred Marshall and Irving Fisher, being avowedly racist. As a matter of fact, Irving Fisher was a distinguished follower of eugenism, a movement that aimed at the purification of mankind by limiting the ability of the under-classes to procreate (Louçã 2007). Astonishingly or not, Fisher was accompanied in this movement by John Maynard Keynes. This position, apparently contradictory to the arguments set forth by David Levy and Sandra Peart defending a tight relationship between pro-market and anti-racism, would be the result of the wrongful, but effective, influence of nineteenth-century anthropologists (Peart and Levy 2004), who, based on contestable scientific arguments, admitted the intrinsic racial inferiority of some human beings (see O'Flaherty and Shapiro 2004).

In conclusion one cannot really consider liberal economics as being either racist or anti-racist. Why is there racial discrimination in liberal economies, most especially in labour markets, then? Based on several studies carried out in the United States, William Darity Jr. and Patrick Mason raise the hypothesis that racial discrimination observed in the labour market is essentially generated outside the market, or rather, before the market (Darity Jr. and Mason 2004). Thus, the market would not be directly responsible for racial discrimination, but it would inherit it and, reluctantly or not, would end up propagating it, and, as Glenn Loury puts it, 'even if there were no overt racial discrimination against blacks, powerful forces would still be at work to perpetuate into future generations the consequences of the universally acknowledged history of racism in America' (Loury 2004: 247). Wage discrepancy between black and white workers could be partly the outcome of weaker skills acquired during their training period, resulting not only from inequality in access to education but also from the perception that blacks themselves have that, because of racial prejudice, it is worthless to invest in long periods of study as they believe that they will have less chance than whites of being hired for qualified jobs anyway.

However, according to Darity Jr. and Mason, although labour markets are not directly responsible for racial discrimination, that does not completely clear them of guilt as they happen to tolerate it quite well, and by not acting in order to correct racial discrimination they can also legitimately be taken as accomplices of its propagation. Marcellus Andrews, in his turn, questions liberal economists, notably those of Hayekian inspiration, on the legitimacy of their stand on not correcting racial discrimination through positive-discrimination instruments, such as affirmative action. He criticizes the liberal argument stating that, because markets are not responsible for racial discrimination, they should not be called upon to play any role in its correction. Therefore, absence of responsibility should not imply exemption of action when facing racism because freedom must not tolerate inequality of opportunity (Andrews 2004).

In conclusion, cultural exclusion in the shape of racial discrimination does not seem to be intrinsic to mainstream economics and therefore, in this sense, one cannot charge economics with disrespecting cultural rights. Nevertheless, because economics also seems to be a passive spectator of factual racial discrimination, putting freedom of the markets clearly above equality of opportunity, one can still point the finger at economics for hindering cultural rights assertion. In the following pages we will examine a substantially more pernicious conflict between economics and cultural diversity. Indeed, by sheltering cultural determinism within the mainstream interpretation of economic development and underdevelopment, in other words by stating that some cultures are unfavourable to economic progress, economics contributes to legitimizing the contraction of the world's cultural diversity and, thus, the fettering of individuals' cultural freedom.

Cultural determinism and economic performance

From the very moment of the foundation of development theories, the paradoxical hypothesis that the poorest amongst the world's population were the least interested in the production of riches has regularly come to the surface. Indeed, for many economists it has always seemed strange, if not irrational, that people in developing countries would not bother to work for more wages once they had earned enough to pay the tax, or that poor farmers would spend their exiguous income on lavish festivals instead of investing in their land (Douglas 2004), for example. By way of an explanation, we were told that in these societies, entitled traditional (see Freyssinet 1966), economic imperatives are outclassed by symbolic ones. Agriculture, for instance, is not just simply an activity with nutritional, or otherwise productive, ends. When farming, men would manipulate instruments as much as they would perform rites (Dockès and Rosier 1988) in which they relate, not only to nature and the divinities, but also to the ancestors.

In the Island of New Britain, Papua-New Guinea, amongst the Mae Enge people, for example, horticulture does not stand for the transformation of matter, a fight against nature, but an exchange with the ancestors and the gods, and the good or bad results of the harvests depend on whether they have been well honoured or not (Godelier 1986: 55), hard work and skills counting for much less.

Another aspect of traditional societies that is usually presented as contributing to a poor general attitude towards material advancement is the focus on the past and present, not on the future. As Lawrence Harrison puts it 'progressive cultures emphasize the future; static cultures emphasize the present and the past' (Harrison 2000: 299). It seems rather consensual that, without some kind of positive perception of the future, the course of events can hardly be affected, allowing long term fatalism to install itself (see Rostow 1960) and condemning society to immobility and deprivation. The African, for instance, is supposed to be so anchored in his ancestral culture that he is convinced that the past can only repeat itself (Etounga-Manguelle 2000).

Therefore, they worry little about the future and concentrate more on revering the ancestors and the old. In Madagascar, for example, they feel obliged to bring the newborn's placenta to the grave of the ancestors in order to respect the tradition (Rakotoarisoa 2002), as if saying that the future is nothing but an eternal recommencement. The Dinka, in southern Sudan, extol their ancestors in such a way that no member of this community would ever claim to have done better than his forefathers (Deng 1998: 110). Indeed, it seems that people in developing countries are not interested in greater prosperity, that other goals are better valued. In one of his most famous writings Walt W. Rostow stated that capital formation, taken as being at the source of economic growth and, thus, of development, is not just a question of maximizing profit, it is an attitude (Rostow 1960). What is the right attitude, then, one may ask?

This subheading will not discuss culture's influence on economic behaviour; this has been abundantly and convincingly argued in the vast literature dedicated to the matter. Indeed, there seems to be some consensus on the fact that attitudes like those put forward by Max Weber are important facilitators of a development process. The crucial question is somewhat different: it is to explain the reasons behind the fact that people display such different attitudes when confronted with the same stimulus related to material advancement. Contemporary discourse on culture and economic performance, despite speaking at length of values and attitudes, only scrapes the surface of their underlying sources, and makes a hasty conclusion on their cultural origin. In the literature, one can find religion, gender relations, ethnicity, family structure and patterns of kinship or political culture amongst the cultural institutions most often referred to as determining economic performance.

The following pages will concentrate, therefore, on exploring the responsibility of religion, family patterns, ethnic diversity and political culture in the production of these values and attitudes, as an exercise to gauge the propriety of cultural deterministic discourse. These features are all the more important since they are generally taken as being part of the core elements of the much commented clash of civilizations. The end purpose of this exercise is to contest the cultural determinist view that essentially takes underdevelopment as a culturally founded problem, and therefore growth and development as having to be preceded by cultural change; in other words, to contest the idea of improving economic performance having to be preceded by a loss of cultural diversity, and hence of cultural freedom.

Religion

A discussion about religion should imperatively start by stressing that, in social science literature in general, low secular influence on thought and behaviour hinders economic performance, in the sense that one's fate is handled by an entity other than oneself, which would foster resignation and immobility. The question, therefore, has not been to determine how good or bad religion can be for economic performance, but to identify values and attitudes specific to each religious belief and compare their ability to promote or to fetter economic performance along Weberian lines. We have already mentioned the classic conclusions of the Weberian approach to the interaction of cultural factors and economic performance, which is that Protestant ethics and values, especially when compared to Catholic ones, played a decisive role in the development of capitalism. Let us confront this view with an alternative one.

In relation to the protestant advantage, Marcel Hénaff maintains that, in order to understand the differences between the development process in northern and southern Europe, we should not look for it in the comparison between Protestantism and Catholicism, as much as we should between Roman as against traditional Anglo-Saxon law (to which we could add Scandinavian and ancient German law) and the political institutions that ensue from them (Hénaff 2000: 61). In the Roman tradition, human law is conceived as stemming from the order of the world; principles are highly considered and the role of deduction and speculative abstraction is central in matters of justice and morality. In the Anglo-Saxon tradition, on the other hand, priority is given to experience, to each case, to the local, to the feasible, to the experiment of all possibilities without an a priori judgment (Hénaff 2000: 62). These characteristics were responsible for the fact that governance in France became more centralized, as opposed to England where it became more delegated.

The centrality tradition gave French kings the possibility of deciding, more or less by themselves, the nature and level of taxes. Consequently, taxation struck essentially the productive population leaving the socially inactive elites free of charges. In England, on the contrary, the monarchy was obliged to negotiate with different social groups. Taxes were now decided in common and the tax burden was more equitably distributed. The fact that the government became more public and accountable also allowed higher levels of taxation than in Continental Europe (Epstein 1995). According to Marcel Hénaff, this resulted in innovation and competitiveness with long-lasting benefits for all. From an institutional point of view this would explain why England was better prepared to launch the industrial revolution than France, in spite of the fact that their economies seemed to be growing at a similar rate during the eighteenth century (see Epstein 1995).

Therefore, the noticeable differences between the southern and the northern European development processes may have had a political rather than a religious foundation. In addition, when European Catholic countries started to show higher growth rates than Protestant ones, the explanation was no longer very pertinent and what was considered a Protestant advantage became from then on a Christian and Western advantage. Indeed, in his studies on Asia, Max Weber ([1915] 1964) himself would come to the conclusion that Asian values would explain why economic development was much slower there than in Europe, regardless of the Protestant/Catholic split (see also Jiang Shixue 1999; Sen 2004). Confucianism, for example, was bad for capitalist development, because, amongst other reasons, in its essence it despises commerce (Lê Thàn Khôi 1992).

When Japan, whose culture is deeply influenced by Confucianism, saw its economy grow faster than those in Western countries, the Confucian obstacle in turn lost its validity. From then on several works tried, on the contrary, to demonstrate the potential of Confucian values for capitalist development. The emphasis put on education, on loyalty, on family sobriety and the work ethic (Han-Yin Chang 2003; Jiang Shixue 1999; Lê Thàn Khôi 1992; Morishima 1982) were therefore at the source of the new Asian economic miracle. After Weber's own conclusions about the unsuitableness of Confucian values for capitalist development, the values that were supposed to have ignited Japanese economic growth were in fact very close to Protestantism; we could almost speak of an Asian version of Protestant ethics. A new question then arose: why were the other East Asian countries profoundly influenced by Confucianism left aside in this process? Fortunately, the question did not last long, as economies from countries like Korea, Taiwan, Singapore and Hong Kong in their turn started to grow very fast. The only remaining doubts on the ability of Confucian values to promote economic development were related to the incapability of Continental China of joining its neighbours on the same path.

In this regard, whereas Confucianism could be seen as a factor of economic performance in Japan, in China, on the contrary, it resulted in conformism, immobility and intellectual isolation (Lê Thàn Khôi 1992: 159). The Chinese dominant class, the Mandarins, was hostile to the development of capitalism because it would jeopardize their privileges. On the other hand, the Japanese dominant class, composed of warriors, the Samurais, for whom Confucianism was mainly a form of government, was eager to beat the West on its own ground (Lê Thàn Khôi 1992). In conclusion, if Japan and China share the common Confucian cultural fund, the differences between their class structures would be responsible for their different uses of Confucianism and, consequently, of their different economic and social records. Therefore, religious beliefs and their values could not explain as much as class structure and political culture could the reason why China, once an economic power, was plunged into economic decay when Max Weber wrote about Confucianism and economic performance. The political and economic reforms undertaken in China during the last decades of the twentieth century, and the vibrant economic growth experienced since then, have contributed to inflicting the finishing blow to the alleged unsuitableness of Confucianism to promote economic performance.

What about those two other major religions in the world, Islamism and Hinduism? The images of extreme poverty in India and the fact that some Hindu sects display an extreme detachment in relation to material wealth, although recognizing the radicalism of these interpretations of Hinduism, should only lead a common observer to the conclusion that there must be something in between this faith and good economic performance. In addition, vegetarianism and the consecration of cows were as much interferences in farm efficiency as the aversion for pigs described amongst Muslims by Gunnar Myrdal (1968). The caste system, in turn, was responsible for social and economic immobility, namely in terms of strict labour specialization. To this we could add the fact that caste has constituted the perfect ground for rent seeking behaviours and therefore to the waste of public money (Osborne 2001). Regarding sacred cows and other western clichés, such as naked fakirs, much could be said, but this is not the place for deconstructing the Western imagery on the Orient. Concerning the intrinsic Hindu distaste for wealth, the argument is not very solid, as *Artha*, the possession of material goods, is one of the recognized goals of human existence in Hinduism (Lê Thàn Khôi 1992: 161).

In relation to the caste system it is not my purpose to advocate its rehabilitation, as this system is responsible for vast and unacceptable inequalities that represent human rights violations, but one should be very careful in associating caste with Hinduism. India's caste system is thought to have arisen through violent inter-communal struggles that relegated the vanquished to undesirable occupations (Kuran 2004) and can be traced back to the settling of the Ganges Plain (Osborne 2001). The religious connection that one may still establish between caste and Hinduism is related to the system's remarkable stability over time. Indeed, Hinduism and its belief in reincarnation certainly contributed to legitimizing the discriminatory features of the caste system, conveying the idea that they were the just retribution for sins committed in previous lives (Kuran 2004; Lal 1999), but beyond this aspect its religious foundations are rather questionable. In addition, this system appears to have absorbed a great variety of non-Hindus over the centuries (Osborne 2001).

Regarding Islamism, the allegedly poor attention given to education and the well-known and still prevailing contempt for the use of interest on loans seem good enough reasons to ascribe the noticeable underdevelopment of the majority of Muslim countries to their religious beliefs. Nevertheless, the prohibition of interest in Islam has been clearly overstated as it appears to result from fundamentalist readings of the words of the Prophet and ignorance of the concrete historical facts that, 14 centuries ago, led to anti-interest religious precepts (Kuran 2004: 133). Today, in practice, and after a quarter of a century of Islamic banking experiences, their market share averages around 1 per cent in those Muslim majority countries where both Islamic and non-Islamic types of banks are allowed (Kuran 2004: 123). This means that, even where the great majority of the population follows strict religious precepts, this does not seem to interfere dramatically with their economic choices concerning the use of interest. Furthermore, unlike Confucianism there is no contempt for commerce in Islam, the Prophet having been a merchant himself.

As to attitudes towards science and education, the facts seem to speak for themselves. In terms of the level of adult literacy, Muslim countries are placed far behind other countries with the same standards of economic well-being (see UNDP 2006), and the disparity is even more striking if we compare the figures exclusively for women. The question one should ask is whether the connection between poor education and Islam can be established based solely on the observation of poor literacy rates. Research in three villages of Kerala, in south-western India, show that where the Christian community was the largest more emphasis was given to education and, on the other hand, amidst a Muslim majority, it was given less importance (Kurien 1994). This research could strengthen the arguments of those who consider religion to have a strong influence on the rhythm of economic growth, but its author, Prema Kurien, puts forward another explanation.

During the British rule of India the Muslim community was the most affected by repression and even today it is still hard to dissociate education, bureaucracy, and even medicine, from the British. Thus, what seemed to be a simple cultural rejection of progressive values may also, and perhaps mainly, be the rejection of the symbols of colonial repression. On the other hand, because of the missionaries, the native Christians were accorded special favours by the colonial authorities (Kurien 1994) and were thus able to grasp the advantages of investing in education much more quickly. This kind of colonial discriminatory modernization in favour of Christianized populations when in contact with Muslims also seems to have happened in Sudan (Deng 1998), strengthening the historical and political argument to the detriment of the cultural and religious.

Family and patterns of kinship

In this subheading the key issue in literature usually concerns the size of the family. In general terms, traditional analysis in development economics finds that the extended family, in other words kinship links beyond the nuclear family, is an obstacle to good economic performance. The main argument claims that it has an inhibiting effect on many of the factors that are taken to stimulate good economic performance, such as labour mobility, saving, risk taking and even willingness to work for a higher price (see Herrick and Kindleberger 1983: 102). In other words, the extended family is a drag on effort (Lewis 1955: 114). The extended family would discourage saving, for example, because kin would have access to funds accumulated and, therefore, any effort to save, with productive investment in mind, would be in vain as one would have to take into account the unproductive needs resulting from kin obligations (Moore 1997: 300), such as financing the studies of brothers, cousins, nephews and nieces, accommodating newcomers and financing the multitude of ceremonies that, for example, fill African social life (Etounga-Manguelle 2000: 72).

In addition, regression analysis appears to show that family scale is strongly related to corruption (Lipset and Lenz 2000), communitarian and familistic cultures being more favourable to the development of corruption than those where individualism and self-reliance prevail. This could explain the higher levels of corruption in Catholic societies, conventionally seen as mainly familistic and communitarian, when compared to the more individualistic Protestant ones. This interpretation also provides an easily understandable explanation for African records of corruption. In relation to this last conclusion one should, nevertheless, be more careful with what is to be considered as corruption. Indeed, amidst a society where family ties are very important, what is usually considered as corruption on the part of government or other officials could be seen by others as the fulfilment of traditional expectations that gifts should be given to one's family or clan members (Verhelst and Tindale 2002). Furthermore, and regardless of the necessarily controversial definition of what is to be considered corruption, another explanation can be brought forward to explain African records of corruption.

Looking at the structure of a major part of African economies, one cannot miss the decisive weight of the export of a scarce variety of natural resources, or plantation crops, on national income. According to Paul Collier and Jan W. Gunning (1999: 9) this kind of structure has shown a tendency to lead to *loot-seeking* activities, in other words to an illegitimate appropriation of national resources. The gains to an extractive strategy, a euphemism for loot, are closely related to the size of the ruling elite group (Acemoglu *et al.* 2001: 1376); thus, when the elite is not abundant, each member can expect a larger piece of the pie and so, the smaller the elite group (and, we could add, the more unequal the income distribution), the greater the incentives to be extractive. Now, as Michael Porter puts it so well, 'the most basic belief undergirding successful economic development is acceptance that prosperity depends on productivity, not on control over the resources' (Porter 2000: 21). In this case both the economic and the social structure in many African countries would be more responsible for the lack of interest in creating wealth, when compared to the eagerness to prey upon wealth, than some kind of cultural detachment.

The superiority of individualistic driven societies when compared to more familistic and communitarian societies would find another argument in the capacity of each of them for building formal institutions that supply protection to economic activity, namely commerce and especially long distance commerce. Avner Greif (1993), comparing the more individualist Genovese traders with the more collectivist Maghrebi traders in medieval Mediterranean trading networks, shows why individualists were more likely to develop formal institutional enforcement mechanisms to manage their activities, whereas collectivists were more likely to develop informal systems. The argument is that informal institutions like the extended family, tightly connected to communitarian societies, would be less efficient in providing the security needed to nurture commerce. In East and Southeast Asia, nevertheless, this did not seem to be an obstacle to the development of even long distance commerce; there the lack of the rule of law was effectively substituted by family ties as well as informal ties that extended beyond the family (Perkins 2000). As a matter of fact, family ties, instead of constituting an obstacle to modern corporate economy, are taken even today as one of the strengths of the East Asian economic model.

Regarding the inhibiting effect on the willingness to work for a higher wage, one should be extremely careful in ascribing it to the extended family, or to any other culturally related factor, such as an alleged weak work ethic prevailing in developing countries. The mercantilists in seventeenth century Europe also noticed that when wages went up workers worked less, and dedicated their gleaned leisure to alcohol and prostitutes. They concluded that the only way to keep them interested in production was to pay them poorly, just enough for them and their family to survive. William Petty, for example, laid the blame on the worker's intrinsic low level of morality (Heilbronner 1988), whereas the high level of mortality and the almost non-existent social mobility, that rendered effort useless and incited the workers to seize the day, could more convincingly explain this behaviour. Maurice Godelier (1986) shows why the fact that the ancient Greeks despised work was not so much related to some cultural or philosophical option, as to the connection they established with slavery, the main supplier of labour in the ancient Greeks' economy. This negative relationship with work is therefore more connected to class differentiation than to some attitude related to a cultural foundation of ancient Greek society. Is there any reason to believe the story should be radically different in Africa, or in the rest of the developing world?

The hundreds of years of slavery that affected Africa, from the eighth century till the nineteenth century, or the more recent compulsory work, are not such a distant reality after all. In Latin America one speaks of working like a Negro or like an Indian to refer to strenuous effort (Jiang Sixue 1999: 27). If work had meant humiliation and death to Protestants, in opposition to wealth, would economists be talking today of a Protestant work ethic? I believe that poor work ethic in developing countries could be much more related to work relations established during colonial occupation and to the historically low reward for hard work (see Douglas 2004: 89; Porter 2000: 23) than to some cultural inheritance. As a matter of fact, we could find several examples of an African work ethic. In Nigeria, for example, innumerable Yoruba maxims and folk songs praise effort and stigmatize laziness, allowing Rosemary O. Soetan (2001: 8–10) to say that the Yoruba have always extolled the merits of labour, industry and thrift amongst citizenry from youth. Markets and trade have always been a part of African everyday life, and amidst enormous difficulties African merchants display a fantastic and imaginative capability to thrive, or simply to survive.

Beyond the aspects related with the positive self-perception of the sociability of large family ties by its members, the extended family can also be understood in terms of economic rationality. Thus, instead of simply consuming capital, kin could be a source of additional capital; families also have a central role in the promotion of skills, and therefore in the formation of human capital (Bates 2000: 131; CDD-Ghana 2001: 28). Employees might work harder because of a sense of obligation to the family; suppliers could provide unusually favourable credit terms to kinsmen because they expect them to feel obligated not to let them down. What should be stressed is that individualistic values are not indispensable to economic performance, or to capitalist development according to the Weberian model; on the contrary, non-individualistic values can also promote development, even capitalist development. Explaining why Singapore displayed a successful economic performance, Han-Yin Chang (2003) states that the communitarian character of economic policy played an important role, and he adds that one of the major aspects of this communitarianism is to 'define the interest of the whole nation as of paramount importance and perceive individuals' interest derivable from the well being of the nation' (Han-Yin Chang 2003: 91).

Furthermore, in the absence of proper formal institutions, the extended family provides a system of insurance, or social security, against the common setbacks of life, such as crop failure, unemployment, high death rates (Herrick and Kindleberger 1983: 103; Lal, 1999) or migrant hazard (Bates 2000: 131); it is also an institution for contract enforcement and for reducing transaction costs and finally a financing institution that mobilizes funds for business start-up. The existence of some kind of formal safety net that could mitigate bad fortune would, as a matter of fact, probably contribute to a change in family patterns more effectively than many kinds of active policy. Pioneers of development studies, Peter Bauer and Basil Yamey, stated as early as 1957 that 'as the economy develops and becomes increasingly removed from the subsistence stage, the concept of the family narrows and the number of people with whom individuals recognize family obligations tends to become smaller' (Bauer and Yamey 1957: 66–67).

Ethnicity and ethnic diversity

If a poll were to be done on the cultural obstacles to economic performance, one should not be surprised if ethnic diversity were the answer that arose most often. Indeed, the constant propagation of images portraying civil war, along with its procession of statistics about killing and destruction, is very persuasive to demonstrate the importance of the cultural dimension of economic performance, and the disruptive power of ethnicity, especially in Africa, the most ethnically diverse continent. The concept of ethnicity usually refers to aspects of relationships between groups which consider themselves, and are regarded by others, as culturally distinctive. This distinctive character can be defined by a sense of common historical origin, shared culture, language, value orientation, shared social norms, and sometimes religion. Although the anthropological definition of the concept does not imply any pejorative burden, ethnicity, from the beginning of development studies, has always been taken as an obstacle to good economic performance. Let us review the arguments most often displayed.

Trying to explain why the industrial revolution started in England, David Landes (1999) states that England had the early advantage of being a nation, taken not only as a territory but also as something close to what we could call a cultural entity. According to Landes, the importance of nations is that they can reconcile social purposes and individual action, enhancing the latter's performance through collective synergy. Furthermore, development economics, either diagnosing or suggesting policy, thinks in terms of the nation-state. The object of the analysis is the national territory, the national income, the national productive structure and so on. Even the obstacles are accounted for at the national level: demographic growth, natural conditions, imbalances in foreign economic relations and, of course, ethnic diversity.

In other words, one of the first steps of a development process would be to build a nation-state, a viable nation-state one should add, and this is exactly the source of the trouble. Indeed, a survey carried out in 1988 showed that 63 out of the 111 conflicts occurring in the world at the time were internal, and amongst these, 36 could be considered as wars for the shaping of new countries (Berlinguer 2002). A more pacific way of building nations is to look for the national identity, or the greatest possible amount of cultural features shared by a more or less large group of people. In this respect the fact that, within the 184 independent countries in the world, there are more than 600 linguistic groups and 5000 ethnic groups (Berlinguer 2002) is revealing enough of the cultural obstacles that such an endeavour must overcome.

Nation building is all the more difficult since the very idea of the nation-state is supposed to be a purely European innovation (Kantorowicz 1951; Hobsbawm 1992) and therefore presumably hard to transpose to other cultures. In the nineteenth century, the Europeans believed that Africans, for example, had never built nations, and that, furthermore, they were incapable of doing so (Davidson 2000: 20). Considering then, as today, that ethnic diversity was the African curse, they took charge of the physical and cultural construction of the African nation-states regardless of local identities. Basil Davidson (2000: 96) argues that it is true that the ancient multicultural kingdoms of Ghana, Mali, Songhay and Kamen, were somehow similar to feudal European states but, unlike them, they were not able to produce any kind of national identity. However, where national identity was created and was starting to evolve towards a very western-like form of nation-state, with the Asante for instance, its potential was disrupted by colonial domination, declares Davidson.

When nationalist movements sought independence, they built the new nations within the borders of the colonial territories and it seemed that the ethnic groups became trapped inside these limits. Since the very start, then, African nations most especially appeared to be doomed because of difference. In addition to creating serious difficulties to the construction of nations, numerous studies on ethnic diversity and public policy suggest that ethnic diversity fosters clientelism (van de Walle 2000), reduces the efficiency of public service delivery, and undermines economic performance through the inhibition of social capital and trust, or in other words by raising transaction costs (Easterly and Levine 1997; Alesina, Baquir and Easterly 1998; Collier and Garg 1999).

With respect to the question of ethnic diversity raising transaction costs, some arguments maintain that, on the contrary, in the absence of trustworthy institutions, like courts or other contract enforcement institutions (Collier and

Gunning 1999), the ethnic group reduces cheating because of the moral obligations that each member has to respect in order to preserve the good name of the group (Wintrobe 1996); therefore ethnicity can in fact contribute to reducing transaction costs. Furthermore, in the absence of proper institutions, the ethnic group can provide a system of insurance, or social security, against the common setbacks of life. On this matter, Nigerian historian Peter Ekeh draws a parallel between the rise of feudalism in Europe and the consolidation of ethnic affiliation in Africa, each of these systems being a response to the need of the people for security. Thus, every time the State could not ensure security for its citizens, as during the slave trade or the post-colonial and neo-colonial State predation, ethnic and kin affinities became tightened (Ekeh 1990). We should add that in the particular case of the absence of private property in rural Africa, ethnic groups and their rules have proven to be one of the few effective instruments for land allocation (see Bates 2000; Rakotoarisoa 2002).

In relation to the lowered efficiency of public service delivery, the deleterious effects of ethnic diversity in general only appear to occur in the context of governments that are undemocratic (Collier 1999). Indeed, dictatorships tend not to transcend the ethnic group of the dictator, so that the more ethnically fragmented the society, the more narrowly based governance will be, whereas democratic governments in such societies must be ethnically cross-cutting. The problem, therefore, is not ethnic diversity as much as the lack of democracy. Therefore, we could be facing a political issue rather than a cultural problem. In order to find the reasons for African underdevelopment, one should probably look for the obstacles standing in the way of the implementation of democracy instead of decorticating the complexities of ethnic differentiation. In other words, cultural homogeneity might not constitute an answer to underdevelopment.

After the independences, many of the new African leaders thought that building nations meant more or less the same as homogenizing society. Therefore, they used a considerable amount of their energy to repress any claim to difference, institutionalizing undemocratic governance as the only way to reach the alleged first stage of development. The problem is that the attempt to erase cultural difference by means of political repression was not only harmful to economic performance but, in several cases, also both inefficient and counterproductive the fostering of national unity. Indeed, according to Samir Amin the repression of cultural pluralism led to the exacerbation of this same cultural pluralism through clandestine forms, much more dangerous to the goal of national unity that repression was supposed to achieve (Amin 1989: 163).

Until this moment we have assumed ethnic diversity of the new territories as an undisputable fact, but the reality is not that simple. Cultural differences exist everywhere within nations. In some cases cultural differences led to the establishment of precise borders circumscribing separate national states; in many others, the vast majority of cases, the construction of the national states arose from the aggregation of different cultural identities. The question, then, is why has this process been so hard to achieve in so many areas of the developing world, especially in Africa? Samir Amin (1989: 151) declares impudently that the colonial administration has a determinant responsibility in the creation of the ethnic reality; George Nkrumah (1998) maintains that the laws and the institutions inherited from the colonial powers were often designed to exploit ethnic, religious and linguistic differences within and between African states. Finally, Basil Davidson (2000) on tribalism – a ramification of ethnicity – declares that it is a convenient invention of the colonial period.

The purpose of this invention seems obvious: it intended to make the colonial administration of vast territories easier and cheaper, without the mobilization of a great number of Europeans who were not only scarce, in view of the enormous task, but also clearly ill adapted to the climatic conditions in the field, and thereby condemned to face high natural mortality rates (see Acemoglu *et al.* 2001). Joseph Simon Gallieni, a military commander and administrator in the French colonies, expressed this vision in a very clear fashion in 1899:

> An officer who manages to draw up an exact enough ethnographical map of the territory which he commands is very close to having it entirely pacified, soon followed by the organization most convenient for him [...] any political action in the colony has to consist in identifying and turn to advantage the useful local elements, in neutralizing and in destroying the non useful local elements.
>
> (in Ruscio 2008)

The invention of cultural differences also served the needs of the colonial rulers in the creation of labour reservoirs and the segmentation of labour along ethnic lines (Ishemo 2002). This does not mean that ethnic diversity only exists in our Western minds. Ethnic diversity and ethnic conflict are facts of contemporary life. Our point is that this diversity was overestimated from the beginning and exacerbated with calculated action by the colonial administration. Samir Amin (1989) argues that the invention of the ethnic group was made by a bunch of bad anthropologists. Indeed, both the methods and the purpose of their work should be questioned even if, observes Alain Ruscio (2008), the production of colonial knowledge also supposes the production of knowledge. Anyway, looking at the frenzy with which people were differentiated and catalogued by these anthropologists, one cannot avoid thinking about the meticulous and passionate work of adventurer botanists discovering the rain forest.

The differentiation between Tutsis and Hutus in both Rwanda and Burundi, for example, is a perfect illustration of the artificial methods used to separate people more than any important feature, culture, language or history, did in the first place. Some say that, traditionally, the Tutsi minority was the ethnic group that dominated the Hutu majority, but we know very well today that the tale of the feudal Tutsi domination was made up by the Belgian colonization (Lacoste 1993: 747–748). Indeed, in order to control the territory, the Belgian administration relied on the Tutsi minority, invoking a fake ethnical and almost racialist distinction between a Bantu and a Hamite origin that gave the Tutsis an alleged touch of nobility to which Hutus could not aim. In other words the Tutsis were considered whiter, or less black, than the Hutus. The colonization, then, established the Tutsis as the elite and *naturally* the administration in the pre-independence period was monopolized by them, creating as one could expect natural frustration and resentment amongst the Hutus.

In Sri Lanka, in turn, the Singhalese majority won political power after independence, but the Tamil minority, which was the result of a massive transfer of population from India undertaken by the British in colonial times, had access to more economic resources because they had been favoured by the colonial administration (UNDP 2004: 41). This discrepancy has certainly contributed to igniting the violent conflict between the two communities that has been hanging over the country for decades. The external influence of the colonizer seems also to be at the origin of the rise of many other ethnic groups, such as the Bambara in Mali, or the Bete in the Ivory Coast (Latouche 1986; Lacoste, 1993). In Madagascar, at the beginning of the twentieth century, the colonial administration artificially defined the existence of 18 tribes and today people recognize themselves by this distinction, especially because the names that were given to the tribes were related to the physical characteristics of the territories they inhabited (Rakotoarisoa 2002); Tefasy means those who come from the sands, Tanala, those coming from the forest, and so on.

Ethnic conflicts can also be the result of other external interferences, besides the colonial adventure. According to Yves Lacoste (1993) many of today's ethnic conflicts in Africa have their origins in the slave trade. From the eighth century until the nineteenth century, the Arabs first, and the Europeans later on, used some ethnic groups to capture slaves. A great deal of the actual ethnic conflicts would therefore be coincidental with the frontier between the predator and the predated groups amongst the African population. Although slavery is a very old system, pre-dating European colonization and actually continuing long after the Congress of Vienna prohibited it in 1815, there is no doubt about the fact that the mass slave trade has an external origin, based on the labour demands of the economic systems of other colonized regions – the Americas by the Europeans, and the Mediterranean and the Middle East by the Arabs.

The example of the recent conflict between the Ijaw, the fourth largest ethnic group of Nigeria, and the federal government in Bayelsa, an oil producing state in the Niger delta, can illustrate the complex cocktail of determinants that constitute what could be at first sight an ethnical conflict. Indeed, there is a distributive conflict around oil benefits; there is a rent-seeking economy, allegedly one of the most corrupt on the planet; there are weak institutions in a politically unstable environment; and there is, finally, an historical rivalry between the Ijaw and the Itsikeris that goes back to slavery and which has been wisely fed by oil companies operating in the territory by favouring the Itsekeris through rural development programmes with which they try to convey to the world an image of social responsibility (Servant 2006). Thus, when dealing with ethnic conflicts, it seems that very frequently, rather than a cultural issue, we are facing an historical, political and economical issue, much closer to class struggle than to cultural clash.

On the cultural roots of authoritarianism

In the *Wealth and Poverty of Nations*, attempting to draw the outline of the political and social institutions necessary to reach the goals of economic growth and development, David Landes (2000) refers to the importance of tolerance and the rule of law, supporting the views of many who consider the way in which authority was performed to be an important issue in the western European development process. The opposition between centralized and delegated use of power seems, indeed, quite relevant in explaining the precocity of economic development in England and the Netherlands when compared to France or Germany, suggesting that culture plays an important role in building democratic institutions and, by this means, influences economic performance. There are mainly two approaches to the cultural classification of interferences with democracy. The first approach deals with impacts on democracy of the national, ethnic or religious differences within the geographical territory upon which the demos is established, and the second, with the potentially more authoritarian or more democratic character of a society's political culture.

Regarding the first aspect of the cultural explanation of authoritarianism, there seems to be some generalized recognition that it is easier for a culturally homogenous country to democratize than for a country with deeply differentiated and conflictive subcultures (see Dahl 2000; Bardhan 1999; Leftwich 2000; Boutros-Ghali 2003). Indeed, whenever there is strong ethnic diversity, political structures tend to be organized around ethnic groups rather than around interest groups. Therefore, whenever an election is called, it appears to be ethnic belonging or demographic vigour that is being balloted, rather than strategies outlined to enhance the public good. Furthermore, sympathizers of a particular culture frequently see their demands as questions of principle, too crucial to indulge in compromise, whereas the democratic resolution of political conflicts necessarily needs negotiation, conciliation and compromise (Dahl 2000).

In addition, cultural pluralism seems incompatible with the necessity of building nations, considered one of the first steps to development and even to democracy, as democracy is inconceivable without some form of community inclusion and exclusion, which is necessarily enabled by the nation. To some extent this is the main reason why in Africa, for example, governments emerging from the independence processes used a considerable amount of their energy to repress any claim to difference, institutionalizing undemocratic governance as the only way to build their nations, as we have already mentioned.

One need not be so pessimistic, though. The effect of cultural cleavages on democracy can be mitigated by adequate constitutional design (see Branco 2006a), as can be seen in long consolidated democracies such as Switzerland or Belgium, or in developing countries like Mauritius, Trinidad and Tobago or Lebanon, and, therefore, cultural diversity should not be a sufficient explanation of blockages in democratizing multicultural countries. Furthermore, several studies show that it is not so much ethnic diversity that impedes democracy, but democracy that is essential to mitigate, or even eliminate, the potential negative effects of ethnic diversity (see Collier 1999). Studies on democratic Botswana and Mauritius (Carroll and Carroll 1997; Acemoglu *et al.* 2002) show that not only have these countries succeeded in maintaining a high growth rate, they have also created fairly honest and competent bureaucracies, under which structure the plural character of their societies has apparently been reasonably reflected. One could argue that Botswana does not display a very strong ethnic diversity when compared to other African countries (Stedman 1993), but when countries face the presence of a major ethnic group side by side with smaller groups, the risk of conflict is apparently higher than when ethnic diversity is wider (see Collier 1999).

Regarding the influence of political culture on democracy, the works of Max Weber ([1905] 1958) and later Gabriel Almond and Sidney Verba (1963), for example, opened the way to considering some cultures more fit to promote democracy than others. According to Weber, the Protestant versus Catholic cultural split could also explain the democratic preference of the former as opposed to the latter's authoritarian inclination (Weber [1905] 1958). Almond and Verba, in turn, enhanced the role of mutual trust and tolerance of diversity (Almond and Verba 1963). Splitting the world's society into survival and self-expression values, Ronald Inglehart adds more arguments to this cultural explanation of undemocratic governance. He finds that cultural zones that share the self-expression values characterized, amongst other features, by tolerance and interpersonal trust, are more inclined to be democratic than those sharing survival values (Inglehart 2000).

According to him, of the 19 societies in which more than 35 per cent of the public believe that most people can be trusted, 14 are historically Protestant, three are Confucian influenced, one is predominantly Hindu and only one is historically Catholic; on the other hand, of the ten lowest ranking societies, eight are historically Catholic and none is Protestant (Inglehart 2000: 91). This could partly explain, for instance, the difficulty in consolidating democracy in Latin America, predominantly Catholic. Inglehart cannot determine if one is just facing a simple correlation or if there is nevertheless some kind of causal connection leaving ample space for other factors to intervene, and therefore to belittle the importance of this argument. The fact that many Catholic countries in Europe have been stable democracies for quite a while also contributes to diminishing the argumentative power of the Protestant versus Catholic split in explaining democratization.

In another view of the importance of political culture, Marcel Hénaff also devalues the Protestant versus Catholic split in explaining the more democratic tradition of England when compared to France at the time of the industrial revolution, substituting it by a Roman versus Anglo Saxon traditional law confrontation as we have seen in the subheading concerning religion. The Roman tradition establishes the unconditional character of the sovereign's power; in the Anglo-Saxon tradition, on the other hand, sovereignty is delegated. In England, for example, county sheriffs and judges have been elected since the twelfth century whereas in France the need is felt to designate public servants from the centre and, very often, to make sure that they come from a region other than the one to which they have been appointed (Hénaff 2000: 62–63). This procedure is, actually, still largely followed in today's French administration.

In Asia, the image of near deification of its rulers, from Japan to China and Korea, has long supported the idea put forward by Max Weber ([1915] 1964), and more recently refreshed by Lee Kuan Yew (Zakaria 1994), that Asian values are incompatible with democracy. Amartya Sen (1999a: 234) claims, nevertheless, that it is not clear to him that Confucius is more authoritarian than Plato or St. Augustine, and adds that in the Buddhist tradition great importance is attached to freedom. According to him, the advocates of the authoritarian view of Asian values base their reading on very arbitrary interpretations and an extremely narrow selection of authors and traditions (Sen 1999b: 240). Lê Thàn Khôi, in turn, perceives the value of loyalty to the ruler and to the community is far more decisive than the authoritarian character of the political culture, stressing that, in China, the theory of the celestial mandate admits the right of the people to rebel against the monarch every time he does not fulfil his mission to ensure the well being of the community (Lê Thàn Khôi 1992: 157).

In a conference on globalization, science, culture and religions, held in Lisbon in October 2002, Daniel Etounga-Manguelle (2002), chairman of a Yaoundé-based consultancy company, declared that amongst the progress-resistant features of African culture there was an excessive concentration of authority and power in one individual, who will often claim magical powers. The recent history of Africa gives indubitable examples of this excessively centralized manner, to say the least, of performing authority, but is this the demonstration we were looking for, that authoritarianism is a cultural feature? Indeed, on many occasions, while analysing the cultural background of authoritarianism, especially in Africa, there is a tendency to isolate these features from the last centuries of the societies' history.

If one wants to look for, say, an African tradition of exercising authority, one should not forget the few hundred years of colonization and unequal development that have affected this continent. In order to get a more authentic view of tradition in these fields, one should probably have to study pre-colonial Africa. In doing so, the image of the despotic tradition in African ruling is not so striking. Where there were organized states the forms of government could be either centralized or more participative. One feature, though, seems present almost everywhere, namely the possibility of the people overthrowing the ruler in many different institutionalized ways (Davidson [1978] 1981; Ayittey 1992; Lacoste 1993). In the particular case of Africa it seems, then, that culture does not constitute such an insurmountable obstacle for democracy. One could probably find more convincing answers for the difficulties experienced by democratization in sub-Saharan Africa in the state of underdevelopment itself (see Branco 2008).

The unbearable lightness of cultural determinism

The first basic problem with cultural deterministic theories is the underlying presupposition that culture is largely immutable. It is this conviction of the existence of a perennial character of culture that pushes cultural determinism to chop the world into definitive and hermetic slices of culture and civilization and to convey the idea that once an individual is inserted in a determined cultural space he will forever behave according to a pre-established and invariable pattern. Even so, cultures also change and they are seldom homogenous, although there is admittedly a notable continuity in values and in traditions within societies (UNDP 2004). According to Claude Lévi-Strauss the very idea of cultural immutability is an absurd if not perfect contradiction, as that would forcibly imply the end of culture. Indeed, an immutable culture constitutes an obstacle to its very existence; an immutable culture is not a culture:

> It is quite evident that no period in history and no culture is absolutely stationary. Every people possess and transform, improve or forget, those complex enough techniques which allow them to dominate their environment. Without that they would have disappeared long ago.
>
> (Lévi-Strauss 1961: 66)

The previous subheadings have also suggested that some of the negative attitudes towards material advancement, supposedly culturally founded, could be the result of the development process, or more accurately of the underdevelopment process. Thus, colonization, scarcity of social and economic institutions, and poor health and insecurity could more easily explain those attitudes than such cultural features as dependence on development-averse religious dogma, the extended family, or ethnic diversity. In the same way, some of the attitudes described as favourable to development could, in fact, be produced by development itself. Ronald Inglehart and Wayne Baker (2000), for instance, maintain this very clearly, pointing out numerous empirical examples of a two causation hypothesis.

Furthermore, the fact that some of the cultural features that we have seen above were notoriously shaped by exogenous interference prove that they are the result of an evolution, the outcome of history and of the development process. Therefore it is quite simplistic to take culture as a brake to change. Thus, if it seems quite obvious that the caste system, for instance, contributes to social and economic immobility and consequently constitutes an obstacle to economic development, it is not less admissible that the caste system feeds itself from underdevelopment. As we have seen before, castes, just as tribes and ethnic groups, are perfectly adapted to a rent-seeking economy because they can easily organize themselves as pressure groups.

In addition to these empirical misunderstandings, a methodological mistake also compromises the pertinence of cultural determinism. It is not because people share important cultural features that one has to conclude that they are overwhelmingly determined by them in every aspect of their lives. As we have seen, despite their religious beliefs, individuals in Muslim countries prefer banks operating with interest to Islamic banks. Therefore, obedience to the precepts of Islam does not forcibly prevent individuals from displaying the same favourable attitude to economic performance allegedly nourished by Western cultures. The same could be said about the Chinese prevalence within the trade sector in South-East Asia despite an apparent Confucian disdain for commerce. As Bert Kaplan puts it in a seminal work, if one tries to characterize individuals in terms of personality traits or generalized motives, one usually discovers that individuals within cultures vary much more amongst themselves than they do from individuals in other cultures (Kaplan 1954: 18). For Robert Schwedder it is, indeed, 'possible for different modal personality systems to be associated with similar social systems, and for similar modal personality systems to be associated with different social systems' (Schwedder 2000: 164).

Besides a narrow-minded vision of the cultural factor, cultural determinism also displays a narrow-minded vision of economic development and of economic rationality itself. Within this vision, rationality of ends, which authorizes plurality of objectives, is substituted by a rationality of means which, in contrast, closes the definition of the concept of rationality around the compulsory adoption of specific behaviours, such as utility maximization for consumers and profit maximization for producers. Several bizarre attitudes in the eyes of economists can thus be rationally motivated even if against economics' usual understanding.

It has been said that traditional cultures, namely African, give poor attention to the future and that this attitude is detrimental to economic performance. But why should Africans display such an obsession with the past, in other words why should they have such little consideration for the future? Why, for instance, should some prefer to spend their money on their tomb in preference to investing it in commodities or assets? Probably because life is dramatically ephemeral! Indeed, life expectancy in sub-Saharan Africa has been very low and almost unchanged during the last 35 years. The average for the period of 1970 to 1975 was 45 years, and for the period of 2000 to 2005 the estimated average was 46 years (UNDP 2004). In addition, almost half of its population has no probability of reaching the age of 40 (UNDP 2002). Peter Lorentzen, John McMillan and Romain Wacziarg maintain, actually, that high mortality in the adult population reduces economic horizons and therefore prospects for economic growth. High mortality is also associated with several risk behaviours and with high fertility and lower investment in both physical and human capital (Lorentzen *et al.* 2006).

With these poor health conditions, how can one seriously blame Africans for not thinking too much about the future? It is well accepted that, amidst an uncertain universe, agents tend to prefer both short term and intergenerational investments (Hugon 2001: 58). In the short term they tend to pick the options that preserve the greatest amount of possibilities to change the route or simply to retreat; therefore there is a strong preference for liquidity and a choice for monetary and financial assets rather than for productive assets (Hugon 2001: 58). Families also favour the extreme long-term options, especially betting on people, either saving for education or simply investing on demographic growth.

That is why what seems to economists, at first glance, like irrationality could probably be just another form of rationality. The mainstream economics view of rationality describes it in a way that makes it almost a synonym of economic efficiency; therefore, any act involving *economic* means without concern for the maximization of productive output or the minimization of the former, in other words for the multiplication of an initial asset endowment, is seen as irrational.

As a matter of fact, an act can be considered rational if it combines efficacy, efficiency and consistency. Efficacy literally means that the expected outcome is produced; therefore, it needs to take people's goals into account. Efficiency is a quantitative calculation in terms of the effort and time involved in the process of attaining a goal, and, finally, consistency requires that one should make a choice of means that is conducive to the goal, and that, while pursuing one objective, it should not jeopardize another. All of this features the human form of life (Nussbaum 1995: 76–80) and there is no a priori reason to believe that the major part of the world's population is deprived of these characteristics. What differs from place to place, or from culture to culture, is not so much the degree of rationality, but just the ways in which people conduct their affairs, and the purposes considered (see Tshikuku 2001).

Thus, when one notices that a typical African plot of land is encumbered by several crops, against the grain of technological rationality, or when the farmer minimizes risks instead of maximizing yields, one should take into consideration that under the constraint of a very uncertain environment the rational behaviour is precisely to ensure the strongest level of security to the group, and the highest level of protection to the environment (De Kadt 1999: 153; Gu-Konu 1984: 490). Therefore, if people's behaviours do not match what traditional microeconomics considers rational, should we conclude that people are wrong? Emmanuel Ndione still maintains that in Dakar wealth is not measured by the accumulation of financial capital but by the amount of connections a person can mobilize to his own, or to his social group's, advantage (Ndione 1990: 92). In this case, accumulation as a process to reach a particular end indeed takes place, but not according to the way traditional mainstream economists have become accustomed. The difference is that in this process social capital, or rather relational capital, has been accumulated instead of physical capital.

Furthermore, what seems at first glance to be resistance to change may ultimately be just a different strategy to obtain more consistent gains. In Minigo village, in Tarime district, Tanzania, men refused in 1986 an offer of manually powered grinding mills because, according to the chief, 'it would make their wives lazy'. In fact what the village was apparently trying to convey was the fact that the time of manual grinding mills had passed and were hoping that, if they refused them, the donors would be willing to give them diesel-powered grinding mills, which would not only help the women, but also bring revenue to the village (Anacleti 2002: 171–172).

Fundamentally, the new cultural determinism applied to economic development, more than just a shallow analysis of the interaction of culture and economic performance, consists in a modern version of a western prejudicial understanding of others. In his remarkable book entitled *Bad Samaritans: Rich Nations, Poor Policies and the Threat to the Developing World*, Ha-Joon Chang shows how, at the beginning of the twentieth century, Anglo-Saxon travellers and businessmen considered the Japanese to be shockingly deprived of a work ethic compatible with good economic performance, this being the result of a cultural heritage (Ha-Joon Chang 2007: 182). As a matter of fact, this same sort of prejudice appeared in writings about Germany around a century before. The most extraordinary historical register of cultural prejudice brought to light by Ha-Joon Chang concerns Korea, however. We saw, at the beginning of this chapter, how Samuel Huntington praises Korean values for this country's fantastic economic performance when compared to Ghana, which displayed comparable levels of development in the early 1960s. Yet in the first decade of the twentieth century travellers described Koreans as being 12 million dirty, degraded, sullen, lazy and religionless savages, incapable by themselves of rising from their state of barbarism (Ha-Joon Chang 2007: 183).

Since the beginning, the introduction of culture in economic studies represented a challenge to the mainstream interpretation of the economy as being strictly driven by individuals, very much alike, exclusively seeking their own self interest. The new burst of cultural determinism, on the other hand, seems to reinforce the foundations of the dominant school of thought and, thus, its agenda for economic development. First, by stressing that culture is one of the major obstacles to development, cultural determinism conveys the idea that the roots of underdevelopment are essentially endogenous. This is to say that the problem resides in the adoption by the individual of beliefs and attitudes that hinder progress, or in other words, that the source of underdevelopment is not related to the historical dominant modes of value production and income distribution, and to its inherent conflicts. Therefore, one should not look, as well, for an explanation of underdevelopment within the relations developing countries have established with Western developed countries. In short the aim of the new cultural determinism is to depoliticize development and underdevelopment.

The alternative explanations proposed here, on the contrary, reintroduce North–South relations, history and politics. The vision of culture as an obstacle to development is replaced by one where culture in the developing countries is also the outcome of the community's response to an unfavourable political and economical environment, and sometimes even the result of the manipulation of traditional institutions with the purpose of imposing external domination. The fact that in some cases a real resistance to change is perceivable in some cultural practices does not contradict this position, since local elites frequently use culture to legitimize the status quo and therefore to preserve their economic privileges and political control.

In this interpretation of the cultural problem, the clash of civilizations story is somewhat substituted by the clash with civilization perspective. One would not be witnessing, in that case, a cultural resistance to progressive values as much as a cultural adaptation to repressive practices. According to Serge Latouche it seems that, contrary to what could be expected from the contact with western rationalist civilization, magic and witchcraft, easily associated by many with bad attitudes towards material advancement, grew unexpectedly in Africa and in Asia during the colonial and post-colonial era, and he ascribes it to the frustration generated by decades of underdevelopment (Latouche 1986).

Some cultural features, therefore, are not an obstacle to development as much as an outcome of underdevelopment itself. Underdevelopment should not be seen here as a mere delay or inability to launch the process of development, but as the result of the implementation throughout the twentieth century of a particular development model. This model is characterized, amongst other features, by policies almost exclusively driven by the State, a corrupt and authoritarian State often representing foreign interests, an excessive specialization around the export of natural resources and plantation crops, the exploitation of the rural society by urban-oriented policies, historical dependence on colonial powers through occupation at first and unequal trade afterwards, and a financial system that favoured the funding of large projects, mainly responding to the interests of local elites and to the quest of external markets for the export industry in the developed countries.

Finally, cultural institutions such as the extended family or ethnic group, more than an obstacle to development, could be considered institutions for resisting underdevelopment. Indeed, the core values of African society, for example, shared concern for the vulnerable and have therefore sustained Africa through decades of crisis (see CDD-Ghana 2001). That is to say that without their cultural institutions, people in a great number of developing countries would probably be worse off nowadays. Undoubtedly, the level of education would have been much lower if wealthier members of a family did not feel the obligation to pay for the education of its poorer members; living conditions of migrant workers who leave the countryside for the cities would have been harder without the sheltering network afforded by the extended family. In these times of economic crisis and structural adjustment, the complex system of social obligations that derives from African cultures has frequently assumed, therefore, those goals of social policy that have been continuously disappearing from governments' agendas.

With the cultural factor discourse, mainstream economics basically wishes to stress the negative character of social goals when compared to economic objectives. Within this discourse, the cultural problem of development clearly becomes the market problem of development. In other words, the values that legitimize the maximization of social objectives, as opposed to those that favour the maximization of personal interest, would not suffer from incapacity in promoting development as much as from unwillingness in implementing market capitalist development. Surreptitiously, the discourse on the ability of certain cultures to promote development therefore shifts to the very invalidation of the different objectives which societies aim at achieving in order to give some sense to the systems of organizing life in common that are particular to themselves.

Indeed, considering some cultures as being inferior, primitive or uncivilized, in other words considering some cultures as being better than others, or even simply incapable, where providing people with higher levels of well-being is concerned, mainstream economics discourse produces a development-based hierarchy of cultures with the intention of conveying the message that ineffective cultures should be replaced by more effective cultures. This discourse not only appeals to an always controversial process of cultural change in order to promote economic development but, most especially, it contributes to legitimizing the loss of cultural diversity, and, thus the fettering of cultural freedom.

It was not the purpose of this critique of cultural determinism to maintain that culture does not matter in development processes, but rather to point out that instead of insisting on the need to remove cultural obstacles to development, studies on culture and development should perhaps concentrate on the chances of promoting original paths of development and therefore in promoting development as much as cultural freedom. In studying the interaction of culture and economics, the question, therefore, is not whether culture matters or not for economic performance (because each being socially embedded, they are forcibly intertwined), but how culture should matter.

Indeed, it is fully accepted that the secret of the success in what were once called the New Industrialized Countries of the Far-East was the combination of openness to the external winds of progress, namely technical progress, and the cultivation of tradition. Because societies always seek to change and to last, as Marie Dominique Perrot puts it well, this combination appeared to be mutually beneficial, since change ensured continuity and tradition worked as a technique to incorporate change (Perrot 1994: 42). Finally, it should be stressed that this defence of cultural diversity should not be mistaken for radical relativism. We should avoid ignoring what the other person has to say, but we also have to make sure that there is still something to say to each other.

5 Economics versus democracy

Very few economists would deny that freedom of choice constitutes a pillar of rational choice, which in turn is a pillar of economic theory, regardless of the definition of rational choice one adopts. On the other hand, free choice in economics seems senseless without political freedom of choice. Democracy, therefore, plays an important role in economic efficiency as much as in social fairness. Following this line of thought, one might expect that economics, both in theory and in practice, should permanently strengthen the role of democracy in its institutional construction. Unfortunately, this does not seem to be the case.

Although historically many of the democratic achievements in the past two centuries have been intimately connected to the development of mainstream liberal economics, it can be argued that mainstream liberal economics is intrinsically contradictory to the democratic ideal. This criticism of mainstream economics does not aim at demonstrating an alleged incompatibility between the market economy and democracy, though. On the one hand, literature in this domain is abundant and has generously shown that amongst all known forms of regulating the economy, the market is the one which up until now has afforded the most freedom, and consequently has most favoured democracy. On the other hand, as Amartya Sen puts it so well, denying decentralized regulation of the economy constitutes a denial of the very idea of democracy, as it would mean the same as objecting to people having a conversation, the liberty of exchanging goods and services being equivalent after all to the liberty of exchanging words (Sen 1999a: 19).

Nevertheless, acknowledging this primordial role of the market in promoting democracy does not imply recognizing an intrinsic and unattainable superiority of the market as opposed to any mixed forms of regulating the economy, where the market must share that task with other institutions. The main goal of this chapter consists in highlighting the ways in which the logic of mainstream economics conflicts with substantive democracy. In the following lines, therefore, the intention is to show why mainstream economics' methodology, rationality and formalization can be opposed to the deepening of democracy in modern society. First of all, let us briefly see why democracy is crucial to human rights.

Democracy and human rights

A large majority of people would certainly not hesitate for a single second when asked which political system better secures human rights, or which it relates to more closely. The Universal Declaration of Human Rights itself defines in several of its articles a set of essential liberties that constitute pillars of democratic governance. However, the relationship between democracy and human rights is slightly more complex than a great number of speeches may have us believe. Indeed, if democratic governance demands the realization of a certain amount of freedoms proclaimed in the UDHR, such as freedom of opinion and expression, freedom of association or the right to participate directly or indirectly in the conducting of one's country's public affairs, it cannot be deduced, however, that democracy by itself promotes all human rights. One can admit that democracy is the best form of governance to ensure human rights, but, as Michael Freeman recognizes, many democracies have not secured economic and social rights as well as many authoritarian regimes (Freeman 2004: 72).

As a matter of fact, protecting several of these rights by constitutional texts and giving courts the responsibility for monitoring their observance constitutes, in itself, a confession of democracy's powerlessness to ensure rights in general. The acknowledgement of this fragility led the international community to explicitly assert the inextricable character of the relationship between democracy and human rights. The Vienna Declaration on Human Rights of June 1993 proclaimed, for instance, that democracy and human rights are interdependent and mutually reinforce one another. Indeed, it does not seem to make much sense to defend freedom of expression if this does not concern the conducting of public affairs, in other words, government. On the one hand, democracy would be responsible for giving meaning to rights; and on the other hand, democracy would not make sense without the observation of these same rights. Robert Dahl, for example, states that democracy is not merely a governance process, it is inherently a system of rights (Dahl 2002: 60). Former UN secretary-general Boutros Boutros-Ghali maintains, in turn, that democracy's foundation lies precisely in the full observance of human rights (Boutros-Ghali 2003: 7).

The already mentioned non-justiciability of many economic, social and cultural rights confers an increased relevance to democracy as a human rights promoting system. Indeed, if courts are not competent to enforce many of these rights, citizens must turn to governments, that is to say they must demand political responsibility. In other words, if governments are not liable to be taken before a court in the case of economic, social and cultural rights violations, they must be accountable before the voters. Therefore, in the case where rights are not legally justiciable, democratic governance becomes a fundamental tool in securing human rights.

On the other hand, a democracy that did not seek to deepen human rights would not really be a democracy. The fact that some rights have been more effectively ensured by authoritarian regimes than by democracies is not enough, however, to invalidate the allegation which states that democracy is the best political system for promoting human rights. Democracy is an evolving process and the majority of political regimes once considered democratic would have few chances of being qualified as democratic today. That should not justify excluding those particular regimes from our democratic heritage, however. The democracy described by Alexis de Tocqueville ([1840] 1986) in America, for instance, which was probably the most advanced in the world at the time, did not recognize the right of women to vote, nor even of every man. What makes democracy the best political system for promoting human rights is that it is the only one that can assume the commitment of constantly seeking to enhance them.

In its essence, democracy consists of a particular mechanism designed for formulating a decision. According to Robert Dahl, in order to qualify as democratic a decision process should present the following set of characteristics: every individual member of a community must be able to participate in the process of decision-making in conditions of equality and of opportunity; to each individual must correspond one vote and this must be considered equal in importance to any other; each individual called to participate in the process of decision-making must be aware of alternative policies and their probable consequences, in other words must be informed; the electoral process must never be closed, and it must be possible to decide which will be the matters discussed, in other words discussion must not be limited to deliberating, it should also encompass defining the political agenda itself; finally, all adults should be able to vote, that is to say suffrage must be universal (Dahl 2000: 48).

At the risk of procedural tediousness, one should probably add to the right of participating in the process of making decisions on the laws that govern us the right to alter or revoke them. Indeed, according to Cornelius Castoriadis, what characterized Greek democracy and the subsequent revolutionary democratic movements is the explicit consciousness that one creates one's own laws and that, therefore, one can change them whenever one pleases (Castoriadis 1998). The same Castoriadis adds that one can only assert that one is free in a society ruled by laws if one has the possibility of participating in the discussion, the deliberation and the formation of those laws. Even so, deliberation encompasses the possibility of renunciation. Therefore, a particular decision may have been taken democratically, but it cannot be considered democratic if it includes any arrangement preventing it from subsequently being altered or revoked. Finally, when it is said that the political agenda is not closed and that an individual must also be allowed to participate in its definition, one should understand that in a democracy what is essentially submitted to regular suffrage is the way we want to live.

Now it is precisely around this question that most divergences on the definition of democracy can be found. A minimalist version, adopted by such unavoidable political scientists as Samuel Huntington (1991) or Adam Przeworski (Przeworski and Limongi 1993) for instance, presents democracy as being the regular performance of competitive elections with the purpose of selecting a political leadership (see also Mazo 2005). Although competitive elections undoubtedly constitute a key element of democracy, this definition is disappointingly simple, as it fails to transmit its enticing power in explaining the reason why people in so many parts of the world are willing to give up their life in search of democracy. A richer discussion of the relationship between economics and democracy calls, therefore, for a more elaborate definition of democracy, one which, besides elections, demands civil liberties (including freedom of association and expression) and freedom of the press to be guaranteed, citizens to be deeply involved in the decisions on matters that affect them, institutions to be strongly committed with responsibility and accountability in the running of public affairs, and finally, decision-making processes to relate to meaningful matters.

If democracy does not limit itself to the nature of a process of decision-making, should it be extended to the outcomes? In other words must democracy also concern the result of a decision-making process? In cases where democracy itself is questioned that extension seems to make sense. Indeed, democratically deciding on eliminating democracy can hardly be taken as democratic, with the exception of temporary suspensions for reasons of force majeure, such as a state of war. Can some other outcomes also be justified? The United Nations Development Programme (UNDP), for instance, declares that democratic governance, besides the demands presented above, requires economic policies to reflect the needs of future generations and to aim at eradicating poverty and at expanding the choices that all people have in their lives (UNDP 2002: 51). It is perfectly admissible that a government should be considered democratic based not only on the premise of having attained power democratically, in other words through competitive elections, but also under the condition of carrying out voters' explicit preferences. But can one demand much more than this?

Despite agreeing with the noble goals put forward by the UNDP, it is hard to consider them all as a condition for democracy. Can one say it is undemocratic to promote income inequality in absolute terms? What one is questioning here is the validity of the condition according to which decision-making processes should aim at promoting human rights in order to be considered democratic. Even so, one would probably have to conform to the fact that when governments fail to promote human rights they might not necessarily be considered undemocratic, at the risk of considering all present governments in the world as undemocratic. One should probably invert the terms of the question in order to get a better answer. Indeed, would one consider democratic a government that persistently not only ignores human rights but also violates them? As to the injunction that democracy should take into consideration the needs of future generations, one should not stop at the fact that the demos not only does not refer to the unborn but also explicitly excludes the underage, in order to consider that non-sustainable policies can be undemocratic. Unsustainability can fall into the scenario of irrevocability. Indeed, it can be taken as undemocratic to so reduce people's choices regarding the way they satisfy their wants as to eliminate democracy. In both cases one is reducing the ability of future generations to make choices.

As the central issue of this book is the inherent contradiction between economics and human rights, it shall be demonstrated that by hindering democracy economics reveals its opposition to human rights. The first stage of this demonstration concerns the dismantling of the naturalization process that economics has undergone with the intention of transforming economic decisions into mere technical issues supposedly free from democratic debate. The second stage concerns the ways in which the market has managed to legitimize its hegemony in society and the reasons why this contributes to the erosion of democracy. Within this hegemony, five aspects will be dealt with in this chapter: the imposition of a market jurisdiction; the deregulation of the economy; the process of political and economic unaccountability; and the de-politicization of free choice.

The naturalization of economics

The first step in demonstrating the conflict between economics and democracy should be the taken by dissecting the naturalization process that economics has undergone since the foundation of the mainstream school of thought. Indeed, when adopting the formerly depicted methodology, rationale and formalization, the mainstream approach constructs a language according to which economics should be taken on the same footing as natural sciences. However laudable the search for objectivity and certainty by economics may be, the ultimate consequence of liberating itself from the complexity of human relations and of transforming itself into the simple application of immanent laws consists, nonetheless, in subtracting an important set of decisions (namely those referring to economic policy) from the political stage, in other words from democracy.

We have already seen in the chapter dedicated to cultural freedom how Adam Smith considered that, although undoubtedly a social phenomenon, the motivation for economic welfare stems from the individual, from the intrinsic nature of the human being, and therefore not only is it independent from society's history but it also cuts across cultures. The culminating point of this attempt to eliminate the historical character of economics can be found in the very instructive story of the resistible rise of *homo economicus*, that is to say the stereotype of the economic agent upon which mainstream economics has been built. More than just an imaginary being, in other words an abstraction or a mere playful fiction, characterized by its alleged self interest and maximizing rationality, and which some economists would perhaps like us to resemble, the economic man is above all a politically meaningful fiction. Indeed, mainstream economics is perfectly aware of this fantasy, but nevertheless finds a surprising comfort in perpetuating it. Robert Lucas himself says that:

> The economic man is a robot pertaining to an artificial economic system [. . .] in a way which real people never are. The economic man has proven to be an extremely useful and flexible abstraction, but it is assuredly not the best image of what human nature is or should be.
>
> (Lucas 1994: 85)

Paul Krugman, in turn, says that 'Homo Economicus is a poorly plausible caricature', but he adds that 'it is a very highly productive caricature, and no alternative has been found till now' (Krugman 1996: 78). Many renowned scientists, such as the neurologist António Damásio, or the winners of the Bank of Sweden's Prize in Economics in Memory of Alfred Nobel, Herbert Simon, Daniel Khaneman and Vernon Smith, have already shown how, in the light of science, it is impossible for economics to rest on such assumptions; therefore it is enough for us merely to concentrate on the purpose of these assumptions. Indeed, if the idea of a self-interested and rational economic agent still prevails, it is due to the fact that this character is a powerful instrument in reducing complexity, without which, in presenting its interpretation of the world, mainstream economics would not have been able to use mathematics so unrestrainedly.

Now if the economic man does not exist, yet he can be found at the root of most mainstream interpretations of economic phenomena, he is therefore elevated from fiction to the category of myth. Briefly, a myth consists of a fabulous interpretation of a given phenomenon with the intention of conveying a practical discourse. The transcription of some admirable lines of philosopher and sociologist Roland Barthes on the semiology of myth perfectly enlightens this argument:

> myth is constituted by the loss of the historical quality of things: in it, things lose the memory that they once were made [. . .] A conjuring trick has taken place; it has turned reality inside out, it has emptied it of history and has filled it with nature, it has removed from things their human meaning so as to make them signify a human insignificance. The function of myth is to empty reality: it is, literally, a ceaseless flowing out, a haemorrhage, or perhaps an evaporation, in short a perceptible absence.
>
> [. . .]
>
> It is now possible to complete the semiological definition of myth in a bourgeois society: myth is depoliticized speech. One must naturally understand political in its deeper meaning, as describing the whole of human relations in their real, social structure, in their power of making the world
>
> [. . .]
>
> Myth does not deny things, on the contrary, its function is to talk about them; simply, it purifies them, it makes them innocent, it gives them a natural and eternal justification, it gives them a clarity which is not that of an explanation but that of a statement of fact.
>
> [. . .]
>
> In passing from history to nature, myth acts economically: it abolishes the complexity of human acts, it gives them the simplicity of essences, it does away with all dialectics, with any going back beyond what is immediately visible, it organizes a world which is without contradictions because it is without depth, a world wide open and wallowing in the evident, it establishes a blissful clarity: things appear to mean something by themselves.
>
> (Barthes [1957] 1972: 142–143)

We can say, therefore, that the economic man, as the founding myth of mainstream economics, constitutes an attempt to obliterate the historical character of economics, in other words an attempt to conceal the fact that economic actions essentially result from social relations woven by people in the course of time, and not from some mechanical application of putative natural laws that transcend them. The following question economics is called upon to answer concerns the economy's regulatory institution which allows our economic man to express himself at his best. For Adam Smith it is quite clear that this institution is embodied by the market. In the *Wealth of Nations* he states that:

> Without any intervention of law, therefore, the private interests and passions of men naturally lead them to divide and distribute the stock of every society amongst all the different employments carried on in it as nearly as possible in the proportion which is most agreeable to the interest of the whole society.
>
> (Smith 1776)

As if by magic, an economic regulation system, in other words a set of mechanisms people implement in order to organize the exchange process such as the market, becomes as natural as our fictional character, and therefore also as mythological, that is to say as deprived of history as economic man. Indeed, in mainstream economic literature there is no testimony of such a thing as the creation of the market. The politically influential French economist Alain Minc, for instance, told the magazine *Évènement du Jeudi* that 'In the history of mankind, since it became mankind, the market is a natural state of society' (in Brune 1997).

If it were not for the historical traces concerning the creation of the market, one could almost succumb to the marvellous fable of its natural origin. Indeed, as an institution, the market seems to have been already present by the end of the Stone Age. If its first formal descriptions apparently occur in China in the seventh century before Christ (Chang 1992), and if it appears to be also essentially present during the Roman Empire, the market seems to have played only a mere supporting role until the nineteenth century, however (Polanyi 1983: 71). Jean Pierre Dupuy (1994) states that the market economy constituted the answer given by men to the challenge of living together peacefully, in a society within which the religious and the sacred were continuously losing social relevance. In other words, the market economy seems, after all, to have embodied the victory of the bourgeois order over the ancient regime.

Unaware of being both a witness to and an actor within history, François Quesnay, a medical doctor at the court of King Louis XV, and a reputed specialist in blood-letting, was one of the first economists, so to speak, to have treated economics as a natural science. According to him, economic phenomena were governed by laws identical to those of physics, universal and prior to social conventions. He claimed, for instance, that private property was one of the natural rights, which he defined as those given to men by nature, in the same way as all men, to whom nature has given eyes, should have the right to light (Quesnay [1758] 1985). As a matter of fact, in 1767, one of his followers, Dupont de Nemours, would entitle this school of thought 'Physiocracy', which literally means government by nature.

Half a century later, David Ricardo, the famous broker who discovered economics while getting bored at a spa, constructed an extraordinary economic theory according to which income distribution essentially obeyed natural phenomena. First, in Ricardo's view, the level of rent charged by landlords depended on relative land fertility and demographic pressure, which in turn was explained by a natural population law, as with Robert Malthus. Second, wages earned by workers were essentially governed by the price of wheat, which depended once again on relative land fertility and demographic pressure. Finally, entrepreneurs' profit consisted merely of a residue after rents and wages were subtracted from general income (Ricardo [1817] 1996). Therefore, something as crucial within economics as income distribution, and with such a political charge, was determined naturally, and hardly disputable by economic policy.

Not long after the historicist interruption that Karl Marx provoked in economics, one of the leading scientists of the marginalist school and the father of general equilibrium, Léon Walras, despite criticizing Ricardo's views, especially in regard to value theory, resumed and perfected the naturalist interpretation of economics. He spoke of the exchange value of wheat, in other words of the price of wheat, in these terms:

> The exchange value factor, once established, takes, thus, the shape of a natural fact, natural in its origin, natural in its manifestation, natural in its way of being. But the exchange value is a quantity. It depends on mathematics [. . .] pure political economy, exchange value theory, or value theory [. . .] is, like mechanics, like hydraulics, a physical and mathematical science.
>
> (in Denis 1993)

Mainstream economists can reply that they are not like this anymore, that economic modelling is no longer dominated by physics, but it seems, nonetheless, that the enticing power of natural explanations to economic phenomena is still vivid, and that, in one shape or the other, naturalist rhetoric prevails within mainstream parlance. Let us just cite a peculiar piece of research by Gianni de Fraja which proposes an explanation for what he takes as being the universal human desire for increasing consumption. In Fraja's own words his paper holds that:

> this consumption was moulded in evolutionary times by a mechanism known to biologists as sexual selection, whereby a certain trait – observable consumption – is used by members of one sex to signal their unobservable characteristics valuable to members of the opposite sex. It then goes on to show that the standard economics problem of utility maximisation is formally equivalent to the standard biology problem of the maximisation of individual fitness, the ability to pass genes to future generations.
>
> (De Fraja 2006)

In other words the explanation for this so-called basic economic problem could once again be found in nature, not just exclusively human as before, but animal in general.

In conclusion, what the natural economics rhetoric purports to is that decisions in the so-called economic realm are technical problems and therefore transcend people, and consequently transcend democratic debate. Laws concerning dilation of mass are not balloted; climatic cycles, floods or droughts, are not submitted to referendums! Why should one debate, then, such a thing as an equilibrium level of wages or a natural rate of unemployment? The integration of economics into the natural sciences can be viewed, therefore, as an attempt to rescue it from the grip of collective preferences, and therefore from politics and democracy.

Before moving on, one should not fail to mention that, despite the obvious Marxian influence of soviet leaders, the first totalitarian experience presented as an alternative to market capitalism also restored the idea according to which economics is essentially a technical problem. In the first days of the Soviet Union, politics was certainly given a leading role, but on account of the famous objective laws produced by Marxian economics, although historical and not natural, one witnessed a similar kind of depoliticization of economics, this consisting in no more than the application of such objective laws (Sapir 2002). Leon Trotsky himself, in his work *Terrorism and Communism*, wrote that the only conflicts that would prevail within the forthcoming socialist economy would be those developed between what he called technical parties, thus reducing economic choices to mere technical options, inevitably out of reach of political debate (Sapir 2002: 179).

Scientific rationality versus democratic rationality

An economic decision, like any other decision, can be divided in three basic stages: a moment to gather relevant information, including values and beliefs socially and culturally transmitted; a moment to screen this information; and, finally, a moment to produce the decision based on the information gathered. Admitting the reductive character of the following binary classification, this decision can be taken according to either a scientific rationality or a democratic rationality. By scientific rationality one should understand that which is based on knowledge obtained by means of rigorous procedures, demonstrable and susceptible of being reproduced, and that which allows the testing of hypotheses and the interpreting of results which are intended to be objective. By democratic rationality one should understand that which is based on the right possessed by each individual to be consulted on decisions that affect him. A truly democratic society demands not only that every citizen must participate in the making of decisions that concerns them, but also that decisions must not be served to them wrapped in a shroud of ignorance. In a democratic society, therefore, scientific rationality and democratic rationality are complementary, scientific rationality being given the role of enlightening the masses, that is to say the demos. Unfortunately, it seems rather easy for this complementarity to be transformed into conflict, in other words for science to exclude the masses instead of enlightening them.

Science is not democratically debatable

Knowledge produced by natural sciences, by hard sciences, can be subjected only to two types of discussion; one concerning the validity of its formulation, resulting from the application of scientific rationality, and another the consequences of its implementation. If one can utter a preference regarding the latter domain, in other words confront alternatives based on the expression of values, such an option is not acceptable when discussing the former. Indeed, it is senseless to utter preferences in relation to scientific interpretations regarding a given phenomenon as they can only be either right or wrong. Therefore, if two scientific interpretations are issued, one of them will necessarily be wrong, if not both. Scientific laws are applied, not debated.

It is possible, for instance, to democratically debate the siting of a nuclear power plant, but it makes no sense at all to ballot the principles which establish the validity of producing nuclear energy through fission of the atom nucleus. Hence, scientific laws produced by a naturalized economics should receive the same treatment. Indeed, if economics can present an optimal solution for a particular problem affecting the economy, then by definition that solution is the only one which, rationally, society should adopt. Within this framework, the enforcement of economic laws does not constitute a decision per se, insofar as it does not reflect a choice. In a very elucidating manner, the 1983 winner of the Bank of Sweden's Prize in Economics in Memory of Alfred Nobel, Gerard Debreu, stated that economics is not an object of personal preference or political opinion, and that economics' foundations are scientific and economic problems universal under any regime (Debreu 1984: 80). Now, as Jacques Sapir (2002) puts it so well, in a world in which for each problem there is only one corresponding solution, pluralism and democratic debate is senseless. Therefore, putative scientific economic laws, interfering with people's everyday life and thereby affecting them, should be by definition exempted from democratic legitimization.

The use and abuse of science to legitimize the eviction of democratic debate is not recent. There are several historical examples of how scientific, or pseudo-scientific, rationality was used to hinder democratic rationality, namely by claiming that not all individuals were qualified to participate in the decision-making process, and thereby, that their participation in elections was contradictory to the very idea of democracy. Albert Hirschman in his *The Rhetoric of Reaction*, states the following:

> the undoubted advance of democratic political forms in the second half of the century took place in the midst of a diffuse mood of skepticism and hostility. Then, towards the century's end, this mood found a more sophisticated expression in social scientific theories, as medical and psychological discoveries showed human behavior to be motivated by irrational forces to a much greater extent than had been acknowledged before. The idea of basing political governance on universal suffrage could henceforth be exposed as a belated product, and, indeed, as an obsolete relic of the Enlightenment.
>
> (Hirschman 1991: 23)

Please bear in mind, however, that mainstream economists as scientists are not against democracy. They do not consider democracy to be dangerous to the expression of economic forces. On the contrary, they simply believe that democracy does not apply to economics, in other words they consider that economic decisions should be exempted from people's judgement, because economic laws and economic decisions do not belong to the same domain as democracy. That is more or less what Vilfredo Pareto had in mind in his *Cours d'Économie Politique* when he stated that, income distribution being a natural law, it is futile to change it and therefore to discuss it (in Hirschman 1991: 57). As a matter of fact this futility argument is considered by Albert Hirschman to be one of the three faces of the above-mentioned rhetoric of reaction, the two others being perversity and jeopardy. On Pareto's rhetoric, Hirschman says:

> Once Pareto had elevated his statistical findings about income distribution to the status of a natural law, important policy implications followed. It could now be claimed that, just as in the case of interference with the Law of Supply and Demand, it was futile (at best) to attempt to change so basic and invariant an aspect of the economy as the distribution of income, whether through expropriation, taxation, or welfare legislation.
>
> (Hirschman 1991: 57)

The speech on structural adjustment, for instance, fits particularly well into this framework. The guardians of the Washington Consensus, the virtual temple of economic orthodoxy, namely the International Monetary Fund (IMF) and the World Bank, repeat to satiety that there is only one alternative to wrest developing countries from the crisis in which they seem to be stuck – theirs. One is not supposed, therefore, to discuss the validity of the recipe, as this is the product of indisputable scientific laws; at most one can discuss the way in which the recipe should be applied, and indeed it is occasionally recommended that structural adjustment should present a human face (see Cornia *et al.* 1987).

The expert dictatorship

The above qualified use and abuse of scientific rationality allows economics to resort to yet another subterfuge equally conducive to the marginalization of democracy. Indeed, the growing complexity of problems affecting modern societies has been used to legitimize the transfer of decisions on matters that affect the community, from the hands of elected representatives of the people to those of individuals holding the required knowledge to deal with them – the experts. Even if this process responds to the wish to upgrade decisions, and so render a better service to the public, democracy can end up being hindered. Indeed, as a result of the plea for scientific grounding, one can witness a real privatization of public decisions, in other words an expropriation of democracy. As a matter of fact, this privatization may nevertheless even be welcomed by the public, in front of whom politicians tend to be voluble, whereas experts are unquestionable because they are supposed to hold the power of knowledge.

The preponderance of technical arguments for supporting public decisions also implies increasing intellectual difficulty in dealing with problems, therefore crowding out lay people from the decision process. As a matter of fact, many religions throughout history subdued people by resorting to this very principle. Indeed, religious dignitaries usually presented themselves as depositaries of a divine revelation, whose interpretation was extremely complex and demanded specific knowledge, maybe even direct access to the creator himself (Brown 2001). In some societies, like those of nomadic people in the deserts whose survival depended on the exactitude of the information concerning the territories they inhabited, but who at the time did not possess precise and detailed maps, mental maps were crucial. By mental map one should understand an implicit and non-materialized spatial representation, a set of ideas regarding more or less vast territories, according to which individuals or groups of individuals act (Lacoste 1993: 379). In such societies, therefore, individuals possessing the best mental maps, in other words retaining the most relevant knowledge to direct the nomadic tribes across their boundless territory, would in this way legitimize their right to exercise political power.

Tom Burns, in a report on the future of parliamentary democracy in Europe, stated that one of the main reasons for which parliamentary systems are progressively marginalized in modern politics and governance rests on the fact that western societies have become too complicated for a parliament, or any other administration, to control them, to acquire the qualifications needed to deliberate on relevant matters, and he adds that numerous policy conceptions and applications are produced within thousands of agencies (Burns 2000). This ideology of competence (see Gonçalves 1996), in other words this idea according to which mere citizens, including politicians, are incapable of understanding the high complexity of social and economic reality and must resign themselves to delegate the power of decision-making to a caste of experts, indeed constitutes a powerful argument to debilitate democracy.

The delegation of power in institutions allegedly independent, such as the recently emancipated central banks, constitutes a paradigmatic example of the above-mentioned debilitation of democracy, because the adjective independent does not refer to the myriad interests scattered within society, but merely to immunity regarding the mechanisms of democratic control, such as parliaments. One should remember, incidentally, that Edward Prescott and Finn Kydland, who received the 2004 Bank of Sweden's Prize in Economics in Memory of Alfred Nobel, precisely for their contribution in demonstrating the advantages of independent central banks, were much criticized by renowned mathematicians for making poor use of mathematics with the purpose of justifying questionable hypotheses (Henderson 2006).

It is also quite frequent for the IMF to shield itself behind the recommendations of its technical staff when trying to justify the polemical wording of some letters of intention, that is to say the resolutions by which countries that have resorted to the Fund accept its directives. These letters of intention, nevertheless, constitute much more than mere technical products, they often consist of real political programmes (see Momani 2004). It is indeed very cynical, to say the least, to take measures that will dramatically reduce public expenditure to alleviate poverty or support children education, for example, as mere technical issues.

The hegemony of market ideology

For a long while it seems that the market had been given the role of an instrument to procure well-being, a role in which it succeeded quite well, as a matter of fact. Once it turned out that the market no longer had to face credible competing regulation systems, it stridently claimed a more important role; in other words, slowly but inexorably the market has been upgraded into a goal and, consequently, has submitted society to its own purposes. More than 50 years ago, Karl Polanyi used the term 'market society' to denote this inversion of values. According to Polanyi, such a society was characterized by the adoption of market rationale, not only by the economy but also by society at large (Polanyi 1983: 88). As a matter of fact, it seems that this transformation was handled both smoothly and effectively. Take schooling, for instance: for a long time considered an instrument of citizenship, not always with the best intentions actually, schools today are taken mainly as qualification factories and their social utility measured by the efficiency displayed in the production of these qualifications.

In short, the hegemony of market ideology means that it is not within the competence of the market to serve the interests of society; but rather, on the contrary, it is within the competence of society to serve the interests of the market. The effects of this ideology on democracy will be examined first of all by means of the imposition of a market jurisdiction, in other words as the result of the market becoming both a source and a subject of the law; second, through the transformation of economic deregulation into a paradigm of freedom; third, as a result of political unaccountability and irresponsibility; and finally, as the consequence of what one could call the depoliticization of choice.

The market 'subject of the law'

For obvious reasons it is not the purpose here to dig deep into the dogmatic discussion that has been going on for quite a while on this matter. Nevertheless, some explanation of its economic relevance is needed. The question is: can the market, in the same way as individuals or the State, claim to be a subject of the law? In other words, can the market claim to be affected by third parties, and consequently demand reparation? This discussion has also been going on regarding animals and nature itself, incidentally (see Ferry 1992). Therefore, more than just a debate on whether the market should legitimately aspire to being placed on an equal footing legally with both individuals and the State, it is the subordination of individuals and the State to the market that is the key discussion here.

This higher ranking of the rights of the market in relation to the rights of individuals and the State becomes, therefore, more than just an academic hypothesis, but almost a paradigm in arbitrating rights. Indeed, several decisions of the World Trade Organization (WTO), for instance, constitute a perfect example of the adoption of the principle according to which the rights of the people are subordinated to those of the market. One of the purposes of the above mentioned organization consists in tracking and identifying national practices that are contrary to the spirit of the free market, or rather deregulated, and sometimes legitimizing actions which, albeit contradictory with that same spirit, appear as a response to the former. In other words, decisions taken democratically within member states of the WTO can be contested on the grounds of an alleged incompatibility of these decisions with the rules of the freedom of circulation of goods and services, meaning that the market can overrule citizens.

The discussion regarding the innocuousness of certain products originating from genetic engineering, for example, has revealed the existence of a conflict between the principle of precaution and freedom of the market. The former principle demands an independent and unequivocal demonstration of the absence of danger of genetically modified organisms for human health as a condition for its approval and further circulation; the latter argues that, on the contrary, it is not within the competence of producers to demonstrate the innocuousness of their products (see George 1999), but rather it is up to those who fear the possible consequences of their consumption to demonstrate their harmfulness before prohibiting the referred products. This conflict has transcended the consumption sphere because, in reality, it opposes two different sources of legitimacy; one of them, democratic, because it derives from the citizen through national parliaments; and the other, technocratic, because, in turn, it arises from the market through the expression of economic interests.

A good example of this conflict is to be found in the commercial dispute between France and the United States. On the one hand, France was considered to be violating the freedom of the market through its refusal to import American beef, on the grounds that this was potentially harmful to human health because of the use of growth hormones; and on the other hand, in order to compensate the market for being deprived of its alleged rights, the United States was authorized to punish France by imposing prohibitive taxation on the imports of French Rocquefort cheese (George 1999). Inversely one can find the same sort of attitudes, namely concerning a Californian standard imposing a minimum percentage of recycled material in glass containers (Morris 1996: 444). What is at stake here is not only the undeniable fierce competition that exists between the two countries in world markets, but also, and mainly so, the unfolding of a logic that submits democratic decisions aimed at protecting the environment and public health to bureaucratic decisions based on the premises of the allocation of rights to the free market.

Some words, finally, on the famous Multilateral Agreement on Investment (MAI), negotiated between members of the Organization for Economic Cooperation and Development (OECD) between 1995 and 1998, and which failed after the socialist prime-minister, Lionel Jospin, withdrew France from the agreement. Its logic contained almost all the perversities described above, especially regarding its procedures. One of the arrangements of this agreement concerned the rigid limitations binding the states willing to withdraw from the agreement after having signed it (Sapir 2002). The near irrevocability of MAI imposed restrictions on governments, which went much farther than was usual in international treaties, intolerably restricting their programmatic freedom, and therefore their citizens' choice, tying society to an economic global programme rendered unquestionable.

The deregulation of the economy

By asking the removal of barriers to market adjustment, mainstream economics has clearly put economic deregulation at the heart of its programme. As a matter of fact, this deregulation is not merely a situation strategy, in other words an adaptation to modern times; on the contrary, as everyone most certainly agrees, the idea of an absence of regulation has been deeply embedded in mainstream economic theory ever since its beginnings. Bernard de Mandeville, for example, the true precursor of mainstream economics, maybe even more than Adam Smith himself (see Torres 1998), maintains in his *Fable of the Bees* that freedom should be taken as the absence of impediments to individual action (Haworth 1994).

In the global economy, this deregulation has primarily affected the ability of governments to make economic policy, be it fiscal, monetary or international, which means that any government that attempts to implement measures that contradict those of the majority of world governments is threatened by the practical neutralization of its policy (Rachline 1998). Not only is this fact, by itself, sufficiently illustrative of the absence of real choice as far as defining the course nations should follow is concerned, but as Robin Archer (1995) puts it, democracy demands some authority, in other words impediment. Although in terms of human rights, every economist, even amongst the ultra liberals, will probably agree that freedom is unconceivable without some restraint on individuals; this same restraint does not seem to be desirable for the economy, the Mandeville interpretation of freedom apparently constituting a paradigm in mainstream economics.

Even so, this paradigm is detrimental to democracy. Imagine an economy characterized by the absence of regulation from the State. In this situation one can say that the whole of national income is distributed without any interference from political power. In these conditions, what will the role of politics and therefore of democracy be, asks Jean-Paul Fitoussi (2004)? As a matter of fact, the opposite example would lead to the same conclusion, although for different reasons. In this case, if national income were to be distributed exclusively by the State, each people's income would depend almost entirely on electoral outcomes, which would lead individuals to build interest coalitions that would make democratic life impossible. Jean-Paul Fitoussi concludes that a distributive system including the State is necessary for democracy, but also that it is crucial that a significant part of each individual's income must be determined through non-political processes (Fitoussi 2004).

One further remark should be made on the clash between deregulation and democracy beyond their theoretical opposition. Indeed, by promoting inequality in income distribution, economic deregulation is once again detrimental to democracy. The most open economy possible according to the market is, in Maurice Obstfeld's opinion, conducive to a decrease in capital's fiscal burden, and, in compensation, to an increase of this same fiscal burden on labour (Obstfeld 1998: 20), which would contribute to rendering income distribution more unequal. The case of Germany, the former West Germany to be more precise, is particularly illustrative: André Gorz says that in the period between 1978 and 1994, despite real wages having grown 6 per cent and profits 90 per cent, the latter's share in the State's tax revenue decreased from 25 per cent to 13 per cent (Gorz 1997: 33).

According to the European Commission, one could blame the growing flexibility of certain labour markets for a social dualism characterized by a growing gap between people enjoying a well remunerated and safe job and people who, on the contrary, suffered from both precarious and low paid jobs (European Commission 1994: 153). Thus, in the majority of industrialized countries wage inequality has grown between 1970 and 1990, especially in the United Kingdom and the United States, which are precisely the countries that have adopted the most aggressive deregulation of the economy (Piketty 1997: 19).

Now, according to Boutros Boutros-Ghali for example, one of the major impediments of democratic development resides in the serious inequalities that exist (Boutros-Ghali 2003). Quite some time before, in the late 1950s, political scientist Seymour Martin Lipset pointed out that the existence of a significant middle class is determinant of democracy (Lipset 1959), which, by definition, is stronger when income inequalities are low. Furthermore, empirical evidence seems to have been found relating inequality and the lack of democracy, or the other way around, the positive relationship between moderate or declining inequalities and democracy (Acemoglu 2003; Barro 1999; Engerman and Sokolof 2002; Przeworski *et al.* 1996), the main argument being that the gap between the rich and the poor, rendering distributive conflicts more acute and creating a feeling of economic insecurity, would contribute to eroding the adherence of both the people and their leaders to democracy (Fitoussi 2004). Furthermore, income distribution inequalities tend to be accompanied by inequalities in the access to other political resources, such as respect, status, information or knowledge, all resulting in the political under-representation of the poorest social groups (Dahl 2000; Calderón and Szmuckler 2004; Engerman and Sokolof 2002; Haworth 1994).

The dilution of responsibility and the unaccountability of power

In the beginning of this chapter it was mentioned that democracy demands responsibility and accountability from those entities which exert power. Being responsible and accountable means that the entity to which citizens have democratically conferred legitimacy to decide on their behalf should be answerable to them. This responsibility can be observed in two different instances. The first instance concerns the attribution of the very responsibility to decide, in other words the definition of who has the power, and the second the way according to which citizens can both grant and control the power to decide.

Who then has the power in the world of globalized market capitalism? It seems clear that the State is losing power, not as a consequence of some sort of obscure conspiracy, but partly as an outcome of its own programmatic will. Indeed, after deregulating the economy, eliminating the control of capital flows, abdicating monetary policy, exchange policy, and part of fiscal policy, the State has voluntarily given up genuine power to decide on economic issues that really matter. Thus one is entitled to wonder if the State is truly responsible, in other words if the legitimacy citizens grant the State on the occasion of elections is not somehow misdirected? The State still has some power, but less and less as time goes by. This growing irrelevance of the State has led Michel Beaud to maintain that contemporary societies would be suffering an entirely new disease, *acracy*, in other words helplessness in terms of power, or the loss of political will (Beaud 1997: 237).

On the other hand, the increasingly irrelevant intervention by the State seems to be characterized by a necessitarian rather than a normative foundation, in other words by obligation rather than by conviction. How many times have governments resorted to the excuse that they did not have any choice in order to justify controversial decisions to their citizens? One of the most striking aspects of this irresponsibility drift of the State consists in the relegation of certain economic policy objectives. Thus, in contrast with what characterized the post-Second World War period until the mid-1970s, when it was formulated in terms of final goals such as full employment or just bettering the living conditions of the people, economic policy after the 1980s became formulated preferentially in terms of intermediate objectives, such as budget equilibrium or market flexibility. Therefore, with this kind of policy formulation, citizen's welfare is transformed into a mere side effect.

By acting in this manner, the State sweeps responsibility away, or rather the State essentially becomes responsible to the market rather than to the citizen. This subordination of the State to the market was very clearly brought out by a former chairman of the Bundesbank at the World Economic Forum held in Davos in February 1996. He maintained that political leaders should be aware that, from the moment they were elected, they would be submitted to the control of the financial markets (in Petrella 1997). The State's irresponsibility also stems from the greater ease of corporations, especially as far as multinationals are concerned, in adapting to the role of a global actor, when compared to the State, an eminently national institution (Groupe de Lisbonne 1995: 122).

Now, if the State is not responsible for the decisions that affect citizens, why should governments be cyclically submitted to people's scrutiny at the time of elections? Why should the people punish or reward governments for something for which they are not responsible? Who is responsible, then? Whom should the citizens bring to account? The market? Well, if the market is not accountable to anybody, it will be far less so to the citizen. A former member of Citicorp's board seems to have given the right answer in an interview to *Wired*, for many the cyber-era's bible. 'Nobody', he said. He then added that, if policies were not good, the market would sanction them immediately, exclaiming that he was totally 'in favour of such an economic democracy' (in Schiller 1996).

Therefore, if the markets have taken control of the real power to decide and they are not accountable to the citizens, they are at most indirectly accountable to corporations' shareholders. Indeed, according to the logic of corporate governance, decisions are not taken by all those affected by their decisions, but by those who own the capital. Therefore, at best, democratic control becomes dependent on each shareholder's financial weight; at worst, citizens will be governed by an unaccountable entity. Under any of these hypotheses one is facing a flagrant erosion of the democratic idea, which has instituted the requirement of accounting for decisions that affect third parties and has granted all adult citizens one vote regardless of their condition.

The loss of power by the State should not necessarily in itself be considered anti-democratic. If this loss had corresponded to a transfer of power from the State (usually taken as the bad guy in human rights discourse) to individuals, in other words if it had corresponded to the empowerment of citizens, democracy would not have suffered in the least. But that is not what happened. In reality, one has been witnessing a transfer of power from an accountable entity, since those who exert power within the democratic State are both elected and known, to an unaccountable entity, the market, which, by definition, is anonymous. This unaccountability of the market constitutes a serious menace to democracy on the grounds that concentration of power in unaccountable institutions has usually given rise to the abuse of power, as David Korten (1996: 190) stresses.

On this matter, the example of the concentration of power in the hands of an unaccountable totalitarian State in the old Eastern European popular democracies should alert all those in favour of a new concentration of power in the hands of another unaccountable entity such as the market. Not only was the concentration of power in the hands of an unaccountable entity in those years of scientific socialism undemocratic, but it also produced an unsustainable economic inefficiency. In this process, according to David Korten, capitalism would be revealing its proverbial self-destructive tendency, not so much for the reasons pointed out by the Marxian critique, but ironically, for the same reasons that led scientific socialism to collapse (Korten 1996: 190).

The depoliticization of free choice or the depoliticization of politics

Reference was made at the beginning of this text to the fact that that mainstream economics, both methodologically and politically, is individualistic. However, individualism, by considering each individual as valuable as any other, constitutes a pillar of modern democracy, and therefore economics can claim part of the laurels of democracy's current triumph. Nevertheless, as happens on so many occasions, if too little individualism can restrain democracy, too much individualism can dissolve it. Paul Streeten penetratingly describes the trap into which democracy would fall if it were to rely exclusively on personal interest.

> In a democracy, if all always acted and voted exclusively in their individual economic self-interest, the poorest 49 per cent of voters would lose. For in order to get a majority it is necessary to bribe only the middle 2 per cent of voters to vote with the top 49 per cent to achieve a majority of 51 per cent. And the top 49 per cent have more money for this purpose than the bottom 49 per cent.
>
> (Streeten 1995: 267–268)

An entirely democratic society, therefore, must be based upon a certain amount of social solidarity, of concern regarding the other; in democracy one must vote for what one believes to be correct more or less independently from the consequences of our choice for our personal well-being. There is, indeed, an ethical dimension of democracy that can certainly accommodate personal interest, but cannot rest exclusively on it. Furthermore, if exclusively individualistic, democracy not only risks losing its *raison d'être* but also compromises its existence, since there are probably more efficient ways to satisfy personal interest than political involvement. On this subject, Bernard Perret maintains that, through the supply of a growing diversity of goods and services, the global market allows the democratic individual to satisfy his desire for freedom in a safer and more straightforward manner, without actively involving himself in the democratic process (Perret 1999: 14). Nevertheless, this extraordinary profusion of goods, tasting like liberty and perfumed with just the right amount of escapist exoticism, can distract citizens from what is essential, which is to remain the master of one's own destiny, as Alexis de Tocqueville had already warned in the nineteenth century (Tocqueville [1840] 1986).

In the following lines we shall examine a different subject, albeit intimately connected with what has been expounded upon so far, and which constitutes a key element of an unyielding version of democracy, one according to which, in the exercise of real democracy, the ultimate issue being balloted is the way we wish to live, in other words the choice of regime. This principle being accepted, what does one really choose when one chooses political leaders?

Now, if the hegemony of market ideology opens the range of consumption possibilities, on the other hand it narrows the discussion on the nature of the economic system. One could retort that such an absence of economic and political alternatives results from a wide consensus on the way one wishes to live and that, therefore, it has become somehow senseless to submit capitalism to the suffrage of the people. Let us suppose that market capitalism, amongst alternative ways of living, is clearly picked by a majority of voters in an election. In this case one can say that market capitalism was democratically chosen as the system under which people wish to live. Let us now imagine another situation in which the same set of voters, whom we know prefer market capitalism, is again called upon to choose the economic system they wish to live under, but where there is no alternative to market capitalism. The result of the process will most probably be the same as in the previous call, in other words market capitalism will get the majority of the votes, and will therefore be democratically legitimized.

The outcome of both electoral processes is the same, market capitalism wins. These two processes are also democratic in the sense that the will of the majority triumphed. Nevertheless, these processes are fundamentally different from the point of view of the above mentioned unyielding version of democracy. According to Amartya Sen, the fact that in a process such as the second one there is no alternative available to the voters constitutes a deprivation of freedom, curtailing the democratic character of the electoral process (Sen 1993: 57). If the lack of choice amongst products and amongst suppliers of services, resulting, for instance, from a country controlling imports, can be considered a deprivation of freedom for the market, logically, the absence of alternative economic regimes in electoral processes should also be considered in the same way.

The availability of alternatives is not only a demand of democracy's legitimacy, it is also essential in order to collect its alleged economic benefits. First of all, an election in which clear government alternatives are in confrontation is not the same as one in which only the personality of the candidates to conduct a predetermined policy is at stake. In the first case, one is facing a choice of society, a political choice in its deep sense; in the second case, what is at stake is the attribution of a vote of confidence to an association, or an individual, to conduct a policy on which, in fact, voters have not expressed themselves. In other words, what the political class is asking of the voters in modern electoral processes, competence being discussed ad nauseam in detriment of the idea, is a mere certificate of both aptitude for the post and strength of character.

In a retrospective analysis of his main work *Strategies of Development*, Albert O. Hirschman, without even looking for it in the first place (as he insists on pointing out) shows how democracy's contribution to economic development demands the presence of clear programmatic alternatives, an analysis that ensues from the inherent logic of his famous theory of unbalanced growth. He maintains that each policy objective is so hard to reach that, in order to progress towards only one of these objectives, it is necessary to mobilize all the nation's intellectual energies and political resources. Thus, other objectives, equally primordial, will be inevitably neglected, which, sooner or later, will capture public attention. The criticisms that will follow will oblige the government to change its course and concentrate its resources on a new objective, neglecting, in turn, other objectives (Hirschman 1988: 116–117).

This method of selecting objectives and this way of progressing in their achievement can seem perverse and dangerous at first sight, since it is possible that in such a scheme of government a determined social group can be constantly left out, but, according to Hirschman, democracy can actually provide a satisfactory answer to this conflict of objectives. Thus, in a democratic system of government, let us suppose bipartite, each one keeping its own physiognomy and ideological coherence, a different priority will be granted to each objective according to the party in office. Within the framework of political competition, objectives will compete in the same manner as political forces, and will be neglected or considered a priority according to what is dictated by the natural alternation in power.

According to Hirschman, this is the way of advancing a country, even if this sort of procedure generates justifiable discontent within certain layers of the population, since one can admit that, although some of the ground gained by a given government in pursuing an objective might be lost on account of its substitution by another within the already mentioned framework of alternation, the succession of this process in time, in a scheme of gains and losses, provides real benefits, and in the end global progress would be attained on the back of the parties in conflict; everybody ends up winning so to speak. Now, this peculiar scheme ceases to function when partisan alternation does not correspond to programmatic alternation. However, it seems that this is precisely what is happening when economic laws are exempted from democratic debate. Colin Hay showed how, in Great Britain for example, Tony Blair's New Labour, rather than an alternative, established itself as the heir to Margaret Thatcher's conservative economic policy (Hay 2004).

This absence of alternatives is certainly not foreign to people's growing alienation regarding electoral processes, opening the gates, as Richard Norgaard stresses, to the supremacy of technocratic decisions over those democratically debated, renouncing *in fine* the participation of the people in the elaboration of decisions (Norgaard 1994: 145). In summary, market capitalism authorizes various streams of thought on how one should live, as long as they think the same. The problem does not concern the absence of freedom of choice in itself, as market capitalism indeed allows extensive freedom of choice in various domains, but the depoliticization of choice, the transformation of the citizen into a mere consumer, reducing the reason of the former to the rationality of the latter. Suddenly the words of an eminent Financial Times editor, claiming that democracy consists in knowing what brand of cereals one will choose for breakfast (in Collin 1997: 173), makes perfect sense.

6 Globalization versus democracy

For quite some time now the global village metaphor has been served up to world public opinion, so very fond of magical formulae, with what one might suspect to be the subliminal purpose of conveying the idea that the current model of economic globalization is the only one capable of reconciling economic efficiency and fraternity amongst all peoples. Nevertheless, despite some notable achievements in many parts of the planet, the gap between rich and poor has apparently become wider rather than narrower (see Stiglitz 2006; Mazur 2004; Honey 2004). In the political sphere success seems much more unequivocal, however. Indeed, beyond a handful of anachronistic exceptions, the world seems to have surrendered to the delights of living under democracy, or at least to the convenience of being ruled by governments that have been somewhat freely elected.

From there to the conclusion that globalization favours democracy was but a small step that many economists and political scientists all over the world did not hesitate to take. Refusing to share this optimism, many other scientists have, on the contrary, severely questioned the democratic character of the global economy, almost since the term globalization itself was invented. Many empirical studies and theoretical reflections have dealt with this question (see for example Groupe de Lisbonne 1995; Obstfeld 1998; Hamilton 2002; Sapir 2002; Li and Reuveny 2003; Fitoussi 2004; Przeworski and Meseguer 2006), reaching varied and often contradictory conclusions. Our concern here will be slightly different. We shall not ask whether globalization has brought more or less democracy to the world, but whether the logic pertaining to the global economy intrinsically favours the deepening of democracy and of human rights. The first step of this endeavour consists in demystifying the meaning of the concept 'global economy', or in other words economic globalization.

What is the global economy?

Contrary to the widespread image, economic globalization cannot be assimilated only with the growing internationalization of national economies, consubstantiated in their deeper interdependence, in the increasing level of international trade and in the accelerating planetary circulation of productive factors. First, and regarding the allegedly increasing importance of international trade within the main national economies, we are facing an optical illusion that mistakes the verifiable increase of the absolute level of international trade with structural changes within these same economies. Indeed, despite having been continuously growing for quite some time, the weight of foreign trade in Gross Domestic Products today is not significantly higher than that of 1914 for the major economies (Rodrik 1998; Feenstra 1998; Sutcliffe and Glyn 2003).

Regarding capital, the idea that the recent lifting of major barriers to its circulation catapulted the economies into a new era is also very common. Once again such a judgement succumbs to a scale effect resulting from a shallow appraisal of the past. The extraordinary amount of capital wandering the world in a sort of peripatetic stroll is hiding a less scintillating reality, however. The net flows of capital, measured by the difference between domestic savings and domestic investments are, on the contrary, inferior to those met during the Gold Standard (Obstfeld 1998: 11), and therefore the vibrant global financial market of the turn of the nineteenth century has still not found any equivalent 100 years later. If one takes foreign direct investment (FDI) alone, the situation is quite similar. Indeed, though it seems that the level of FDI is probably greater today than it was at its previous historical peak, it is not by such a significant margin (Sutcliffe and Glyn 2003: 69).

Finally, regarding labour or just people, are borders more permeable today than they were ever before? Tourism has shown a remarkable expansion and undoubtedly constitutes one of the most dynamic economic activities all over the world, but to extend this recent permeability of borders to the circulation of labour is above all an act of faith. The trivialization of travel cannot hide the fact that labour mobility is not stronger today than it was at the beginning of the twentieth century. The borders of the most powerful economies seem, on the contrary, more inexpugnable than ever, as the electronic and barbed wire wall separating the United States from Mexico or the Shengen Zone's futuristic virtual fortress perfectly illustrate. Indeed, the intense media coverage of the continuous scattering of illegal immigrants on our western shores is sufficiently revealing of the difficulty rather than of the ease of crossing borders in search of a better life, especially when compared to the huge international migratory movements of the late nineteenth century and early twentieth century.

Despite these assertions, we cannot, however, conclude that history is repeating itself. The global economy of the beginning of the twentieth century embraced only a small part of the world economies; in other words, market capitalism (because that is what this is all about) was dominant in only a handful of countries. In the great majority of the planet's territories, when such a thing as an economy existed, it could be classified, at most, as pre-capitalist. As market capitalism began to expand beyond its original nucleus, competing regulatory systems made their appearance, first with the Russian revolution, then with Fascism and Nazism, in Italy and Germany respectively. With the end of the Second World War and later the end of colonial empires, capitalism confronted socialism in a struggle that lasted till the Berlin Wall fell down. In contrast with what had been its behaviour during the first stage of its expansion, capitalism reduced its degree of internationalization during this period, localized itself, and accepted ideological compromises with the State. What characterizes the global economy of the turn of the millennium is, in our understanding, the expression of capitalism's expansion to all corners of the globe with the exception of some pockets of resistance that only rhetorically threaten its supremacy.

In its essence, then, the global economy consists in the definitive conquest of planetary supremacy by the market capitalist model. There is nothing awkward in this assertion. Capitalism has always been historically averse to national seclusion. The fact that one of the main targets in the economic and political agenda of globalization is removing barriers to the so-called adjustment by the market, perfectly illustrates the essence of this aversion (see Kozul-Wright 1995: 159). Globalization, therefore, is as old as capitalism itself, or rather, is one of its constitutive features (Heilbroner 1988; Collin 1997; Held 1997), a conclusion that would not surprise Lenin for whom a particular reading of globalization, called imperialism, was supposed to be precisely the supreme and final stage of capitalism (Lenine 1977).

This conclusion is very important for our argument because it is consequently useless to look for the relationship between globalization and democracy within the statistics concerning foreign trade or in any other part of the balance of payments sheet. One should rather look for it within the logic of market capitalism and the institutions that have been guiding its propagation. Now, one of the institutions that can be held responsible for this propagation is precisely economics, taking here economics' scientific apparatus itself as an institution. Indeed, the development of the global economy as market capitalism clearly responds to mainstream economics' postulates.

Some aspects of the relationship between market capitalism and democracy have already been referred to in the previous chapter. Therefore, in the following lines only some of the aspects that should be more easily identified with global issues will be focused upon, that is to say the conflict between the *territorialization* of democracy versus the *deterritorialization* of the global economy and the undemocratic character of decisions within the Inter-Governmental Institutions such as the International Monetary Fund (IMF), the World Bank or the World Trade Organization (WTO). Some particular aspects of the conflict between democracy and the global economy concerning developing countries will also be referred to towards the end of this argument.

The territorialization of democracy versus the deterritorialization of the global economy

As we have already seen in the previous chapter, one of the conditions demanded of a democratic regime is the right of the people to participate in the process of making decisions that will affect them. To cut a long story short, today such participation is obtained mainly through free and competitive elections involving every citizen of voting age. The only true problem here is to decide who is a citizen and who is not. This a very important question because a decision can only be democratically legitimate if it is sufficiently independent of influences and interactions originating from outside the demos (Collin 1997; Dahl [1979] 1997). The democratic system is thereby confined to the political geography of a given community.

That is why the historical development of the democratic idea followed the steps of the evolution of this political space. According to Michel Beaud both Greek democracy and the tax payer's democracy of pre-capitalist city-states expressed themselves within a finite space. The physical boundaries of both these democracies matched those of the city and the interests at stake corresponded to those of very specific groups, citizens in the first case and merchant bourgeoisie in the second (Beaud 1997: 233). Modern democracy, in turn, expanded its political space by matching its territory with the boundaries of the nation-state and by adopting universal suffrage.

The path taken by the market economy is substantially different, however. The spatial confinement that the very notion of a market suggests, that is to say the setting where trade takes place, gave way in the global era, not to the expansion of its territory, but to its disentanglement, in other words to a *deterritorialization* of the mechanisms of creation, production and distribution of goods and services, contrasting sharply with the *territorialization* of democracy. Thus, whereas a substantial part of major economic decisions are made within a *deterritorialized* framework, in other words within a virtual territory woven into a network by the world markets, the mechanisms of democratic participation and its constituent institutions are, on the contrary, confined to the growing narrowness of the nation-state. The result is an increasing physical separation between the centres of decision and the people affected by those same decisions (see Cassen 1997), thereby weakening the scope of democracy.

It seems then that the transformation of the economy is going on at a faster pace than the transformation of the polity. Is this a coincidence or is it part of a deeper movement? According to David Morris this increasing separation between governance and citizenship is part of a long process also characterized by the separation between the producer and the consumer or between the city dump and the dustbin (Morris 1996: 220), in other words it is part of a process that can also be called economic development. Therefore, the separation between the decision and the community affected by that same decision would be nothing more than the political expression of the growing partition of society resulting from specialization and the social division of labour; the conflict between the global economy and democracy being, therefore, the normal outcome of the expansion of market capitalism.

Does this mean that only small communities closed to the outside world can fully live in democracy? Such a conclusion is both undesirable and hardly sustainable. What it means is that we shall have to look for new ways of participating democratically in the decisions that are shaping the world today. How this can be achieved remains to be discovered. One thing we do know with certainty: for the time being one cannot expect intergovernmental institutions, like the IMF, the World Bank or the WTO to play a decisive role in producing democratic global governance, as we shall see below.

International institutions and democracy

As has already been said, economic globalization results from the normal unfolding of capitalist logic, but one should not conclude that the global economy is the product of decentralized decisions alone. In other words, the global economy does not result from the unrestrained action of market mechanisms alone. National governments, by legislating in favour of the market or by lifting barriers to the circulation of goods and capital, as well as intergovernmental organizations actively contributed to producing and shaping the global economy. Where governmental action is concerned, decisions can be considered democratic as long as governments themselves have been democratically elected, although one could debate this at great length. As far as intergovernmental organizations are concerned the matter is slightly more complex. Indeed, the concrete decisions produced by these organizations can hardly be considered democratic. The criteria upon which these decisions are made differ substantially from those adopted by national governments. Whereas a majority of votes provides national governments with the legitimacy to act on behalf of citizens, this is not the case within intergovernmental organizations.

Let us take the case of the IMF and the World Bank, for instance. It is not the number of votes, expressed by the number of voters, that counts most, but economic strength. In this particular case it is a country's contribution to the organization's budget that determines its power to influence decisions. Imagine that a country's government was elected not by the system of 'one citizen, one vote', but 'one dollar, one vote', the rich having more power to decide than the poor. This would certainly be unacceptable. Yet, this is how it works at the IMF or the World Bank! This is all the more shocking as these organizations have been interfering more and more deeply in matters for which national governments were previously exclusively responsible. Take the conditions countries have to meet in order to get IMF or World Bank loans, for example. In the 1980s, countries that asked for loans had to meet six to ten performance criteria, whereas in the 1990s these same countries had to meet something like 26 criteria (Kapur 2001).

Furthermore, about half of the voting power at the IMF and the World Bank is in the hands of seven countries; the United States, Japan, France, the United Kingdom, Germany, Russia and Saudi Arabia. This is only possible due to the particular method of calculating votes within these organizations. Each member country possesses 250 basic votes, plus one additional vote for each 100,000 Special Drawing Rights they contribute to the organization's budget (Momani 2004: 881). That is why the United States hold 17.11 per cent of the votes whereas China only 2.94 per cent (Momani 2004: 882). If the calculation method rested on the principle of 'one man, one vote', instead of 'one Special Drawing Right, one vote', China would have to hold at least four times more votes than the United States, instead of holding six times less. The new calculation method adopted meanwhile made some changes, but this scandalous discrepancy was only slightly mitigated.

The heart of the matter is that within the intergovernmental organizations the majority of member states can only theoretically participate in the making of decisions that affect them, therefore violating a major principle of democracy. Twenty-three African countries amongst the poorest in the world and the most affected by the conditionality criteria imposed by the IMF, for instance, hold only 1.16 per cent of the votes (Momani 2004: 882). Some other facts can be added to strengthen this idea of a non-democratic process of decision making. Indeed, in the course of the IMF's history the undemocratic character of its decisions has even been gradually reinforced. While 135 more countries joined the IMF, the percentage of basic votes in the total amount of votes for the entire organization decreased from 12.4 per cent to 2.1 per cent (UNDP 2002), which means that at the same time as these organizations rallied more countries to join more power was given to its richest members.

This concentration of power within the intergovernmental organizations represents the contemporary face of global hegemony, in practice the United States' hegemony in the world economy. According to Paul Knox and others, the British hegemony within the capitalist world economy was characterized by a mixed strategy of formal and informal imperialism, in other words by empire-building and extensive investment outside the empire, whereas the United States, in order to achieve its own hegemony, avoided the burden of formal imperialism by sponsoring intergovernmental organizations with the same results (Knox *et al.* 2003: 76–77). By not being able to influence decisions that affect them, many countries lost de facto a substantial part of their sovereignty. This external imposition happened discretely, but by no means should one conclude that discrete is synonymous with peaceful.

The loss of national sovereignty always constitutes a violent event. Edward Goldsmith tells us a very revealing story about Tunisia's loss of sovereignty to France. At the end of the nineteenth century, the Bey of Tunis, in order to reimburse his debts towards French banks, was obliged to accept the creation of a French protectorate in Tunisia (Goldsmith 1996), a testimony of how national independence can be traded against financial solvency, following either an imperialist or neo-imperialist strategy. Indeed, the ways in which the IMF and the World Bank impose political programmes on independent states in exchange for funds do not seem substantially different from the methods used by France's colonial power to subdue Tunisia.

Many political scientists will tell you that, if the IMF and the World Bank's decisions are far from being democratic, the World Trade Organization, on the contrary, respects the basic principles of democracy. At the WTO the voting system rests on the principle of 'one nation, one vote' and the decisions are taken through consensus. Therefore, less powerful countries can allegedly influence decisions and especially veto those decisions that can harm their interests (Hamilton 2002: 10). However, the reality is not as bright as it seems. First, it is not certain that the system of 'one nation, one vote' is much better than the system 'one dollar, one vote', as China will have the same power as Luxemburg which is several times less populated. On the other hand the more relevant decisions are not taken in general assemblies but in what has been called the 'green room', in other words in small committees called by the organization's chairman and generally influenced by the United States, the European Union, Japan and Canada, and from which developing countries are generally excluded (UNDP 2002: 118).

To this democratic deficit one should add the fact that intergovernmental organizations are unaccountable to those affected by their decisions (Muchlinski 2003). Indeed, it is not yet known to whom they respond. To national governments, to the people, to nobody?! In democracy, if a government makes decisions that are contrary to the will of the people, the people can overthrow it in the following elections. In contrast, if intergovernmental organizations make decisions that are contrary to the will of the people, the people can do little about it! Some might reply that decisions made by intergovernmental organizations are technical and not political, and are therefore not submitted to the same rules as far as responsibility is concerned, but, as we have seen in the previous chapter, many of these decisions are far from just addressing technical issues; they constitute, on the contrary, full political programmes.

Globalization and democracy in developing countries

According to Freedom House, and despite its acknowledgement of cyclical waves of democratization, few developing countries, most especially in Africa, can be considered entirely free nations (Freedom House 2005). In a quest for the implications of globalization on this state of affairs, one needs first to acknowledge the role played by the economy in fettering democracy. Indeed, despite the assumption that democratization is essentially a political process, numerous signs nevertheless indicate that, to some extent, democracy can also be an economically driven phenomenon.

Development, underdevelopment and democratization

About half a century ago, reflecting on poverty and its terrible consequences for the majority of India's population, French ethnologist Claude Lévi-Strauss expressed his scepticism concerning the odds of the Indian citizen reaching freedom in the way western culture and thought represented it. For him something as simple as a dignifying material existence was much more meaningful than formal democratic institutions (Lévi-Strauss [1955] 1984). He added that:

> Freedom is neither a judicial invention nor a philosophical jewel, property of civilizations worthier than others, because only they would possess the ability to produce and preserve it. It is the result of an objective relationship between the individual and the space he inhabits, between the consumer and the resources available to him [...] much ingenuity and deceitfulness would

> have to be disclosed in order to believe that men choose their beliefs regardless of their condition. Political systems are far from determining patterns of social existence; patterns of existence give sense to the ideologies which express them, rather.
>
> (Lévi-Strauss [1955] 1984: 169)

A few years later Seymour Martin Lipset was one the first social researchers to establish precise economic conditions for the democratization process (Lipset 1959). He asserted that various indicators of economic development, such as average wealth, degree of industrialization and urbanization and education levels, were higher in democratic countries than in authoritarian ones, suggesting that development could stand as a condition to democratization. In other words, the absence of development would clearly seem to hinder democracy.

Benno Ndulu and Stephen O'Connell have recently tested part of the Lipset hypothesis for Africa and found that countries that, at their independence, adopted the multi-party system, started richer than those that opted for various degrees of authoritarianism (Ndulu and O'Connel 1999: 50), a fact which would support the hypothesis' credibility. In their turn, Adam Przeworski and others maintain that beyond the threshold of 6005 dollars per head no democracy has ever been overthrown, whereas the life expectancy of a democracy below the average income of 1000 dollars per head is only six years (Przeworski *et al.* 2000). The arguments put forward to justify the relevance of wealth for democratization maintain that, first, when income is high or economic growth rapid, redistributive conflicts are less intense (Dahl 2000) and therefore their resolution can happen under the rule of law rather than through the use of force; second, high income allows the formation of an important middle class; and, third, it can lead to better education (Huber *et al.* 1993).

These arguments are quite interesting, but they seem to miss some of the main issues at stake here. The reduction of distributive conflicts and the creation of a strong middle class are tied, assuredly, to the income level, but they are also, and perhaps mainly, dependent on redistributive policies. The level of education in turn depends, above all, on the choices concerning public expenditure which can also be determined by the nature of political regimes. For Amartya Sen, for instance, democracy is responsible for the fact that the state of Kerala displays the highest literacy rate in India despite being one of the poorest regions in the country (Sen 1999a). Thus, availability of means, certainly a crucial question for human rights and democracy (see Archer 1995), does not seem to be that decisive where the above issues are concerned. Furthermore, several empirical studies seem to show that there is no relationship between the level of income per head and democracy.

James Robinson, for instance, finds that if income and democracy are correlated it is because the same features of a society simultaneously determine how prosperous and how democratic it is (Robinson 2006). In the previously mentioned study Adam Przeworski and others, although maintaining that wealth has an effect on the survival rate of democracy, nevertheless find that it seems to have no effect on the emergence rate of democracy (Przeworski *et al.* 2000). Other studies reach this same conclusion, which is that there is no linkage between wealth and democracy (see for instance Acemoglu *et al.* 2005). The fact that one can find all sorts of combinations between income levels, or growth records, and the democratic or the authoritarian nature of the political regime (Leftwich 2000) reinforces the conclusion that the income level is neither a decisive obstacle nor a precondition to democratization.

In fact, more than an argument to explain the lack of democratization, it seems that insufficient wealth has repeatedly been used by autocratic governments mainly to justify their unwillingness in engaging in a democratic transition and ensuring poor people their political as much as economic and social rights. In 1968, slightly after a successful military coup, an Argentinian government official told Albert O. Hirschman that only when the country had attained economic stability and a certain level of economic growth would it be ready for the reinstatement of civil liberties (Hirschman 1988: 112), a typical reasoning of the Latin American *desarrollismo* of the 1950s that presupposed democracy to be precisely a consequence of economic development, a process which Samir Amin critically classified as a mere modernization of dictatorship, leading only to the perpetuation of repression (Amin 1989).

The social and the economic structures

By declaring that, in Africa, there could be no democracy without the reduction of inequality, respect for the environment and better access to education and health, René Dumont, in a slightly but significantly different register, shares with Lipset the point of view according to which there is an economic conditionality to democratization (Dumont 1991). The introduction of inequality in Dumont's accusation radically changes Lipset's perspective, however. Indeed, it is no longer the absence of development alone, in other words *un-development*, that is being prosecuted, but the presence of a particular mode of development, called underdevelopment, that has already been partially referred to in Chapter 4 and to which we shall return towards the end of this argument.

If the impact of income on democracy is far from being very convincing, its distribution, on the contrary, seems to gather a much broader consensus as has already been mentioned in the previous chapter. There, it was also stressed that income inequalities are at the origin of many other inequalities hindering democratic participation. Indeed, inequalities in the access to land, education, status and knowledge constitute just as many inequalities in access to political resources that can result in the political under-representation of the poorest social groups. Without access to these resources many people are simply not able to make their voices heard, particularly in developing countries where, furthermore, many other obstacles to political expression stand in the way.

If the unequal social structure can be an obstacle to democratization, so can the economic structure. From a slightly orthodox economic standpoint one can say that, if rulers are so weakly inclined to democratize their countries, despite the fact that there is some sort of a second-rank consensus to consider democracy as the best political system for economic development (see Branco 2006b), it can only be because they are not interested in democratizing, or in other words because democratization goes against their best interests. An autocrat will rationally resist democracy, therefore, if this means that in the process he will lose more than just political power (Robinson 1998). This behaviour is consistent with a classical and institutionalist compromise theory that considers institutional change to preferably occur when agents who possess power perceive the advantages of pursuing their private interests according to different rules of the game (Grindle 2001; Robinson 1998). The crucial question becomes, then, why losing political power constitutes an attack on rulers' economic interests.

Economies in developing countries, most especially in Africa, are frequently dependent on the export of a scarce variety of natural resources or plantation crops. According to data released by UNCTAD for 2004 amongst the 39 African countries for which figures are available, 75 per cent of export revenues depend on three or less commodities in 17 countries; 50 per cent to 75 per cent of these same export revenues depend on three commodities in 12 countries; and only in ten countries do the three major export commodities represent less than 50 per cent of export revenues (UNCTAD 2007). Now, this particular economic structure has shown a tendency to lead to *loot-seeking* activities, as we have already mentioned when criticizing cultural determinism in the chapter concerning cultural freedom. In other words, through monopoly, excessive taxation and corruption, rulers have had a relatively easy opportunity to grab a considerable share of their countries' resources. This kind of appropriation of national income is clearly opposed to the democratic, problem-solving distribution of national wealth, even more so when the ruling elites constitute a small group.

As was also mentioned in the same chapter, the gains to an extractive strategy, a euphemism for loot, are closely related to the size of the ruling elite group and, when the elite is scarce, each member can expect a larger piece of the pie and so, the smaller the elite group, the greater the incentives to be extractive. Now, following the same line of thought, the greater the extractive character of the economy, the greater the risk for the elite's members of becoming political losers, i.e. of losing their economic and social status if replaced, which, in turn, favours authoritarian strategies to hold on to power. Furthermore, this kind of economic structure does not favour the rise of new elites that, along the lines of agency theory, would engage in political struggle with the already installed elites and would end up forcing them to accept the democratic game (see Mazo 2005).

In fact, these contradictory incentives are not only characteristic of economies dependent on a few natural resources or plantation crops. The overwhelming presence of the State in the economy, more frequent particularly in the case of economies dependent on natural resources such as oil, is also an important factor of a democratic deficit. Robert Dahl shows how the economy in the America described by Alexis de Tocqueville in his *Democracy in America* was based on highly decentralized individual farming, which gave few opportunities to politicians to have access to the resources and therefore favoured democratic development (Dahl 2000). When, on the contrary, politicians have access to the nation's resources through government, it is harder to convince them to peacefully transfer power to rival political groups.

It is not all too unexpected that this kind of economic structure incites rulers to hold on to power. Indeed, with the notable exception of Botswana, most African countries that rely on natural resources are having more trouble either democratizing, or consolidating democracy, than others. Angola (see Campos and Marques 2005), Nigeria, the Democratic Republic of Congo, Sierra Leone or Equatorial Guinea are good examples of this phenomenon. What can be more unexpected is that, in these circumstances, the population may receive the same sort of incentives when called to elect their leaders.

Indeed, through free elections, people may be pushed into preferring to keep rulers in office despite clearly condemning their behaviour. In a street interview on the occasion of the first pluralist elections in Mozambique, when asked to comment on the performance of the party in office, Frelimo, a citizen declared they had spent their time robbing the people. Continuing with the interview, the journalist asked whom he was going to vote for. Much to the astonishment of the interviewer, he said that he was going to vote for Frelimo. When the journalist confronted the citizen with the possible contradiction between his negative opinion about Frelimo and his voting intentions, he simply answered that, unlike its competitor Renamo, Frelimo had already done its share of robbing the people.

Now to a great extent this economic structure is the result of the particular place that has been assigned to developing countries in the international division of labour since the nineteenth century, in other words from the beginning of the global economy propagation. The international aspects of this economic structure are also conducive to fettering democracy, as a matter of fact. There is a consensus on the fact that the logic of boundless capitalist development leads to the intensification of international trade and to specialization. In this sense, the recent burst of globalization may constitute another obstacle to democracy in developing countries because it reinforces the already mentioned vicious dependency on natural resources in many countries, with special regard once again to Africa. Indeed, not only has this dependency not been overcome, but other negative aspects, such as the deterioration in the terms of trade, contributed to exacerbating this dependency.

The evolution of the terms of trade has not been historically favourable to developing countries and the situation seems to have grown worse over the last decade. As far as agriculture export commodities are concerned, in sub-Saharan Africa for example, the terms of trade index, base 100 in 1990, shrank from 185 in 1960 to 85 in 2000 (UNCTAD 2005). This not only affects the availability of means (i.e. the level of income) which can influence democracy, but also forces countries to insist on expanding their few foreign currency producing economic sectors, in other words it leads them into reinforcing specialization, and perpetuating an economic structure unfavourable to democracy.

The colonial heritage and democracy

As we have seen in Chapter 4, there seems to be some generalized recognition that it is easier for a culturally homogenous country to democratize than for a country with deeply differentiated and conflictive subcultures. Has globalization played a role in the production of such a situation? If one admits that social and economic structures are, in essence, historically determined, one cannot avoid referring to the several hundred years of European colonial rule under which the great majority of developing countries lived until the independences. In relation to the theme of democracy, colonial heritage can influence democratization insofar as it has been determinant in shaping both the social and economic structures and in trapping cultural diversity within the limits of arbitrarily designed territories.

In many developing countries, and especially in Africa, both the excessive specialization and the alienating dependence on volatile external markets, whose effects on democracy have just been seen above, are essentially an historic heritage of European colonizers and the fact that they were mainly interested in exploiting natural resources and exotic crops (Frank 1966; Jalée 1973; Amin 1973, 1977). In turn, the fact that the colonial administration delegated the day-to-day running of the State to a small domestic elite (Acemoglu *et al.* 2001) as well as the low investment made on educating the native population, partly explains the existence at the time of independence of a small elite group, almost exclusively connected to either extractive activities or colonial administration.

After having taken control of the State, these elites received few incentives to change the institutions and consequently favoured the undemocratic and extractive institutions that prevailed in the colonial era (Acemoglu *et al.* 2001). A comparative study of Botswana and Lesotho provides an enlightening example on this subject. Despite sharing the same traditional ruling institutions in pre-colonial times and being culturally very close, Botswana evolved towards a democracy whereas Lesotho did not. The reason for this divergence could be sought in the recent history of the two countries.

The limited impact of colonial rule in Botswana, as compared to the experiences of many other nations in Africa, South America or the Caribbean, allowed the continuity of pre-colonial institutions and the elites that came to power after the independence were only partly members of the former administrative elite (Acemoglu *et al.* 2002: 23). The power, therefore, became essentially delegated, in other words democratic. In Lesotho, on the other hand, the wars against the Boers and the fact that the British were much more interventionist undermined the traditional institutions and contributed to the centralization of political power in the hands of the colonial elites (Acemoglu *et al.* 2002: 29), in other words pushed this country towards authoritarianism.

Finally, the colonial heritage can also partly explain the recognized difficulties in democratizing multicultural states. Indeed, the colonial administration is not only responsible for the imprisoned cultural diversity, by designing administrative regions upon which the new nations were to be built regardless of their cultural profile, but also for the invention of ethnical diversity itself as we have seen in Chapter 4. The methodical slicing up of native populations into tribes and ethnic groups was usually done with the purpose of controlling vast territories with only a handful of expatriated administrators, as the British did in Nigeria, or the Belgians did even more paradigmatically in Ruanda Urundi, which later gave birth to two independent countries, Rwanda and Burundi, through the well-known artificial definition of pseudo-anthropological and cultural differences between the Tutsis and the Hutus, in order to justify the delegation of the colonial executive administration into the hands of the Tutsi minority.

Structural adjustment and the debt burden

The debt burden, and the consequent need to face international financial commitments, has pushed developing countries in exactly the same direction as colonization. The structural adjustment programmes, for example, especially designed to ensure debt repayment, have forced these countries to adopt policies that have seriously affected the conditions for the rise and consolidation of democracy. First, many developing countries were obliged to overemphasize their commercial objectives at the expense of their social objectives. In consequence, not only the struggle against poverty and the effort to raise the level of education were slowed down, but the economy became more dependent than before on the export of natural resources as well (see Mazur 2004). Furthermore, adjustment programmes were also responsible for the increasingly unequal distribution of income (Bello 2006: 1354; Leftwich 2000: 145).

Finally, it seems quite clear that structural adjustment policies were so rough on people that very often their very execution implied slowing down and even abruptly stopping democratic processes. Concerning Chile, Walden Bello (1996) suggests that, on account of the sacrifices demanded of the population, only a dictatorship like the one established by General Augusto Pinochet on 11 September 1973 could have managed to implement such a harsh structural adjustment programme without igniting a social uprising. In turn, Miguel Teubal shows how, in a more gentle manner, the governments led by former Argentinian president Carlos Menem, with the pretext of structural adjustment, passed more bills by the expedient of decrees of *Necesidad y Urgencia*, in other words without parliamentary approval, more often than all the preceding governments added together (Teubal 1996: 212).

One should not be surprised, therefore, if when asking the rhetorical question about what would be the political regime most favourable to structural adjustment, Henry Biennen and John Waterbury answered that it would be one where votes do not count (Biennen and Waterbury 1992: 396). In some other cases Structural Adjustment Programmes reinforced the negative aspects for democracy of cultural diversity. In Ghana, for instance, Kwame Nimako maintains that the retrenchment policies associated with Structural Adjustment Programmes fuelled nepotism and were used to discriminate against people from certain ethnic groups, namely in their access to influential positions (Nimako 1996).

Structural adjustment programmes could have played an important part in the democratization process, however. The emphasis put on the private sector was an important tool in counterbalancing the State, which was crucial for dismantling the loot-seeking system mentioned above. Instead, it contributed mainly to the draining away of the positive role of the State and the private sector attributing to it the responsibility of curtailing human rights (Mazur 2004: 67). Last but not the least, the fact that these programmes were presented to developing countries as the only alternative to reconciling financial orthodoxy and development did not leave, one must admit, much room for democratic debate.

Globalization and underdevelopment

Concerning the well-being of populations, statistical data portraying un-development and underdevelopment may roughly be the same, but these two concepts nevertheless refer to two very different phenomena. If rich countries were once as poor as poor countries are today, in other words undeveloped, they were never underdeveloped, as André Gunder Frank (1966) puts it quite bluntly. Underdevelopment, therefore, should not be mistaken for mere absence or delay in development. Underdevelopment is not an absence; it is a presence – the presence of a particular form of capitalist development that has been called dependent development (Cardoso and Faletto 1981; Dos Santos 1978; Frank 1966). Underdevelopment, therefore, is not only characterized by low levels of income, industrialization, urbanization and education, it is also and more especially characterized by strong inequalities, not only concerning income distribution but also access to means of production, education and health, by a handicapping history of colonial and neo-colonial domination, which evolved into a particular and unequal insertion in the world economy, consubstantiated in an undiversified economy, predominantly directed towards the export of primary goods, unequal distribution of trade benefits and burdensome external debt.

This type of underdevelopment should not be taken as the result of some sort of incapacity in overcoming essentially endogenous obstacles, but as the outcome of the global development process itself; in other words, it would be the product of the evolution and consolidation of what Immanuel Wallerstein called the capitalist world-economy (Wallerstein 1984). Thus, underdevelopment and authoritarian governance in developing countries should not be ascribed to an alleged weak degree of integration into the globalization process. Indeed, this underdevelopment theory maintains that, quite to the contrary, developing countries have been deeply integrated in the globalization process since its very beginning, starting from the so-called great discoveries by Portugal and Spain and then followed by the colonization enterprise carried out by England and France, or to a lesser extent the Netherlands, Belgium and Germany.

According to this interpretation, opposing rich countries (entitled the Core) to poor countries (in turn entitled the Periphery), the development process of the Core has been fuelled to a certain extent by lower development in the Periphery.

Indeed, Europe's industrialization was not based on acquiring raw materials from the rest of the world as much as on forcing industries elsewhere to go out of business (Knox *et al.* 2003: 74). Underdevelopment, therefore, is not just a by-product of the development process in the Core but one of its constitutive features. Consequently, underdevelopment does not result from the absence of globalization as preached by many mainstream economists, but it is one of the constitutive features of globalization itself. In other words, underdevelopment is the outcome of the role that was assigned to the developing world within this same globalization in a scheme of a two-tiered global economy characterized by the conflict between the Core and the Periphery, a conflict that eventually became more complex with the intrusion of a third party, the Semi-Periphery, which meant adding a third tier to this scheme (see Knox *et al.* 2003: 73–75).

Epilogue

The intention of this chapter was to argue that concerns, often expressed by even some of their more enthusiastic heralds, about the low content of democracy in the process of economic globalization are indeed well-founded, but mostly in showing that the phenomena that gave rise to these concerns are far more complex than has generally been put forward in public debate, namely in the media. Indeed, the undemocratic character of globalization is not restricted to a mere collection of anecdotes about a global bureaucracy unable to address issues raised by global citizenship. Not only does one discover that democratic erosion is a firm tendency of the dominant economic model, but also that counteracting it demands far more than just procedural reforms.

The main impending threat for democracy today does not concern the rise of a totalitarian (or *globalitarian*) ideology that would question individual freedom, taken in the classical sense as that individual liberty which is limited only by another individual's own liberty. It concerns the destruction of politics. Democracy can only find its deeper meaning when it incorporates a collective ideal, a progressive utopia, in other words a project for bettering each citizen's life. This project supposes a dynamic of change, to which globalization claims to subscribe as a matter of fact; but progress is not a synonym for change. Change is observed by looking into the past and can be taken as a scientific fact unadorned by value judgements, in other words change can happen for better or for worse. Progress, on the contrary, must be built upon ethical values and it projects itself into the future. Thus, in a democratic society one should be able to decide what values one cares about most and then design an economic system that strengthens these values. Globalization, however, tends to narrow rather than to widen the scope of the possible and therefore the ability to choose one's own path.

One of the objections to this critique of globalization might consist in saying that people's powerlessness in being able to impose their own choices is not new and that it is not necessarily the outcome of globalization alone. In other words, without globalization things would have probably turned out the same way. That may be true, but what needs to be stressed at this stage is that globalization does not contribute to changing the situation; on the contrary, it contributes to making things even worse. Imagine oneself as a prisoner unfairly convicted to a life sentence. Imagine then being transferred from a normal prison, where there is some chance of escape, to a maximum security prison, where the chances of escaping are close to none. This transfer is not responsible for the fact that one has been unjustly imprisoned. Indeed, the new prison did not change in any way the fact that one was condemned to spend one's life in prison. Nevertheless, from one's own particular point of view, the fact that from now on the prospects of escape are nil constitutes a further not insignificant constraint in addition to one's original despair.

Conclusion

Economics for human rights

In the introduction to this volume, mainstream economics discourse was said to be a constitutive part of the justificatory ideology that has been patiently built up, day after day, in order to submit human rights to the logic of market capitalism. Despite the controversy that such a statement will most probably cause amongst the majority of economists, the six chapters that precede this conclusion have demonstrated that, since its origin, mainstream economics discourse has regarded human rights as an institution competing with economic efficiency rather than an instrument complementing economics in promoting human welfare. For this reason, mainstream economics discourse constitutes one of the major obstacles standing in the way of the promotion of human rights in the global era. Why is it then that human rights seem on the whole to have prospered in the Western world at the same time as mainstream economics was becoming mainstream, some may ask.

The reason why human rights, despite the intrinsic contradiction between human rights and mainstream economics discourses, were allowed to prosper lies in the fact that, for a long time, economics was subjected to politics; in other words economics was taken as an instrument at the service of a political design rather than an end of politics in itself. With the end of the Cold War, however, it seems that economics was able to get rid of its social spectres and unleash its own logic. In this process, it is not so much economics that has become more dangerous to human rights than it had ever been before; it is that economics has taken the space left vacant by the withdrawal of politics from the public space; in other words economics has filled the void produced by the depoliticization of politics. The essential issue concerns the fact that economics, little by little, is becoming the one and only source of global power. If there ever was a human rights-based political power system in the developed world after the Second World War, it is clearly being substituted by an economics-based power system, aimed at efficiency rather than at ethical goals and, at best, ignoring human rights.

One should not be fooled, however. Promoting human rights on a global scale will not be possible nowadays, whether done against or without economic logic. Economic logic has become such a powerful political paradigm that one simply cannot ignore or jump over it. It is, indeed, useless to disregard economics in the same way as it is useless to disregard globalization in general. Indeed, denying basic economic principles and preaching economic cocooning will most probably lead to both misery and isolation, which have historically proven to be very fertile grounds for growing oppression. The crucial issue in promoting human rights (especially economic, social and cultural rights) in a globalized world, therefore, is not for human rights to defeat economics but for economics to be reconciled with human rights. There are two main paths for achieving this goal that can be taken either as alternatives or as complements. On the one hand, one needs to bring back economics to its basic purpose, which is being at the service of the people instead of demanding people to be at its service, or as Robert Hamrin (1989) puts it, to be commanded instead of commanding; and, on the other hand, the dominant economics paradigm must undergo a deep process of change, or at least be significantly improved, and human rights introduced into its equation.

For economics, ignoring human rights, in other words simply unfolding its logic regardless of any other, is equivalent to denying them. However, in a democratic society economics should not ignore human rights; not only would it be senseless, but it would also be harmful to its own purposes. The main question concerns its ability to integrate them. When dealing with rights in general, economics can basically take one of two approaches. The first option consists in taking rights as a constraint within which choice is made, and the second option in assuming rights as an integral part of normative economics. In this latter view, exercising rights becomes just another manifestation of making a choice (see Weikard 2004: 267). Here, the classical question of the right incentives is crucial; in other words one needs to determine which are the most appropriate incentives to lead economics into favouring human rights.

This is the reason why all the research done on finding new indicators of good economic performance is probably the most important issue in the construction of a human rights-based political economy. There are already alternatives available to economic growth at the macro level, such as the Human Development Index produced by the Human Development Reports of the United Nations Development Programme, which aggregates real income, education and life expectancy, or the Genuine Progress Indicator which, amongst other elements, combines real income, social inequality and environmental sustainability, but there is still a lack of practical alternatives to profit at the micro level.

Along the lines of the first option mentioned above, economics can roughly adopt two secondary approaches that may be contradictory, as a matter of fact. On the one hand, economics can look towards resolving its maximization problem by considering human rights as primordial and, on the other hand, economics can take human rights as an insupportable constraint rendering the maximization exercise unattractive, consequently obliging people to choose between human rights and economic efficiency. The first attitude respects human rights, although it does not thereby scare away the spectre of a paralysing conflict between both logics. The second attitude, on the other hand, unequivocally contributes to hindering human rights with arguments such as their being too costly.

This is a most convenient although patently biased approach, as most of the time mainstream economics only considers part of all the costs related to human rights. Indeed, if many economists, with a certain cynical intemperance even, devote themselves to calculating the costs of social security, for instance, with the confessed goal of demonstrating society's inability to pay the price of what some may consider utopian policies, very few are those who, according to the same principles, are coherent enough to also calculate the overall costs for society of the inexistence of social security, thus revealing the ideological bias which, hiding under the mask of analytical rigour, dictates an alleged frivolity of economic, social and cultural rights.

Human rights also generate benefits, though these are harder to monetize, and consequently harder to handle within the typical cost-benefit confrontation dear to mainstream economics. However, even if this confrontation could produce tangible results, cost and benefit could never be taken as the fundamental criteria for the integration of human rights and economics. Human rights did not altogether stem from any evidence revealed to individuals through some form of positive reasoning, thereby unequivocally demonstrating the social utility maximization that would be obtained, should those rights be adopted. On the contrary, human rights resulted from a normative reasoning, according to which individuals considered a dignified existence impossible to reach without them. Thus, the choice individuals are called to make is not a matter of whether human rights should be adopted or not, given the economic system; but which is the most favourable economic system, given the adoption of human rights. In a democratic society, if the human rights option collides with a definite system of economic rules, it is then necessary to enrich this system and modify its rules. The construction of a new human rights-based political economy is only at the foundation stage and, therefore, many of the suggestions included in this conclusion constitute an agenda for further research rather than some sort of ready-made operating instructions for a better world.

In the first chapter of this volume, it was mentioned that in his seminal work, *Taking Rights Seriously*, Ronald Dworkin (1978) considered human rights as being essentially a mechanism protecting minorities from decisions taken by majorities for their own profit, but resulting in a loss for the former. This definition is very important because it means that the enrichment of one part of the world, for example, cannot be rightfully pursued at the expense of the material, cultural and spiritual impoverishment of another part, especially if this constitutes its weakest link. Asserting economic rights should not, therefore, be taken as an equivalent to maximizing utility, in other words social utility should not be mistaken for aggregate utility. This clearly tells us that economic goals must be redefined. Take production, for example. Indeed, producing one particular commodity having in mind the satisfaction of a consumer's demand or a citizen's request, in other words the assertion of a human right, are two different concepts, even if the products themselves might be perfectly similar and the actual production also undertaken in a similar fashion.

Within economic mainstream thought, meeting effective and viable demand is satisfying enough as a social role for the producer, and that part of the population which in consequence is deprived of access to one particular commodity on account of budget constraints should not be of concern. On the other hand, in the case of human rights assertion through the supply of this same commodity, no one should be left out, regardless of budget constraints. On the one hand, private demand is being met, because its nature is mainly individual, and on the other hand, a public demand is being met because, in contrast, its nature is now mainly social or collective. Therefore, according to corporate logic, meeting private demand is a normal procedure, whereas meeting public demand is not.

The second side to this conflicting interpretation of the relationship between economics and human rights concerns the idea that promoting human rights – economic, social and cultural as much as civil and political – depends on sound economic performance. This interpretation is particularly fallacious for two main reasons. First of all, throughout history human rights have essentially been fought for, not received, and therefore it is simply a delusion to take human rights as some sort of trickle-down effect of economic performance. Indeed, women's right to vote, the right to form trade unions or the right to paid holidays, for instance, resulted, as we have pointed out, from collective movements staking their claim to these rights, frequently violently disputed as a matter of fact, and not from simple economic growth. Second, accepting the dependence of human rights on economic performance would inevitably lead us to a cynical dead end. Indeed, if on the one hand promoting human rights as the principal goal may constitute an obstacle to good economic performance according to the cost argument, and if on the other hand human rights result from sound economic performance, then the best way to promote human rights should logically be to violate them.

The essence of the conflict between economics and human rights also resides in the ways the political and the social are apprehended. As Henri Bartoli (1996) states, the social and the political should be taken as the territories where major social choices are made, rather than those where the conflicting natures of economy and society are expressed. It is important to stress that a cohesive and sympathetic society is as important for both the economy and human rights as are courts and the market. Therefore, when aiming at the integration of human rights, the methodology used by economics needs to shift away from the concept of satisfying the specific demand created by an individual to the more inclusive concept of satisfying the overall needs of the community, which means taking into consideration the demand created by all individuals as a whole, regardless of whether or not this same demand is strictly viable.

In the case of providing work for everybody who is fit and willing, certainly the most emblematic of all economic, social and cultural rights, the conflict between economics and human rights languages reaches its paroxysm. Not only does economics not seem too worried about creating jobs for all, since according to its logic one should try to use the resources involved in production as parsimoniously as one can, but also not all jobs conform with right-to-work specifications; in other words some jobs do not confer to people's lives the dignity that is demanded by human rights proclamations. Let us recall some of the misstatements that have been identified in the chapter concerning the right to work.

First of all, promoting the right to work is not a synonym for fighting against the unemployment rate. Many countries have substantially reduced their unemployment rate, but very often they have done so by violating some of the qualitative aspects of the right to work. Indeed, the reduction of the working classes' standard of living, the dissolution of job security schemes, the erosion of unemployment benefits, the fostering of involuntary part-time jobs and the promotion of trade union irrelevancy, all of which characterize mainstream employment creation schemes, should not constitute the core of policies intended to promote human rights in general and the right to work in particular. Second, promoting the right to work is not about work as much as it is about people. By taking humans as a resource like any other, economics, as seen above, inevitably tends to look for saving work. Now, in rights language, individuals are not mere resources holding productive specifications, but citizens holding rights. Therefore, policies that take people as disposable assets and sometimes plain liabilities, once again should not be considered instruments for effectively promoting human rights.

From an historical point of view, Marcel Maréchal, for instance, maintains in the case of France that, in time, the expansion in employment has been essentially due to the reduction of the working day (Maréchal 1999). Despite the many criticisms raised every time it occurred, this reduction of the working day happened to be favourable to everybody in the long run. Capital owners have benefited from a steady increase in labour productivity, and workers have obtained not only better income, but also more leisure. In the beginning of a new millennium, this win-win strategy appears to be clearly bounded, however. Not only actual growth rates seem insufficient to allow this process to continue, but also the prospects of a growth-based development, most especially in the developed countries, are not very engaging to say the least. It is in this sense that distribution emerges as the key word to characterize future policies aimed at promoting the right to work; policies that concern distributing work load as much as income. This is precisely where it itches; mainstream economics abhors redistribution, seen not only as inefficient but also as an attack on individual freedom.

As a matter of fact, mainstream economics' obsession with economic growth as the one solution for human welfare is not just a matter of faith. It comes from the very foundation of this school of thought. It is one of its most important constituent parts. In 1751, on equality, David Hume stated in his *Enquiry Concerning the Principles of Morals* that:

> It must also be confessed, that, wherever we depart from this equality, we rob the poor of more satisfaction than we add to the rich, and that the slight gratification of a frivolous vanity, in one individual, frequently costs more than bread to many families, and even provinces [...] Render possessions ever so equal, men's different degrees of art, care, and industry will immediately break that equality. Or if you check these virtues, you reduce society to the most extreme indigence; and instead of preventing want and beggary in a few, render it unavoidable to the whole community.
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> (Hume 1751)

It was in order to solve this dilemma, in other words to reach a more harmonious society without having to cope with the alleged drawbacks of extensive wealth redistribution, that Adam Smith ultimately wrote his *Wealth of Nations*. In it, economic growth was clearly put forward as the only effective instrument to alleviate poverty free of the risk of social conflict. In David Ricardo's model, only perpetual growth, that is to say steadily growing factor productivity, could also stop both capital holders and workers from seeing their share of the national income inevitably decrease when compared to that of land owners, and therefore avoid social conflict and hopeless deprivation. In the marginalist model, in turn, factor remunerations grew with factor productivity, which is another way of saying economic growth. In conclusion, economic growth, in other words expansion of global wealth, has been for a long time the miraculous instrument put forward by mainstream economics in order to simultaneously pacify the lower classes and avoid an extensive redistribution of the wealth historically accumulated by the upper classes.

Classical economists were genuinely concerned with the well-being of the lower classes, the weak link of society; but they were not too keen on changing society in order to reach that goal. Despite the fact that universal human rights share with mainstream economics both its liberal genealogy and its concern for the weakest links of society, ensuring the right to work supposes, on the other hand, substantive societal change. Indeed, today guaranteeing the right to work demands global wealth redistribution consubstantiated in extensively sharing the work load, which not only profoundly questions the dominant economic paradigm, but also demands a new and global social contract.

Another aspect of mainstream economics' distaste for redistribution is at the origin of the obstacles to human rights discussed in the third chapter of this volume. There, it was shown that ensuring many human rights, most especially economic, social and cultural rights, demands the production of both tangible goods, such as houses or water, and intangible services such as justice or social security. As for every human right this provision of goods and services raises questions of how, and by whom, these goods and services should be produced, and ultimately, how they should be distributed within the community.

In this respect, mainstream economics seems unable to adequately address this issue. First of all, economic rationality and human rights seem lost in translation, which means that economics postulates are intrinsically contradictory to human rights, as the best possible result according to economic logic may easily constitute a violation according to human rights principles. Second, by making the market an absolute value and an infallible means of rationally allocating resources, mainstream economics reduces all categories of goods, and thus of rights, to only one, the commodity.

In a human rights society, accountability and universality are key concepts; by transforming rights into commodities and by assigning to the market the mission of allocating these same commodities, mainstream economics overrides both concepts. Only the public provision of rights adequately responds to the demands of accountability and universality. This public provision does not have to be ensured by the State, however. The democratic principle of subsidiarity maintains that decisions concerning rights must be decentralized to a point as close to the people concerned as possible. As regards water distribution, for instance, local governments have indeed frequently obtained the best results in reconciling accountability and universality with economic and environmental efficiency, the city of Porto Alegre in Brazil being the perfect illustration of such an advantage.

In relation to social security, worries concerning the intergenerational sustainability of current public social security schemes are perfectly legitimate, but privatization does not constitute a valuable alternative whatsoever, since we have seen that this is intrinsically contradictory to providing social security as a human right. Indeed, privatizing social security happens to transform a right into an investment, and even if one may end up concluding a posteriori that a particular private investment can produce more utility for the individual than public social security, such investment, hazardous by nature, lacks that element which constitutes the essence of a right, that is to say the a priori guarantee of the benefit.

Chapter 4 of this volume showed how mainstream economics fetters cultural diversity and thus constitutes an obstacle to cultural freedom. We were forced to conclude, therefore, that only a different economics could internalize the cultural plurality necessary to give sense to cultural freedom. Indeed, for mainstream economics, not only are people all the same and share the same objectives, but there is also only one valid set of economic principles available to reach the good life? This assumption results in an explicit classification of cultures according to their ability to promote development, usually taken as mere economic growth. An economics favourable to cultural freedom should, in contrast, avoid the definition of superior and inferior cultures and propose a renewed dialogue between culture and economics. The first step of this renewed dialogue is to insist on the chances of finding an original development path rather than on identifying and sweeping away the obstacles to the traditional mode of development; the second step is to construct an alternative set of premises to the dominant system of knowledge production.

In this alternative set of premises, pluralism is advanced in opposition to monism. In a monist approach our separate individual ways of understanding complex systems merge into a coherent whole, whereas in pluralism, complex systems such as development processes can only be known through alternate patterns of thinking, which are necessarily simplifications of reality, states Richard Norgaard (1994). Monism is the belief that for all propositions there are true answers and that therefore there is only one best way of knowing any particular system. In this sense, global development, seen as the inevitable spread of the capitalist economic and ethical system to all parts of the world, constitutes a clear derivation of the monist approach. Within the mainstream globalization ideology there is, indeed, the belief that there is one best way to reach the good life and that, therefore, there is also one best culture to facilitate the process. On the other hand, a pluralist approach accepts different views to the problem. This attitude of pluralism when describing complex systems and interactions such as culture and development should not imply that one must mistake pluralism for relativism or subjectivism, however.

Indeed, relativism and subjectivism challenge the monist insistence on one right answer, in other words on one right development model, by treating all values simply as matters of belief and culture, one culture therefore being unable to understand another culture. Pluralism is distinct from philosophical relativism or subjectivism in at least three key aspects. First, it advances an objective claim about values; they are not simply matters of belief. Second, pluralism accepts that there is at least a minimal core of human values that are ultimate; in other words they have the highest importance for many people, and are universal. Finally, pluralism's emphasis on the objective diversity of values relies on the possibility of understanding one dominant value or set of values from the perspective of another (Plaw 2005: xiii). Contrary to relativists and subjectivists, pluralists are therefore optimistic about the possibility of communication and understanding.

We would, then, have as many ways of studying and promoting development as ways for people to envision it. It is probably possible to build some sort of vague universal theory of good (Clark 2002), but it is also enriching to let oneself explore the full spectrum of possibilities, be it *umram* (blooming), as with Ibn Khaldun, the author of the Muqaddimah, a treatise that amongst other features stresses the importance of the division of labour exactly four centuries before Adam Smith, *swadeshi-sarvodaya* (bettering the social conditions of all) as with Gandhi, or *bamtaare* (being well together) as amongst the Toucouleur people of northern Senegal (Latouche 2001). Monist development theories are aesthetically beautiful because they display a very strong explicatory power, if only they could explain anything; pluralism in contrast allows a deeper knowledge of a social phenomenon, but may experience difficulties in designing feasible policies, nevertheless.

A pluralist economics, then, would accept difference without taking it as dissent. Not only might this constitute a form of progress for economics in general, but it might also lead to the exhaustion of the clash of civilizations rhetoric and contribute to a better understanding between peoples, progress needing not to be associated with Western thought and Western domination. This identification of development with the West is particularly harmful as many social scientists maintain that, in the process of incorporating progress, the way it is presented to one is at least as decisive as its nature. Indeed, according to Gilbert Rist (1994: 62) Europeans adopted foreign technology on a voluntary and individual basis; they could have ignored these discoveries, but they chose to incorporate them, whereas in the developing countries modernity was largely imposed, sometimes violently even (Amin 1989: 160). That is why, despite the undisputable beneficence of the Western idea of spreading democracy across the world, imposing it through military intervention, as is supposed to be happening today in the Middle-East and Central Asia, might end up by being counterproductive.

In the economy, the way things are presented to us or in other words the way we participate or not in the making of decisions that affect us, is also decisive in the process of conferring legitimacy to these decisions, and thereby in making them acceptable to the people. That is why democratization of economic decisions is a crucial issue in the construction of a human rights-based political economy. One of the first steps of a democratic economics consists in submitting economics to politics, or rather in submitting major economic decisions to collective preferences. In this sense economics should also be taken as a political science rather than as a neo-naturalistic science.

This implies a radical change in the way economics regards politics. Indeed, mainstream economics' approach takes politics essentially as an obstacle to the expression of the agent's rationality, and therefore considers it an annoyance. Some 20 years ago, at the peak of the liberal uprising in development economics, in a best-selling book that made its way to the pocket edition in France, Guy Sorman (1987) maintained what could be considered a paradigm of this line of thought, namely that the so-called third-world was essentially characterized by the subordination of economics to politics, meaning that this submission constituted an obstacle to development. According to this approach, development is essentially a question of getting the incentives right, and underdevelopment the outcome of politics restraining agents from making the correct choices.

In contrast, by stating in his *Democracy in America* that, when searching for what is best for business, entrepreneurs may disregard the essential, which is to remain their own masters, Alexis de Tocqueville pointed out the pernicious role economics could play in the process of deepening democracy (Tocqueville [1840] 1986). Despite being an inveterate liberal, Tocqueville understood the necessary submission of economics to politics in democracy, in that he questions many of his fellow liberals who believe in the natural character of economics, in other words in the fact that the economic and the political belong to different realms, and are therefore subjected to different rules.

As seen in Chapter 5, the main purpose of a natural economics consisted in depoliticizing economics, or rather in rescuing it, not only from the obvious links binding it to society, but also through a baptism of nature in imposing its analytical schemes and its conceptions of the right behaviour. In depoliticizing and dehumanizing economics, mainstream thought is thereby asserting the idea that humans have neither the ability nor the power to change it, in other words to construct a different economics, placing it above political debate. As René Passet puts it, the justification for human action would now rest on technology transformed into ideology (Passet 1979: 126).

The main threat hanging over democracy does not concern the rise of a totalitarian, or *globalitarian*, economic ideology, therefore. Indeed, it is not political freedom, in the sense that the only limit to an individual's liberty is another individual's liberty, which is in question; it is political freedom in the sense that individuals are supposed to participate in the decisions that affect them and that affect the course of the city. Thwarting the hegemony of market ideology does not suppose the elimination of the market, however. As Jean-Paul Fitoussi puts it well, relations between the market and democracy are more complementary than conflicting since, by preventing exclusion by the market, democracy would reinforce the economic system's legitimacy, and by restricting political control over people's lives, the market would favour a deeper adhesion to democracy (Fitoussi 2004: 49). If the market shows a tendency to disregard democracy, making democracy an absolute goal could, paradoxically, lead to the same outcome. A world where every single choice would result from democratic deliberation would not only be unviable, but also insupportable, and more than anything, very undemocratic. Thwarting the hegemony of market ideology is not about replacing the market by democracy, therefore, but about preserving the political character of public space.

Beyond the recognition of the eminently moral and political character of economics, another conception of science could also provide a more propitious relationship between scientific and democratic rationalities. First of all, mainstream economics, as seen above, suffers from an acute form of monism, in other words from the belief that there is only one best way for knowing any particular system, and therefore that there is only one solution to each problem. According to this view, democratic debate and decision-making are not only useless, but also counterproductive, because they could lead people to opt for the wrong solutions. A pluralist approach, on the other hand, would be more favourable to democracy. Indeed, a pluralist approach not only accepts different views to a problem, but also does not fear the contradictory unravelling that might occur as a result of the use of opposed standpoints. As Richard Norgaard puts it 'to accept conceptual pluralism is to accept multiple insights and the inherent inability of science to describe complex systems, to predict how they may behave, or to prescribe how to make them behave in another way' (Norgaard 1994: 97). In contrast with the maximizing logic of mainstream economics, a pluralist approach does not consider the existence of alternative views to a problem as fatally downgrading the result of a decision-making process and, therefore, has no reason to fear democratic debate.

One other approach aimed at reconciling economics' alleged scientific rationality with democratic rationality, and which is just taking its first steps, is entitled post-normal science. According to this approach, conventional science is characterized by its search for eliminating existing uncertainties and sweeping away elements of subjectivity. Post-normal science, by contrast, stands for a strategy of problem resolution that accepts uncertainty and the various valuations and perspectives on the problems in question (see Funtowicz 2004). Knowledge produced exclusively by specialists is therefore replaced by a co-production of knowledge resulting from the participation of the community at large; in other words this type of science reclaims democracy instead of excluding it.

A new interpretation of the way individuals and firms take decisions in real life can also favour democracy. In Peter Söderbaum's alternative proposition to mainstream economics, the economic man is substituted by what he calls the Political Economic Person and the profit-maximizing firm by, in turn, what he calls a Political Economic Organization (Söderbaum 2007). Contrary to what some may suggest, this new approach does not concern the production of some sort of New Man or New Firm, but simply the assumption that, in reality, individuals and firms do not necessarily behave according to the postulations of the mainstream paradigm. This proposition is not about building something new and perhaps artificial from scratch, therefore, but about reinterpreting the motivations that govern economic decisions by real individuals and real firms.

In the approach proposed by Söderbaum, therefore, instead of just optimizing utility, individuals also incorporate in their decision-making processes rule-following, conscious choice and appropriateness, meaning that individuals not only search for what is good for them, but also what is right in general; firms, in their turn, instead of just maximizing profits and satisfying shareholders' objectives, also introduce into their respective process of decision-making multidimensional impacts, rule-following, mission statements and a complex of common and conflicting interests between stakeholder categories, which means that firms also express social responsibility (Söderbaum 2007: 31–32). Regarding the process of decision-making, Söderbaum likewise makes a stand for Positional Analysis. According to him positional thinking consists in thinking in two or more steps where decision trees can be used, and aspects such as inertia and irreversibility illuminated. In this approach a decision is normally regarded as a first step leading to new positions, with new options, which differ qualitatively from previous positions, much like the way a game of chess develops (Söderbaum 2007: 42–43). Contrary to the traditional process based solely on expert advice, this kind of decision-making process demands consultation and debate, and therefore democracy. Finally, in this approach, history and path dependence, which had been excised from economics by mainstream thought, are reintroduced and the former mechanistic vision substituted by an evolutionary one.

History and humanity seem also absent from the mainstream interpretation of globalization. Indeed, within this interpretation economic phenomena seem to be brooding over our heads like the great mysteries of nature. Economic bulletins strangely resemble weather forecasts, commodity prices float as temperatures, and unemployment suffers from seasonality. Within this framework people are put in the position of powerless spectators attending the dazzling show nature is performing. This sort of economics is not at the service of the people; on the contrary, it seems to subjugate them. Once again, if it is impossible to respect democratic principles in a given set of economic rules, one should not necessarily give up on democracy, but rather enrich the system and change its rules.

One of the rules that must be changed in order to reconcile economic globalization and human rights concerns the construction of an international financial system worthy of that name. The institutions that nowadays constitute this system are obvious instruments of the market capitalist logic, in other words of the interests of the richest countries. A true international system should, on the contrary, represent global interests and, according to René Passet, should sign a certain number of contracts with the planet's nations on relevant issues for the future of their societies, such as the satisfaction of basic needs, the promotion of cultural diversity, the deepening of democracy or the protection of the environment (Passet 2001).

In the chapter dedicated to globalization it was said that intergovernmental institutions not only do not function according to a system based on democratic decisions, but also are not accountable to any democratic representative of world citizens. World Bank officials, for instance, are protected by a total immunity which can only be lifted upon the agreement of the bank; furthermore intergovernmental institutions do not aim at promoting human rights. Actually, they do not even see themselves as bound by human rights proclamations (Millet and Toussaint 2007). Some may say that these institutions have, on the contrary, been particularly attentive to some issues intimately connected to human rights, such as the need for good governance, but one must stress that within their view of good governance human rights and democracy only play a relatively minor role.

The concept of governance is probably one of the haziest amongst the new concepts that have been introduced in the past few years, first of all because this concept is not all that new. The World Bank has identified three aspects of governance and their relationship to development: first, the form of a political regime; second, the process through which authority is exercised in the management of a country's economic and social resources for development; and finally, the capacity of governments to design, formulate, and implement policies and discharge functions (Hamilton 2002: 11). According to this definition, not only is democracy just one amongst many other issues of governance, such as proficiency and corruption, for example, but it also does not seem to be the prime issue as far as determining good or bad governance is concerned. Before the concept of governance had been introduced, one would simply refer to government. The introduction of governance should suppose some innovation in order to justify its current popularity, but it seems that the greatest, one might even say the sole achievement of this pseudo new concept is probably that it has managed to depoliticize the concept of government (Brown 2001). Thus, along the lines of mainstream economic thought, good governance would mean, essentially, government support of the market, in contrast to the old government concept meaning, interference with the market.

But alternatives are out there. In December 2007, with the purpose of promoting development in the continent, six Latin American countries created a new international financial institution called the 'Bank of the South' that could become in the near future an alternative to the old twin Bretton Woods institutions, in statutory as much as in doctrinarian terms. First of all, the Bank of the South intends to become an instrument for applying international treaties concerning human rights. Second, this institution should function in a more democratic manner than the World Bank and the IMF. Indeed, as a rule, its decisions will be taken based on the principle of one state one vote and its officials should be able to answer before the courts. It is probably too early to determine the true potential of this alternative, but this project has the merit of showing that, theoretically, there are feasible alternatives to transform globalization from an instrument for satisfying financial capital's powerful interests into a tool for promoting human rights.

While heading towards the last word, a discussion on globalization, underdevelopment and democracy should finally ask about the ways in which developing countries could simultaneously democratize and develop the economy, in other words about the economic policies and reforms that would be most favourable to both democracy and economic development. The economic features of a democratic development policy should be especially concerned, therefore, with the need to transform the development model that developing countries have adopted, voluntarily or not, for such a long time.

As opposed to the actual trend, emphasis should, then, be placed on social rather than commercial objectives, in other words on reducing inequalities in income distribution rather than on increasing this same income at any cost; on expanding human rights rather than on obsessively ensuring property rights; on reorienting public expenditure towards expanding human capabilities rather than on constricting the State in search of that fairytale freedom of the market; on institutional design innovation rather than on institutional transplantation and homogenizing cultural patterns; on looking towards diversifying the sources of income rather than on overexploiting the traditional sources of income, compelled by the need to reimburse external debt; on searching for a more equitable global distribution of the benefits from international trade rather than on imposing world-wide deregulation of trade; and, last but not least, on erasing external debt instead of multiplying conditional schemes that can only allow, at best, a homeopathic reduction of the debt burden and therefore secure the perpetuation of the status quo. In other words democratic development in developing countries, as much as in developed countries as a matter of fact, demands not just the rejection of the current globalization process but the adoption of another form of globalization, an *alter-globalization*.

Despite the clarity of this discourse, the defence of a new model of globalization has been the origin of countless ambiguities. Indeed, the defenders of the idea of a new model of globalization are frequently mistaken for adversaries of globalization not only of the current model, but also of any shape of globalization. Because of this twisted vision, *alter-globalists* are considered by liberal economics as conservatives, as resistant to change and novelty. As a matter of fact, this aversion to change is above all an historical characteristic of liberal economics, and accusing opponents to the current dominant model of globalization of being conservatives constitutes, on the contrary, a very enlightening demonstration of liberals' own conservative ideals. In the famous novel by Giuseppe Tomasi di Lampedusa, *The Leopard*, (1991), set in the nineteenth century during the Italian Unification, the very conservative Sicilian aristocrat, Don Fabrizio de Salina, maintains that at some point something has to change so that everything can remain the same.

In previous pages, the idea has been maintained that democracy is truly meaningful only if it incorporates a collective ideal, a progressive utopia, in other words a project for bettering people's lives. This project supposes a dynamic of change to which mainstream globalization claims to subscribe, as we have seen above; but progress is not a synonym for change. Change is observed by looking into the past, and can be taken as a scientific fact unadorned by value judgements, in other words change can happen for better or for worse. Progress, on the contrary, must be built upon ethical values and projects itself into the future. Therefore, in a democratic society one should be able to decide what values one cares about most and then design an economic system that strengthens these values. This means that it is not the citizen's values that have to adapt to the current shape of globalization, delivered as it were like a gift from heaven, but, on the contrary, it is the model of globalization that has to be shaped according to the values of the citizen.

An approach to economics favourable to human rights must therefore incorporate into its rationale many of what until now have been considered unwelcome constraints. Indeed, economics, besides being an instrument of efficiently allocating scarce resources to alternative uses, must also confer dignity to all individuals through a meaningful and socially useful activity and a decent income as counterpart to this, promote security *latu sensu* in a cohesive society, foster cultural freedom while respecting individual autonomy, place democracy at the heart of the process of major economic decision-making, and encourage fraternity amongst peoples, free of hegemonic designs and committed to respecting difference.

Finally, economics must have a new global vision. The global village metaphor, for example, has been quite successful in transmitting the idea that in today's world people's destinies are mutually dependent. Nevertheless, this concept is somewhat value-free, or rather, value-averse. Indeed, the global village metaphor does not tell us how the inhabitants of this village should live, apart from the fact that they should live together. That is why, if globalization aims at favouring human rights, a new metaphor is needed in order to inject some value content into its togetherness discourse, solidarity being the first of these values.

In his extraordinary work, *Essay on the Gift*, the renowned French anthropologist Marcel Mauss, makes use of King Arthur's legend to propose an interesting metaphor sustaining the need for society to encompass social solidarity. This legend tells us how, out of envy, in stupid skirmishes, duels and murders, the finest feasts of King Arthur's court were stained in blood. Then the King, with the help of a Cornish carpenter, invented that miracle of his court, the Round Table, around which 1,600 and more knights could be seated and from which none would be excluded. From that day on, knights did not fight any more and joyful and invincible became King Arthur's noble company. Mauss concludes his metaphorical narration by declaring that:

> That is how nations are still made today, strong and rich, happy and good. Peoples, classes, families, individuals, can grow rich, but they will only be happy when they know how to sit, like knights, around their commonwealth.
> (Mauss [1950] 1983: 279)

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