Abstract:

The concept of fair trade confronts us in various guises: for consumers, it appears as a fair trade label on products; for individual affiliates of corporations, it has a presence in principles of corporate social responsibility; for politically engaged citizens, it features in public criticisms of the global trade regime. But what is fair trade? How does it relate to individuals’ responsibilities and choices? To answer these questions, my dissertation makes two main arguments.

First, I describe a market-based standard of fairness in trade, and argue that many international trades are exploitative because they fail to meet this standard. Individuals often have claims to enjoy benefits that they do not have in reality, and these unmet claims can have an unfavorable influence on their trades. In my view, all individuals have claims to enjoy the benefits of membership in competent, inclusive, and rights-respecting societies. Many members of poor and illiberal societies have unmet claims for international assistance to help them enjoy these benefits. Many members of poor and illiberal societies agree to international trades with unfair prices and disrespectful terms, due to their unmet claims for assistance.

Second, my dissertation specifies ethical guidelines for how individuals should act in accordance with their responsibilities for exploitative trade, in their roles as consumers, affiliates of corporations, and citizens. Individuals can be responsible for their personal engagement in exploitative trade, and they also can be responsible for having enabled the occurrence of exploitative trade in general. I describe exploitation in international trade through case studies of the coffee industry and the textiles and apparel industry, and provide ethical guidelines for how consumers and affiliates of corporations
should act in these kinds of cases. I also argue that citizens of relatively wealthy, liberal societies should advocate for their states to adopt what I call a fair trade policy. A fair trade policy offers to reduce existing barriers to trade, on the condition that the state’s poor and/or illiberal trading partners reform their institutions to meet minimal standards of competency, inclusiveness, and respect for rights.
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Chapter 1: Fair Trade and Individuals’ Choices

The concept of fair trade can confront us in different guises. A consumer sees a label on a product, such as a bag of coffee or an item of clothing, indicating that it has been certified as “fair trade.” An employee of a multinational corporation informs himself about its “Corporate Social Responsibility” policy, so he can abide by its standards when choosing a foreign contractor for a particular project. Non-governmental organizations, trade officials, and elected representatives often criticize states’ trade policies and the global trade regime itself, by describing them as “unfair.” A person confronted by the concept of fair trade—either as a consumer, an employee of a corporation, or a politically engaged citizen—could ask several questions about it. What is fair trade? Are some of my economic choices “fair trades,” and others “unfair trades”? Should I be thinking about fair trade when I am making choices in the grocery store, in my job, or in other aspects of my life?

To answer these questions, it is useful to start with a fuller description of the contexts in which an individual might encounter the concept of fair trade. In Part 1.1 of this chapter, I describe two cases that will receive more extended treatment in the dissertation: the coffee industry in Guatemala, and the textiles and apparel industry in Cambodia and Vietnam. These cases demonstrate the need for practical, ethical standards that provide individuals with guidance for their choices. My discussion of these cases suggests that it is unsatisfactory to view trade as a site of application for a general ethical principle. A more satisfactory approach aims to provide a theory of fairness in trade,
including an account of what trade is. My approach is to provide a theoretical account of unfair trade, which I call exploitation.

The dissertation’s first main argument explains what exploitation is, why it is ethically problematic, and how it occurs in international trade. The second main argument describes two different senses in which individuals can be responsible for exploitation in international trade, and it also describes how individuals should act in accordance with their responsibilities. I provide ethical standards for individuals’ choices about how to act in their roles as consumers, affiliates of corporations, and citizens of their societies.

Part 1.1 briefly discusses the cases, and indicates the need for the kind of approach I adopt in the dissertation. Part 1.2 explains the two main arguments of the dissertation. Part 1.3 describes two prominent controversies, namely about the justice of the global order and about the problems associated with states’ interference in free flows of global trade, which have implications for the topic of fair trade. I cannot resolve these controversies in the dissertation, and so I make assumptions to clear the path ahead for my approach to the topic of fair trade. In Part 1.4, I describe my approach, orient the reader in the existing literature on fair trade, and identify the contribution of my dissertation to related debates in political theory.

**Part 1.1: Two Cases**

My two cases involve poor individuals in low-middle income countries who work in export-oriented industries. The industries produce goods that are exported primarily to the relatively wealthy OECD (Organisation for Economic Co-operation and Development) member countries, such as the United States, the E.U. member states,
Japan, Australia, and Canada. In the first case, the coffee industry in Guatemala, I focus on a coffee farmer in Guatemala and a coffee consumer in an OECD country. In the second case, the textiles and apparel industry, I focus on a factory worker who lives either in Vietnam or Cambodia and an employee of a multinational corporation (MNC) that imports textiles and apparel. My discussion of these two cases suggests the need for an argument that provides individuals, such as the coffee consumer and the employee of the multinational corporation, with ethical guidance for their choices. My discussion also shows the limitations of any approach that takes trade as a site of application for a general ethical principle, such as the principle that individuals should help to alleviate global poverty and the principle of equality.

In Guatemala and other coffee exporting countries, a small farmer often has a choice about how he will sell the coffee beans he grows. He can plan to sell his beans in the conventional coffee market,¹ or he can join a fair trade cooperative. The coffee farmer makes an assessment of the option that is best for him and his family. In coffee importing countries, a coffee consumer often has a choice about the coffee she buys. She can buy coffee of a conventional variety, or she can pay a bit more to buy coffee that has been labeled “fair trade” by a certification program. Since the conventional coffee brand costs less for the same product, it is clear that the consumer’s self-interest is best pursued through purchasing the conventional coffee.² The coffee consumer assesses whether she is ethically required to pay a bit more to purchase the fair trade coffee instead.

¹ The conventional coffee market does not include gourmet, organic, or fair trade coffee, and it is by far the largest segment of the global coffee industry.
² I am assuming that there are no other differences between the two varieties of coffee. In reality, some consumers might prefer fair trade coffee because it is more likely to be certified as organically grown.
On the bag of fair trade coffee, there is a product description explaining that purchasing fair trade coffee helps to alleviate global poverty. A purchase of fair trade coffee costs more, because it is a means of transferring resources to poor farmers, supporting economic activity in their communities, and making farmers less vulnerable to shocks in the global demand for coffee. Let us assume that the consumer endorses the general principle that individuals have an ethical duty to use their extra resources to help the global poor.\(^3\) She wonders if this general principle applies to her coffee purchase, indicating that she should pay more for the fair trade brand. Let us also stipulate that the general principle is valid and the fair trade coffee brand’s claims are true: a fair trade coffee purchase does transfer resources to poor farmers, support economic activity in their communities, and make farmers more secure against shocks in global demand. Even taking all this as fact, there remain questions about the strategy of purchasing fair trade coffee as a way to fulfill the ethical duty to help the global poor.

The first question is why the coffee consumer should transfer resources to help the Guatemalan coffee farmer in particular. As I mentioned, the farmer is poor. But he is not so poor as many others, even within his own country. So the first question is about targeting: whether it would be ethically better to direct the coffee consumer’s resources to poorer people.\(^4\) The second question is about cost-effectiveness: whether purchasing fair trade coffee is a cost-effective strategy for alleviating poverty in the coffee farmer’s

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\(^3\) How much an individual should do for the global poor, and how many of her own resources an individual is morally entitled to keep for herself, are contested issues that I return to in Chapter 2. Peter Singer, The Life You Can Save: How to Do Your Part to End World Poverty (Random House, 2010).

\(^4\) Is the coffee farmer, for instance, a member of the “bottom billion” of the world’s poorest people? Paul Collier, The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It (Oxford University Press, 2007).
community. For instance, a donation to Oxfam’s programs in Guatemala could be a more cost-effective way of helping. Of course, the coffee consumer could perform both actions, donating to Oxfam and purchasing fair trade coffee. However, I take it as given that she has limited resources and cost-effectiveness matters.⁵

A simple formulation of the duty to alleviate global poverty does not engage with these questions. It might be possible to formulate a more sophisticated formulation of the duty that successfully answers them, and this sophisticated formulation could provide the coffee consumer with practical guidance for how she should act. Even if this were so, I think there is need for an argument that more directly answers the questions about targeting and cost-effectiveness. Why should the coffee consumer direct her resources to the coffee farmer in particular? Why should the coffee consumer try to help the coffee farmer through the particular mechanism of purchasing fair trade coffee? To answer these questions directly, we need a different kind of argument.

We need an ethical argument that is specifically focused on the trading relationship between the coffee consumer and the coffee farmer. The coffee consumer and coffee farmer are participants in a global commodity market, and both behave as market actors typically do. They are making agreements with other market actors to exchange goods and services for money, and vice versa. They are making these exchanges to pursue their conceptions of their own self-interest. These facts should be

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⁵ I presume that an individual should have some concern for cost-effectiveness, as part of her duty to help foreigners. This does not necessarily mean that it is necessary for an individual to optimize the effectiveness of her contributions. In Chapter 2, I argue that individuals have duties of assistance to help foreigners, and these duties have some latitude. For an argument for the inter-temporal optimization of aid-giving, see Laura Valentini, “On the duty to withhold global aid now to save more lives in the future,” Ethics & Global Politics, Vol. 4, No. 2, (2011) pp. 125-134.
central to our ethical reasoning about what the coffee consumer should do, and what the
coffee farmer has a claim to expect from his own engagement in trade.

In sum, my discussion of the coffee case has suggested a few points about the
need for an argument about fair trade. It has suggested that the coffee consumer is in need
of ethical standards that can provide her with practical guidance for her decision. Her
decision must take account of the unique ethical concerns at stake in trade. This
highlights the need for an argument clarifying exactly what these concerns are and how
they relate to an individual consumer. My discussion of the next case, the textiles and
apparel case, elaborates on these points.

In the second case that I consider, there is an employee of a multinational
corporation who has to pick a foreign contractor to fulfill an order for his company’s
clothing line. He interviews a representative from a foreign contractor, who says that his
company has contracts with several textiles and apparel factories in Vietnam and
Cambodia. The employee notes that there are critics of these factories, who call them
“sweatshops” because they do not pay their workers a fair wage. He also notes the same
critics’ arguments that the working conditions in these factories fail to respect
international labor standards. How can he assess these criticisms?

The employee might search for a general ethical principle to apply to the case of
the factory conditions for foreign workers. By comparison to minimum wages and labor
standards in the OECD countries, things are much worse in the textiles and apparel
industries in Vietnam and Cambodia. This might mean that trade in factory workers’
labor fails to satisfy a general principle of equality. But it is not clear what it could really
mean to satisfy a general principle of equality in trade between the employee of a
multinational corporation and a Cambodian factory worker. It is economically infeasible
to provide wages and working conditions in Cambodia that are equivalent to wages and
working conditions in the OECD countries. A simple formulation of the general principle
of equality does not provide the employee with practical guidance for his decision to pick
a foreign contractor.

On further reflection, the employee concludes that equality is not an attractive
ethical principle to apply to cases of trade. Trade is an agreement between individuals to
exchange resources for their mutual benefit. The participants do not need to be equally
enthusiastic about agreeing, nor do they need to benefit equally. But they do need to
agree to trade, and they do need to benefit from trade. These features are essential to the
idea of trade, and an ethical standard for trade should be primarily concerned with these
essential features. To the extent that there is something ethically problematic about these
features, then there might be something ethically problematic about trade itself. To the
extent that these features are completely absent, such as if the workers are forced into
their employment or experience greater harms than benefits from their employment, then
it is not trade at all.\(^6\)

The employee thinks about the reasons why workers in the textile and apparel
industries in Vietnam and Cambodia agree to employment with these wages and working
conditions. He considers the reasons why foreign workers would view themselves as
benefiting from their wages and working conditions. These reasons could indicate what,

\(^6\) It is not trade, but rather a form of compulsion or slavery. These cases are outside the
scope of the dissertation. A fuller account of fair trade might include enforcement
mechanisms to prevent compulsion or slavery in the production of traded goods and
services. I discuss the potential for foreign workers’ employment to involve risks of harm
and coercion in Chapter 5.
if anything, is ethically problematic about the factories in Vietnam and Cambodia. A host of facts about the textiles and apparel industry, and about the domestic labor markets in Vietnam and Cambodia, seem potentially relevant for understanding the reasons behind foreign workers’ choices.

There are many relevant facts about the industry that influence the levels of wages and working conditions that are competitive in each country. Factories in Vietnam and Cambodia compete with one another, and with factories based in other countries. By comparison with Vietnam and Cambodia, factories in Bangladesh have lower costs of labor. China’s workers are highly productive, and this means that factories in China have low labor costs per unit of production. Among all these countries, there is significant variation in the national poverty line and the cost of living in purchasing power parity. There is significant variation in the content of labor laws, the state’s enforcement, and factories’ patterns of compliance. There have been changes in the World Trade Organization’s (WTO’s) schedule of tariffs on textiles and apparel with the recent expiration of the Multi-Fiber Arrangement. These changes have made production in some countries more competitive, particularly in China, and this puts pressure on textiles and apparel production in other countries.

Facts about the labor markets in Vietnam and Cambodia also seem relevant for understanding workers’ choices. For instance, female workers might enjoy very limited opportunities in the domestic labor market. By comparison to unemployment, a female worker’s employment in an exporting industry is beneficial to her. Perhaps it is only by comparison to unemployment that working in a textile and apparel factory seems
beneficial to her. The fact that men do not generally work in the factories provides some evidence in support of this.

In sum, there are many contributing factors that help explain individuals’ choices to offer and accept employment with particular working conditions and levels of compensation. Of course, it is not enough to simply understand these choices at a descriptive level. There is a need for an ethical argument that identifies the morally relevant reasons shaping individuals’ choices about trade. This discussion also indicates the limitations of what the employee can know, and the limited influence of his decisions over the circumstances of trade. It is important to acknowledge these limitations when providing individuals with normative guidance.

I have suggested that a particular kind of approach is necessary for making an argument about these cases. There is the need for an argument about what makes trade ethically problematic, given that individuals benefit from their participation in trade and that they agree to trade for a variety of reasons. My dissertation describes exploitative wages and working conditions, and explains precisely why these are unfair to the coffee farmer and factory worker. There is the need for an argument about how individuals should act in their roles as consumers and affiliates of corporations. My dissertation provides guidelines for how the coffee consumer and the employee of a multinational corporation should act in the cases described above. I will also pose and answer additional questions about the cases: Should the coffee consumer and the employee advocate for their states to do something about exploitative trade? And what kind of a policy should their state adopt in response?
Part 1.2: The Dissertation’s Two Main Arguments

Here, I briefly outline the two main arguments and describe how they are presented in the dissertation. The first argument provides a conception of exploitation that explains why some international trades are ethically problematic. These international trades are ethically problematic because they fail to satisfy a *market-based* standard of fair trade. The second argument provides ethical guidelines for how individuals should act when they are responsible for exploitation in global trade. When an individual is responsible for exploitation in global trade, she should undertake action in her roles as a consumer, as an affiliate of a corporation, or as a citizen of her state.

Chapter 2 describes the morally relevant background conditions of international trade. I argue that many members of poor and illiberal societies have claims to enjoy more than what they currently have. They have ethical claims for others to make contributions to help them enjoy additional goods and entitlements. In the dissertation, I focus on their claims for assistance from individuals outside their own society. I argue that many individuals have claims for international assistance that aims to help them enjoy the benefits of membership in *competent, inclusive, and rights-respecting* societies. Individuals who do not enjoy these benefits have claims for international assistance from others who currently enjoy these benefits themselves and have the capacity to make contributions. I focus on individuals’ claims for international assistance from members of relatively wealthy, liberal societies.\(^7\)

\(^7\) Members of other poor and/or illiberal societies do not have the capacity to provide international assistance, unless they are themselves rich and powerful members of those societies. Many members of poor and/or illiberal societies are not necessarily better off than those who want help from them: it depends on whether it is worse to be a member of a wealthy, oppressive society, or a member of a poor, non-oppressive society.
In Chapter 3, I argue that trade can be exploitative because it fails to meet a market-based standard of fairness. The market-based standard references a counterfactual trade, which is what both parties would have agreed to under different background conditions. The relevant counter-factual conditions are these: neither party has an ethical claim for anyone else to provide her with more than what she already has. In the actual world, it is often a fact that a person has an ethical claim to enjoy more than what she already has. This fact can influence her trades with others, increasing her willingness to accept prices and overall terms of trade that are unfavorable to her. Here I also describe an individual’s responsibilities for his personal engagement in exploitative trade and for having enabled the occurrence of exploitation in general. An individual can be responsible in one sense and not in another, and this has implications for how he should act in accordance with his responsibilities for exploitation.

In Chapters 4 and 5, I describe exploitative international trade with case studies of the coffee industry and the textiles and apparel industry. Foreigners have unmet claims to enjoy the benefits of membership in a minimally just society, and this fact has an influence on their trades: it makes them willing to trade at unfair prices and on terms that they otherwise would not choose. These chapters also explain the two senses in which individuals in relatively wealthy, liberal societies can be responsible for exploitation in international trade. An individual is responsible when she personally engages in exploitative trade with a foreigner, even when their trade takes place through several intermediary actors in a global supply chain. She also can be responsible in a different sense.

For a similar use of the standard provided by a counter-factual market, see Alan Wertheimer, *Exploitation* (Princeton, NJ: Princeton University Press, 1996). Wertheimer’s counterfactual is a perfectly competitive market rather than, as I describe, the market that would exist under different background circumstances.
sense: if she has been derelict in fulfilling her duty to contribute a fair share of international assistance, then she is responsible for the conditions that enable the occurrence of exploitation in global trade. I provide ethical guidelines for individuals’ behavior in their roles as consumers and affiliates of corporations, in accordance with their two responsibilities for exploitation in international trade.

In Chapter 6, I argue that citizens of a relatively wealthy, liberal society should advocate for their state to adopt a fair trade policy. In their choices as consumers and corporate affiliates, citizens might find it difficult to avoid personally engaging in exploitative trade. A fair trade policy encourages citizens to make choices that represent non-exploitative trades with foreigners, and it also helps to undermine exploitation in trade more generally. To this end, a fair trade policy offers to reduce existing barriers to trade, on the condition that the state’s poor and/or illiberal trading partners reform their institutions to meet minimal standards of competency, inclusiveness, and respect for rights. In Chapter 6, I discuss conflicts between individuals’ general duties to meet foreigners’ claims and their responsibilities with respect to exploitation. I try to reconcile this conflict in my description of a trade policy with two aims: to alleviate global poverty and to undermine exploitation in global trade.

Part 1.3: Two Assumptions

Fair trade is a controversial topic, and discussion often presupposes answers to highly contentious questions. First, is the global economic order irredeemably unjust? A group of critics on the left answer “yes,” and view fair trade as part of a broader political movement for global justice. Second, is it misguided, even ethically wrong, to interfere
with free trade? A group of pro-market advocates answer “yes,” and view fair trade as a dubious justification for interfering in free trade. In the absence of compelling arguments that convincingly answer these questions, it is necessary to make assumptions about them. I make two assumptions to help smooth the path ahead, namely that the answer to both questions is “no.”

For some critics on the left, it is necessary to directly challenge the injustice of the global order. For instance, the founding statement of the Trade Justice Movement reads, “The international trade regime needs fundamental change if it is to succeed and benefit us all.”

For a more extended argument, also see “Rigged Rules and Double Standards: Trade, Globalisation, and the Fight Against Poverty” (Oxfam, 2002).


should be about. On this view, these activities merely supplement the more important work of promoting major structural changes in an unjust global order.

My view is that individuals in relatively wealthy, liberal societies have duties to contribute to helping foreigners, and I assume that they can fulfill their duties without advocating for structural change to the global order.\textsuperscript{13} I start my argument from this ethical premise: an acceptably ideal world involves sovereign, independent states that qualify as “minimally just” in their domestic institutional arrangements.\textsuperscript{14} Many people, such as those with cosmopolitan views about global distributive justice and global political justice, do not share my premise because they view this kind of world as an insufficiently compelling ideal of justice.\textsuperscript{15} However, my primary aim is to describe ethical guidelines for ordinary individuals who need to choose how they will act in their daily lives, in our non-ideal world as it actually exists. I think my argument for how they should act follows logically from my premise, and that it also would follow from a cosmopolitan premise about global justice.

Some commentators with a pro-market outlook reject fair trade because it is not equivalent to free trade. In their view, fair trade is, at best, a distraction from the more important goal of reducing states’ barriers to trade. At worst, advocates for fair trade often favor policies that constitute barriers to trade. In the view of these commentators, \textsuperscript{13} Thomas W. Pogge, \textit{World Poverty and Human Rights} (Cambridge, UK: Polity Press, 2002), pp. 112-117.
\textsuperscript{14} My idea of a “minimally just society” owes a debt of inspiration to John Rawls, \textit{The Law of Peoples} (Cambridge, Mass.: Harvard University Press, 1999). However, my view differs in significant ways from Rawls’ standard of a “decent people” and his argument for a “duty of assistance.”\textsuperscript{15} A somewhat different criticism is that this proposed ideal world no longer references the most important facts about our actual world. Allen Buchanan, “Rawls’s Law of Peoples: Rules for a Vanished Westphalian World,” \textit{Ethics}, Vol. 110, Issue 4 (2000) pp. 697–721.
new barriers to trade with poor countries are detrimental to the interests of the global poor. For example, consider a proposal to have the WTO enforce international labor standards. If international labor standards are stringent enough to be ethically worthwhile, then at least some poor countries might fail to meet the standards. Therefore, the WTO’s enforcement of international labor standards on these poor countries will constitute a new barrier to trade. While these commentators might view international labor standards as ethically valuable, they are not willing to endorse a proposal to enforce them that ultimately results in a new barrier to trade with poor countries.¹⁶

My second starting assumption is that international trade is generally good for the global poor and for those who directly participate in it, but it is not a panacea. Some efforts to interfere with free international trade can be both ill-advised and ethically problematic, but other efforts to regulate trade are ethically worthwhile. Many people endorse a stronger view about the benefits of free trade and the problems involved in interfering with it.¹⁷ On some readings of the empirical evidence, and on the history of economic thought, any attempt to suppress the pursuit of economic self-interest in the service of ethics is almost always self-defeating. According to these views, capitalism and free markets harness the pursuit of self-interest into a broad public benefit, in addition to bringing about beneficial transformations in individual character and social


¹⁷ For review and criticism of arguments for free markets, see Allan Buchanan, Ethics, Efficiency, and the Market (USA: Rowman and Allanheld, 1985).
mores. I discuss the empirical evidence linking trade liberalization to global poverty alleviation, and its implications for the ethical requirements of a relatively wealthy, liberal society’s trade policy, more extensively in Chapter 6.

Here I note that, on its strongest reading, the view that it is nearly always self-defeating and ethically inappropriate to interfere in free trade simply proves too much. It fails to condemn the slave trade and the contemporary use of forced labor in international production, international commerce that entails great harms to the environment and human health, and trade in goods that finance dictatorship and oppression. Nor is this strong view predominant in the intellectual history of advocacy for capitalism and global commerce. While Adam Smith lauded the “invisible hand,” he also condemned the excesses of the trading companies’ activities in foreign lands. My view is that some kinds of interference in international trade can increase the benefits of trade for the global poor and make trade more fair.

I endorse my two assumptions because I think they are generally true, and because they provide useful starting places. The first assumption is that there is an ethical


19 For the historic importance of this ethical concern about trade, see Christopher Leslie Brown, Moral Capital: Foundations of British Abolitionism (University of North Carolina Press, 2006).


imperative for international action, but not specifically for major structural change to the
global order. The second assumption is that free international trade is generally good for
the global poor and for those who directly participate in it, but that some interventions in
international trade can improve upon these benefits. Where appropriate, I will attempt to
defend these two assumptions through the use of empirical evidence. For now, with these
two assumptions in place, I can proceed with my argument describing exploitation and its
implications for how ordinary individuals should act in the world in which we actually
live. That is the primary concern of this dissertation.

Part 1.4: The Approach of Non-Ideal Theory, the Existing Literature on Fair Trade,
and Contributions to Related Areas

In Part 1.4, I complete three final tasks of this introductory chapter. I describe the
approach of my argument, situate my argument within the existing political theory
literature on fair trade, and indicate how my argument contributes to two related debates
within political theory.

i. Non-Ideal Theory. My dissertation’s argument is an instance of “non-ideal
theory,” by which I mean several things. First, I am concerned with preventing the wrong
of exploitation, rather than with describing an ideal of fair trade. Second, my argument
about exploitation has implications for how individuals should act in our actual world and
not an ideal world. In an ideal world, every individual has everything he or she is morally
entitled to have. Exploitation could not exist in this ideal world because it can only occur
when, before engaging in trade, one party has an ethical claim to enjoy more than what

22 This approach takes its inspiration from Judith N. Shklar’s treatment of injustice, *The
she currently has. Individuals can engage in coercion, harm, and injustice, thereby degrading an ideal world into a non-ideal condition. But while the world remains in its original ideal condition, it is not immediately possible for individuals to engage in exploitative trade. Individuals only need ethical guidance to avoid exploitation in our actual, non-ideal world.

Finally, my argument takes into account the limits of what individuals can know and do. My dissertation makes an ethical argument about how an individual should act in accordance with her responsibilities for exploitation in international trade. This individual is motivated to avoid wrong-doing, but she finds that her options are constrained. She is merely one individual with limited resources, limited influence over others’ behavior, and limited knowledge of social scientific facts and their causal relationships. Moreover, fully satisfying these ethical guidelines (acting in accordance with her responsibility for exploitation) can entail conflicts with other ethical principles (helping the global poor). I consider the kinds of constraints that she faces and try to provide an all-things-considered assessment of actions that she should undertake.

Of course, it is not really possible to provide general “all-things considered” assessments of how individuals should act in all contexts. In some places, an individual can purchase fair trade-labeled products and avoid exploitative trade. Elsewhere, consumers lack this option. Within some industries, corporate social responsibility is strong and growing. In others, corporations’ commitments to corporate social responsibility are weak and unreliably rewarded by consumers. Opportunities for ordinary people to assert political influence, such as competitive national elections, arise and wane periodically. Advice on how an individual should act in her social, economic,
or political roles should be responsive to these changing constraints and opportunities.\(^{23}\)

My argument attempts to be responsive to these constraints and opportunities, but that means that it cannot provide fully detailed practical advice for individuals in their particular context. Instead, I try to provide individuals with rough ethical guidelines to make their own choices.

\textit{ii. Existing Literature on Trade.} The political theory literature on international trade has, for the most part, emerged recently. Even in the literature’s nascent stages, it is already possible to identify two persistent disagreements about trade.

The first disagreement is about how to characterize the ethical problem. Is it that trade is insufficiently morally good, or is it that trade does things that are morally bad? Many criticize trade for failing to do enough good for particular individuals and groups. The most common argument is that trade fails to provide sufficient economic benefits and opportunities.\(^{24}\) It is also argued that trade should do more to promote goods that are non-economic in nature, such as respect for labor standards.\(^{25}\) Others argue that trade can be morally bad in itself or do morally bad things. The most prominent example of this view is Thomas Pogge’s argument that trade harms the global poor.\(^{26}\) Additional instances of the category are arguments that trade is morally bad when it is “degrading,”

\(^{23}\) Unlike Michael Walzer, I do not take the view that there are ethical reasons to keep economic and political spheres separate. See his \textit{Spheres of Justice: A Defense of Pluralism and Equality} (Basic Books, 1984).


\(^{25}\) Christian Barry and Sanjay Reddy argue that trade should be linked to labor standards. Barry and Reddy, 2008.

\(^{26}\) Pogge, 2002.
and when it makes participants complicit in human rights violations. Leif Wenar argues that trade in natural resources, such as oil, can be morally bad because these extracted resources are the “stolen” property of the people with claims on the territory.

A second disagreement is about the relevant actors: who makes claims for fair trade, and who has duties to act? On some views, fair trade is concerned with the economic well-being and opportunities of societies, and so it is the poor and developing countries who are the claimants for fair trade. On other views, the claimants are the global poor or the individuals directly involved in trade, such as the coffee farmer and factory worker discussed in Part 1.1. Other arguments specify the duties of individual consumers, who should create incentives for multinational corporations to respect international labor standards. Malgorzata Kurjanska and Mathias Risse offer another account of the relevant actors: they argue that liberal societies should be concerned for the impact of trade competition on the economic well-being of their own citizens.


30 Pogge, 2002; Miller, 2010.


How does my argument fit into this existing literature? My argument takes trade to be a good thing, and it criticizes trades that provide participants with insufficient benefits and insufficiently respectful treatment. My conception of exploitation indicates that the most relevant actors are the individuals who directly participate in trade with one another. In the cases I describe, these individuals are the coffee consumer, the coffee farmer, the employee of a multinational corporation, and the factory worker. My view also identifies many other actors who have duties to make contributions to, and who have claims for, international assistance. In addition, my account of responsibilities for exploitation indicates that the coffee consumer and the employee share responsibilities with other individuals, whose dereliction of duty has enabled the occurrence of exploitation in international trade.

**iii. Contributions to Related Debates.** My argument contributes to recent thinking about individuals’ responsibilities in the context of a globalized world, and how individuals should act in response to the problem of exploitation.

It is often thought that globalization makes it much more difficult to understand how individuals can act in accordance with their responsibilities. Simply following the usual rules of law and ethics—don’t kill, don’t harm, don’t violate anyone’s rights—might be adequate in the context of a law-governed, stable liberal society. But our broader world is plagued by serious problems and inequalities, which require additional consideration and action. Individuals’ choices and actions seem to affect the problems in

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this broader world, but mostly indirectly and sometimes unpredictably. Additional requirements for individuals’ behavior need to be justified on solid ethical grounds, and they need to be feasible for individuals to understand and to satisfy. I agree with this formulation of the problem of responsibility, but I do not think that the problem arises only in the context of a globalized world. I try to deflate the criticism that individual responsibility is infeasible in the global context, by showing that the problem also arises in a more familiar context. In Chapter 3, I argue that the problem of exploitation arises in the context of a market economy in an imperfectly just society, specifically the 1970s United States. In the labor market of this society, women suffered from discrimination on the basis of their gender. In this context of widespread gender discrimination, it is insufficient for an individual to merely follow negative dictates of behavior, such as “don’t discriminate!” I argue that citizens have duties to help undermine injustice, and that individuals can be held responsible for their failure to make contributions to this task. When injustice persists, including the injustice of gender discrimination, then citizens can have responsibilities in relation to exploitative trade in women’s labor.

As I suggest in my discussion of the case of gender discrimination, what individuals should do to act upon their responsibilities will not always (or even usually) be readily apparent or precisely specified in the abstract. The dissertation argues that individuals have duties to contribute their fair share to the task of solving complex social problems, and that individuals can be held responsible for their failure to make their

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34 Onora O'Neill makes this point with respect to economic and social human rights, which she views as “positive” rather than negative rights, in "The Dark Side of Human Rights," *International Affairs* 81, no. 2 (March 2005), pp. 427-39.
contributions. Their contributions should aim to undermine injustice within their societies (Chapter 3) and to promote minimally just societies abroad (Chapter 2). I concede that is not possible to specify the precise content of what an individual should do and to know when the individual has done enough, and this imprecision makes it difficult to hold the individual responsible for his failure. However, the advantages to my view are that individuals who have latitude to act can make more effective contributions, and do so in ways that preserve their autonomy.

As a second contribution to ongoing debates in political theory, my argument suggests a particular way to define the ethical problem of exploitation. Some argue that exploitation is not the kind of ethical problem that provides individuals with good reasons to change their behavior. The argument is that it can be morally better to persist in exploitation than to refrain from it. For instance, consider a sweatshop worker who really wants and needs to keep his job. Can we really advise an employee of a multinational corporation to stop trading with the sweatshop worker, if that is the only way to avoid exploiting him? If this is the choice the employee faces, then it does not seem that a concern for exploitation provides him with the right advice. This implies that exploitation, if it is ethically problematic at all, is not the kind of ethical problem that should guide the choices of individuals.

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35 It is supposedly more straightforward to hold the individual responsible when he has violated a right or breeched a negative duty, although I think Henry Shue convincingly argues against a sharp divide between negative and positive rights, in Basic Rights: Subsistence, Affluence, and U.S. Foreign Policy 2nd ed. (Princeton, NJ: Princeton University Press, 1980).
The choice between firing the sweatshop worker and exploiting him is an appropriate challenge to pose to most views of exploitation. On most views, all of the wrong-making features of exploitation are found in the trade itself: the worker is exploited because he isn’t paid enough or because he works under terrible conditions. However, my view implies that the wrong-making features of exploitation also can be found in the reasons the worker accepts his employment. The employee of the multinational corporation could be responsible for his personal engagement in exploitative trade with the sweatshop worker, and also responsible for having enabled the background conditions of exploitative trade in general. If he is responsible in the second sense, then he should act to undermine the reasons why the sweatshop worker and foreigners like him are willing to accept exploitative terms of employment.

On my view, exploitation is the kind of ethical problem that generally does provide individuals with reasons to act. It does not necessarily provide decisive reasons in all possible cases. It might be infeasible for the employee to provide the sweatshop worker with non-exploitative terms of employment, and impossible for him to make any positive difference in the background conditions of the life of the sweatshop worker and the lives of foreigners like him. In this specific case, it is not possible for the employee to act in accordance with his responsibilities for exploitation without seriously jeopardizing other important values, namely concern for the wellbeing of the very poor. However, as I suggest in Chapters 2, 4, 5, and 6, I think it generally will be true that there are a variety of ways for individuals to help foreigners that do not involve personally engaging in exploitative trade with them.
My argument describes one element of a theory of fair trade, namely the requirement that trade should not be exploitative. Individuals should act in accordance with their responsibilities for exploitation, in ways that help to fulfill this requirement. Individuals can try to provide non-exploitative terms of trade when making their own economic choices, and they can contribute to undermining the background conditions that have enabled the occurrence of exploitation in trade. As suggested in my discussion of the two cases in Part 1.1, choices about trade are difficult problems: they are empirically complex, and there are multiple ethical considerations to take into account. Throughout the dissertation, I will try to grapple with the empirical complexity of my cases and to integrate responsibility for exploitation with other important ethical concerns.
Chapter 2: Duties and Claims for International Assistance

What kinds of help do people living in poor and developing countries have claims to receive from international sources? The mission and policy statements of prominent aid-giving institutions offer many different answers to this question, and I briefly describe three possibilities here. The World Bank estimates that 1.29 billion people lived on less than 1.25 US$ per day (purchasing power parity) in 2008.38 A first answer is that people living in extreme poverty, defined in this way, have a claim for its eradication. A second answer is that people have a claim to assistance with multi-dimensional aims,39 such as the eight aims of the Millennium Development Goals: the eradication of extreme poverty, universal primary education, gender equality, three goals related to health outcomes, environmental sustainability, and the development of a “global partnership.”40 A third answer is that the global poor have a human right to international assistance that empowers them more generally. The United Nations’ Office of the High Commission of Human Rights states in a report: “It is now widely recognized that effective poverty reduction is not possible without empowerment of the poor. The human rights approach to poverty reduction is essentially about such empowerment.”41

39 Martha Nussbaum’s list of basic capabilities is a prominent example of this second kind of answer. Martha C. Nussbaum, Creating Capabilities: The Human Development Approach (Harvard University Press, 2011).
What should an individual living comfortably in a relatively wealthy, liberal society do to help people living in the poor and developing countries? The existing literature in political theory approaches this question, and the previous question about individuals’ claims for international assistance, by explaining the ethical reasons why an individual should help far-away foreigners. A first group argues that individuals have a duty of beneficence to help reduce the poverty of the global poor. A second group argues that individuals have duties of justice to help people in other societies. A third group argues that individuals have positive duties corresponding to other individuals’ human rights claims. There is a consensus among these three groups that there should be international assistance of some kind, but there is disagreement about the reasons why individuals should provide it.

For many questions about ethics in international politics, the answer will greatly depend upon whether one endorses the duty of beneficence, the duty of justice, or the duty of respect for human rights. However, in this chapter I will argue that the particular duty that one endorses has little practical significance for how one should answer the two questions I have posed about international assistance. In this chapter, I argue that there is an important point of practical agreement about individuals’ duties and claims for international assistance. My main argument is this: individuals in poor and illiberal societies have claims for international assistance that helps them to secure the benefits of membership in minimally just societies; and individual members of relatively

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42 Prominent examples concern questions about the justification of immigration restrictions and about individuals’ permissible behavior in the context of war.
43 Elizabeth Ashford argues that the duty of beneficence to help the global poor is compatible with justice and human rights, “Obligations of Justice and Beneficence to Aid the Severely Poor,” in Giving Well: The Ethics of Philanthropy, eds. Patricia Illingworth et. al, (Oxford University Press, 2011).
wealthy, liberal societies largely have been derelict in fulfilling their duties to provide international assistance in sufficient quantities.

In Part 2.1, I argue that a duty of beneficence, a duty of global justice, and a duty of respect for human rights can all support international assistance with the aim of securing the conditions of domestic justice within aid-recipient societies. Part 2.2 describes the standard of domestic justice in greater detail. I defend a standard of a minimally just society, which includes requirements for the society’s competence, its inclusiveness, and its respect for members’ rights. Part 2.3 argues that many members of poor and illiberal societies have claims for international assistance, including assistance that aims to promote minimally just societies. An individual in a relatively wealthy, liberal society has duties to contribute her “fair share” to help meet foreigners’ claims for international assistance in general. I argue that many members of relatively wealthy, liberal societies have been derelict in fulfilling their duties to contribute a fair share of international assistance.

My argument is useful in two different ways. First, the aim of promoting minimally just societies is an organizing principle that helps to identify international assistance programs sharing a particular aim. Secondly and more importantly, my argument describes individuals’ duties to provide international assistance, and other individuals’ claims to receive it, in relation to this particular aim. Whether an individual has a duty of beneficence, a duty of justice, or a duty to respect human rights, she can fulfill her duty by contributing to international assistance that promotes minimally just societies. An individual who does not enjoy the benefits of membership in a minimally just society has an unmet claim for international assistance that will help him to enjoy
these benefits. His claim can be directed to any individual who has not contributed her “fair share” of international assistance in general, and he can hold such a person responsible for the fact that his claim remains unmet.

**Part 2.1: Three Duties in Relation to the Societies in which the Global Poor Live**

Here I describe the three most prominent views on international assistance, and defend the idea that there is practical overlap between them. The first view is that an individual has a duty of beneficence to promote the wellbeing of others, including foreigners who are very badly off. The second view is that an individual has a duty of justice to foreigners as well as to fellow citizens, as argued by cosmopolitan theorists of global justice. The third view is that an individual has positive duties to respect other people’s human rights, including social and economic rights. I argue that these three duties are all compatible with support for international assistance that aims to improve the justice of aid-recipient societies.  

*i. The Duty of Beneficence.* The duty of beneficence is often formulated as a feature of “common sense” morality. On Peter Singer’s formulation of the principle, “If it is in our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, we ought, morally, to do it.” This principle

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44 My argument is not exhaustive of all political theory related to global poverty and international assistance. I will not specifically discuss the capabilities approach, championed by both Martha Nussbaum and Amartya Sen. I consider the capabilities approach as part of a broader family of theories of global justice.


explains why a passing bystander ought to rescue a drowning child from a pond, even when the rescue muddies the bystander’s shoes. Singer’s principle implies that an individual should help foreigners suffering from extreme poverty, through donation of money that he would otherwise spend on luxury goods.47

The global poor suffer from many misfortunes and problems that members of relatively wealthy, liberal societies, for the most part, do not. The global poor suffer from easily preventable diseases, they are undernourished and malnourished, they are inadequately sheltered from the elements, they enjoy shortened lives, etc. At relatively low cost to donors, it is possible to alleviate some of the global poor’s suffering and improve their wellbeing. In Bill Gates’ 2011 annual letter for the Bill and Melinda Gates foundation, he writes, “I like to say vaccines are a miracle. Just a few doses of vaccine can protect a child from debilitating and deadly diseases for a lifetime. And most vaccines are extremely inexpensive. For example, the polio vaccine costs 13 cents a dose.”48 In this letter, Gates describes global health and agriculture as two priority areas for his organization to help the global poor.

The duty of beneficence implies that individuals, including those of us with far more modest resources than Bill Gates, should donate in order to help improve the wellbeing of the global poor. Which particular international assistance programs does the duty of beneficence recommend that they support? There is an unusually compelling case


for providing the global poor with low-cost health services, such as vaccines, anti-diarrheal medicines, and bed nets to prevent the spread of malaria. These programs are highly cost-effective mechanisms of extending individuals’ lives, reducing suffering, and helping to solve problems related to poor health. But it is a mistake to conclude that the duty of beneficence exclusively supports these kinds of programs.49 There is also a strong case for supporting institutional reforms to the societies in which the global poor live.

I reference two different kinds of empirical evidence to support this point. First, a society’s institutions have significant impact on the economic wellbeing of the society’s members. Within the social scientific literature, there are serious disagreements about which institutions are best for promoting economic growth and helping the global poor. Some endorse democratic regimes, while others are impressed by the impressive growth rates of China and other autocratic regimes.50 However, there is more of a consensus that some institutions are very bad for the global poor. Paul Collier argues that the “bottom billion” of the world’s population live in societies that have fallen into various kinds of poverty traps. These traps include: civil conflict, bad governance, and corrupt “rentier”

49 Dale Jamieson makes a similar point, but as a criticism of Peter Singer’s view, “Instead of saving a child everyday at the cost of missing a lecture and dampening our clothes, it would be far better to prevent these children from falling into the pond in the first place. Providing humanitarian aid is at best a small part of what we should do to address the plight of the poor,” “Duties to the Distant: Aid, Assistance, and Intervention in the Developing World,” The Journal of Ethics, Vol. 9 (2005) p. 158. This criticism also applies to Peter Unger’s Living High and Letting Die (New York: Oxford University Press, 1996), which makes specific recommendations that we should donate to Oxfam’s humanitarian relief programs. For reasons I explain below, I don’t think Peter Singer’s argument, or the duty of beneficence in general, is prevented from addressing underlying vulnerabilities to crises.

50 Amartya Sen has argued that famines do not take place in countries with democratic institutions, and this is a reason to support democratic institutions regardless of their effects on growth. See Amartya K. Sen, Development as Freedom (Oxford University Press, 1999)
states that seek to control oil-rich territories.\textsuperscript{51} These bad institutional arrangements thwart the economic growth and economic development that the global poor so desperately need.

Secondly, the institutions of the society in which a person lives have a great influence on her overall levels of wellbeing, independently of their impact on economic wellbeing. Charles Kenny argues that the wellbeing of the global poor has increased in the second half of the twentieth century, even when their societies did not experience economic growth. The global poor enjoyed better health, better access to education, greater recognition of their rights, and improved safety from violence.\textsuperscript{52} However, many of the global poor continue to suffer from discrimination, everyday violence, economic insecurity, stigma and low self-esteem.\textsuperscript{53} A poor person is likely to have much higher levels of wellbeing if she lives in a stable, law-governed society that does not oppress her or discriminate against her. If her society adopts institutional reforms, her wellbeing is likely to improve even if her income and wealth remain the same.

Can international assistance actually shape social institutions in the relevant ways? For my argument to succeed, international assistance must be able to do so

\textsuperscript{51} Collier, 2007. Notably, Peter Singer’s 1972 article cited civil war as one of the reasons for the suffering in East Bengal, and his most recent book references Collier’s work as providing a possible reason to direct donations towards institutional reform, Singer 2010 pp. 105-129


successfully and at relatively low cost. Social scientists dispute whether foreign aid is effective when it aims to improve a society’s institutions, according to a limited set of criteria related to good governance and economic management. As I will argue in Part 2.2, we should adopt a broad understanding of a society’s basic institutions of justice. Many forms of international assistance will seem more promising with this understanding in place, including: democracy assistance, efforts to undermine discriminatory attitudes in society, building educational facilities and other attempts at improving “capacity” for future service provision, among others.

Common sense thinking about beneficence indicates that individuals primarily have duties to directly help others during crises and other discrete events, such as Hurricane Katrina in the U.S. and the 2010 earthquake in Haiti. Ethicists and political theorists often seek to refine common sense thinking about beneficence, so that it is free of arbitrary biases. Peter Singer’s argument seeks to refine common sense thinking


55 Eric Neumayer argues that recipient society’s performance on good governance criteria has had a moderate impact on donors’ aid allocation patterns. He includes in his measure of good governance some human rights, “respect for the rule of law, the regulatory burden imposed on the private economy, the perceived extent of corruption as well as the share of government expenditure on military purposes.” Eric Neumayer, The Pattern of Aid Giving: the Impact of Good Governance on Development Assistance (Routledge: London, 2003) (p. 47-8).


about beneficence, by showing that our reasons to save drowning children also require us to contribute to solving global problems such as disease and hunger. My own argument has taken a similar approach to refining common views about the duty of beneficence. In my case, I have employed evidence that societal institutions have a significant impact on the wellbeing of badly off foreigners.

ii. Cosmopolitanism and the Justice of Societies. Many political theorists view the duty of beneficence as problematic. The prominent criticisms of the duty of beneficence are these: it demands too little of duty-bearers, the duty is not enforceable, the duty is imperfect and thus not claimable, the duty undermines the agency of aid-recipients, and others. Cosmopolitans provide a theory of justice, which is not generally viewed as suffering from these problems, in order to describe individuals’ duties to aid poor foreigners.

Cosmopolitanism’s main point is that there is no reason why, in principle, an individual should have greater ethical concern for a fellow citizen than she does for a foreigner. An individual who has a duty of justice to help a fellow citizen also might have a duty of justice to help a foreigner. The individual’s duties of justice are not necessarily identical in their precise content, nor is it necessarily true that an individual

60 Andrew Kuper argues that Singer’s beneficence argument fails to take account of the institutional environment, although I do not think that he supports his suggestion that only a cosmopolitan political theory can do this. “More Than Charity: Cosmopolitan Alternatives to the ‘Singer Solution’” Ethics and International Affairs Vol. 16, No. 2 (2002) pp.107-120.
should perform the same actions to fulfill both duties. A fellow citizen in a relatively wealthy, liberal society has a particular set of problems and needs for assistance, which might differ from those of a poor foreigner. Cosmopolitanism does not imply that an individual should do exactly the same things for fellow citizens and foreigners, nor does it entail support for a world government that would eliminate the distinction between a fellow citizen and a foreigner.

Cosmopolitans often argue that there are duties of justice to reform the global economic and political order, so that it will provide all human beings with more equal opportunities and resources. These cosmopolitan arguments focus on the global institutional environment as a site of action for individuals to fulfill their global justice duties. Cosmopolitans do not generally acknowledge that there is another important site of action for individuals to fulfill their duties of global justice: the societies in which the global poor live. When the suggestion was raised by John Rawls’ argument that liberal societies should fulfill the “duty of assistance,” many cosmopolitans criticized his account as insufficiently demanding and unpersuasive in important respects. On Rawls’ account of the duty of assistance, liberal societies should help particular societies burdened by unfavorable conditions, which prevent them from becoming “well-


ordered.” However, to my knowledge, no cosmopolitan theorist has provided an account that improves upon Rawls’ argument for international assistance that aims to improve the justice of foreign societies.

I do not think it is a necessary feature of cosmopolitanism that it focuses exclusively on the global institutional order as a site of action for global justice duties. I provide two arguments that indicate why the duty of justice can support international assistance that aims at institutional reforms to societies in which the poor live. A first argument is that societies, suitably reformed, can provide individuals with intrinsically valuable goods that are hard to secure through other mechanisms. For instance, sovereign societies might uniquely provide individuals with the good of collective self-governance. In this case, individuals have duties of justice to help reform other societies so that they provide these goods to their members.

A second argument is that sovereign states are persistent and highly influential features of our global environment, and for that reason they are important sites of individuals’ ethical concern. I have already indicated that cosmopolitanism does not imply support for a world state. If cosmopolitanism is compatible with a global system of

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65 Several arguments suggest that cosmopolitanism can be more attentive to NGOs’ activities, instead of being focused exclusively on the global order. Lisa L. Fuller argues that there are practical problems with Kuper’s and Pogge’s cosmopolitan arguments for institutional reform, and suggests that NGOs offer a more realistic means to achieve the same ends. “Poverty Relief, Global Institutions, and the Problem of Compliance,” Journal of Moral Philosophy, Vol 2, No. 3 (2005) p. 297. Onora O’Neill provides reasons to view states as “primary” agents of global justice and other actors as “secondary” actors when states are weak, “Agents of Justice,” Metaphilosophy Vol. 23, Nos. 1/2 (January 2001), pp. 180-195. Jennifer Rubenstein argues that the global institutional apparatus providing humanitarian assistance, including NGOs, should itself be governed by principles of justice, “Humanitarian NGOs’ Duties of Justice,” Journal of Social Philosophy, Vol. 40, No. 4 (Winter 2009) pp. 524-541.
states, then it should have normative prescriptions about how individuals should act in relation to this kind of global system. This second argument is a mode of engagement in non-ideal theory. It sets aside the possibility that a cosmopolitan’s ideal world contains no states at all. In our actual non-ideal world, individuals have duties of justice to help reform state institutions, so that states will provide their members with more goods and entitlements than they currently do.

**iii. Correlative Duties of Human Rights Claims.** A third group supports international assistance because it helps to fulfill duties corresponding to human rights claims, including claims for social and economic rights. A human right means two different things: first, that states are required to respect their members’ human rights; second, that when states fail to secure adequate protection for human rights, then actors outside the state have duties to provide such protection. I will not weigh in on the controversy over whether social and economic rights are “genuine” human rights or merely declarations with an “aspirational” character. Here I take it as given that there exists a plausible account of human rights that includes social and economic rights. Given such an account of human rights, I argue that the duty to respect human rights entails support for international assistance that aims to reform societies’ institutions.

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The traditional approach of human rights practitioners is to view states primarily as potential “violators” of their members’ human rights, rather than as vital entities for securing those rights. International NGOs and states’ public officials tend to focus on inducing right-violating states to change their behavior through public criticism, advocacy, and sanctions. This traditional approach is more difficult to sustain when human rights include not just civil and political rights, but also social and economic rights.70 A state might be administratively incapable of securing the conditions under which the society’s members have adequate protections for these rights. “Naming and shaming” the state in a public forum, or filing a legal challenge in a national or international court, are impractical strategies under these conditions. Some human rights organizations that use traditional approaches to inducing states’ respect for human rights have registered doubts about how they should take account of social and economic rights. Specifically, many have expressed uncertainty about how they might attempt to promote the “human right to development.”71

Advocates for a human right to development argue that it can be effective to integrate development activities within the international legal infrastructure for human rights protection. Recognizing a human right to development can be useful for lobbying the OECD countries and international institutions to contribute to the “progressive realization” of the right.72 This is the traditional strategy again, this time used against the

70 Shue, 1996 denies the coherence of the traditional view that rights are always actively “violated” rather than inadequately secured against standard threats.
OECD countries and international institutions. I have no reason to deny that this approach could be useful for fulfilling the social and economic rights of people in poor and developing countries. However, it would be a mistake to think that respect for human rights merely requires support for “naming and shaming” activities and legal action, whether this traditional strategy is being used against rights-violating countries, the OECD countries, or international institutions.

Fortunately, I do not think that most accounts of social and economic rights have principled reasons to adopt such a narrow approach. Consider this United Nations’ policy statement about the human rights-based approach to development:

> “Human rights strengthen good governance frameworks. They require: going beyond the ratification of human rights treaties, integrating human rights effectively in legislation and state policy and practice; establishing the promotion of justice as the aim of the rule of law; understanding that the credibility of democracy depends on the effectiveness of its response to people’s political, social and economic demands; promoting checks and balances between formal and informal institutions of governance; effecting necessary social changes, particularly regarding gender equality and cultural diversity; generating political will and public participation and awareness; and responding to key challenges for human rights and good governance, such as corruption and violent conflict.”


While it might be difficult for human rights groups to put these ideas into practice, there is a common awareness that a commitment to social and economic human rights entails support for international assistance that aims to reform societies’ institutions.

Part 2.2: The Standard of a Minimally Just Society

I have just argued there is an important site of action for fulfilling duties of beneficence, justice, and respect for human rights: the societies in which the global poor live. Now I describe this site of action in greater detail. I propose a standard of a “minimally just society” with three essential elements. These elements are the society’s competency, its inclusiveness, and its respect for its members’ human rights. First, I explain why the ethical standard of a minimally just society requires all three elements. Second, I describe existing international assistance programs that promote these elements. Finally, I discuss how we might define thresholds for the adequate fulfillment of competency, inclusiveness, and respect for rights.

i. Ethical Significance of the Three Components. The elements of competency, inclusiveness, and respect for human rights are all essential to a minimally just society. Each must be present in an adequate quantity, in order for a society to be minimally just. As I explain below, no element is sufficient on its own.

A society is competent when it has the administrative ability to perform a set of ethically important functions. I cannot provide a full account of justice here, or even a full account of the administrative requirements for a society to meet a non-ideal standard of justice. For this reason, my lists are suggestive rather than definitive. For the state itself, these functions could include the following: maintaining sovereign control over
territory, securing the rule of law, raising tax revenue, providing public infrastructure, and other goods. Competency also refers to the capacities of civil society, including economic activity, civic trust and cooperation among the society’s members, and functional health, educational, and civil service sectors.

It is not enough for a society to merely have the ability to perform these functions. An inclusive society actually performs these functions, for the benefit of the society’s members and in consultation with them. Many societies discriminate against women, religious minorities, and ethnic minorities, excluding them from public benefits and consultative processes. Discrimination can take place at the level of the state’s legal codes, or at a more informal social level. Active exclusion is one important way in which a society can fail to be inclusive. A second way is that a society can have unevenly limited competencies. Rural populations in many societies have very limited access to public goods. This could be due, at least in part, to discrimination against rural populations. But it is also logistically difficult to provide adequate health, education, and public infrastructure in rural areas.

A competent, inclusive society will perform ethically important functions, for the benefit of all groups in society, in consultation with them. We would expect that members of a competent, inclusive society would generally enjoy respect for their human rights. Even so, it is important for the society to formally recognize individual members

74 George Klosko argues that the state provides some “indispensable” public goods, The Principle of Fairness and Political Obligation (Lanham, MD: Rowman and Littlefield, 2004)
75 On Joshua Cohen’s view, the idea of inclusion in a society is closely linked with the idea of a human right. He writes, “I propose that human rights norms are best thought of as norms associated with an idea of membership or inclusion in an organized political
as rights-bearing agents. The state, and society in general, should put protections in place to safeguard individuals’ rights against standard threats. This formal recognition is useful for ensuring that individuals’ most urgent interests are not overlooked or sacrificed to pursue a greater social good.

Each of the three duties supports all three elements. The duty of beneficence involves concern for the competence of societies’ institutions, the global poor’s inclusion in public benefit schemes and political processes, and states’ respect for social and economic rights. Fulfilling the duty of justice involves concern for the justice of the societies in which the global poor live. It is only possible for a society to be just, even in a minimal way, if it is competent, inclusive, and respectful of its members’ human rights. Finally, respect for human rights involves supporting societies with the following characteristics: competent institutions that include all their members and provide them with formal recognition of their human rights.

ii. Competence, Inclusiveness, and Respect for Rights as Practical Aims. How can the three elements be used as targets for aid-giving practices? Here I describe several international assistance programs that I view as promoting competence, inclusiveness, and respect for rights in aid-recipient societies. These are, respectively: programs that aim to build “capacity” in aid-recipient societies; programs that provide ethically important goods and services to marginalized groups; and programs that direct resources specifically to societies that already respect human rights.


Many international assistance programs engage in “capacity building,” which I describe as the promotion of a society’s competency. The Paris Declaration on Aid Effectiveness describes capacity building, and its importance to aid practices, in the following terms: “Successful development depends to a large extent on a government’s capacity to implement its policies and manage public resources through its own institutions and systems. In the Paris Declaration, developing countries committed to strengthen their systems and donors committed to use those systems to the maximum extent possible.”77 In 2005, more than 100 signatories from the international assistance community endorsed the Paris Declaration on Aid Effectiveness. Clearly, capacity building is an important idea in current aid-giving practices.78 International assistance programs that help the public sector and local NGOs deliver ethically important goods and services are, on my view, improving the society’s competency.

International assistance programs often focus their attention on improving outcomes for the most marginalized groups in society. I describe these efforts as the promotion of inclusion. The U.N.’s Millennial Development Goals particularly focus on improving outcomes for women: two of its eight goals are to improve gender equality and maternal health. In addition, many international assistance programs try to improve consultation processes with marginalized groups. They attempt to include them in the

78 There are two main reasons why improving the capacity of NGOs and the public sector to provide goods and services is thought to be a good use of resources. The first is that it is often more cost-effective to use local systems. The second is that it is intrinsically better for goods and services to be provided by local NGOs and the public sector. The Paris Declaration’s statement that aid recipients should enjoy greater “ownership” of aid programs contains this second meaning.
design of service-delivery programs, and to promote the groups’ political “empowerment” within their own society.\textsuperscript{79}

I have already identified international assistance programs that declare a specific intent to promote human rights, namely those guided by the idea of a “human right to development.” Proponents of a human right to development describe the approach: “What is a human rights approach to poverty reduction? It links poverty reduction to questions of obligation, rather than welfare or charity. It compels us to look behind national averages and identify the most vulnerable people – and design strategies to help them.”\textsuperscript{80} However, the specific strategies of human right to development programs remain somewhat vague. What is needed here is a practical example of how human rights are used as aims in international assistance practices. In the next paragraph, I describe international assistance programs that are designed to direct resources to societies that respect human rights.

Some international assistance programs put explicit conditions on their selection of recipient countries, including conditions related to countries’ respect for human rights.\textsuperscript{81} I describe these programs as promoting societies’ respect for rights. A prominent


\textsuperscript{81}Aid conditionality is based upon institutional features of potential aid recipients and/or their policies. Paul Collier and other development economists have proposed that aid should be directed to countries with governance that is democratic and non-corrupt, and with the infrastructure to absorb aid. Collier, 2007; Craig Burnside and David Dollar, “Aid, Policies, and Growth,” \textit{American Economic Review}, Vol. 90 No. 4 (September 2000) pp. 847-68. On the whole, the evidence is mixed regarding the impact of conditional aid programs on economic growth. For critical accounts, see Jakob Svensson,
example of aid conditionality is the Millennium Challenge Corporation, which directs aid only to countries that met its selection criteria for good governance and policies. These criteria evaluate potential aid-recipient societies, and direct resources to countries that meet composite thresholds. The Millennium Challenge Corporation uses human rights-related criteria under the categories of “Ruling Justly,” “Investing in People,” and “Economic Freedom.”

These examples illustrate that the three elements of a minimally just society are already present as standards for international assistance programs. I do not argue that all international assistance programs seek to promote minimally just societies, and I do not argue that this is the sole aim of any program I’ve discussed here. The examples indicate that we can understand many practices of international assistance provision as sharing a common set of aims.

iii. Defining Thresholds for a Minimally Just Society. I have argued that there are three elements of a minimally just society, which all must be present in some adequate quantity. I acknowledge that my argument has left some important practical questions unanswered about the standard of a minimally just society. Is minimal justice a feasible standard for real-world societies? What counts as an adequate quantity of each element? Unfortunately, I do not think that these questions can be successfully answered in the abstract. They should be answered through social science, with data drawn from the non-ideal examples of actually existing societies. As a political theorist rather than an


These criteria are under the categories of “Ruling Justly,” “Investing in People,” and “Economic Freedom” (www.mcc.gov, accessed January 11th, 2011).
empirical social scientist, I have two further remarks to make on the topic of defining thresholds for a minimally just society.

First, I do not think it is an objection to the criteria that no existing society fully meets all of them. Admittedly, we cannot find real-world instances of societies that are fully competent, inclusive, and rights-respecting, even among relatively wealthy, liberal societies. However, it is difficult to identify real-world societies that fully meet any political ideal. Can we find instances of a perfect democracy? No, but political scientists still make distinctions between democratic and non-democratic regimes. Can we find instances of societies that fully respect all their members’ human rights? No, but political scientists still make distinctions between societies on the basis of their respect for human rights. We can make evidence-based distinctions between countries according to competency, inclusiveness, and respect for rights, just as we do for other political ideals. Some countries will be much less competent, inclusive, and rights-respecting than others, and we can draw a boundary of “adequacy” somewhere in between.

Second, the “adequate” fulfillment of competency, inclusiveness, and respect for rights might be defined somewhat differently by each of the three duties. However, there are also other considerations that might be equally important for defining thresholds of adequacy, such as the choice of empirical measurements.83

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Now I return to this chapter’s first two questions: what kinds of help do people living in poor and developing countries have claims to receive from international sources, and what should an individual living comfortably in a relatively wealthy, liberal society do to help people living in the poor and developing countries? First, I argue that many individuals in poor and illiberal societies have claims for international assistance that helps them secure the benefits of membership in a minimally just society. Second, I argue that individuals in relatively wealthy, liberal societies have duties to contribute a fair share of international assistance, and that they have latitude when making their contributions. Individuals can fulfill their duties by contributing international assistance that promotes minimally just societies, although they also might fulfill some of their duties through contributions to assistance with more particular aims. Finally, I conclude that many individuals have been derelict in fulfilling their duty to contribute their fair shares of international assistance, and that they can be held responsible for the fact that many foreigners have unmet claims.

**i. Individuals’ Claims for Assistance.** I have argued that the duties of beneficence, justice, and respect for human rights all support international assistance that promotes societies’ competency, inclusiveness, and respect for rights. Some societies are not minimally just, because they have inadequate levels of one or more of these elements. Who has a claim for assistance to reform these societies? I argue that some, but not all, of the members of these societies have claims for assistance.

Individuals have claims for assistance when they personally do not enjoy the benefits and entitlements of membership in a minimally just society. What does this mean? In a society with inadequate competency, some members will not enjoy adequate
private resources and adequate access to public goods, such as health care and primary education. Individuals have claims for assistance when they cannot meet their basic needs, due to their inadequate private resources and access to public goods. In a society with inadequate inclusiveness, members of a minority group might suffer from severe discrimination, for example. Individuals have claims for assistance when they personally are members of this minority group. In a society with inadequate respect for human rights, some individuals are vulnerable to threats from the state or domination by powerful groups with civil society. Individuals have claims for assistance when their human rights have not been adequately secured.

Poor and illiberal societies might provide very wealthy and powerful individuals with adequate goods and entitlements, while denying them to others. None of the three duties entail that these wealthy and powerful individuals have claims for assistance: these individuals do not have low levels of wellbeing, so they do not have claims for beneficence; they are well-treated by their society, so they do not have claims of justice; and they do not have unmet claims for respect of their human rights. Their societies might be poor, discriminatory, oppressive, and have other problems. But members of this society do not have claims for assistance if they themselves have sufficient resources, receive adequate public benefits and entitlements, are consulted in the political process, and enjoy the state’s recognition of their human rights.

I think that individuals’ claims for international assistance that aims to promote minimally just societies are especially important, general kinds of claims. However, my argument does not exhaustively describe all claims for international assistance, and there are additional, particular claims that relate to one specific duty alone. For instance,
individuals suffering from preventable illness and dire poverty might have claims for others’ beneficent aid to directly relieve their suffering. Other individuals might have claims for reform of the global order, to secure its justice or its greater respect for their human rights. Individuals might make these more particular claims for international actors to provide assistance, on the specific grounds that others have a duty of beneficence, duty of justice, or duty to respect human rights. A contribution to meet one of these particular claims might only fulfill one specific duty, such as the duty of justice, even if the contribution is very large in its magnitude. By contrast, a contribution to meet an individual’s claim to enjoy the benefits of membership in a minimally just society can potentially fulfill any of the three duties.


ii. The Identity of Duty-Bearers, their Contribution of a Fair Share, and their Latitude. In this section, I assume that members of relatively wealthy, liberal societies have duties to help foreigners, which are either duties of beneficence, duties of justice, or duties to respect human rights. I argue that, to adequately fulfill any of these duties, an individual should contribute a fair share of international assistance. I also argue that she has a degree of latitude in how she makes her contribution. An individual can fulfill her duty to help meet foreigners’ claims for international assistance, however her duty is specifically defined, through her contribution of a fair share of international assistance that promotes minimally just societies.

How much, and what exactly, should an individual do to meet foreigners’ claims for international assistance? Consider the example of Paul Farmer, a U.S. citizen. Paul Farmer is a physician, academic, and activist, who works to provide health services to
poor people around the world, particularly in Haiti. Farmer helps to alleviate foreigners’ suffering from preventable illnesses, and his work with NGOs also builds local health service programs. Farmer’s contributions help to meet individuals’ claims for relief of their suffering, and also help to meet individuals’ claims for improved competency and inclusiveness in their societies. With his focus on Haiti, he has directed his contributions towards a particular subset of foreigners who have claims for assistance.

Paul Farmer is clearly making significant contributions to meeting foreigners’ claims for international assistance. But is he helping foreigners as much as he possibly could? It is not clear that he is helping as much as he possibly could. By working full time as a physician in an OECD country, Farmer could secure a higher income and donate the surplus to fund the work of local doctors and medical professionals in Haiti. It seems possible, at least, that he might help more people in that way. But even if this were so, it doesn’t seem that he would have a duty to change his work. I argue there are two reasons why Paul Farmer is already adequately fulfilling his duties to foreigners: the limited nature of his duties and his latitude.

I argue that Paul Farmer’s duties to foreigners are limited, even when he is capable of doing more. Of course, there are practical limits to what Farmer can do to meet foreigners’ claims for assistance. Farmer cannot provide enough health services to meet the basic needs of all the global poor, because he is just one individual. His work with NGOs cannot build enough capacity and local infrastructure to make Haiti a competent and inclusive society. In addition to these practical limits, I think that there are moral limits on what it is reasonable to expect Farmer to do. It is almost surely the case

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that Paul Farmer has already contributed enough, and very likely more than enough, to fulfill his fair share of duties to help foreigners. He would be praiseworthy for contributing more, and for further optimizing the effectiveness of his contributions. However, he is not derelict in the fulfillment of his duties.

Each individual has a duty to contribute his fair share, not a duty to do everything he can to meet foreigners’ claims for assistance. An individual’s fair share is determined by multiple factors: the total amount of contribution needed to complete the task, the number of people with duties to contribute, their aggregate capacity to contribute, and an individual’s particular capacities and opportunities to contribute. Admittedly, it is unclear how to properly specify each factor. First, it is not precisely clear how much needs to be done to meet individual foreigners’ claims for assistance. Second, it is difficult to estimate the aggregate capacities of members of relatively wealthy, liberal societies, specifically for meeting foreigners’ claims. Finally, it is not possible to specify in the abstract how much any individual should do, given that she will have particular capacities and opportunities to contribute. Despite these difficulties, we need an idea of a limit so as to acknowledge the fact that people like Paul Farmer are not derelict in the fulfillment of their duties to help foreigners.

I also argue that Paul Farmer has latitude in how he chooses to make his contributions. One justification for latitude is that individuals have greater knowledge of

86 Leif Wenar argues that it is very difficult to know how much each individual or government should contribute, given the state of the empirical literature on aid effectiveness, in “What We Owe to Distant Others,” Politics, Philosophy, and Economics, Vol. 2, No. 3 (2003) pp. 283–304.
their own capacities and their context-specific opportunities to make effective contributions. Individuals generally can contribute more effectively when they have latitude in how they act, and I think this is a good reason to endorse Farmer’s choices. But I also think that Paul Farmer’s choices about how he contributes are justified, even if his contributions are sub-optimally effective. He should have some autonomous choice in how he makes his contributions, subject to the constraint that his contributions are sufficiently effective to meet his fair share of foreigners’ claims. Paul Farmer’s contributions to improving competency and inclusiveness in foreign societies adequately fulfill his duty to help foreigners, whether that duty is defined as a duty of beneficence, duty of justice, or a duty to respect human rights.

The ideas of a fair share and latitude both set limits to our expectations for an individual to make contributions, even when he can do more. Some existing arguments that draw upon these ideas, particularly the idea of a fair share, seem to lead to perverse conclusions. For instance, Liam Murphy argues that if there is a group of drowning people, and a group of potential rescuers, each rescuer is only obligated to save his fair share of the drowning people. When some potential rescuers are non-compliant with their duties, then people will drown unless other rescuers pick up the slack. Is it acceptable for the rescuers to refuse to do more than their fair share, as Murphy suggests? I argue that there are two reasons why it is not acceptable for the rescuers to refuse to

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88 Liam B. Murphy, Moral Demands in Nonideal Theory (USA: Oxford University Press, 2003). Peter Singer criticizes Murphy’s account and, in his own specification of what each individual should contribute, makes a merely pragmatic concession to individuals’ desires for fairness, Singer 2010.
rescue the remaining drowning people. A first reason is that individuals have a duty to contribute their fair share to a collection of tasks, rather than a duty to contribute a fair share of each particular task. A second reason is that, when an individual is confronted by an opportunity to make an unusually effective contribution, she is specifically required to contribute her fair share in that highly effective way. A potential rescuer of drowning people has been confronted by such an unusual opportunity, so her latitude for making her contributions to helping others becomes unusually restricted.

Individuals are not often confronted by opportunities to make unusually effective contributions to international assistance. By contrast to the case of drowning people, individuals are likely to have many equally good opportunities to meet foreigner’s claims over the long haul of their lives. At any given moment, many people are equally capable of meeting a particular foreigner’s claims for international assistance. My purposes in this chapter are to define the duties of ordinary individuals with respect to international assistance provision. In most circumstances, ordinary individuals should have latitude in how they contribute their fair share of international assistance.

There are many kinds of actions that ordinary individuals can undertake to fulfill their duties to foreigners: philanthropic giving, directly participating in programs that help foreigners, and volunteering for non-profit organizations. It does not seem to me

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89 Robert Noggle argues that vagueness in the specification of each individual’s imperfect duty is an advantage, which allows us to reach the right conclusion about the pond case, in “Give Till it Hurts? Beneficence, Imperfect Duties, and a Moderate Response to the Aid Question,” *Journal of Social Philosophy*, Vol. 40, No. 1 (Spring 2009) pp. 1-16.


91 Some development scholars and practitioners advocate for a diversity of experimental aid programs that operate on a small-scale, an approach that William Easterly calls
that the three duties—of beneficence, justice, and respect for human rights—necessarily differ in their recommendations about how individuals should act. The only important requirement is that the possible actions would all constitute reasonably effective contributions to meeting foreigners’ claims. There are some possible actions that might be compatible with certain duties and not with others. For instance, individuals might advocate for changes to their states’ foreign aid policy, as a way of fulfilling their own and others’ duties to meet foreigners’ claims for assistance. Many ethicists and political theorists believe that the duty of beneficence cannot justify the use of force. In this case, the duty of beneficence could not justify the state’s taxation of its citizens to provide foreign aid, whereas the other two duties potentially could do so.

iii. Individuals’ Dereliction of their Duties to Foreigners. I have argued that we need the ideas of a fair share and latitude to explain why individuals like Paul Farmer are not derelict in the fulfillment of their duties, despite the fact that these individuals are not necessarily optimizing the effectiveness of their contributions. Here I consider difficulties “piecemeal searching.” Individuals can potentially participate directly in some of these small-scale projects, such as providing micro-credit loans. William Easterly, “Introduction: Can’t Take it Anymore?” in Reinventing Foreign Aid (MIT Press: Cambridge, Mass. 2008) p.1-44. See also Abhijit V. Banerjee and Esther Duflo, Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty (New York: Public Affairs, 2011) pp. 157-182 on micro-credit’s potential and limitations. Jeffrey Sachs, The End of Poverty: Economic Possibilities for Our Time (Penguin Press, 2005) advocates for traditional approach of a big push of aid to get a society out of a poverty trap.

Andrew Kuper also suggests that individuals should aim to reduce global poverty through their consumption, production, and activism. Kuper 2002, p. 119.

This would be a very important practical implication, because states’ official aid is currently a large portion of total aid for development assistance and humanitarian assistance. Roger C. Riddell states that states’ official aid accounts for over 70 percent of all development and emergency aid, Does Foreign Aid Really Work? (Oxford University Press, 2007) p. 51.

For a challenge to the view that people cannot be subjected to force to make them contribute to helping people, see Gerhard Øverland, “Forced Assistance,” Law and Philosophy, Vol. 28 (2009) pp. 203–232.
in the specification of the ideas of a fair share and of latitude, for use by ordinary individuals. However, for the purposes of my argument, it is merely necessary to show that most individuals in relatively wealthy, liberal societies have been generally derelict in fulfilling their duties to assist foreigners. I argue that foreigners with claims for international assistance can hold these individuals responsible for the fact that their claims remain unmet, including the fact that some foreigners have unmet claims to enjoy the benefits of membership in minimally just societies.

I concede that it is quite difficult to tell how much an ordinary individual in a relatively wealthy, liberal society should do to fulfill her duties to foreigners. My argument in Parts 2.1 and 2.2 has highlighted the convergence of the duties of beneficence, justice, and respect for human rights upon international assistance with a particular aim. It has remained agnostic about the theoretical debate over which of these three duties best explains individuals’ duties to foreigners in general. It might seem that less agnosticism is called for at this point, in order to better specify how much individuals should do to fulfill their duties to foreigners in general. But simply picking a side will not answer the question of how much individuals should contribute. The demandingness of the duty of beneficence is a topic of ongoing controversy: for consequentialists, it seems very demanding indeed; for Kantians, it seems very easy for an individual to show sufficient concern for others’ wellbeing. Theorists of global justice and human rights also have been vague about how much ordinary individuals are required to do.

One objection to my argument is that individuals should not enjoy so much latitude in how they fulfill their duties to foreigners. My argument entails that these two different actions could be ethically equivalent: donating to an NGO to provide a bed net
for a child in a malarial region, and volunteering for an NGO that aims to secure the rule of law in a failed state. To some readers, it will seem implausible that these two different actions could fulfill the same duty, whether that duty is defined as a duty of beneficence, justice, or respect for human rights. My first remark on this objection is that limiting individuals’ latitude in how they fulfill their duties does not significantly impact my dissertation’s overall argument. Limiting latitude means that more individuals have been derelict in fulfilling their duties to promote minimally just societies: if an individual has very limited latitude, then her donation of bed nets would not excuse her from her duty to also promote institutional reform. If many more individuals are responsible for their dereliction of a specific duty to promote minimally just societies, then my argument simply reaches further in its implications.

My second remark on the objection defends the possibility that, from an ethical perspective, donating a bed net and helping to secure the rule of law actually are equivalent acts. Different individuals have different capacities to make contributions, and they can be confronted by different opportunities to help in an especially efficacious way. For a person with limited capacities to expend her time, donating money for bed nets is her fair share contribution. For another person with time but not money, volunteering for an NGO is his fair share contribution. Another consideration is that there is uncertainty about the efficacy of both contributions. To some commentators, it seems clear that donating a bed net is a better way of helping foreigners who might otherwise succumb to malaria, by comparison to attempting to secure the rule of law in a fragile state. But others have argued that NGOs’ provision of free bed nets causes long-term problems in
the society, by undermining local markets in bed nets.95 Given this uncertainty, it is possible that two very different actions are equivalent in their expected efficacy at meeting foreigners’ claims. I defend the ethical equivalence of these two actions for my purposes, which are to define ordinary people’s responsibilities to contribute assistance under usual conditions of uncertainty about effectiveness.

Although I am unable to be more specific here about how much and what ordinary individuals should do, the available evidence suggests that ordinary individuals are not contributing their fair shares of international assistance in general. Between 2009 and 2011, it is estimated that individuals, private foundations, trusts, private companies and corporations donated $3 billion per year in humanitarian crisis assistance.96 This is an estimate of all private donations, from all countries, towards the specific sector of humanitarian crisis assistance, which provides emergency relief from natural disasters and violent conflict. Governments also made contributions to this sector of international assistance: In 2009, the United State’s contributions were $14 per citizen; whereas Sweden, the “gold standard” of a society with a humanitarian foreign policy, gave $62 per citizen.97 These figures seem rather low, considering the vast number of foreigners

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with urgent claims for assistance and the per-capita GDPs of the countries in question. Individuals also make private contributions through non-monetary sources, for other sectors of international assistance. When we include the monetary value of volunteer time and corporations’ non-monetary contributions, total philanthropic giving from the United States is estimated between $37 billion and $46 billion in 2009/2010.\(^9\)

How can these aggregate figures be used to assess whether individuals have fulfilled their duties to help foreigners? First, these aggregate figures demonstrate that insufficient efforts are being made in the aggregate to meet individuals’ claims for international assistance. This implies that when a person does not enjoy the benefits of membership in a minimally just society, he has a claim to make against many individuals who have not fulfilled their duties to contribute to the aggregate figures. Second, the aggregate figures indicate that there are insufficient contributions to fully meet any of the important claims for international assistance. As described in the Global Assistance Report for 2011, even assistance for humanitarian crisis relief, a traditional favorite of donors, is at insufficient levels to meet foreigners’ claims.\(^9\)

An ordinary individual should contribute his fair share of international assistance, and he can be held responsible when he fails to make adequate contributions. Many different actions are available for him to undertake. He might contribute to providing people in Haiti with health services. He might aim to alleviate global poverty through

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\(^9\) “2010 saw not only a reduction in the average proportion of financing needs met, but a reduction in the proportion of funding received by both the best and worst funded crises. The overall increased demand for humanitarian financing in 2010 seems to have meant that funds were spread more thinly across crises overall, with some – particularly protracted crises – faring worse than others.” Ibid, p. 62
private donation, through volunteer work with NGOs, or possibly through political advocacy. He might aim to promote minimally just societies abroad, through improvements to existing societies’ competency, inclusiveness, and respect for human rights. It seems to me that any of these efforts could constitute his fair share of contribution to meeting foreigners’ claims. When he fails to contribute his fair share in any of these ways, then he is derelict in fulfilling his duties to assist foreigners. In this case, foreigners with any kind of claim for international assistance can hold him responsible for the dereliction of his duty. A foreigner can hold him responsible when, for example, she has an unmet claim for international assistance to enjoy the benefits of membership in a minimally just society.

**Conclusion**

In this chapter, I have described the general category of international assistance that aims to promote minimally just societies. I argued that this general category of international assistance is supported by three distinct theoretical arguments: the duty of beneficence, the duty of global justice, and the duty to respect human rights. Individual foreigners have important claims for this specific kind of international assistance. A member of a relatively wealthy, liberal society can contribute to this specific kind of international assistance, as a way of fulfilling her duty of beneficence, justice, or respect for human rights. If she does not contribute a fair share of international assistance that promotes minimally just societies, or other important aims derived from the three duties, then she can be held responsible for her dereliction of duty.
My arguments here in Chapter 2 have implications for Chapter 1’s case of the coffee consumer and the coffee farmer. The coffee consumer has latitude in how she makes her contributions to meeting foreigners’ claims for international assistance. For this reason, the coffee consumer is not specifically obligated to purchase the fair trade coffee to alleviate the coffee farmer’s poverty. She might fulfill her general duties to foreigners through assistance with other aims, through other mechanisms, and by helping different foreigners. However, it seems to me that the coffee consumer is obligated to do something to contribute her fair share of international assistance. If the coffee consumer has been generally derelict in fulfilling her duties to contribute her fair share of international assistance, then foreigners with unmet claims, including the coffee farmer, can hold her responsible. If the coffee farmer has an unmet claim for international assistance that aims to provide him with the benefits of membership in a minimally just society, then he can hold her responsible for the fact of his unmet claim.

In this chapter, I have focused on international assistance because it is the most straightforward mechanism for helping foreigners. Of course, this discussion has not exhausted the possibilities for individuals and states to act to promote minimally just societies abroad, or to help meet foreigners’ claims more generally. In Chapter 6, I will describe how trade policy should take account of the duty to alleviate global poverty.
Chapter 3: Exploitation Arising From an Individual’s Unmet Claim for Assistance

My dissertation’s first argument is that international trade is often exploitative. The first part of this argument was developed in the previous chapter, where I argued that individuals have many unmet claims for international assistance, including assistance that promotes minimally just societies. The present chapter explains why, when one party has an unmet claim for assistance, trade can be exploitative. The dissertation’s second argument specifies individuals’ responsibilities for exploitation in international trade. In the previous chapter, I argued that foreigners can hold responsible the relatively wealthy, liberal societies who have been derelict in fulfilling their duties to contribute a fair share of international assistance. The present chapter seeks to offer a general specification of individuals’ responsibilities for exploitation: it describes why individuals are responsible for their personal engagement in exploitative trade, and responsible for having enabled the occurrence of exploitation in general.

I use two cases to present my conception of exploitation and my specification of responsibilities. In the first case, there are unmet claims for fire protection within a community, giving rise to exploitative trade in building materials. In the second case, there are unmet claims for gender equality within a society, giving rise to exploitative trade in women’s labor. In both cases, exploitation occurs because some individuals have been derelict in fulfilling their duties. When some individuals have been derelict in fulfilling their duties, and others do not pick up the slack, then there will be at least one individual who has an unmet claim. This individual’s unmet claim can influence her economic relations, increasing her willingness to accept prices and overall terms of trade.
that are less favorable to her. An economic exchange that takes place under these background conditions is exploitative when it is characterized by wrongful gains at the expense of the exploited party, and disrespect to the exploited party’s autonomy.

I use these two cases primarily because readers are likely to find them intuitively familiar. After describing my general arguments in a familiar context, I can apply these arguments to more unfamiliar cases in Chapters 4 and 5. Additionally, these cases help to demonstrate that individuals face similar ethical problems in the global context as they do in their own societies. In Part 1.4, I have suggested that individuals’ duties and responsibilities within their own societies are much more extensive, and multi-layered, than most political theorists have recognized.

Part 3.1 illustrates how exploitation occurs within a competitive market, using the simple, hypothetical case of a close-knit community with inadequate fire protection. In Part 3.2, I describe a second, more complex case of exploitative trade in women’s labor. This second case appears in Alan Greenspan’s memoirs, in which he recounts employing women in his private firm at relatively low cost. Part 3.3 provides a general theory of citizens’ duties and responsibilities when they live in imperfectly just societies. They have duties to contribute to improving the justice of their society, responsibilities for their personal engagement in exploitation, and responsibilities for having enabled the occurrence of exploitation within their society. In Part 3.4, I describe the implications of these duties and responsibilities for how an individual like Greenspan should act, after having considered both the practical and epistemic problems he faces. I also consider two rival explanations of the Greenspan case.
Part 3.1: A Conception of Exploitation

I present my conception of exploitation through the analysis of a relatively simple case. My analysis develops the idea that it is ethically problematic for individuals to trade with one another at the current competitive market prices. I aim to show how my conception of exploitation arrives at this conclusion about the case.\(^\text{100}\)

The case is as follows. A small town has an understaffed volunteer fire department. This puts the part of town farthest from the fire station at high risk of suffering avoidable fire damage. At a town meeting, some community members propose to raise taxes to pay for improved fire protection. Community members who live close to the fire station resist these efforts and, as a result, nothing is done to secure adequate fire protection for the whole community. When a major fire breaks out, many community members who live far from the fire station avoidably lose their homes.

As the fire victims start rebuilding their homes, they buy building materials from their own town’s hardware store and from hardware stores in neighboring towns. Hardware stores in neighboring towns raise prices in response to the spike in demand. The town’s hardware store owner considers whether he should raise his prices to the same levels. He asks himself, “Is it fair to charge these higher prices to members of my community?”

\(^{100}\) Some rival conceptions of exploitation would travel along different paths to arrive at the same conclusion about the case. It is possible that I could tailor the details of the simple case to exclude these rival accounts. For instance, I could exclude conceptions of exploitation as profit-making (Wertheimer, 1996) and price-gouging, by specifying that the hardware store owner would not profit from exploitation because otherwise his store would operate at an economic loss. However, I do not think this tailoring of the details is a useful exercise, and they threaten to undermine the real-world applicability of the examples. The unique contribution of my conception of exploitation is that it can provide a compelling ethical explanation for complex cases in our actual world, such as I describe in Part 3.2 and in Chapters 4 and 5.
I argue that the answer is “no.” It is not fair for the hardware store owner to charge the new market prices to members of his community, because this would be exploitative trade. This conclusion is based on a conception of exploitation with three elements: the background condition of an individual’s unmet claim; wrongful gains; and disrespectful terms. I also suggest two senses in which the hardware store owner can be viewed as responsible for exploitative trade.

i. The Background Condition of An Individual’s Unmet Claim. Consider a person who lost her home in the fire, and the range of possible ways to describe her claim. For instance, the town’s founding charter might stipulate that the town’s members have rights to adequate fire protection. In this case, the person has a rights claim. I would say that it is a requirement of justice that all community members enjoy adequate fire protection. In this case, the person has a claim of justice. Whatever kind of claim it is (and it does not matter to my view what kind of claim it is), she has a claim for her town to provide her with adequate fire protection. It is clear that her claim is unmet, because she avoidably lost her home in a fire.

The person with an unmet claim purchases building materials from the hardware store owner. The purchase represents a trade of the hardware store owner’s building materials for her money. I argue that the purchase is potentially an exploitative trade. On Hillel Steiner’s liberal theory of exploitation, it is necessary that Party B has suffered a violation of her rights at the hands of Party C or D. See his “A Liberal Theory of Exploitation,” Ethics 94, no. 2 (Jan, 1984) pp. 225-241.

Ruth Sample’s conception of exploitation as disrespect indicates that it is always wrong to take advantage of other people’s experience of injustice (Sample, 2003).

It is not important to my view that her claim is a claim of justice. However, it is important to my view of exploitation that she has an unmet claim. Standard hypothetical cases in the literature on exploitation (i.e. tugboat rescuers) can leave it unclear whether one party has a claim, whether the other party has a duty, and whether these duties and claims directly correspond to one another.
my view, exploitation can only occur when one party has an unmet claim for someone to provide him or her with assistance. Trade can be exploitative under these background conditions, but the purchase is not exploitative simply because it takes place under the relevant background conditions.\textsuperscript{104} It is only exploitative when the person’s unmet claim influences their trade in a particular way.

We can determine that their trade is exploitative by comparison with a counter-factual trade, taking place under different background conditions. The counter-factual trade takes place under background conditions in which the town provided adequate fire protection. We compare the counter-factual trade with the actual trade between the hardware store owner (Party A) and the fire victim (Party B). I offer this general definition: “Exploitation occurs when Party B has an unmet claim for assistance, she exchanges goods or services with Party A at a price that both rationally accept, and both of the following conditions are true:

i. Party B’s unmet claim for assistance influences their agreed-upon price, such that it is more favorable to Party A and less favorable to Party B than it otherwise would be (wrongful gains)\textsuperscript{105}

ii. Party B’s unmet claim for assistance influences the overall terms of the agreement, such that Party B rationally prefers the terms that she would have enjoyed over the terms of her actual agreement with Party A (disrespectful treatment).”

\textsuperscript{104}Mikhail Valdman objects to Ruth Sample’s view on these grounds, “Exploitation and Injustice,” \textit{Social Theory and Practice} 34, no. 4 (2008) pp. 551-572.

\textsuperscript{105}My formulation of “wrongful gains” is similar to Robert Mayer’s argument that exploitation is wrong because it is an instance of the broader category of unfair takings. Robert Mayer, “What’s Wrong with Exploitation?” \textit{Journal of Applied Philosophy}, Vol. 24, No. 2 (2007) pp. 605–619.
The fire victim’s unmet claim must have an influence on the price she pays for the building materials (wrongful gains), and on her willingness to accept the overall terms of trade (disrespectful treatment). In the next sections of Part 3.1, I explain the moral significance of these two related aspects of exploitation.

ii. Wrongful Gains. It is ethically problematic for a person to enjoy a higher price for the reason that the other party has an unmet claim. I refer to this price difference as one party’s “wrongful gains” at the other’s expense. Party A has accrued “wrongful gains” when the actual price is more favorable to him than the counter-factual price. This is the same thing as stating that the actual price is less favorable to Party B than the counter-factual price.

In this case, it is apparent that the actual prices are more favorable to the hardware store owner. In the relevant counter-factual, the town adequately staffs the fire department. Without the spike in demand from fire victims, the old market prices for building materials persist. In the actual background conditions, the spike in demand from fire victims raises the prices of building materials to new levels. The hardware store owner can charge the fire victims more than the old market prices for building materials, accruing “wrongful gains” at their expense. The higher the new prices, by comparison to the old prices, the greater the “wrongful gains” that the hardware store owner can potentially accrue at the fire victim’s expense.

One objection to my specification of wrongful gains is that it is not merely the individual’s unmet claim that influences the price. The individual’s unmet claim, taken separately from the unmet claims of many other individuals, has only a trivial influence
on the price. According to this objection, an individual’s unmet claim asserts a trivial causal influence on the price, which entails that the wrongful gains are also trivial. I think this objection fails because, as I have specified the case, the individual’s claim is inseparable from other community members’ claims. She has a claim to be a part of a community that adequately protects her, along with other community members, against the threat of fire. She has a claim for adequate fire protection only as part of a broader public scheme. Her unmet claim is inseparable from others’ unmet claims, and for this reason wrongful gains should be specified as follows: as the difference between the old and new market prices.

iii. Disrespect to Autonomy. I have argued so far that exploitation is an ethical problem in the distribution of money, represented as one’s party “wrongful gains” at the other’s expense. In what follows, I argue that exploitation is also ethically problematic because it disrespects the exploited person’s autonomy. Why is the problem in the distribution of money (wrongful gains) distinct from the problem of autonomy (disrespect)? I think that trade is important to individuals’ autonomy in two different ways. First, people’s economic transactions usually play an important part in their broader life plans. When a person enjoys economic success, some options become more feasible for him to pursue. Second, people’s economic choices are often significant reflections of their identity and the realization of their important plans for their own lives. An individual’s choice to provide a good or service, such as her talent and labor, in exchange for another person’s good or service can be in itself an important instantiation of her freedom.
For a trade to occur, two individuals must be willing to accept terms that they
view as beneficial to themselves. It is not necessary for the parties to be equally willing to
accept the terms of trade. The terms are unlikely to present the most appealing possible
option for either party, that is, the option she would be most willing to accept. Trade both
reflects and respects an individual participant’s autonomy, subject to the condition that he
has ethically unproblematic reasons for accepting the terms. However, this condition
does not hold when the hardware store owner and the fire victim trade at the new market
prices, instead of the old market prices.

The trade is ethically problematic because of the reason that the fire victim is
willing to accept the new market prices. She is willing to accept the new market prices
because she lacks “the option of living in a habitable home and not purchasing building
materials” (I call this “the option” for short). With “the option,” she might consider
purchasing building materials to make discretionary renovations to her home. She’d
consider paying the old market prices for building materials, but she would not renovate
her home if building materials cost more than that. However, due to the fact of her unmet
claim, she does not have “the option.” In sum, she is willing to accept the new market
prices for an ethically problematic reason: she does not enjoy an option, prior to trade,

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106 One ethically problematic reason for acceptance is coercion. Robert Nozick,
“Coercion” in Philosophy, Politics, and Society, eds. Peter Laslett et. al, (Oxford:
Blackwell Press, 1972) pp. 440-472 provides a “moralized” accounts of coercion, in
which a person is coerced by a threat or an offer when he does not enjoy his rights or
moral entitlements. See also Alan Wertheimer’s moralized account of a coercive threat,

107 Mikhail Valdman argues that exploitation is wrong due to a deficit in the exploited
party’s consent, because the person cannot reasonably refuse the exploitative offer, in "A
I do not think that the problem with exploitation is that individuals have no choice but to
accept trades. Instead, it has to do with the reasons why they are willing to accept a
particular choice. I return to this issue in Part 5.4.
that she has a claim to enjoy. Her willingness to accept trade at the new market prices is ethically problematic, and I describe this ethical problem as disrespect of her autonomy. The storeowner disrespects the fire victim’s autonomy when he trades with her at the new market prices, and appropriately respects it when he trades with her at the old market prices.

For some readers, my second argument about disrespect will seem redundant after the first argument about wrongful gains. Some political theorists perceive a clear connection between an individual’s enjoyment of his freedom and his enjoyment of money, property in general, and the ability to trade with other individuals. According to this view, it is essential to a person’s freedom that he can pursue his economic self-interest. When others impair this pursuit, through trade that unfairly provides him with insufficient money in exchange for his goods and services, they disrespect his autonomy. However, I think that exploitation is also ethically problematic for a reason that makes no reference to an individual’s autonomy. A person who receives insufficient goods, services, or money in exchange for his own goods, services, or money, has suffered from an unfair distribution. He has a fairness claim for greater satisfaction of his interests and preferences, and this fairness claim is described by the “wrongful gains” that his trading partner enjoys at his expense.

iv. An Individual’s Responsibility. I have argued that trade at the new market prices is exploitative. But this argument does not answer the hardware store owner’s

108 John Tomasi describes his account of “market democracy” as putting greater weight on economic freedoms: “Market democracy views the economic rights of capitalism as on a par with the other basic rights and liberties. Property rights are component parts of a multifaceted, liberty-protecting scheme. Like freedoms of speech and religion, the economic freedoms of citizens merit foundational protection,” Free Market Fairness (Princeton University Press, 2012) pp. xvi-xvii.
question about what he should do: is it morally incumbent upon him to charge below-market prices? Is it morally incumbent upon him to undertake additional actions to help the fire victims? Here I briefly describe how the hardware store owner can be viewed as responsible for exploitation. I more fully describe my account of individuals’ two different responsibilities for exploitation in Part 3.3.

On my view, exploitation can occur only because the fire victim had an unmet claim for adequate fire protection. Exploitation can occur because at least some members of the community resisted efforts at a town meeting to adequately staff the fire department. Whether the hardware store owner was personally among this group who resisted the measures seems like a morally relevant fact. This suggests that all the members of the group who failed to support these measures have responsibilities, even if they do not trade with any fire victims. Simply being a member of the town does not entail responsibilities for exploitation: after all, some members of the town supported efforts to adequately staff the fire department.

On my view, exploitation does not always occur when a party to a trade has an unmet claim. Exploitation occurs in the case because the fire victim’s unmet claim influenced her trade in a particular way. Whether the hardware store owner actually trades with the fire victim at the new market prices seems like a morally relevant fact. I would argue that the hardware store owner has a responsibility related to whether he charges the fire victim the old market prices for building materials. This is simply because he personally stands to enjoy wrongful gains at her expense, and he might choose to make a trade with her that disrespects her autonomy.
In sum, some community members’ actions enabled the occurrence of exploitation, while other community members did not; some people engage in exploitative trade with the fire victims, while others do not. How the hardware store owner fits into these two, overlapping groups will help inform us about what he should do in accordance with his responsibilities.

**Part 3.2: The Exploitation of a Female Economist**

In Part 3.1, I used a simple, hypothetical case to present my conception of exploitation and to suggest the need for an account of responsibility. This first case is simple in the following ways: the fire victim has an unmet claim for a specific action; there is a clear difference in competitive market prices for building materials; and it is stipulated that the fire victim is only willing to accept the new prices for building materials because she has an unmet claim. These simplifying assumptions no longer hold in the more complex, real-world case that I describe here.

In Alan Greenspan’s memoirs, he describes the economics firm he operated in the 1970s. Greenspan explains how his firm benefited from his policy of hiring women:

“Townsend-Greenspan was unusual for an economics firm in that the men worked for the women (we had about twenty-five employees in all). My hiring of women economists was not motivated by women’s liberation. It just made great business sense. I valued men and women equally, and found that because other employers did not, good women economists were less expensive than men. Hiring women
did two things: it gave Townsend-Greenspan higher-quality work for the same money, and it marginally raised the market value of women.”

While it is clear that the competing firms perpetuated injustice in their hiring policies, it is more difficult to arrive at a moral assessment of Greenspan’s own actions. Here in Part 3.2, I use my conception of exploitation to explain why this trade in women’s labor is ethically problematic, although it is clearly less ethically problematic than the actions of competing firms.

i. The Female Economist’s Unmet Claim. First, I specify a female economist’s unmet claim. I argue that the female economist has an unmet claim for the elimination of injustice within her society. This most obviously means that she has a claim for citizens who perpetuate injustice to stop doing so. I will argue further in Part 3.3 that she also has a claim for other citizens, who do not themselves perpetuate injustice, to contribute to broader social changes. She makes her claim as a member of a group of citizens who suffer from injustice, pressing her claim against fellow citizens who can help her. I will assume that the female economist does not enjoy benefits from other aspects of injustice, such as benefits from her race or class, which trump the disadvantage of her gender. In reality, this is not at all clear: it raises the possibility that meeting her claim would not

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109 Alan Greenspan, *The Age of Turbulence: Adventures in a New World* (Penguin Group, 2008). p. 74. In this very brief explanation (quoted in its entirety from the memoirs), it is unclear whether Greenspan was aware of what he was doing at the time. Greenspan might have been trying to hire the most talented economists, regardless of gender, who were willing to work at a particular salary. Competing firms also might have intended to hire the most talented economists, but were, for some reason, less capable than Greenspan of recognizing talent in women. One explanation for the persistence of discrimination in labor markets is that employers have imperfect information about the skills of (less numerous) minority groups, see Joseph G. Altonji and Charles R. Pierret, “Employer Learning and Statistical Discrimination,” *The Quarterly Journal of Economics*, Vol. 116, No. 1 (Feb., 2001), pp. 313-350.
reduce the society’s overall levels of injustice, and I regret I cannot further investigate this possibility here.

\[ \text{ii. Wrongful Gains in the Labor Market.} \] Having first specified the unmet claim in this situation, I now specify the wrongful gains that result from the unmet claim. I do this through comparison of the price of women’s labor in the actual society and under the counter-factual conditions. I acknowledge uncertainty about competitive market prices for women’s labor, both within the actual society and under the counter-factual conditions of a more just society. I visually describe this uncertainty in the figure below, by depicting a range of possible prices:

1) In the actual 1970s U.S. labor market, the minimum wage that would have made the female economists better off is equal to \( w_1 \), where \( w_1 \) is the opportunity cost of an employee’s time (which includes foregone alternative employment options).

2) In the actual 1970s U.S. labor market, the maximum wage that would have made Greenspan better off is equal to \( w_2 \), where \( w_2 \) is the marginal value to the firm provided by the female economist.

3) In a counter-factual 1970s U.S. society without gender discrimination, the minimum wage that would have made the female economists better off is equal to \( w_3 \), where \( w_3 \) is the opportunity cost of an employee’s time. \( W_1 \) is less than \( w_3 \), because female economists have fewer alternative options in a society with gender discrimination. For this reason, they are willing to accept a lower wage from Greenspan.

4) In a counter-factual 1970s U.S. society without gender discrimination, the maximum wage that would have made Greenspan better off is equal to \( w_4 \), where \( w_4 \) is the marginal value to the firm provided by the female economist. I will assume that \( w_4 \) is
the same as w2, although this might not be the case if eliminating gender discrimination had large-scale effects on the macroeconomy.

Figure: Wrongful Gains in the Labor Market

If the female economist’s society were fully just, then she would not accept any wage between \( w1 \) and \( w3 \). This is because the wages in that range would not compensate for foregoing the opportunities she would enjoy at competing firms. In the actual society in which they lived, Greenspan and a female economist would have found it in their mutual interest to agree on a wage anywhere in the range \( w1 \)-\( w2 \). In the counter-factual version of their society, they would have found it in their mutual interest to agree on a
wage anywhere in the narrower range of \( w_3-w_4 \). The range \( w_1-w_3 \) is in their bargaining range in the actual society, but not in the counter-factual society. We can see that this range, \( w_1-w_3 \) includes prices for the female economist’s labor that are more favorable to Greenspan than any in the range \( w_3-w_4 \). Greenspan enjoyed wrongful gains if the price of the female economist’s labor was in the range \( w_1-w_3 \), which I call the “Range of Exploitative Wages.”

One objection to my argument is that it does not reference wage equality between the genders. According to this objection, female economists should earn what male economists do. My standard is a competitive labor market without gender discrimination, rather than a standard of equality. I have two responses to this objection. First, I think there is clearly a duty to eliminate injustice, including the injustice of discrimination. There is less obviously a duty for individuals to aim for equality of outcomes between men and women, and I will not assume here that there is.\(^{110}\) Second, in a society with significant discrimination, male economists’ wages are too high to be a normative benchmark. Pervasive discrimination among employers in the profession protects male economists from competing against a broader talent pool that included female economists. For this reason, male economists are paid more than they would command in a society without discrimination.\(^{111}\)

ii. Greenspan’s Disrespectful Treatment of a Female Economist. The figure above only depicts the price of women’s labor. It does not capture all the aspects of the female economist’s employment contract that she might have reason to care about. The overall

\(^{110}\) In Part 4, I consider the objection that providing unequal pay is itself a form of discrimination.

\(^{111}\) In Part 4, I return to the issue of male economists’ overcompensation.
terms of an employment contract are multi-dimensional, and bargaining involves tradeoffs between these multiple dimensions of value. The presence of the unfavorable option set, the “Range of Exploitative Wages,” within the female economist’s bargaining range, and Greenspan’s awareness of its existence, may have made it the case that the female economist was less able to negotiate more favorable overall terms of her employment contract.

Consider the counter-factual scenario, in which the female economist’s claim for non-discriminatory treatment is fully met and she enjoys many opportunities at competing firms. In this case, she and Greenspan might agree to an employment contract that includes both a fair wage and other benefits, such as a prestigious job title or more challenging work. Compare now the actual bargaining scenario, in which her claim is unmet and she enjoys few opportunities at competing firms. In this case, Greenspan might offer her a fair wage or those other benefits. His offer is ethically problematic, even though the offer includes the option of a fair wage. The female economist might be willing to accept the offer because of the fact of her unmet claim. In reality, of course, it is hard to know what a person is willing to accept and why.

As we can determine from Greenspan’s observations about the talent pool of female economists, the female economist’s claim for the elimination of injustice is unmet. Under these circumstances, trade in her labor can be exploitative. Judging from Greenspan’s recounting of the relatively low cost of the female economists’ labor, it seems clear that Greenspan enjoyed wrongful gains at the expense of several talented female economists. It also seems likely that these female economist’s employment contracts at Greenspan’s firm were disrespectful to their autonomy. In the next part of the
chapter, I provide a general account of citizens’ duties and responsibilities in an imperfectly just society, in which exploitation occurs. In Part 3.4, I consider Alan Greenspan’s duties and responsibilities, and how he should act on them.

**Part 3.3: The Duties and Responsibilities of Citizens in Imperfectly Just Societies**

In this discussion, I simply assume that citizens of an imperfectly just society should refrain from perpetuating injustice within their society. However, simply refraining from injustice is insufficient, and here I will describe additional duties and responsibilities that citizens should act upon. First, individuals have civic duties to promote the justice of their society, by contributing to the elimination of its injustices. Second, individuals have responsibilities for their personal engagement in exploitation. Third, individuals have responsibilities for having enabled the occurrence of exploitation in their society. I also will describe how a person can have responsibilities for their personal engagement in exploitation without having responsibilities for having enabled its occurrence in general, and vice versa.

**i. Civic Duties.** There are several accounts of individuals’ duties to help their fellow citizens who experience injustice. These include a liberal theory of civic duty,

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112 I am grateful to Brookes Brown for a discussion of citizens’ remedial duties to reform their own society’s basic structure. The most radical opposing view denies that an individual subject to a fully just state has any political or civic duties, and thus by extension he also lacks duties to reform an imperfectly just state. A. John Simmons, “Justification and Legitmaey,” *Ethics*, Vol.109, No. 4 (1999) pp. 739-771.

an account of citizens’ duties of reciprocity or fair play,\textsuperscript{114} an account of the associative duties of citizenship,\textsuperscript{115} and an argument that duties of citizenship are simply aspects of more general duties to help others.\textsuperscript{116} Any one of these four accounts will do for my purposes, as long as it is compatible with the following specifications: i) the individual citizen has duties to other citizens to improve the justice of their shared society; ii) these duties are contingent on his being well-situated to make contributions; iii) His duties are limited, but he must do his fair share; and iv) his duties involve some latitude regarding how citizen contributes. In what follows, I explain these specifications.

Specification \textit{i}), indicates that citizens must improve the justice of their society. I an unable to provide here a full account of the requirements of justice, or a full assessment of the improvements citizens should make in order to satisfy the requirements of justice in their society. For the purposes of my argument, it suffices to say that justice prohibits gender discrimination within a society’s labor market. Depending on the reader’s preferred theory of justice, more improvements might be necessary to achieve justice for women and for other disadvantaged groups.


\textsuperscript{116} Robert E. Goodin, “What is So Special about Our Fellow Countrymen?” \textit{Ethics}, Vol. 98, No. 4 (Jul., 1988), pp 663-686 argues that individuals have general duties to help one another, and that members of a society are simply well-situated to discharge these general duties to one another.
Specification ii) observes that individual has a duty to help only if he is actually capable of performing the required action. He has a duty to fellow citizens who suffer from the society’s various injustices.\textsuperscript{117}

Specification iii) indicates that an individual’s duties to undermine injustice are limited. One possible view is that each individual is duty-bound to do all that he can do to eliminate social injustice. However, I argue that an individual’s duty to eliminate injustice is limited. Each individual citizen has a duty to contribute a fair share towards the collective task of improving the society’s justice.\textsuperscript{118} In Chapter 2, I made a similar argument that each individual has a duty to contribute her fair share of international assistance. I think the case for limiting an individual’s duty is even stronger in the context of his own society. This is because the task of improving social justice is essentially a cooperative enterprise among many individuals.\textsuperscript{119} It is an essentially cooperative task, because it involves change to the citizens’ shared beliefs, practices, and social institutions.\textsuperscript{120} An individual has fulfilled his duties as long as he has contributed his own

\textsuperscript{117}Tommie Shelby, “Justice, Deviance, and the Dark Ghetto,” Philosophy and Public Affairs, Vol. 35, No. 2 (2007) pp. 126-160 argues convincingly that the civic duties of citizens who suffer from injustice, such as the urban poor, may be less demanding and different in character than those of citizens who do not suffer from injustice.

\textsuperscript{118}Avia Pasternak argues that citizens each have an equal responsibility for bearing the costs of their state’s unjust policies, “Sharing the Costs of Political Injustices,” Politics, Philosophy, & Economics, Vol. 10, No. 2 (2011) pp. 188-210. I do not think that individuals’ fair shares are necessarily equal shares, and I do not think that individuals remain responsible for injustice once they have fulfilled their fair share.

\textsuperscript{119}See Murphy, 2003 and Miller, 2011. When there are many people who shirk their share of a collective responsibility, it seems implausible that the fair shares of those who comply with their responsibilities should increase proportionately to take on the non-compliers’ burdens. At some point, individuals who have contributed are no longer responsible, even if the task remains unfinished.

fair share. The efficacy of his contribution depends upon the willing cooperation of his fellow citizens.

Specification iv) describes each individual citizen’s \textit{latitude} in his choice of means and the precise target of his contributions. In my discussion of latitude in Chapter 2, I indicated why it is generally important for duty-bearers to have latitude when making contributions to solving large and complex problems. Latitude is practical, because an individual is more likely to know her talents and be familiar with her opportunities to make effective contributions.\textsuperscript{121} Latitude respects an individual’s autonomy, because an individual can choose to fulfill her duties in ways that are more compatible with her personal projects and interest. These arguments apply as well in this context. An individual citizen can undertake a broad range of actions to improve the justice of his society. For instance, an individual citizen can utilize the instrument of the state, to pass and enforce anti-discrimination laws. Alternatively, an individual can attempt to influence the practices and norms of civil society so as to render them less prejudicial to women.

\textit{ii. Responsibilities of Individuals Whose Dereliction of Duty Enables the Occurrence of Exploitation}. When a person fails to contribute his fair share, and no one else picks up the slack, then at least one other individual will have an unmet claim for a more just society. This unmet claim can lead to exploitation, as I described in Part 3.2’s case of the female economist. Individuals have responsibilities related to exploitation, as I will argue in this section and the next.

An individual who has been generally derelict in fulfilling his civic duty is ethically required to fulfill this duty. When any fellow citizen has an unmet claim to enjoy the benefits of membership in a more just society, she can hold the derelict duty-bearer responsible for the fact of her unmet claim. Further, there is a subset of the citizens with unmet claims, who can hold the derelict duty-bearer responsible for an additional wrong. These citizens are exploited in trade, and the occurrence of their exploitation is enabled by the fact that they have unmet claims. This subset of fellow citizens can hold the derelict duty-bearer responsible for having enabled the occurrence of their exploitation. A person who has been derelict in fulfilling his duty is, therefore, also responsible for having enabled the occurrence of exploitation.

An individual who is responsible for having enabled the occurrence of exploitation shares responsibility with all the other individuals who have been derelict in fulfilling their own duties. In addition to fulfilling his civic duties, he also should act in accordance with his responsibility for exploitation. He has latitude with respect to his civic duty, and also has latitude with respect to how he acts upon his responsibility to eliminate exploitation. In Part 3.4, I discuss Alan Greenspan’s duties and responsibilities in light of the general arguments I’ve made here. In Part 3.4’s discussion of the case, I will describe a distinctive way to act upon the responsibility for exploitation, which does not necessarily fulfill the civic duty to promote justice.

iii. Responsibilities to Avoid Personal Engagement in Exploitation. Over the course of a day or a week, a person engages in trade with many different people. Some of

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122 Robert Goodin argues that there are responsibilities to protect vulnerable people from the possibility of being exploited, distinct from responsibilities to protect vulnerable people from other wrongs. *Protecting the Vulnerable: A Reanalysis of Our Social Responsibilities* (University of Chicago Press, 1985).
these people have unmet claims. Whenever an individual trades with these people with unmet claims, it is possible for him to personally engage in exploitative trade. Under these conditions, it is not clear that an individual can be fully responsible for his personal engagement in exploitation. He is unlikely to be fully aware of the background conditions of his trading partners, and, depending on the circumstances, it is not necessarily feasible for him to offer fair terms of trade without creating other ethical problems. I set aside these concerns for the moment, returning to them in Part 3.4’s discussion of Greenspan’s duties and responsibilities. Here I specify two reasons why a person is responsible for his personal engagement in exploitation, and also specify what his responsibilities imply that he should do.

First, consider that an individual who is personally engaged in exploitation (Party A) enjoys wrongful gains at the exploited party’s (Party B’s) expense. Party B receives too little money from trade, and so she has a fairness claim to receive more. Party A personally enjoyed the money in question, and so he is responsible for ensuring the satisfaction of Party B’s claim for additional money. Burning the extra money, so that he does not personally enjoy it, would not solve the problem of Party A’s responsibility. Indeed, it would be problematic for Party A to burn the extra money, because it would make it more difficult to satisfy Party B’s fairness claim to receive that money. If Party A is responsible at all, then he should act upon that responsibility by

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ensuring that Party B’s claim for additional money is satisfied. The most obvious way to do this is to offer to trade at prices that are fair.

Second, consider that an individual who is personally engaged in exploitation (Party A) has disrespected the autonomy of the exploited party (Party B). Party B suffers the intrinsic setback to her autonomy, from taking part in a trade at a price and on overall terms that Party B would not otherwise have chosen. Party B also suffers an indirect setback to her autonomy, through the negative implications of this trade for her life plans. Party A personally chose to trade with Party B, at a price and on overall terms that entail disrespect to her autonomy. Party A should act on his responsibility by ensuring that Party B’s autonomy is respected through trade, at a price and on overall terms that Party B would have chosen if her claim had been met. Party A should also act on his responsibility by ensuring that his trade with Party B’s does not indirectly set back her autonomy.

Finally, consider that an individual who is personally engaged in exploitation (Party A) has engaged in this trade with the exploited party (Party B) because of the fact of her unmet claim. As I described in the section above, Party A has additional responsibilities when his dereliction of duty has enabled this exploitation. In this case, Party B can hold Party A responsible for exploitation in both senses.

Part 3.4: Alan Greenspan’s Duties and Responsibilities, and Two Rival Explanations of the Case
Here I consider what Greenspan should do to fulfill his duties and to act upon his responsibilities. I also consider discrimination and benefiting from injustice as two alternative explanations for why Greenspan did something wrong.

i. Greenspan’s Duties and Responsibilities. First, I consider Greenspan’s civic duties, using the four specifications described in Part 3.3. I think that Greenspan had a duty to contribute to improving the justice of his society and was well situated to do so (specifications i and ii), given his standing as a business leader in the 1970s. In light of his later public service, we might conclude that Alan Greenspan made his fair share contribution over the course of his lifetime (specification iii). Alan Greenspan performed decades of public service, serving as Chairman of the Federal Reserve from 1987-2006 and as Chair of the Council of Economic Advisors from 1974-1977. However, I think this conclusion demands too little of Alan Greenspan, who was extraordinarily well-situated to make effective contributions to promote justice. I suggest that Greenspan’s fair share required him to contribute more.

As a leader in the business community, Greenspan could have undertaken various attempts to make its beliefs and socially accepted patterns of behavior less prejudicial to women. He could have attempted to convince competing firms that their hiring practices were unjust, or at least irrational from the standpoint of their own profitability. However, Greenspan had latitude about the aspect of justice he would promote, subject to the constraint he could make reasonably effective contributions (specification iv). I assume that Greenspan was similarly well situated to undermine racial prejudice, class bias, and unaccommodating treatment of the disabled. If Greenspan had made significant
contributions to promote justice for these other groups, then those contributions would have been sufficient to fulfill his duties as a citizen.

Consider if Greenspan had used his status in the business community to convince his colleagues to make greater accommodations for disabled employees. When confronted by a disabled person who still suffered from lack of accommodation within the business community, Greenspan would have had a compelling justification for not doing more to help: “It may be true that you continue to suffer from injustice, but I myself have done my limited fair share as a citizen. Your complaint is with citizens who have been derelict in fulfilling their duties.” Greenspan could have offered the same justification to other citizens, such as to women within the profession who suffered from discrimination: “It may be true that you suffer from discrimination, but I have already done my share as a citizen to promote justice.” It is possible that Greenspan in fact made these contributions or similar contributions, but if not, then he was derelict in fulfilling his duties to contribute his fair share to promoting justice.

Second, Greenspan had responsibilities related to his exploitative employment contracts with the female economists. As I argued in Part 3.2, Greenspan was personally engaged in exploitative trade. He had responsibilities from his personal engagement in exploitation, and responsibilities for having enabled the occurrence of exploitation.

Greenspan should have acted upon his responsibility for personal engagement in exploitation by providing his female employees with fair prices for their labor and terms of employment that they would have chosen if they had lived in a less discriminatory society. Greenspan could have renegotiated his female employees’ employment contracts on more favorable terms, including higher wages and potentially other benefits as well.
For instance, a female employee might have valued time off for vacation. In this case, renegotiating her contract to provide her with additional vacation time would have been a possible way to provide her with more respectful terms of employment. In one sense, this is simply providing her with more ample payment in exchange for her labor. But it is also distinctively good, in that it respects her choices about what she wants from her employment.

In addition to his responsibilities for his personal engagement in exploitation, Greenspan had responsibilities for having enabled the occurrence of exploitation in his society. I suggest that he should have directed his contributions to help make it less likely that his female employees could be exploited in the future. The most obvious way to him to do that would be to make it less likely that they would suffer from discrimination in their society. For instance, he could have lobbied his peers in the business community to drop their prejudices or he could have advocated for better regulatory oversight. Through these efforts, he could have fulfilled a fair share of his civic duties; through extra efforts of the same activity, he could have undertaken actions in accordance with his responsibilities for exploitation.

There are also actions he could have undertaken in accordance with his responsibilities, which would not have directly fulfilled his civic duties to promote justice in his society. He could have made it more likely that his female employees would enjoy fair prices for their labor and favorable terms of employment in the future, despite the persistence of discrimination in the labor market. For example, he and his firm could have made significant contributions to improving the negotiating skills of their female employees, which would have improved their ability to bargain for fair employment. In
addition, he could have personally mentored his female employees and instituted programs at his firm to provide support for their career advancement. Even if he did these things, women still would have an unmet claim for non-discriminatory treatment, and these efforts would do little to meet that claim. However, these efforts might have muted the effects of women’s unmet claims on their trades.

One objection to Greenspan’s responsibilities for his personal engagement in exploitation is that he could have avoided this responsibility by refusing to hire female employees. By comparison to other employers, Greenspan did something morally good by providing female economists with rare opportunities to make use of their talents and training. However, I do not think that the wrong-doing of other employers in any way excuses Greenspan from his own responsibility to trade fairly with his female employees. It is ethically unacceptable for other employers to refuse to hire women, and it would be ethically unacceptable for Greenspan to do so as well. His refusal would be a violation of his duties as a citizen, since refusing hire women for the reason of their gender is direct participation in gender discrimination. In the next section, I consider a rival account of the case, which implies that Greenspan did discriminate against his female employees by paying them less than male economists.

Two Rival Accounts: 1. Discrimination. A rival account of this case is that Greenspan discriminated against his female employees. According to this rival account, Greenspan had duties of justice to compensate his female employees according to their

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124 Sophia Moreau argues, “In a liberal society, each person is entitled to decide for herself what she values and how she is going to live in light of these values,” and discrimination undermines this “deliberative freedom.” “What is Discrimination?” Philosophy and Public Affairs, Vol. 28, No. 2 (2010) p. 147. As long as there is discrimination in society, it still intrudes on a woman’s deliberations about how she will live, even if she is adequately prepared to mute the effects of discrimination.
merit. Greenspan engaged in unjust discrimination by taking account of gender in his hiring and compensation decisions.

This alternative explanation is mistaken, because gender did not factor into Greenspan’s hiring decisions in the relevant way. Consider if Greenspan had adopted an impartial hiring strategy, in which he advertised a position with a given salary and conducted a “blind audition.” An example of a blind audition is when musicians play their instruments from behind a curtain, in order to apply for positions in an orchestra. Were it possible to conduct a blind audition in this case, I suggest that the blind audition would have arrived at precisely the same results as Greenspan’s actual hiring strategy. Greenspan was highly attentive to the female economists’ talents and to their potential contributions to his firm. He merely noted that women’s gender was correlated with the less observable factor he really cared about, which was higher quality job performance for a given wage. To avoid discriminatory behavior, a market actor does not have to make his decisions strictly in view of optimizing the realization of merit, justice, or even rational self-interest and efficiency. Greenspan’s hiring policy was non-discriminatory because it replicated the results of a “blind audition” process in which illegitimate factors are discounted.

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125 Debra Satz argues that some market transactions should be prohibited on the grounds that they undermine democratic equality, Why Some Things Should Not Be for Sale: On the Limits of Markets (Oxford University Press, 2010).
126 I thank Martin Schmalz for suggesting the idea of a blind audition.
127 Serena Olsaretti argues that justice does not require the market to be organized according to individual’s merit or desert, see Liberty, Desert, and the Market: A Philosophical Study (Cambridge, UK: Cambridge University Press, 2004).
2. Benefiting from Injustice. A second rival account of the case is that Greenspan did something wrong because he benefited from injustice.\footnote{129}{Daniel Butt, “On Benefiting from Injustice,” \textit{Canadian Journal of Philosophy} 37, no. 1 (March 2007) pp. 129-152.} Anyone who benefited from the injustice of gender discrimination was morally responsible in precisely the same way. I previously have noted that male economists at competing firms received benefits from gender discrimination. They received the benefit of a higher salary, because they were insulated from competition with talented women. This account implies that Alan Greenspan and the male economists at competing firms both benefited from the injustice of gender discrimination: Greenspan benefited because he had to pay his female employees less, and male economists at competing firms benefited because they received higher salaries from their employers.

However, I think it makes a moral difference that the male economists accepted their over-compensation from their own employers, who were themselves the perpetrators of injustice against women. Consider if a male economist had refused the benefits of injustice by offering to accept lower wages from his employer. His refusal would have allowed his employer to incur a smaller penalty for his prejudicial hiring practices, without making any positive impact on female economists’ wages or their experience of injustice (in fact, this refusal provides his employer with an incentive to persist in discrimination).\footnote{130}{The male economists might have written personal checks to their female colleagues as a better mechanism for refusing the benefits of injustice. However, this raises the question of whether male economists would have been morally \textit{required} to accept the benefits of injustice from their employers, in order to have the ability to then transfer them to their female colleagues.} By contrast in the case of Greenspan’s trade with female
economists, his wrongful gains necessarily came at their expense and this seems more ethically problematic.

**Conclusion**

I have argued that a citizen who lives in an imperfectly just society is not immune from moral criticism, simply because he has not perpetuated injustice. In the first case, involving a community with inadequate fire protection, I suggested that a member of the community has multiple duties and responsibilities to the fire’s victims. In the second case, involving gender discrimination in the labor market, I have argued that a citizen has multiple duties and responsibilities to his fellow female citizens. Alan Greenspan did something morally wrong when he hired female economists at the low, competitive market price for their labor. In fact, he did three things wrong: he was derelict in fulfilling his civic duties; he was responsible for having enabled the occurrence of exploitation; and he was responsible for his personal engagement in exploitation.

I have suggested that these multi-layered, complex duties and responsibilities between fellow citizens are similar to those I will describe in the context of global trade. In subsequent chapters of the dissertation (Chapters 4 and 5), I apply my conception of exploitation and general theory of individual responsibility to cases of international trade. To review, the three important elements of my conception of exploitation are: the individual’s unmet claim, wrongful gains, and disrespect. I use my conception of exploitation to assess cases in which individuals have unmet moral claims for international assistance (as described in Chapter 2).
It is worth noting three important differences between the cases I’ve discussed here and the cases of international trade that will be focus of the dissertation. A first difference is that persons personally engaged in exploitation in international trade are more likely to face severe constraints on what they know and what they can do about exploitation. A second difference is that international trade typically occurs through many exchanges, involving many intermediaries, and rarely between two people standing face-to-face. A final difference is that, for the evaluation of trade between fellow citizens, I have referenced an ethical requirement of non-discrimination. Alan Greenspan could not permissibly refuse to hire women, because this would entail gender discrimination. I assume this ethical requirement of non-discrimination does not apply to cases of trade between a member of a relatively wealthy, liberal society and foreigners: under many circumstances, it is permissible for an individual to refuse to trade with citizens of another country.

Despite these differences, I think there are important common features of the cases I have described here in Chapter 3 and the cases in subsequent chapters. In all these cases, there is the fact of an individual’s unmet claim, its unfavorable influence on trade, and two different senses in which individuals are responsible for the trade’s exploitative character.
Chapter 4: Exploitation and International Trade in Coffee

Consider again the coffee consumer from Chapter 1, who is confronted by a choice between fair trade labeled coffee and a less expensive coffee brand that is not certified as fair trade. She notes that the fair trade certification organization describes itself, and addresses her, in this way: “We enable you, the consumer, to make a difference with your dollar. We help people and the planet work in tandem so both are healthy and sustained. We provide farmers in developing nations the tools to thrive as international business people. Instead of creating dependency on aid, we use a market-based approach that gives farmers fair prices, workers safe conditions, and entire communities resources for fair, healthy and sustainable lives. We seek to inspire the rise of the Conscious Consumer and eliminate exploitation” (my emphasis).131

As the consumer considers the fair trade certification organization’s statement, she might ask two questions: is it exploitative to purchase the coffee that is not labeled as fair trade? If it is exploitative, then am I ethically required to purchase the fair trade coffee instead? This chapter answers this consumer’s questions in four steps. First, I describe a case of trade with a coffee farmer, and suggest that trade in conventional coffee is likely to be exploitative. Second, I argue that the consumer’s coffee purchase can be a form of personal engagement in exploitative trade, through an indirect agreement she has with the coffee farmer. Third, I argue that the consumer is responsible for her personal engagement in exploitative trade. She also might be responsible for exploitation in a second sense, if she has been derelict in fulfilling her duty to contribute

a fair share of international assistance. Fourth, I describe how the consumer should act in accordance with her responsibilities for exploitation, considering the fair trade coffee industry as it exists today.

Part 4.1 applies my arguments from Chapters 2 and 3 to the case, and explains why some coffee purchases are exploitative. Drawing from my argument in Chapter 2, I argue that the Guatemalan farmer has an unmet claim to enjoy the benefits of membership in a competent, inclusive, and rights-respecting society. Drawing from my argument in Chapter 3, I argue that the farmer’s unmet claim is likely to influence his trade, so he is willing to accept an unfair price for his coffee beans and on terms he would not otherwise accept. I also consider an alternative view of the case, which argues that the farmer’s poverty explains why he accepts unfair prices and terms of trade.

In Part 4.2, I argue that the coffee consumer’s purchase is an indirect agreement to trade with the farmer, executed via many intermediaries in the coffee industry. This argument identifies a set of actors who might be personally engaged in exploitative trade in coffee. I also consider other theorists’ arguments describing ethical problems in the structure of the global economy; these arguments imply that trade in general is unfair, and that there are broadly applicable moral requirements for individuals to reform the global economic system. I defend my narrower specification of cases of exploitation in international trade, which indicates that individuals have distinctive responsibilities when they are personally engaged in an exploitative trade.

Part 4.3 applies my general theory of individuals’ responsibility for exploitation, as described in Chapter 3, to the case of the coffee trade. I argue that the consumer is responsible for her exploitative purchases, and she might be additionally responsible for
having enabled the occurrence of exploitation in general. I also describe what the consumer’s responsibilities imply for how she should act: I argue that she should endeavor to provide non-exploitative terms of trade to the coffee farmer, and that she also should contribute to undermining exploitation in international trade in general. Finally, I consider an important objection to my description of how an individual should act on the responsibility for personal engagement in exploitation. This objection is that my argument offers bad advice for how individuals should act, because the advice could lead to ethically problematic outcomes.

Part 4.4 returns to consider the options that actually confront the consumer at the grocery store. Does choosing coffee that has been certified as fair trade successfully avoid exploitation? I note that the fair trade coffee industry makes three main ethical claims, concerning: the price farmers receive for their beans, the farmers’ contracts with the fair trade industry, and the fair trade industry’s provision of public and associative goods. After considering evidence that the fair trade coffee industry at least partially fulfills its claims, I argue that there is sufficient reason for consumers to pay more for the fair trade coffee brand. Individuals should choose fair trade coffee, so as to reduce the likelihood that they are personally engaged in exploitative trade. However, I acknowledge that the fair trade coffee industry is limited as a mechanism for avoiding exploitative trade. Individuals who are responsible for having enabled exploitation in general should support the development and expansion of fair trade industries, potentially through their mechanism of their state.

**Part 4.1: The Coffee Farmer’s Unmet Claim and its Influence on Trade**
There are several reasons why I use coffee as an illustrative case of exploitative trade. One reason is that coffee farming is intensive in low-skilled labor. Coffee is also a major export from Latin America, Africa, and Asia to the U.S. and Europe. There is an abundance of sociological and economics research on the coffee commodity market, including on the fair trade coffee industry. The fair trade coffee industry, as the most prominent and mature fair trade industry, illustrates both the potential and limitations of fair trade industries more generally. My argument in this chapter focuses on the coffee industry, but it also has implications for trade in consumer products from many global industries.

I apply my argument from Chapter 2 to suggest that the Guatemalan coffee farmer has an unmet claim. He has an unmet claim for international assistance that promotes competency, inclusiveness, and respect for rights in his society. His unmet claim is likely to influence the price of his labor and his terms of employment. I will then consider the alternative explanation that the farmer has an unmet claim for relief of his poverty, which impacts his trade unfavorably.

i. An Unmet Claim. According to my argument in Chapter 3, exploitation can only occur if the Guatemalan coffee farmer has an unmet claim. Applying my argument from Chapter 2, I argue that many Guatemalans have unmet claims for international assistance that promotes competency, inclusiveness, and respect for rights in their society. Guatemala is lacking in competency: there is widespread violence in civil society, and public security forces are inadequate for managing it.\textsuperscript{132} Guatemala is lacking in inclusiveness: Guatemala has a very high level of social inequality, due in large part to

the poverty of its rural and indigenous populations.\textsuperscript{133} While Guatemala is considered a middle-income country, half of its population lived in poverty and 15.5 percent lived in extreme poverty in 2006.\textsuperscript{134} Guatemala is lacking in its respect for rights: Freedom House, in its 2011 annual report, described Guatemala as “partly free.”\textsuperscript{135}

In light of this evidence, I suggest that the coffee farmer has an unmet claim for international assistance that aims to promote minimally just societies. The farmer’s unmet claim, at least in some of its aspects, is likely to have bearing on his work as a coffee farmer. The farmer has an unmet claim for a more competent and inclusive political system, because Guatemala has a weak system of democratic governance.\textsuperscript{136} Research undertaken by Dani Rodrik indicates that higher scores on democratic governance indicators are positively correlated with higher wages. As Rodrik explains this finding, democracies’ legislation and public policies tend to favorably “affect the bargaining strength of labor and the value of outside options available to workers and employers.”\textsuperscript{137} I adopt the general economic model that labor’s bargaining strength, over wages and terms of employment, is strengthened when there is a broader enjoyment of benefits and entitlements from a more competent, inclusive, and rights-respecting society.

\textsuperscript{133} Ibid, p. vii.
\textsuperscript{134} Ibid, p. vii.
\textsuperscript{136} The United Nations Development Programme reports, “Institutional weaknesses and lack of confidence in the judicial system, compounded by frail public security, make democratic governance in Guatemala one of the weakest in Latin America.” (UNDP 2009, p. 7).
ii. The Price of the Farmer’s Labor. If the coffee farmer’s unmet claim has an impact on the price of coffee, making the price more favorable to the consumer, then the consumer enjoys wrongful gains at the coffee farmer’s expense. Let’s stipulate that Price X represents the share of the retail cost of coffee that typically goes to the coffee farmer for his labor. The consumer pays the coffee farmer Price X for his labor. If the farmer’s claim had been met, then the consumer would have paid the coffee farmer Price X* for his labor. If Price X is more favorable to the consumer than Price X*, then the consumer enjoys wrongful gains at the coffee farmer’s expense.

There are reasons to think that Price X* is likely to be greater than Price X. If the coffee farmer’s claim to enjoy the benefits of membership in a minimally just society had been met, then he would have enjoyed adequate educational opportunities and the benefit of public policies that were more favorable to his interests. These benefits would tend to produce better economic opportunities for him outside the coffee industry. With better outside opportunities, the coffee farmer could demand higher prices for his labor in the coffee industry. One might object that it is infeasible for the farmer to bargain, because the labor market in the coffee industry is highly competitive. But even within a highly competitive market, it still seems likely that the coffee farmer would enjoy higher prices for his labor. If the coffee farmer’s claim had been met, then other coffee farmers’ claims would have been met as well. These other Guatemalan coffee farmers also would enjoy opportunities elsewhere, and some of them actually would leave the coffee industry to pursue them. If other coffee farmers were to leave the industry within Guatemala, then
this would cause the competitive price of a Guatemalan coffee farmer’s labor to rise from $Price_X$ to a higher $Price_{X^*}$.

Is there any way to estimate the difference between $Price_X$ and $Price_{X^*}$? While I am unable to perform an estimation on a concrete example here, I do have some suggestions for how one might do so. To estimate $Price_{X^*}$, we should consider the wages received by individuals whose situations are similar to that of the Guatemalan coffee farmer, except for the fact that they enjoy the benefits of membership in a minimally just society. However, it might be difficult to estimate the competitive price of a farmer’s labor using wage data drawn from more privileged Guatemalans, since these individuals are unlikely to be performing agricultural labor. One might argue that the situations of these workers are too different to provide useful information about the price of agricultural labor under counter-factual conditions. A more relevant kind of information would be the price of labor for coffee farmers in societies that are more competent, inclusive, and respectful of members’ rights, such as Costa Rica. It would be best to compare the price of labor for coffee farmers in Costa Rica and in Guatemala, although unfortunately, there is limited availability of this kind of data.

iii. Terms of Employment. If the coffee farmer’s unmet claim has an impact on the terms of the farmer’s employment, such that he otherwise would not have chosen them, then trade is disrespectful. Let’s stipulate that the coffee farmer enjoys Terms of Employment that specify his relation to the buyer of his coffee beans. One significant

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138 I have described the domestic market in coffee farmers’ labor. However, the labor market for coffee farming could be globally competitive. In Chapter 5, I describe a case involving a global labor market that is highly competitive on the basis of price, namely the textiles and apparel industry.

139 The closest approximation would be a comparison of the price of coffee grown in Costa Rica and Guatemala, but this is not identical to the price of labor.
aspect of the farmer’s Terms of Employment is the price the farmer receives for his beans, which represents the price of his labor. He is likely to make decisions to trade largely on the basis of the price. Terms of Employment also includes other features of the employment relation that are potentially important to him, such as the timing and reliability of the farmer’s receipt of payment from the buyer. Terms of Employment* includes the price of the farmer’s labor and other features of the employment relation, as they would have been if the farmer’s claim had been met.

It is possible that the farmer in a minimally just Guatemala could have bargained for better terms of employment from the buyer of his coffee beans. However, the market could be highly competitive, such that bargaining is impossible. But even within a highly competitive market, it still seems likely that the coffee farmer would enjoy better terms of employment. The relative scarcity of coffee farmers in a minimally just Guatemala would create competitive pressures that improve the overall terms of employment for coffee farmers. To determine Terms of Employment*, we could investigate the terms of employment enjoyed by more privileged Guatemalans or by Costa Rican farmers. Do privileged Guatemalans choose lines of employment in which they have long-term contracts? Do Costa Rican coffee farmers work on coffee plantations that provide them with reliable payments of their wages?

Of course, it is difficult for an observer to know the reason why the coffee farmer agrees to accept his Terms of Employment. It is still more difficult to identify the Terms of Employment*, and to imagine how the farmer would compare the two if he had had a choice. There is a potential source of information, again drawing from the experience of

140 The individual might also have adaptive preferences that restrict his feasible option set, which stem from his life’s experience of hardship and disappointment.
privileged Guatemalans and Costa Rican coffee farmers. It is possible that people with the ability to avoid certain aspects of employment, such as unreliable payment, systematically do so. If people only accept these aspects of their employment when it is difficult for them to avoid doing so, we might suppose that the coffee farmer also would choose to avoid these aspects of an employment relationship. In Chapter 5, I elaborate on this idea for the purposes of specifying labor standards within the textiles and apparel industry.

iv. The Unmet Claim for Poverty Relief. So far, Part 4.1 describes a case of trade in coffee that is likely to be exploitative. The Guatemalan coffee farmer has an unmet claim for international assistance that promotes competency, inclusiveness, and respect for rights in his society. Drawing from a general economic theory of labor’s bargaining power, I have suggested that the coffee farmer’s unmet claim is likely to have an unfavorable impact on the price of his labor (wrongful gains) and on the other terms of his employment (disrespect). This evidence is merely suggestive, because of significant uncertainty about the actual circumstances of many coffee farmers and their counter-factual circumstances. However, I think it is likely that trade in Guatemalan coffee will be exploitative in many cases.

There is an alternative explanation for why trade in Guatemalan coffee is likely to be exploitative, which focuses on the Guatemalan coffee farmer’s poverty. An individual who has limited economic resources will be more willing, by comparison to a person with greater economic resources, to accept unfavorable trades. This alternative account suggests that exploitation in global trade is primarily an ethical problem in the distribution of money. My first response is that the account seems excessively focused on
the farmer’s material deprivation. I do not accept the argument that the farmer *only* has an 
unmet claim for relief of his poverty, when poverty is understood as material 
deprivation.\textsuperscript{141} If the farmer has an unmet claim for international assistance at all, then his 
claim includes many more important elements, as I argued in Chapter 2. As I have 
suggested in this part of the chapter, the fact that the farmer does not enjoy these other 
elements (such as his political inclusion) is likely to have an unfavorable causal impact 
on his trades, independently of the causal impact of his poverty.

My second response is that an individual who enjoys the benefits of membership in a minimally just society, even when he remains materially deprived, does not suffer from many of the problems associated with poverty. This individual does not necessarily have an unmet claim for assistance. If he does not have an unmet claim, then there is nothing potentially unfair about the mutually beneficial trades he agrees to engage in. On my view, a person has a claim to relief of his poverty, at least in part, because his material deprivation directly connects to his experience of oppression, exclusion, and domination.\textsuperscript{142} A minimally just society severs the connection, at least to an adequate extent, between an individual’s material deprivation and his experience of these phenomena.\textsuperscript{143} I do not claim that the experience of oppression, exclusion, and domination are the *only* problems with poverty: poverty also causes physical suffering, shortened lifespan, and other ills. Nevertheless, I think that my idea of a minimally just

\textsuperscript{141} It is hard to identify arguments, in ethics or political theory, that specifically claim that poor people *merely* have a claim for greater economic resources. Perhaps these arguments are implied by luck egalitarian views.
\textsuperscript{142} On defining the ethical problem of poverty, see Fleurbaey, 2007 and Chandhoke, 2012.
\textsuperscript{143} See also Rawls, 1999, pp. 106-113 on the duty of assistance.
society already incorporates many of the most ethically significant aspects of an individual’s claim for poverty relief.

**Part 4.2: An Indirect Agreement Between the Consumer and Coffee Farmer**

The coffee consumer and the coffee farmer do not trade directly with one another. They trade with one another through many intermediaries, who perform services that transform the farmer’s coffee beans into the retail product presented to the consumer in the grocery store. The presence of many intermediaries raises doubts about whether the consumer herself is actually a party to an exploitative trade with the farmer. Indeed, she might not know anything about how coffee is grown and produced: she might not know that there is an individual who contributes agricultural labor to the production of her coffee. Here in Part 4.2, I explain how an individual can be engaged in exploitative trade, despite the presence of intermediary parties in a global supply chain. First, I argue that an individual can exploit the farmer when she has an indirect agreement with him. Second, I show how the idea of an indirect agreement restricts the set of people who are potentially involved in exploitative trade. Finally, I conclude this section by considering arguments that there are broader ethical problems in the structural conditions of global trade. These arguments entail that trade in general is unfair, and that there are broadly applicable ethical requirements to help reform the global economic system. I defend my narrower approach to identifying exploitative trades and describing individuals’ responsibility for their personal engagement in these trades.

*i. An Indirect Agreement.* If the consumer wants to enjoy a cup of coffee, then she is unlikely to make a direct agreement to trade her money for the farmer’s unroasted
beans. The consumer typically buys retail coffee that has been grown, roasted, transported, packaged, marketed, and locally stocked (involving the farmer, roaster, transporter, packagers, marketers, and the grocery store). The coffee consumer pays the retail price to the grocery store, which pays a wholesale price to the coffee brand, and so on until the farmer is paid for his beans. The consumer’s choice to purchase coffee from the grocery store depends, whether she knows it or not, on a series of prior trades. The farmer would not grow coffee beans if he did not predict that he could sell them to a buyer, who predicts he can sell them to a roaster, and so on until the grocery store predicts it can sell them to the consumer. All of these actors make their choices conditionally on their predictions of the choices of the other actors. The consumer has an indirect agreement with the farmer, with all of the usual intermediary actors making predictable exchanges between them.

How can a consumer’s indirect agreement with the coffee farmer be disrespectful to the coffee farmer’s autonomy? I argue that the consumer’s decisions can have a foreseeable, unfavorable impact on the coffee farmer’s terms of employment. Some improvements to the farmer’s terms of employment would require an increase in the price of coffee paid by the consumer. The consumer’s purchase of coffee at a low price can preclude intermediaries’ investments in these costly improvements. For instance, a farmer might value a more reliable and long-term contract from the buyers of his coffee beans. However, consider if the consumer always purchases coffee at the lowest retail price, and this market price fluctuates. In this case, it might not be feasible for the buyers to provide the farmer with a contract that commits them to pay him a particular price for his beans.

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144 Some consumers do roast their own beans at home, but it’s not the usual practice.
By purchasing coffee at a low price, the consumer has made an indirect agreement with the farmer that provides him with *Terms of Employment* that are less favorable than *Terms of Employment*.*

The consumer also might enjoy wrongful gains at the coffee farmer’s expense. This is true if the low price of the coffee farmer’s labor (*Price X*) entails that she pays less for retail coffee than she otherwise would (if his labor cost *Price X*). However, given the presence of the intermediaries in the agreement, the consumer might not realize savings that result from the farmer’s low wages. John M. Talbot calculated the share that each actor in the global coffee industry receives of the consumer’s retail dollar, and found that the coffee farmer typically received five cents.¹⁴⁵ The rest of the consumer’s retail dollar went to other actors in the global commodity chain, such as the roasters, transporters, and marketers. The price of a farmer’s labor is currently a very small percentage of the total cost of coffee paid by the consumer. This percentage would be higher if the price of the farmer’s labor were *Price X* instead of *Price X*, but it is hard to know how much higher it would be.

Consider if the savings from the low price of the coffee farmer’s labor were small. In this case, these savings, which I have called wrongful gains, might not reach the consumer herself. The roasters, transporters, and marketers might keep the wrongful gains for themselves, without passing them onto the consumer in the form of a lower price for retail coffee. A person enjoys wrongful gains at the coffee farmer’s expense when he enjoys a share of the price difference between *Price X* and *Price X*.* Let us state

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that \( P \) is the price difference between \( Price \ X \) and \( Price \ X^* \), remembering that this represents the unfairly low price of the farmer’s labor. Hypothetically, the roasters might enjoy 10% of \( P \), the transporters might enjoy 0% of \( P \), the marketers might enjoy 80% of \( P \), and the consumer enjoys 10% of \( P \). We could say of this hypothetical allocation that the transporters do not enjoy wrongful gains, the roasters and the consumers do enjoy wrongful gains, and the marketers enjoy the most wrongful gains of all.

\[ \text{ii. Excluded Cases.} \] My discussion so far has suggested that several actors, including the consumer, can be engaged in exploitative trade with the coffee farmer. Here, I note that there are additional individuals in the market who are causally affected by exploitative trade in coffee, either positively or negatively. However, I argue that these individuals are not themselves engaged in trade in coffee, and so they are beyond the scope of my argument about individuals’ responsibilities for personal engagement in exploitative international trade.

I have indicated that the indirect agreement to trade in coffee begins with the farmer, involves predictable intermediary parties, and terminates with the consumer. Other market actors, however, could economically benefit from the farmer’s exploitation, as a side effect. For instance, the consumer who enjoys a lower price on her coffee might spend the surplus in her household budget to purchase a more expensive shampoo at the local beauty store. The result is that the farmer’s exploitation economically benefits the beauty storeowner. However, I argue that the beauty storeowner does not have any indirect agreement with the farmer. This is because the consumer’s household budgeting

\[ ^{146} \text{The enjoyment of this price difference is not the same thing as making a profit. If a firm in a perfectly competitive market is able to remain in the industry due to the relatively low wages paid to farmers, then the firm enjoys wrongful gains from the fact that its lower marginal costs allow it to remain in operation.} \]
decisions do not create predictable exchange relationships between a predictable set of actors. Since the beauty storeowner’s sale of shampoo is not an indirect agreement with the coffee farmer, her trade in no way represents wrongful gains or disrespectful treatment of the coffee farmer.\textsuperscript{147}

Other market actors also might be economically harmed by the farmer’s exploitation, as a side effect. The coffee trade is generally very important to the economies of coffee exporting countries, because it often accounts for a large share of developing countries’ total exports. This means that the coffee trade indirectly affects the economic wellbeing of many individuals. Some of these individuals would be favorably affected if coffee farmers enjoyed the benefits of membership in competent, inclusive, and rights-respecting societies. For instance, it is conceivable that farmers could produce coffee more efficiently if they enjoyed these benefits. Greater efficiency in the production of coffee would have broader social benefits for individuals in the farmer’s societies and for others.\textsuperscript{148} Exploitative trade can have a causal impact on these individuals’ economic wellbeing, but this does not mean that these individuals themselves have claims for trade to be fair. In Chapter 6, I describe the dual concerns we should have about alleviating poverty through trade and undermining exploitation in trade.

\textit{iii. Structural Unfairness in International Trade.} I have argued that some individuals are personally engaged in an exploitative trade, and I will recommend in Part 4.4 that consumers in particular should make different choices about their trades. Other


\textsuperscript{148} More efficient coffee farming also could increase wages and improve working conditions for farmers, while lowering prices for consumers and increasing intermediaries’ profits.
arguments indicate that exploitation and unfair trade are structural features of the global economy. In this section, I defend my approach to defining a limited set of cases of exploitative trade, and to identifying a narrowly defined set of individuals who are personally engaged in exploitation.

Richard Miller argues “that individuals, firms, and governments in developed countries currently take advantage of people in developing countries, in both the process of production, exchange, and finance and the institutional framework that regulates it, and that they have a duty to give up consequent benefits, promoting the interests of the global poor. The flawed processes will be normal and pervasive features of globalization, not the inevitable isolated wrongs.”149 Miller’s conception of exploitation indicates that the problem is structural, rather than a set of “isolated” wrongs in international trade. He argues it is necessary for all citizens of developed countries to help reform global economic institutions and to undertake “a major effort to make good on past inequity.”150 Although Ethan Kapstein does not make use of the concept of exploitation, his argument about the unfairness of trade is also highly structural in its design. He uses the idea of a “level playing field” to argue that the global trade regime requires systematic reform to favor the interests of developing countries.151

My argument agrees with these views that the background conditions of trade are ethically problematic. On my account, the problematic background conditions are the fact of foreigners’ unmet claims for assistance that would help them enjoy the benefits of membership in minimally just societies. However, on my view, trade under these

149 Miller 2010, p. 59.
150 Ibid, p. 82.
151 Kapstein, 2006.
conditions is not inevitably or invariably exploitative. Trade is not exploitative when a foreigner’s unmet claim does not actually have an unfavorable impact on the price and overall terms of her trade. One advantage of this feature of my argument is that it takes account of relevant facts about particular cases of trade. To see why this nuance is an advantage, consider the recent significant increase in the global market price of coffee. When the price of coffee increases, farmers’ daily lives tend to improve in important and concrete ways.\textsuperscript{152} Our ethical assessment of trade in coffee should take account of the current price of coffee. It is true that coffee farmers are vulnerable to price fluctuations that undermine their interests, and that these fluctuations are due in part to the structure of the coffee industry and the global economy as a whole. However, I think that coffee farmers who are receiving low prices for their beans have an ethical complaint that diminishes when they receive higher prices for their beans.

Second, my argument identifies individuals who, through their indirect agreement with the other party, are responsible for their personal engagement in an exploitative trade. By implication, not all individuals are equally responsible for exploitation, and they are not all responsible in the same way. As I argue in the next part of the chapter, individuals who are responsible for their personal engagement in exploitative trade should undertake specific actions. Individuals who are responsible for having enabled the occurrence of exploitation should undertake another set of actions.

**Part 4.3: An Individual’s Two Responsibilities for Exploitation**

Here I describe two responsibilities for exploitative trade, and their distinct implications for how individuals should act. The first section describes the consumer’s responsibility for personally engaging in exploitative trade, and the implications of this responsibility for how she should act. The second section describes an individual’s responsibility for having enabled the occurrence of exploitative trade, and the implications for how she should act. The third section considers the objection that my argument about responsibilities for personal engagement in exploitative trade provides individuals with mistaken advice about how they should act, because the advice leads to ethically problematic outcomes. In response, I argue that my advice about individuals’ responsibilities is a part of a defensible set of recommendations, which can be presented for general public use in various forms.

1. Responsibility for Personally Engaging in Exploitation. In this section, I describe the responsibility for personally engaging in exploitation, as something distinct from the responsibility for having enabled the occurrence of exploitation. I begin by describing an individual who could be personally engaged in exploitative trade, but who is clearly not responsible for having enabled the occurrence of exploitation in general.

Consider once again the case of Paul Farmer, a person who has dedicated his life to helping poor foreigners, through public advocacy, research, and direct provision of health services. As discussed in Chapter 2, Farmer is an example of a person who has more than fulfilled a fair share of his duties to provide foreigners with international assistance. I argue that Paul Farmer is, therefore, not responsible for having enabled the occurrence of exploitation in international trade. Let’s imagine that Farmer makes a coffee purchase that involves exploitative trade with coffee farmers. Farmer then would
be personally engaged in exploitation, because his indirect agreement with the coffee farmers would entail that he enjoys wrongful gains and that he disrespects their autonomy.

In this hypothetical case, Paul Farmer’s responsibilities imply that he should choose trades that do not exploit coffee farmers. He should choose coffee for purchase that provides farmers with fair prices for their labor and respectful terms of employment. However, there are epistemic and practical problems that challenge this conclusion: How is he to know that farmers receive fair prices for their labor and respectful terms of employment? What if he is unable to purchase coffee under these conditions?

I offer these rough guidelines. First, when individuals have options to make purchases that are non-exploitative trades, they should take these options rather than engaging in exploitative trades. Second, when individuals have reason to believe that one option is significantly less likely to exploit foreigners than another option, they should choose the former option or refrain from the purchase. Third, when individuals have reason to believe that all possible options to make purchases are equally likely to be exploitative, they should choose to refrain from the purchase. Finally, when individuals have reason to believe that all options are equally likely to be exploitative, but they can’t refrain from the purchase, then they should choose the option that entails the smallest wrongful gains and most minimal disrespect. An objection to these rough guidelines, which I describe in greater detail in the third section, is that they include ethically problematic advice when non-exploitative options are unavailable.

ii. Responsibility for Having Enabled the Occurrence of Exploitation. I have argued that it is only possible for exploitation to occur in international trade because
foreigners have unmet claims for assistance that aims to promote competent, inclusive, and rights-respecting societies. As I argued in Chapter 2, members of relatively wealthy, liberal societies can contribute their fair share of international assistance that has this aim or other important aims, such as relieving the physical suffering associated with poverty. If they have not made these contributions, then they are derelict in fulfilling their duties to provide a fair share of international assistance. I have argued that individuals who are derelict in fulfilling their duties can be held responsible for foreigners’ unmet claims, and now I argue that they are also responsible for having enabled the occurrence of exploitative trade. If these individuals had originally contributed their fair share of international assistance and thereby fulfilled their duties as Paul Farmer did, then they would not have additional responsibilities for exploitation. Individuals have these duties and responsibilities for having enabled the occurrence of exploitation, even when they do not personally engage in exploitative trade.\footnote{Iris Marion Young, 2004 argues that individuals have “political responsibilities” to do something about sweatshops.}

What do these duties and responsibilities imply for how individuals should act? The most obvious implication is that individuals should undertake actions that contribute to meeting foreigners’ unmet claims for international assistance. First, individuals should stop being derelict in fulfilling their duties to contribute their fair share of international assistance. Individuals who have neglected for a long time to contribute to international assistance will need to pay the balance of their fair share. Second, I argue that individuals can adequately act upon their additional responsibilities by contributing an additional fair share of international assistance, directed towards more specific targets. Individuals should contribute international assistance that specifically aims to promote minimally just
societies. If it is possible for an individual to target her contributions towards particular
groups, then she should target them particularly for the benefit of foreigners likely to be
exploited in international trade.

Let’s consider how an individual might fulfill her duties and act upon her
responsibilities, if she could (hypothetically) target her contributions to help particular
groups of people in specific countries. To fulfill her duty to contribute a fair share of
international assistance, she might donate to programs that aim to relieve extreme
poverty. For instance, she might contribute to relieving the suffering of subsistence
farmers in Bangladesh. Once she has made this contribution and paid the balance of her
past dereliction, then she has fulfilled her duty. Having fulfilled her duty, now she must
act on her responsibility for having enabled the occurrence of exploitation and this
requires a different kind of contribution. To adequately act upon her responsibility for
exploitation, she should donate an additional fair share to a program that aims to promote
minimally just societies. In particular, she might contribute to providing the benefits of
membership in a minimally just society to people exploited by their engagement in
international trade, such as coffee farmers in Guatemala.

An individual also can undertake other actions in accordance with her
responsibilities to undermine exploitation. As suggested in the previous section,
individuals who are personally engaged in exploitation face both epistemic and practical
challenges. These challenges make it difficult for individual consumers to identify and
choose alternatives to their engagement in exploitative trade. I suggest that individuals
who are responsible for having enabled the occurrence of exploitation could help to
address the challenges faced by consumers. There are various ways that an individual
might help consumers identify and choose non-exploitative purchasing options. For instance, even if she did not drink coffee, an individual could tell others about fair trade coffee and about fair trade certification in general. She could work for a volunteer organization or a business that provides such information, such as the “Good Guide,” which provides reviews of the ethical qualifications of different consumer products. In Part 4.4, I describe the possibility of public support for fair trade and public regulation of exploitative trade.

I have argued that an individual can be responsible for exploitation in two different senses, and that her responsibilities have distinctive implications for how she should act. My argument implies that responsibilities for an exploitative trade can be assigned separately, to different individuals. An individual can be responsible for personally engaging in the exploitative trade, and another individual can be responsible for having enabled the exploitative trade’s occurrence. A consideration of these two individuals’ respective responsibilities raises new questions: Is one individual’s responsibility more ethically significant than the other’s? This is an important question, because if one individual’s responsibility is more ethically significant than the other’s, then it is more incumbent on that individual to act.

I think the empirical circumstances of the case in question should have a significant influence on the answers to these questions. For some cases, the individual personally engaged in exploitation will enjoy significant wrongful gains and will be involved in a trade that significantly disrespects the foreigner’s autonomy. In these cases, the individual personally engaged in exploitation has a more significant responsibility.

So, a first consideration is the magnitude of the wrong that can be directly attributed to the individual engaged in exploitation. For some cases, the individual personally engaged in exploitation will face very difficult epistemic and practical challenges in the attempt to avoid exploitation. In these cases, the individual who enabled the occurrence of exploitation has a more significant responsibility. So, a second consideration is the ease of avoiding exploitation, once it has become possible for exploitation to occur. The division of responsibilities between individuals will significantly differ, between cases, on the basis of these two considerations. In Part 4.4, I discuss the division of responsibilities for exploitation in the coffee trade, considering the present deficiencies of the fair trade coffee industry.

iii. An Objection to Individuals’ Responsibilities for Exploitation. One common objection to arguments about exploitation is that they do not provide individuals with ethically sound advice for how to act. On this view, it is ethically better for individuals to engage in exploitation, because exploitative trade makes the exploited person better off. I consider two specifications of this objection, as challenges to my argument about what individuals should do about their responsibility for personal engagement in exploitation.

The first specification is that exploitation causes the ethically good outcome of improving the exploited party’s economic wellbeing, and therefore, refraining from

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155 Christian Barry considers the epistemic problem of responsibility, with respect to those who have contributed to an injustice, in “Applying the Contribution Principle” *Metaphilosophy* Vol. 36, Nos. 1/2 (January 2005).

exploitation is omitting to do something ethically good.\footnote{Alan Wertheimer has called this objection the “non-worseness” principle (Wertheimer, 1996: 289-93).} This specification rejects my recommendation, described in Part 4.3, that Paul Farmer should avoid purchasing coffee altogether when he cannot choose an option that is a non-exploitative trade. My argument indicates that Farmer should omit to perform an action that would improve foreigners’ wellbeing, and this, according to the objection, is mistaken advice. In response, I argue that I have offered a much broader set of recommendations for individuals to fulfill their duties and act upon their responsibilities, and the responsibility to refrain from exploitation is defensible as part of this broader set of recommendations.

If it is wrong for me to omit to do something, then it must be true that I have a duty to perform the action. I have already argued that it is ethically permissible for Paul Farmer to refrain from actions that would help foreigners, given how much he has already contributed. A poor coffee farmer does not have a claim against Paul Farmer, if the latter chooses to refrain from purchasing coffee for reasons of self-interest or for ethical reasons of avoiding exploitation. The poor coffee farmer’s claim for assistance should be directed to individuals in relatively wealthy, liberal societies who have failed to make their own fair share of contributions.

I think the force of the objection comes from the view that trade is very important to helping the global poor. In support of this view, some economists deny that foreign aid and private international assistance help the global poor and, therefore, international trade is the only way to help them. As I suggested in Chapter 1, I find these economists’
empirical views implausible. Consider instead the more moderate view that increased international trade with the OECD countries is essential to meeting the claims of the global poor: the global poor have claims to be helped through increased international trade, even if they already receive foreign aid and international assistance. I find this view much more plausible, and I describe it further in Chapter 6. But I find it implausible that the global poor have a claim for \textit{maximal} increases in international trade volume, and that this claim would entirely trump their claims for fair trade.

The second specification of the objection is that individuals are likely to make serious mistakes when following my advice. Evidence from psychology suggests that people are more responsive to arguments that they should refrain from a wrong, in comparison to arguments that they have duties to take positive actions. This implies that people are likely to be responsive to my argument that they have a responsibility not to engage in exploitation, but unresponsive to my argument that they have duties to contribute international assistance and responsibilities to contribute to undermining exploitation. If this were so, then my argument might have perverse implications for how people are actually likely to act. Individuals would stop trading with poor foreigners out of concern for exploitation, perhaps even stopping trades that are only potentially significant.

\footnote{Significant portions of foreign aid are given for reasons unrelated to helping the aid’s recipients, as argued by Alberto Alesina and David Dollar, "Who Gives Foreign Aid to Whom and Why?" \textit{Journal of Economic Growth}, Vol. 5 (2000), pp. 33-63. In addition, there are many problems with aid-giving agencies’ current practices, see William Easterly and Tobias Pfitzke, “Where Does the Money Go? Best and Worst Practices in Foreign Aid” \textit{Journal of Economic Perspectives} Vol. 22, No. 2, (Spring 2008) pp. 1-24. However, the fact that there are currently problems with the practice of aid-giving does not imply that foreign aid and international assistance are bound to be ineffective at meeting foreigners’ claims.}

exploitative, but they would not undertake positive actions to help poor foreigners. As a result, individuals’ actions would cause decreases in levels of unfair trade, but also would cause increases in levels of global poverty.

However, this psychological evidence about individuals’ responsiveness does not raise a concern with the claims or reasoning of my ethical argument. If the evidence indicates that individuals suffer from serious bias in their responsiveness to ethical arguments, then this may indicate how ethical arguments can be best presented to the general public.

**Part 4.4: Individuals’ Responsibilities in Relation to The Fair Trade Coffee Industry**

In this part of the chapter, I specify what individuals should do, both with respect to their own consumption decisions and their responsibilities to undermine exploitative trade. I take the case of the fair trade coffee industry as the most developed model of how individuals can take action, through market based-mechanisms, to meet their responsibilities for exploitation. After considering the fair trade coffee industry’s three main claims, and the evidence that the industry actually fulfills them, I argue that consumers who intend to purchase coffee should purchase a fair trade variety. Consumers should act on their responsibility by paying more for fair trade coffee, in order to increase the chances that they provide fair prices and respectful terms of trade to coffee farmers. I argue that people who are responsible for having enabled the occurrence of exploitation should contribute to the reform and development of fair trade industries. Finally, I suggest that individuals can act through their state to contribute to the support and development of fair trade industries, including the fair trade coffee industry.
i. The Fair Trade Coffee Industry’s Three Claims. As the fair trade coffee industry has expanded and increased its share of the coffee market, it has experienced growing internal disagreement over the content and the priority ranking of its ethical commitments. Some view fair trade as an alternative to free markets. They view fair trade as part of an anti-globalization movement, as a “partnership” between consumers and farmers, or as an effort to “empower” marginalized workers.\textsuperscript{160} By contrast, others want fair trade to develop in a pro-market direction. They want the fair trade coffee industry to include large coffee plantations, in order to encompass more workers and to increase economic activity in poor communities.\textsuperscript{161} Given these conflicts over the broad direction of the industry, it is worthwhile to provide a classification of the fair trade coffee industry’s most concrete ethical claims. I offer three categories of claims: the price received by farmers, the terms of the farmers’ employment, and the provision of associative and public goods. I also consider the available evidence that the fair trade coffee industry actually fulfills its three claims.

1. Price Claim: Coffee farmers receive higher prices for their labor in the fair trade coffee industry. The fair trade coffee industry aims to provide farmers with higher prices, by comparison to the conventional coffee industry, where prices are viewed as

problematically low. Until 1989, the International Coffee Organization (ICO) managed the world supply of coffee beans, keeping prices high. The breakup of ICO control, the entry of new countries to the coffee industry (such as Vietnam), and the decline of regulation and public support in Latin American countries all made the global coffee market much more competitive for farmers. During this “coffee crisis,” coffee farmers received historically low prices for their coffee beans and the rate of poverty increased in farmers’ communities.162

To fulfill the price claim, farmers’ net earnings should be higher in the fair trade coffee industry than in the conventional market. Some fair trade coffee brands claim that their prices are so much higher that they help to lift coffee farmers out of poverty.163 However, some studies have indicated that fair trade coffee farmers do not actually receive greater compensation for their labor. This is because fair trade coffee farmers often have to work more themselves, enlist unpaid family members, or hire day laborers to meet fair trade quality and organic certification standards.164


163 The price claim for fair trade coffee does not imply that coffee farmers and their families are the individuals and households most in need of consumer’s assistance to alleviate their poverty. The price claim is distinct from the justification of a charity-linked product. A charity-linked product makes a claim to consumers that they should purchase the product in order to raise money for a specific cause.

costs increase as much or more than the increase in price they receive for their coffee beans, then farmers do not receive higher compensation for their labor in the fair trade coffee industry. But several other studies have provided more positive assessments of the economic benefits of fair trade to coffee farmers. On the whole, the evidence is suggestive that the fair trade coffee industry generally fulfills the price claim.

2. Terms of Employment Claim: Farmers enjoy better terms of employment in the fair trade industry. This claim encompasses all aspects of the economic relationship between the consumer, the intermediaries, and the farmer. The fair trade coffee industry requires coffee brands to meet several requirements in order to be certified as fair trade. These requirements shape the terms of the consumer’s and the intermediaries’ economic relationship with the farmer. Included among these requirements are the following: that farmers are organized into self-governing cooperatives, that farmers enjoy long-term contracts (sometimes with minimum price floors), and, as mentioned above, that farmers receive higher prices for their labor.

I view the price claim as an important element of the broader terms of employment claim. I think it is unlikely that farmers will view their terms of employment as better in the fair trade coffee industry if they do not also receive a higher price for their


labor. Fair trade cooperatives can provide farmers with long-term contracts, for example, that do not necessarily entail that farmers receive a higher price for their coffee beans in comparison to the prices in the conventional market. When the price of coffee in the conventional market rises unexpectedly, it can exceed the price of coffee in the farmers’ existing contracts with a fair trade brand. This is not merely a hypothetical problem for fair trade industries: in 2010 and 2011, the retail price of conventional coffee increased to their highest levels in over thirty years. Given that I think the fair trade coffee industry generally fulfills its price claim, I think it is also likely that the fair trade coffee industry generally fulfills its terms of employment claim.

3. Public Goods Claim: the fair trade industry contributes to providing public and associative goods in farmers’ communities. Many fair trade coffee brands claim that they invest in the development of the farmers’ communities, that they provide farmers with access to credit, and that they maintain organic certification for the benefit of the

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166 Sociologist Daniel Jaffee explains, “... if world coffee prices rise, the fair-trade system paradoxically faces a severe challenge. When middlemen are able to pay close to—or even occasionally above—what the producer groups offer, these organizations sometimes find it difficult to retain members. This is because some farmers are understandably tempted by the opportunity to cash out immediately with the coyote rather than sell to the organization, thus avoiding both a significant labor investment in quality control and a five-month wait for full payment.” Jaffee, 2007 p. 56. See also Peter Leigh Taylor, Douglas L. Murray, and Laura T. Raynolds, “Keeping Trade Fair: Governance Challenges in the Fair Trade Coffee Initiative,” Sustainable Development, Vol. 13 (2005) pp.199-208 regarding cooperatives’ difficulties in keeping out “opportunistic” farmers who fail to meet their commitments when prices rise (p. 203).


168 On reasons poor people have limited access to credit, see Banerjee and Duflo 2011, pp. 157-182.
environment and endangered species. I think that, if the *public goods claim* is at all relevant to the problem of exploitation, it is relevant because these public and associative goods do actually contribute to meeting farmers’ unmet claims for the benefits of membership in minimally just societies. Of the three claims I’ve described, there is the least evidentiary support for the fair trade coffee industry’s fulfillment of the *public goods claim*. From the available evidence, it is simply not clear whether the fair trade coffee industry fulfills its claims to promote economic development and communal goods. It is possible that there are other ways that the fair trade coffee industry helps provide farmers with the benefits of membership in minimally just society, but I have found little evidentiary support that it currently does this.

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169 Organic farming practices may also benefit farmers, since organic farming eliminates their risk of exposure to harmful pesticides and other hazardous chemicals. Consumers may value organic products for health reasons, or due to taste preferences.

170 Colleen E. H. Berndt describes a fair trade representative’s skepticism of claims about the provision of public goods: “The representative went on to say that many organizations come to Guatemala, build a school or clinic, and then take pictures for their Web sites. In his experience, this was not a normal benefit of Fair Trade.” Berndt, “Does Fair Trade Coffee Help the Poor? Evidence from Costa Rica and Guatemala,” *Mercatus Policy Series* (June 2007) p. 23. Kurjanska and Risse 2008, expresses concern that Fair Trade hinders economic development by providing incentives to remain in particular industries pp. 45-46. On the other hand, Jaffee 2007 argues that fair trade increases employment in farmers’ communities.

171 Valentin Beck argues that fair trade raises public awareness of their responsibilities and provides institutions that help fulfill human rights in local communities. For this reason, he states that “fair trade can, contrary to first appearances, be understood as a practice enabling the fulfillment not only of interactional responsibilities to respect standards of fairness towards producers in developing countries, but also – to a lesser degree – of institutional responsibilities to promote justice globally.” “Theorizing Fair Trade from a Justice-Based Standpoint,” *Global Justice: Theory, Practice, Rhetoric*, Vol. 3 (2010) pp. 1-21. However, it is not clear to me that fair trade industries *currently* accomplish this. Instead, it seems that they merely have the potential to do so.
ii. Individuals’ Responsibilities in Relation to the Fair Trade Coffee Industry.

Given the current state of the fair trade coffee industry, as described above, I consider how individuals should act on their duties and responsibilities.

First, I have argued that consumers should seek out coffee purchasing options that are non-exploitative trades. Is the purchase of conventional coffee an exploitative trade? Is the purchase of fair trade coffee a non-exploitative trade, because it includes fair price and respectful terms? It is not easy to directly answer these questions with the available evidence. The price claim compares the prices in the fair trade coffee industry to the prices in the conventional market, not to the conventional market as it would exist if the farmer’s claim had been met. I have suggested that it is likely that the price claim is generally fulfilled. At the very least, this means that a fair trade coffee purchase is less likely, by comparison to a conventional coffee purchase, to entail the consumer’s enjoyment of wrongful gains at the farmer’s expense.

There is also the question of whether the fair trade coffee industry provides respectful terms of employment. The fair trade coffee industry’s terms of employment claim indicates that its terms are better than those in the conventional coffee industry. But our question is whether these terms of employment are respectful, in the sense that they reflect farmers’ autonomous choices and indirectly support farmers’ autonomy over their lives. It is simply not clear what a Guatemalan coffee farmer would have chosen, and what it would have been feasible for him to choose, in the context of a minimally just society. Perhaps a Guatemalan coffee farmer would have chosen to have long-term contracts with price floors, but he would not have chosen to participate in a self-governing farmers’ cooperative. It is hard to know whether the fair trade coffee industry
provides farmers with terms of employment they would choose to accept in a counter-factual, minimally just society.

However, the fair trade coffee industry does seem to provide farmers with goods that generally promote autonomy in their lives. A fair trade brand’s provision of a long-term contract with a price floor seems valuable, because it helps farmers to plan their economic lives. The fair trade brand provides farmers with access to credit, which also helps farmers to plan their economic lives. Self-governance within a cooperative might also enhance farmers’ autonomy, especially if they can solve common problems together. A fair trade coffee purchase seems more likely to respect farmers’ autonomy, in the indirect sense of supporting farmers’ abilities to plan their lives and solve problems.

In sum, there is evidence that a fair trade coffee purchase is more likely to provide farmers with a fair price and respectful terms of employment, though the evidence has some significant limitations. If a consumer is going to purchase coffee, then I think the evidence is sufficiently strong to recommend that she should purchase fair trade coffee. There is still a possibility that purchasing fair trade coffee is an exploitative trade. Given this possibility, one might think that it is ethically better for her to refrain from purchasing coffee altogether. However, I think this would be a case of making the perfect the enemy of the good. The fair trade coffee industry will not survive, grow, and improve, unless it has some support from consumers at the present moment. While I do think that there are important responsibilities for consumers to avoid personal engagement in exploitative trade at this moment, it is also important for consumers to have non-exploitative options to trade in coffee in the future.
Second, I have argued that individuals should act on their responsibilities for having enabled the occurrence of exploitation. As we have seen, it is difficult for individuals to act upon their responsibilities for personally engaging in exploitative trade in coffee, given the current limitations of the fair trade industry. Individuals who have enabled the occurrence of exploitation, therefore, have a comparatively greater responsibility to undertake action. Individuals can contribute to undermining exploitation through their support for the fair trade coffee industry, helping to remedy its current deficiencies. One deficiency is that the fair trade coffee industry offers inadequate information in support of its three claims. A second deficiency is that fair trade coffee costs more to the consumer than a conventional brand, which undoubtedly discourages consumers from choosing fair trade. A final deficiency is that the fair trade coffee industry, one of the more successful fair trade industries, still has only a very small share of the total coffee market.

Individuals, for the most part, do not have the capacity to directly address these deficiencies. As I suggest in the next section, individuals can encourage their state to take on a supportive role for fair trade industries.

*iii. Public Support for Fair Trade.* I have argued that there are many individuals who are responsible for having enabled the occurrence of exploitation, even when they are not personally engaged in it. This broadly responsible public might encourage their state to undertake actions on their behalf.172

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172 It is important that the state does not make individuals like Paul Farmer fulfill his duties and responsibilities twice over. The state can support philanthropists’ efforts, without undermining their latitude. Rob Reich, "Toward a Political Theory of Philanthropy," in *Giving Well: The Ethics of Philanthropy*, eds. Thomas Pogge et. al,
The public might encourage the state to help collect and distribute information, so that consumers can make more informed choices. The state might help to determine whether exploitation is occurring, by auditing fair trade industries and their conventional equivalents. I have argued that there is sufficient reason for consumers to pay more for fair trade coffee, despite the deficiencies in the fair trade coffee industry as it exists today. With the benefit of public information, more consumers would become aware of their responsibilities and choose to act upon them. However, in the current market environment, merely providing consumers with more information is likely to be insufficient. 173

This indicates that it is necessary to have public support for fair trade industries and for consumers’ efforts to act in accordance with their responsibilities. The state can subsidize particularly promising fair trade brands to reduce their costs. By providing public support, in the form of subsidies, tax breaks, or public procurement rules, the state could encourage the development of the fair trade coffee industry (and fair trade industries more generally). Specifically, the state could encourage fair trade industries to focus their attention on providing fair prices for labor and terms of employment that respect workers’ autonomy.

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173 Some commentators argue that there is latent demand for fair trade products. Others who study the phenomenon argue that there is a disjunction between consumers’ statements of their preferences and their actual willingness to pay. The evidence indicates that the latent demand for ethical consumption, to the extent that it exists, is highly concentrated in a minority of consumers. Prasad, Kimeldorf, Meyer, and Robinson, 2004; Patrick De Pelsmacker, Liesbeth Driesen, and Glenn Rayp, “Do Consumers Care about Ethics? Willingness to Pay for Fair-Trade Coffee,” *The Journal of Consumer Affairs*, Vol. 29, No. 2 (2005) 363-385.

Conclusion

I began this chapter by describing a consumer’s questions: “Is it exploitative to purchase conventional coffee? If it is exploitative, am I ethically required to purchase the fair trade coffee instead?” In answer to the first question, I described a case of trade with a Guatemalan coffee farmer, suggesting that trade in the conventional coffee industry is likely to be exploitative. I described why the coffee consumer’s purchase constitutes her personal engagement in exploitative trade, because she has an indirect agreement to trade with the coffee farmer.

In answer to the second question, I described individuals’ two different responsibilities for exploitation, in relation to the fair trade coffee industry. I have argued that an individual can have a responsibility for her personal engagement in exploitative trade and that, in accordance with this responsibility, she should purchase fair trade coffee when she has the option. For the case of the coffee trade, I think there is a greater responsibility for individuals who have enabled the occurrence of exploitation. These individuals have enabled the occurrence of exploitation, through the dereliction of their duties to contribute a fair share of international assistance. Individuals who are responsible for having enabled the occurrence of exploitation have responsibilities to promote fair trade industries. There is some potential for individuals to promote fair trade industries in their private capacities, but also there is potential to do so through the mechanism of their state, as I will describe in Chapter 6.
Chapter 5: Corporate Social Responsibility for Exploitation, and Global Trade in the Textiles and Apparel Industry

Consider again the choice faced by an employee of a multinational corporation (MNC), as first described in Chapter 1. He has to select a foreign contractor to fulfill an order for his company’s clothing line, and he is concerned by criticisms that several textiles and apparel factories in Vietnam and Cambodia are “sweatshops.” In general, critics use the term “sweatshops” to describe ethically problematic deficiencies in the wages received by the factory workers and in the working conditions of the factories. How can the employee assess these criticisms? What should he do in his role as an employee of a multinational corporation?

To answer the first question, I argue that we can assess whether factories are sweatshops by comparison to a standard of a fair wage and respectful terms of employment. Some countries that produce textiles and apparel have very low labor productivity, and I aim to define a wage standard that is both economically feasible and ethically compelling for these contexts. Extending my argument from chapter 4, I describe fair prices for workers’ low-productivity labor in Part 5.1. I also extend my argument from chapter 4 to define a standard for working conditions in global industries. I describe respectful terms for workers’ employment, specifying an ethically acceptable level of risks in the workplace.

To answer the second question, what the employee should do about exploitation in the textiles and apparel industry, I describe the two different ways in which corporate
affiliates can be responsible for exploitation. In Part 5.2, I argue that some employees, management, and shareholders, can be responsible for personally engaging in exploitative trade in their capacities as corporate affiliates. In addition, the same individuals also can be responsible for having enabled the occurrence of exploitation in general, through the dereliction of their duties to contribute a fair share of international assistance. However, corporate affiliates have these duties and responsibilities as individuals, not because they are corporate affiliates. I provide a general theory of corporate social responsibility (CSR) for exploitation, indicating the implications of these two responsibilities for how corporations should engage in trade and act in general.

Individuals with influence over a corporation should advocate for its adoption of a corporate social responsibility policy for exploitation, and then corporate affiliates should apply the policy to cases of global trade. For instance, a corporate affiliate would apply the corporate social responsibility policy to his own decisions about the corporation’s engagement in global trade in textiles and apparel. He should follow the corporate social responsibility policy’s recommendations for providing workers with fair prices for their labor and respectful terms of employment. An individual can fulfill his duties and act upon his responsibilities for having enabled the occurrence of exploitation either through opportunities that arise in conjunction with his capacities as a corporate affiliate, or through activities outside his work.

Part 5.3 considers an objection to my argument, which states that workers’ choices to accept employment in a sweatshop are worthy of respect and non-interference. On this objection, it is wrong for a corporation, or for third parties not directly involved

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174 I will use the terms corporation and firm interchangeably, although a corporation refers to a legal entity and a firm to a kind of economic actor.
in trade in sweatshop work, to take actions that might deprive sweatshop workers of their jobs. In response, I take the view that there are a broad set of duties and responsibilities for exploitation. In the context of these broader duties and responsibilities, I argue that it is generally ethically discretionary for a corporation to trade or to refrain from continuing a trade relationship.

Part 5.4 describes how my model of corporate social responsibility for exploitation applies to the case of trade in textiles and apparel from Cambodia and Vietnam. Many commentators might suspect that exploitation is inevitable in these cases, due to the extremely competitive nature of the textiles and apparel industry. However, I cite recent evidence that challenges the conventional wisdom that there is an inevitable “race to the bottom” within the textiles and apparel industry. Finally, I compare the different feasibility constraints that the industry faces in Cambodia and Vietnam. While these countries are similar in several respects, there are significant differences in the societies’ competitiveness in the production of textiles and apparel. There are also significant differences in the domestic regulatory environment, due in part to the lingering effects of their bilateral trade agreements with the U.S. These differences shape the feasibility constraints that corporations face when making decisions about trade in textiles and apparel in these two countries.

**Part 5.1: Fair Wages and Respectful Terms of Employment for Foreign Workers**

Building upon my argument in Chapter 4, I describe standards for fair wages (i) and respectful terms of employment (ii) for foreign workers. I aim to provide standards that are both feasible and ethically compelling. To do so, I confront two important
problems: the fact that workers’ labor sometimes does not produce very much economic value, and the fact that some risks of harm and coercion are inevitable in any employment relationship. I argue that my standards do a better job of confronting these challenges than other standards that have been proposed, including a “living wage,” a domestic minimum wage, and international labor standards that draw from theories of human rights in the workplace.

i. Fair Prices for Labor. Defenders of sweatshops often note that workers in poor countries tend to provide labor that is relatively unproductive, meaning that their work does not produce goods with significant economic value or that it does so inefficiently. However, my arguments in previous chapters imply that some of these reasons for the low productivity of workers’ labor could be ethically problematic. Such reasons might include workers’ low levels of educational attainment, workers’ poor health and inadequate nutrition, or workers’ experience of discrimination that limits their opportunities. As I have argued in Chapter 2, these are aspects of an individual’s unmet claim to enjoy the benefits of membership in a minimally just society. Here I argue that it is ethically significant that workers are less productive than they would be if their claims had been met. Workers’ unmet claims unfavorably impact the competitive market price for low-productivity labor, and the resulting prices are unfair. I argue that a fair wage is the price for low productivity labor that would be competitive if the society were minimally just.

First, I want to clarify that I aim to describe a fair price for the low-productivity labor that workers actually provide to firms. An alternative approach is to imagine the compensation rates that foreign workers would enjoy for their labor if they were more productive than they actually are. This might lead one to conclude that workers in countries like Cambodia and Vietnam should enjoy compensation levels that are commensurate with wages for workers who live in more productive societies, such as OECD countries. However, this standard draws from an irrelevant counter-factual, which does not help to determine fair prices for the trade of labor for money in which a foreign worker and a firm are actually engaged.

Consider a seamstress with creative potential, which has remained fully latent because she has an unmet claim to enjoy the benefits of membership in a minimally just society. If her claim had been met, then the seamstress would have been working as the creative director of a clothing line. She is actually engaged in work hemming pants, a service with much less economic value. Should the firm that hired the seamstress to hem pants pay for her labor as if she were the creative director of a clothing line? Clearly, this is not a fair price for the firm to pay. It is true that the seamstress would benefit greatly from the development of her talents and her high-productivity work as a creative director. But the firm has not obtained any benefits from her latent talents, because her work hemming pants is identical to the productivity of other workers. The seamstress and the firm are actually engaged in the trade of her low-productivity labor for money.

Counterfactuals provide ethical standards for judging actual trades that would have had different prices and overall terms if one party’s claim had been met. Counterfactuals do
not provide useful ethical standards for individuals and firms when describing trades that have not actually taken place between the parties in question.

I offer two possible ways to describe a fair price for the seamstress’s low-productivity labor, which take account of the seamstress’s thwarted creative potential. The first approach asks: what price would her firm have to offer in exchange for her work hemming pants, in order to induce the seamstress to forgo opportunities that employed her creative talents? If she views hemming pants as an undesirable job, then this price would be relatively high. However, this approach imagines that an individual can bargain with a firm over her wages, which is implausible in a highly competitive market such as the textiles and apparel industry. A firm would not agree to pay a particular worker more for her labor hemming pants, when many other workers can hem pants just as well for a lower price.

For cases of highly competitive labor markets, I endorse a second approach to determining a fair price for a foreign worker’s low-productivity labor. We should consider the competitive price of low-productivity labor, within the context of a society that is minimally just. The second approach asks: what would be the market price for work hemming pants, if low-productivity labor became relatively scarce, due to an increase in the opportunities enjoyed by a class of disadvantaged workers? We should consider the likely pool of latent talent, creative or otherwise, within a class of disadvantaged workers. There is likely to be a large pool of latent talent among disadvantaged workers in the context of a society that is not minimally just. This means that, within this society, low-productivity labor will be more abundant and cheap than it otherwise would be.
This second approach helps to explain why workers have a fairness claim to receive a higher price for their labor hemming pants, even if some of them are actually untalented and unsuitable for higher-productivity work. Every individual should have the benefits of membership in a minimally just society, and this provides her with the possibility of pursuing greater opportunities. A price for low-productivity labor is unfair when an individual rationally accepts the price because she has been denied adequate opportunities to discover the extent of her talents.

I defend my account against two alternative specifications of a fair price for low-productivity labor, which appear in public discussion and advocacy for international wage standards. The first is a standard of a “living wage,” most commonly endorsed by activists and NGOs. The idea of a living wage makes reference to universal standards of poverty and a person’s basic needs. A living wage might refer to a global poverty line, such as the World Bank’s standard of an average of $2 per day (in purchasing power parity) for an individual’s income or consumption expenditures. It might also refer to a local standard of the wages that are typically required to pay for the worker’s basic needs within a given society. In sum, a living wage must be sufficiently high for the worker to exceed a poverty-level standard of living or to fulfill his basic needs. I acknowledge that it is appealing to reference a universal standard when describing a fair wage. However, it


178 Sometimes activist groups and NGOs reference different standards as if they were interchangeable. For instance, the Asia Floor Wage Alliance, consisting of union representations across many countries, seeks a “fair and decent wage” for workers in the apparel industry. Clean Clothes Campaign, “Stitching a Decent Wage Across Borders” (Asia Floor Wage Campaign, 2009). I think that the ethical standard we use does, in fact, make a practical difference.

seems to me that the idea of a fair price for a worker’s labor must take account of the background context of the worker’s society, specifically whether that society is competent, inclusive, and rights-respecting.

A worker who is a member of a minimally just society enjoys access to public benefits and entitlements that help to protect him against many of the problems associated with poverty. When a worker is a member of a society that is highly incompetent, exclusive, and disrespectful of human rights, then the worker’s wage must cover the full cost of his basic needs. On more demanding specifications of the concept, his basic needs include: clean water, adequate nutrition, housing, access to health services, transportation, education of his children, etc. In many cases, it will be economically infeasible for a corporation to pay a wage that covers all those costs. By infeasible, I mean that paying a living wage would cost the corporation more than the economic value of the worker’s labor. It only will be feasible for a corporation to pay a more minimal specification of the workers’ basic needs, such as the price of purchasing the necessary calories for sustaining the individual’s life. However, this living wage is too minimal to be a compelling ethical standard.

Admittedly, a likely objection to my own argument is that it will be infeasible for a corporation to pay a fair wage in some contexts. This is a valid concern, but I suggest that the feasibility problem is much worse for the specification of a living wage. The living wage standard implies that, in virtue of employing a worker, the corporation is responsible for alleviating the worker’s poverty. On my view, individuals have duties to alleviate poverty, and to meet foreigners’ other claims for assistance, independently of their trading relationships. A corporation’s engagement in trade with a worker adds a
responsibility to provide fair wages (and, I argue in the next section, respectful terms of employment). However, on my specification of fair wages, the corporation does not have to solve all the problems associated with the worker’s poverty. The duty to alleviate these problems is more widely held.

A second standard of what a corporation should pay a foreign worker is the legally mandated minimum wage of the worker’s society. The U.S. Department of Labor states that international labor standards are violated when a worker’s wages fall below this level. There are two reasons why a society’s minimum wage law could be viewed as a plausible standard for a fair price for workers’ labor. First, a minimum wage law might accurately describe the wage that foreign workers can reasonably expect to receive in their society, and we might assign normative weight to this reasonable expectation. But in many poor and developing countries, the competitive price for low-productivity labor is substantially lower within the informal labor market (where minimum wage laws are not effectively enforced). The competitive price for low-productivity labor also might be higher than the minimum wage in some sectors. For instance, the U.S. Department of Labor’s survey of 36 countries determined that the global apparel industry usually pays foreign workers a wage higher than that required by local minimum wage laws, but lower than the “prevailing wage” for manufacturing in general.\textsuperscript{180} Thus, a society’s minimum wage law often will not accurately describe the expected market price for low-productivity labor.

\textsuperscript{180} U.S. Department of Labor, “Wages, Benefits, Poverty Line, and Meeting Workers' Needs in the Apparel and Footwear Industries of Selected Countries” (2000) p. vi. It also found that non-wage benefits tended to be substantial.
A second possible reason to endorse a minimum wage law as a fair price is the idea that firms should respect a foreign society’s decisions regarding standards of workers’ compensation. The society’s decisions could reflect local values, an assessment of the society’s investment in its workers, and an attempt to reduce negative externalities from low wages. However, this argument is unpersuasive in the context of societies that fail to qualify as minimally just. These societies’ determination of a minimum wage does not necessarily reflect a deliberative, inclusive political process, or an accounting of the important social values at stake.

In conclusion, I argue that a fair price for a worker’s low productivity labor is the price that would be competitive in the worker’s society, were that society minimally just. I acknowledge that it is difficult for a corporate affiliate to make this assessment, and I discuss the problem further in Chapters 6 and 7.

ii. Respectful terms. In this section, I argue that respectful terms of employment are the possible agreements between a firm and a worker that the worker would accept if his claim to enjoy the benefits of membership in a minimally just society had been met. On my view, respectful overall terms of employment still might include some risks of harm and coercion, and workers still might not be fully informed about these risks. I also describe the limitations of a definition of international labor standards that draws from a conception of human rights in the workplace.

I argue that we should specify that terms of employment are respectful when workers would be willing to accept them in a differently structured labor market. The benefits of minimally just societies are likely to have an impact upon the structure of the labor market in general, particularly the low-productivity labor market. As mentioned in
the previous section, there are likely to be more widespread opportunities in a minimally just society, which increases the price of low-productivity labor. Additionally, when a society provides people with social benefits and entitlements, it enables them to be unemployed, at least temporarily, without suffering great losses to their economic wellbeing. A person who enjoys a class of social benefits and entitlements is less likely to take up employment she views as undesirable simply in order to maintain a minimal level of wellbeing. These benefits include, for example: access to health care, protection against extreme poverty, and access to credit and social insurance.

What are the specific terms of employment that workers tend to choose, when they enjoy the benefits of membership in a minimally just society? I suggest that one specific element of a respectful employment offer has to do with the information a worker enjoys about the terms of the trade, both at the time of agreement and when he is engaged in work. In any exchange of a worker’s labor for an employer’s wage, there are asymmetries of information. The worker is relatively uninformed about the workplace environment and the kinds of services she will be expected to perform, and the employer is relatively uninformed about the economic value of the worker’s labor. I suggest that terms of employment can be disrespectful when workers are insufficiently informed about their conditions of work. Although it is not required that workers are fully informed, trade fails to reflect workers’ autonomous choices when workers lack sufficient information about the details of the trade they are engaged in.

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181 Economists often object to entitlement programs on the grounds that they produce inefficiencies in the low-productivity labor market, by providing individuals with incentives to refrain from taking up low-wage work. However, I have argued that there are independent ethical reasons to support some entitlement programs in poor societies, specifically that they are necessary aspects of a minimally just society.
In addition, terms of employment also can be disrespectful because workers would not accept their conditions of employment if they were sufficiently informed about risks in the workplace environment. In the general category of risks, I include harms to health and safety, abuse in the workplace, and non-payment of wages or overtime. Respectful terms of employment include a level of risk that it is plausible for a worker to rationally accept, under conditions in which he enjoyed the benefits of membership in a minimally just society. Terms of employment are disrespectful when we can confidently affirm a conditional statement of this kind: if a worker, who enjoyed the benefits of membership in a minimally just society, had known that she would be engaged in a trade of her labor for a wage and a particular level of risk, then she would have refused those terms of employment.

Ideally, national-level surveys of low-productivity workers in poor and illiberal societies would provide reliable data about workers’ views about what they value in their terms of employment. In the absence of such survey data, domestic labor unions and labor movements might constitute a second-best data source. Jedrzej George Frynas argues, following an assessment of the appeals made to the Clean Clothes Campaign by representatives of apparel workers in South and Southeast Asia, “These results suggest that, when external assistance is sought by worker representatives, the key issues raised are related to how they are represented, how they can avoid arbitrary dismissal and how much they earn.”\textsuperscript{182} If these data are accurate, then it seems plausible that workers would

most greatly value terms of employment that protected them against arbitrary dismissal and that would pay them a higher wage.

One limitation of this data source is that domestic labor unions and labor movements’ priorities tend to be unrepresentative of workers in general. They tend to reflect the priorities of their more privileged members, and they also might place unusual emphasis on the right to collective bargaining, at the expense of other things that most workers unaffiliated with a labor movement would value more.\textsuperscript{183} However, Frynas argues that worker representatives are not overstating the importance of trade unions to workers, because workers in the apparel industry view their representation in trade unions as an important vehicle for obtaining their secure enjoyment of other rights.\textsuperscript{184} Additionally, domestic labor unions and labor movements tend to collect information that is likely to be unavailable to workers, both about the terms under which they work and about their entitlements under domestic labor law. For instance, unions’ priorities might reflect the value that workers would likely place upon health and safety regulations if their employers had informed them of the attendant risks.

I have argued that respectful terms of employment are terms that a worker would accept as a member of a minimally just society. However, a competing approach to setting standards for working conditions references the idea that there are human rights in the workplace. I affirm that there are working conditions that violate workers’ human rights, such as conditions of slavery and some forms of child labor. However, many


\textsuperscript{184} Frynas, 2003.
theorists dispute the status of some of the labor rights currently recognized as human
rights, and I agree with these criticisms. These theorists dispute the urgency of some
labor rights, their status as rights that make claims on others to act, and their universality
across contexts. For something to be a human right, it must be true that when an
individual’s right is violated, then he can make an urgent ethical claim for action on a
global scale. If workers have human rights for their employers to comply with
international labor standards in the workplace, then workers can make urgent claims for
international actors to take action when standards are violated.\footnote{185} It is hard to make a
plausible case for urgent international action on behalf of the right to collective
bargaining and freedom of association, equality of opportunity in employment for men
and women, and the right to a paid holiday, as these rights are currently described in the
Conventions of the International Labor Organization.\footnote{186}

I provide a narrower conception of how employment can violate a worker’s
human rights. A rights violation occurs when a worker has been coerced into his
employment or when his employment will, in expectation, harm him more than it will
help him. When employment includes high risks of very bad occurrences, such as a high
chance of accidents that kill or maim workers, then it is hard to imagine that a wage could

\footnote{185} Possible mechanisms for the enforcement of universal and binding international
standards include their incorporation into the regulations of multilateral institutions, such
as the WTO, and into states’ trade policies. Robert Howse and Michael J. Trebilcock,
“The fair trade-free trade debate: trade, labor, and the environment,” \textit{International
Trade Organization” in \textit{Human Rights in Development Yearbook}, eds. Hugo Stokke and

\footnote{186} See Mathias Risse, “A Right to Work? A Right to Leisure? Labor Rights as Human
helpful review of the controversy.
provide adequate compensation for the harm he can expect his employment to inflict upon him.\textsuperscript{187} There is an urgent ethical claim for global actors to end these practices and to hold perpetrators accountable as violators of human rights.

By contrast with the human rights violations described above, an exploitative employment offer is one that a worker rationally accepts because it will, in expectation, make her better off. The offer is disrespectful because she would enjoy employment with better terms if her claim for the benefits and entitlements of membership in a minimally just society had been met. These better terms might include: more information about the working conditions, more secure protection against risks of harm and abuse, less discriminatory treatment, higher reliability of payment, and greater protection against her wrongful dismissal. When terms of employment are merely disrespectful, then the worker does not have an urgent ethical claim for assistance from all global actors with the capacity to help terminate the employment relationship and provide her with redress. Instead, she has a claim to enjoy terms of employment that are as favorable as those she would accept in a minimally just society.

\textbf{Part 5.2 A Theory of Corporate Social Responsibility for Exploitation}

Here in Part 5.2, I will argue that an individual’s corporate affiliation can make it the case that she is personally engaged in exploitation. I argue that a corporation should provide fair wages and respectful terms of employment to foreign workers, so that

\textsuperscript{187} We can estimate the expected value of the risk as: the likelihood of its occurrence during a given period, weighted by the extent of its undesirability to the worker. I reject a view common among economists that a person can be fully compensated with money for an experience of avoidable harm. Elizabeth Anderson, \textit{Value in Ethics and Economics} (Harvard University Press, 1995).
corporate affiliates are not responsible for personally engaging in exploitative trade. I also argue that individuals can, through their corporate affiliation, fulfill their duties and act on their responsibilities for having enabled the occurrence of exploitation. To that end, corporate affiliates can support their corporation’s engagement in corporate philanthropy, advocate for the corporation to pursue business opportunities that will help poor foreigners, and advocate for the corporation’s cooperation with other actors to set up regulation and facilitate compliance.

i. A Corporation’s Actions and its Individual Affiliates’ Engagement in Exploitative Trade. There are several different economic activities that could represent a corporation’s engagement in exploitative trade with foreign workers. As in the case described at the beginning of this chapter, corporations based in relatively wealthy, liberal societies can sub-contract their production to local or regional firms in foreign countries. There are also more direct ways that corporations engage in trade with foreign workers: multinational corporations often engage in foreign direct investment (FDI), which means that they have their own production facilities in foreign societies, and other corporations sell goods and services to foreign consumers and firms.

How does the corporation’s engagement in exploitative trade, in any of these forms, relate to the responsibilities of its individual affiliates, and to the question of what corporate affiliates should do? In this section, I suggest that a firm’s exploitative trade

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with foreigners entails that at least some of its affiliates are likely to be personally engaged in exploitation. I also argue that the corporation should help its affiliates avoid personal engagement in exploitation, through several possible mechanisms. I suggest that corporations should undertake these actions, even though they reduce the resources available for the corporation’s shareholders, management, and employees.

An individual affiliate of a firm is personally responsible for exploitation when he enjoys a share of wrongful gains at foreign workers’ expense, and when he has an indirect agreement with foreign workers. He enjoys a share of the wrongful gains from an exploitative trade when the firm’s exploitative pricing entails that he personally enjoys greater financial remuneration. This is a comparison to the financial remuneration he would have received from his firm, if it had provided its foreign workers with a fair price for their productive services. An individual affiliate has an indirect agreement that takes part in his firm’s disrespectful treatment of a foreign worker, when it is predictable that his employment will involve a trading relationship with a foreign worker on exploitative terms.\(^{189}\) In many cases, responsibility for a corporation’s exploitative trade with foreigners lies only with a subset of corporate affiliates. A limited set of corporate affiliates might retain all of the wrongful gains from exploitation, in the form of higher salaries from the firm or other financial benefits, while other corporate affiliates receive no wrongful gains at all.

\(^{189}\) There are only a few corporate affiliates who have direct influence over the firm’s most important decisions. In light of general problems with holding individuals morally responsible for corporations’ actions, some have proposed that the corporation itself is fit to be held responsible. Philip Pettit, “Responsibility Incorporated,” *Ethics*, Vol. 117 (2007) pp. 171-201.
In cases of the corporation’s engagement in trade in textiles and apparel, it seems likely that we can identify at least some corporate affiliates as personally responsible for exploitation. The textiles and apparel industry would not exist in its current form without the low-cost labor provided by foreign workers. As briefly mentioned in Part 5.1 and described further in 5.4, the global garment industry is highly competitive on the basis of low labor costs in the manufacturing stage. Corporate affiliates of firms that trade in garments are likely to be personally engaged in exploitative trade, because they are likely to enjoy wrongful gains at foreign workers’ expense. Moreover, it is highly predictable that foreign workers will provide labor, at low cost and in bad working conditions, in the manufacturing stages of textiles and apparel production. In sum, at least some corporate affiliates in the textiles and apparel industry, and in other industries that heavily rely on low-cost foreign labor, are likely to be personally engaged in exploitative trade with foreign workers.

On my view of corporate social responsibility, it is required for the corporation to correct its affiliates’ engagement in wrongdoing, when that wrongdoing takes place through their affiliation with the corporation itself. A corporation is a voluntary association, joined for the fulfillment of common purposes, most obviously the corporate affiliates’ economic interests. Some employees have the purpose of receiving a wage, management has the purpose of drawing a salary and benefits, and the shareholders seek dividends. In addition, individuals often also view their affiliation with a particular firm or industry as an expression of their freedom of association, of their freedom of occupational choice, and even of their personal identity. Due to the corporation’s importance to its affiliates, the corporation’s existence and success has some moral
However, the corporation’s moral value can be outweighed when individuals, through their corporate affiliation, engage in wrongdoing. When a corporation makes decisions to trade with a foreign contractor, this can mean that at least some corporate affiliates are likely to be personally engaged in exploitative trade with foreign workers. In this case, it is ethically required for the corporation to take actions that help its individual affiliates to avoid personal engagement in exploitative trade.

My account of corporate social responsibility for exploitation departs from the existing literature in two notable ways. First, the existing literature on corporate social responsibility makes recommendations for corporations’ behavior in poor and developing countries, but it is not always apparent from this literature that these recommendations derive from principles of ethics, as opposed to dictates of prudence. Consider this definition from a recent scholarly article: “Corporate social responsibility (CSR) occurs when firms engage in activity that appears to advance a social agenda beyond that which is required by law” (emphasis mine). Consider also the UN Global Compact, which consists of ten principles for corporate social responsibility in international business

The moral value of a corporation derives also from the indirect public benefits that corporations often provide through their economic activity. For an especially strong statement of the benefits provided by corporations, see Jason Brennan, “For Profit Business as Civic Virtue,” *The Journal of Business Ethics* (forthcoming). David Bilchitz argues that we should “conceive of the corporation as a complex vehicle: it is both an enabling structure for the commercial interests of individuals who invest in it and a complex social actor with both positive and negative obligations to realise the rights of individuals in the society in which it operates.” “Do Corporations Have Positive Fundamental Rights Obligations?” *Theoria*, Vol. 57, Issue 125 (2010) p. 26.


regulation. The UN Compact’s documents include these terms: “corporate sustainability,” “common goals,” and “common challenges.” In addition, consider that much of the literature on corporate social responsibility seeks to make an empirical demonstration that following its principles is compatible with a profitable business model. It is often argued that abiding by corporate social responsibility principles could increase a corporation’s profits.

Second, the corporate social responsibility literature in general tends to offer a very limited account of the responsibilities corporate affiliates have in virtue of their membership in a corporation. The corporate social responsibility literature argues that managers should make their decisions while keeping in mind the ethical “priority of shareholders.” The ethical priority of shareholders is widely accepted even among critics of other aspects of corporate social responsibility, such as Milton Friedman, who argues, “In a free-enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to their basic rules of the society, both those embodied in law and those embodied in ethical

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custom.”

On this view, a corporate executive’s decisions can be blameworthy when they fail to fulfill his fiduciary duties to maximize profits for the benefit of shareholders. In particular, Friedman argues that it would be wrong for a corporate executive to spend his employer’s money on other purposes, such as the fulfillment of his sense of “social responsibility.”

Friedman’s objection assumes that a corporation’s undertaking of the kinds of actions I describe below will entail that there are fewer resources for the benefit of its corporate affiliates. Some shareholders might prefer to use these resources for their own philanthropic projects, or for other purposes. In addition, I recognize that employees and management might have their own claims for the corporation’s resources. Why is a corporate justified in acting on responsibility for exploitation when these actions entail costs and burdens for corporate affiliates? As a preliminary response, I note that there is a difference between a corporation’s actions that serve to prevent wrongdoing that corporate affiliates do as corporate affiliates, and actions undertaken to fulfill corporate affiliates’ duties and act upon their responsibilities as individuals. I discuss the latter set of actions in the next section.

On my view, a corporation should endeavor to provide fair prices and respectful terms of employment, even when these are in direct conflict with the associative duties that corporate affiliates have to one another. The corporation itself is the most direct mechanism for acting upon the responsibility to provide fair wages and respectful terms of employment to foreign workers. It is difficult for corporate affiliates to refuse wrongful gains from exploitation and to provide respectful terms of employment without

\[195 \text{ Friedman, 1970.} \]
the cooperation of their fellow corporate affiliates. I suggest it is an internal matter for
corporate affiliates to resolve amongst themselves how they will distribute the costs and
burdens of helping some affiliates avoid wrongdoing that occurs through the
corporation’s trading decisions.

In sum, I have argued that individuals can be personally engaged in exploitative
trade due to their corporate affiliation, and that it is a requirement that corporations take
actions to help their corporate affiliates avoid this personal engagement in exploitative
trade. Here I suggest some possible mechanisms for corporations to endeavor to pay fair
wages and provide respectful terms of employment to foreign workers, so that their
affiliates will not be personally engaged in exploitative trade. Corporations that engage in
the outsourcing of their production have a choice between local producers within a single
country and among different countries. Corporations that engage in direct foreign
investment have choices regarding where to locate their business, the setting of wages
and overall terms of employment for foreign workers, and whether to participate in a
rigorous third-party monitoring and certification regime. Corporations that sell goods and
services directly to foreigners make pricing decisions. Many of these decisions to avoid
exploitative trade would impose non-trivial burdens upon the corporation, both in a
financial sense and in the sense of altering its existing business relationships and
practices. I have argued that corporations should accept these costs to ensure that its
individual affiliates are not responsible for their personal engagement in exploitation.

With respect to the employee of a multinational corporation, his selection of a
foreign contractor might entail that he is personally engaged in exploitative trade. I argue
that the employee should advocate for his corporation to adopt a policy of corporate
social responsibility for exploitation, which includes some of the possible policies for providing fair wages and respectful working conditions as described above. Once a corporate social responsibility policy has been adopted, the employee should follow its guidelines.

ii. Responsibility for Having Enabled the Occurrence of Exploitation. I have argued, in Chapter 4, that many individuals are derelict in fulfilling their duties to contribute a fair share of international assistance, and so they are responsible for having enabled exploitation in general. There I also suggested actions that individuals can take, on their own, to fulfill their duties and act upon their responsibilities for having enabled the occurrence of exploitation. However, there are limitations on what individuals feasibly can do alone. Corporations might provide more effective opportunities for individuals to collectively fulfill their duties and act upon their responsibilities for having enabled the occurrence of exploitation. I describe these possibilities here: corporate affiliates can participate in corporate philanthropy, advocate for the corporation to pursue business opportunities that will help poor foreigners, and advocate for the corporation’s cooperation with other actors to set up regulation and facilitate compliance.

However, the corporation’s adoption of these policies should not excessively conflict with the fulfillment of associative duties between corporate affiliates. The reason for this constraint is that individuals do not have responsibilities for having enabled exploitation in virtue of their corporate affiliation, but rather due to their general dereliction of duty to contribute a fair share of international assistance. Moreover, there are multiple ways for individuals to fulfill their duties and act upon their responsibilities, which do not all involve common action through their corporate affiliation. In sum, it is
strictly ethically required for corporations to provide fair price and respectful terms of employment to foreign workers. It is less strictly necessary for corporations to follow the policy recommendations I describe below, for acting upon corporate affiliates’ duties to contribute international assistance and their responsibilities to contribute to undermining exploitation in global trade.

Corporate philanthropy is a potentially effective way for individuals to fulfill their duties to contribute a fair share of international assistance, and for individuals to act upon their responsibilities for having enabled the occurrence of exploitation.196 A corporation’s philanthropic contributions can be made with significantly greater planning and insight than the uncoordinated efforts of its individual affiliates.197 Within the corporate social responsibility literature, there is a common view that corporations’ activities should contribute to better social outcomes in the poor and illiberal societies in which they trade. For instance, one of the ten principles of the UN Global Compact is the diminishment of local corruption. Some scholars evaluate corporate social responsibility policies on the basis of whether these policies have resulted in the reduction of local levels of poverty and in broader progress towards achieving the Millennium Development Goals.198 I

suggest that corporations could contribute in ways that fulfill their individual affiliates’ duties and act upon their responsibilities for exploitation.

A corporation might also pursue business opportunities that will help poor foreigners, by providing them with goods and services that improve their wellbeing and that they otherwise cannot obtain. C.K. Prahalad has argued for corporations to get into the business of selling goods and services that benefit the global poor, such as cell phones and retail banking. Prahalad argues that corporations should pursue these opportunities for reasons of profit, rather than ethics. Nevertheless, if he is correct that the global poor would benefit greatly from improved access to particular goods and services, then we might describe certain forms of social entrepreneurship as a philanthropic business. I do not have space to fully explore the idea here, but I suggest that a corporation could be engaged in a philanthropic business, which fulfills its affiliates’ duties, even while making a profit.

As described above, individuals may meet their responsibilities for having enabled the occurrence of exploitation through support for, and contributions to, corporate policies that help meet foreigners’ claims for assistance. Corporate affiliates can also support corporate policies that aim to make it more feasible, for the corporation itself and for other corporations, to offer fair prices and respectful terms of trade to foreign workers. A single corporation, acting alone, faces significant feasibility

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200 Of course, these business activities should not themselves be exploitative, as has been alleged of Nobel Peace Price winner Muhammad Yunus’ micro-credit programs. Muhammad Yunus, *Banker to the Poor: Micro-Lending and the Battle Against World Poverty* (NY: Public Affairs, 1999).
constraints within a competitive industry environment. It is more feasible for a corporation to provide fair prices and respectful terms of employment when it can join its competitors in their shared compliance with a voluntary code of conduct. Some commentators have expressed concern that voluntary codes of conduct are merely window-dressing, or that they tend to displace public regulation of corporate conduct. However, I think the evidence suggests that voluntary codes of conduct can help relax feasibility constraints upon the ability of corporations to provide higher wages and better working conditions. Corporations can contribute to the work of setting up self-regulatory regimes, and cooperate with regulators to facilitate their work.

In sum, corporate affiliates can advocate for, and participate in, opportunities provided by their corporate affiliation to fulfill their duties and to act on their responsibilities for having enabled the occurrence of exploitation in global trade.

**Part 5.3: An Objection about the Worker’s Consent**

In Chapter 4, I considered two objections to my argument about individuals’ responsibilities for personal engagement in exploitation. These two objections both involved claims that arguments like mine tend to offer individuals bad advice, causing

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them to bring about ethically worse outcomes. Here, I consider an objection that involves a claim that arguments like mine tend to offer bad advice, causing individuals and firms to do something that it is actually morally wrong. I consider this objection here in Chapter 5, despite its applicability to the case described in Chapter 4 as well, for two reasons. First, I have elaborated upon my description of respectful terms of employment in Part 5.1, and this is helpful for clarifying what is at stake in the objection. Second, the objection is especially relevant to the case of trade in textiles and apparel that I discuss in this chapter, since the objection specifically refers to corporations’ employment of workers in “sweatshop” conditions. On this objection, my argument advises corporations and other actors to wrongly interfere with the choices of sweatshop workers.

Matt Zwolinski argues that workers consent to their employment in sweatshops, and that their consent is worthy of respect and non-interference. He writes, “Taken seriously, workers' consent to the conditions of their labor should lead us to abandon certain moral objections to sweatshops, and perhaps even to view them as, on net, a good

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203 This objection is made in response to arguments that sweatshops should be regulated because they are disrespectful to workers. Denis G. Arnold and Norman E. Bowie, “Sweatshops and Respect for Persons,” Business Ethics Quarterly. Volume 13, Issue 2 (2003) pp. 221-242. This objection is also made in response to arguments that they because they pay workers insufficiently well. Chris Meyers, “Wrongful Beneficence: Exploitation and Third World Sweatshops,” Journal of Social Philosophy Vol. 35, No. 3 (Fall 2004): 319-333, argues that a responsible corporation would pay sweatshop workers as much as is compatible with its survival, and that the salaries of CEOs are evidence that many corporations can afford to pay more for workers’ productive services.
thing.” On this view, it is often wrong for corporations to engage in self-regulation, when their actions have the effect of depriving sweatshop workers of their jobs. Zwolinski writes, “Requiring subcontractors to adhere to all local labor laws, for instance, could very well harm workers if the cost of that compliance is not shifted away from sweatshop workers themselves. And any shift from voluntary codes to talk of industry-wide standards or, even more broadly, to global human rights to certain standards, risks crowding out businesses that fall short of those standards even if the benefits they provide to their workers are considerable.”

Zwolinski’s argument provides a challenge to my view of respectful conditions of employment, and my recommendations for what corporations should do to provide respectful conditions of employment. I have argued that corporations should make efforts to ensure that the workers they employ enjoy respectful terms of employment, including options the workers would have chosen if their claims for assistance had been met. As Zwolinski’s argument notes, it is likely that in practice these efforts will entail disruptions to the corporation’s employment relations with sweatshop workers. He argues that these efforts are disrespectful to sweatshop workers, who might lose their jobs when corporations act on recommendations such as my own.

However, I think Zwolinski’s argument provides implausible conclusions about common cases. Consider the following two cases. In the first case, a corporation decides to move production to a new country where it is more feasible to provide workers with fair wages and respectful terms of employment. In the new country, each worker costs the corporation more, and so the corporation hires fewer workers. I think that Zwolinski

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204 Zwolinski, 2007 p. 689.
205 Ibid, p. 713.
could criticize this corporation’s decision as disrespectful to the choices of the workers in the original country. In the second case, the corporation decides to move production to a new country where the workers’ labor is much more productive. In the new country, the corporation hires fewer workers because it does not need as many, and the corporation can pay the workers higher salaries and still enjoy higher profits. On Zwolinski’s account, is the corporation’s decision disrespectful here as well?

Consider that both cases have identical results: there are fewer total people who have jobs, and the people who lost their jobs needed their employment more than the people who got new jobs. On the basis of these identical results, it seems that Zwolinski would have to condemn the corporation’s decision in the second case as well as the first. This is an implausible assessment, because it implies that corporations cannot make choices to relocate their production processes to pursue higher profits. He could avoid this conclusion if he thought there was important ethical significance in the reason for the corporation’s decision to move to the new country. But this seems implausible to me, because the corporation’s reasoning makes no practical difference to the sweatshop workers themselves.

On my view, there is something ethically troubling about the situation of the original sweatshop workers in both cases, but the ethically troubling element is not the corporation’s decision to cease trade in the original country. The problem that I see, in both cases, is that workers in the original country do not enjoy the benefits of membership in a minimally just society. Due to their unmet claims for these benefits, the workers in the original country are in a bad condition when they are employed and in a worse condition when their employment ends. I have argued that individuals have duties
to contribute to international assistance that promotes minimally just societies. With the benefit of these contributions, workers in the original country would be in a better situation when they experienced disruptions in their employment. Moreover, respectful terms of employment might include benefits that help sweatshop workers after the termination of their employment, even if the situation in their country remains the same. For instance, respectful terms might include unemployment insurance and other benefits that would help workers after their employment ends.206

My view has different implications, in contrast to Zwolinski’s argument and other defenses of sweatshops, for how the corporation and others should act in the two cases I described above. I do not think that it is ethically required for the corporation to continue employing sweatshop workers so as to sustain workers’ economic wellbeing, regardless of whether it would economically benefit the corporation to continue doing so. I think that it is generally ethically discretionary for an individual, or for a corporation, to engage in trade and to terminate existing trade relationships. However, when an individual or a corporation chooses to engage in trade, then that individual or corporation has accompanying responsibilities to avoid personal engagement in exploitative trade. In the first case described above, the corporation acts to help its individual affiliates avoid personally engaging in exploitation. My argument implies that the decision to move to the new country is an ethically sound one.207 But my argument also implies that there is

206 Aaron James argues that fairness in trade requires the stronger party to take “due care” for the wellbeing of the weaker party, including in the period after the trade has ended. See James, 2012 and, "Distributive Justice without Sovereign Rule: The Case of Trade," Social Theory and Practice, Vol. 31, No. 4 (2005) pp. 1-27.

207 In the second case described above, the corporation also avoids exploitation, but it does so by accident rather than by design.
more that the corporation’s affiliates should do to fulfill their duties and act upon their responsibilities for having enabled the occurrence of exploitation in international trade.\textsuperscript{208}

My argument also has implications for how third parties, who are not directly involved in the relevant international trades, should act in response to exploitation. Is it permissible for them to make public criticisms of “sweatshops”? Should they encourage consumers to boycott products, and lobby for greater regulation? By contrast with Zwolinski, I do not think that the corporation, or that the sweatshop workers themselves, have a claim for non-interference in their decisions to engage in exploitative trade. It is permissible for third parties to encourage corporations and consumers to make different decisions about their personal engagement in exploitative trade. More generally, I have argued that third parties \textit{should} undertake actions that aim to undermine the conditions that enable exploitation.

\textbf{Part 5.4: The Case of the Textiles and Apparel Industry}

Here, I discuss the textiles and apparel industry with the aim of showing that it is feasible to apply my model of corporate social responsibility, even in a challenging environment. The textiles and apparel industry provides a case of global trade that is, for several reasons, both interesting and important.\textsuperscript{209} The first reason is that the textiles and apparel industry has been an important component of the industrialization process for

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\textsuperscript{208} Zwolinsky does suggest that there are responsibilities that everyone has, including members of corporations, to contribute towards undermining structural injustices. Matt Zwolinsky, “Structural Exploitation,” Social Philosophy and Policy, Vol. 29, no. 1 (Winter, 2012) pp. 154-179.

\textsuperscript{209} For a fascinating account of the international production process of a cotton T-shirt, see Pietra Rivoli, The Travels of a T-Shirt in the Global Economy (Hoboken, NJ: John Wiley and Sons, Inc., 2009).
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countries that are now wealthy and economically developed, and it remains important to
the economic wellbeing of many people.\textsuperscript{210} The second reason is that the apparel industry
has received ample attention due to outcry regarding “sweatshops,” not only in relatively
wealthy, liberal societies, but also in poor and/or illiberal societies. The final reason is
that the textiles and apparel industry also has undergone recent changes, due to the
expiration of the Multi Fiber Arrangement (MFA) in 2005. The MFA has dismantled
existing trade agreements that provided countries with preferential treatment, thereby
opening up the industry to new producers, most notably in China.

My discussion of this case aims to show that it might be feasible to apply my
model of corporate social responsibility for exploitation, even in what seems to be a
difficult environment. First, I describe the highly competitive structure of the industry,
including recent changes in the industry environment due to the expiration of the MFA
and the resulting entry of Chinese garment producers. I suggest that patterns of
production in the post-MFA period indicate the industry’s potential for greater self-
regulation. Second, I argue that there are different feasibility constraints for the industry’s
presence in different countries, using Cambodia and Vietnam as examples, due both to
the social context and to differences in trade relations with states like the U.S. This
suggests that the industry’s choice of country site is important, and it illustrates the
potential for trade policy to facilitate corporations’ compliance with corporate social
responsibility principles.

\textsuperscript{210} Grace I. Kunz and Myrna B. Garner state, “The textile and apparel business provides
i. Features of the Industry Environment. Three decades ago, production within the textiles and apparel industry began to shift from relatively wealthy societies to the “Big Three,” Hong Kong, Taiwan, and Korea. Shifts to foreign production have resulted in large declines of low-cost production in the OECD countries.211 Today, the industry continues its shift to countries with low costs of labor. The world’s largest producers and exporters of textiles and apparel are in Asia.212 The industry’s profits, however, are largely realized elsewhere.213

The global competitiveness of the industry was predicted to increase after the phaseout of the MFA in 2005. Kenta Goto, Kaoru Natsuda, and John Thoburn summarize the conventional wisdom: “The predictions were that China would triple its share of the US garment market and increase its share in the EU by more than half, with other producers’ shares falling. . . The easiest way for a country like Vietnam to counter such


213 Richard P. Appelbaum, David Smith, and Brad Christerson, “Commodity Chains and Industrial Restructuring in the Pacific Rim: Garment Trade and Manufacturing” in Commodity Chains and Global Capitalism, eds. Gary Gereffi and Miguel Korzeniewicz (Westport, Conn.: Greenwood Press, 1994) pp. 187-204. They write, “. . . in low-cost production (as in the footwear or garment industries), the principal profits are not realized in manufacturing, but rather in marketing, retail, and design—activities that typically remain in core countries” (p. 188). The distinction between “core” and “periphery” countries originates in neo-Marxian dependency theory, and it persists in sociological analyses of global commodity chains and global supply chains.
threats was to reduce costs. As the garment industry is very labour intensive, much of this would translate into lowering wages when productivity levels remained stable.”

Given this globally competitive industry environment, it is hard to imagine that countries could differentiate themselves as sites of textile and apparel production, except on the basis of the low price of labor.

However, Vietnamese garment production remained competitive with Chinese production, due to upgrading of Vietnamese production facilities and to the specialization of production for particular “niche” markets. Although the Chinese share of textiles and apparel manufacturing grew significantly, producers in many other countries responded successfully to the new competitive environment. Sociologists have observed regional patterns of garment manufacturing and specialized higher-quality production for particular consumer markets after the MFA phaseout. These regional patterns have been attributed to the popular “lean retailing” model of apparel production, in which it is valuable for manufacturing facilities to be located proximally to the retail market and to textile production. This is valuable both to lower shipping costs and to decrease time of transport. These production patterns are also attributed to countries’ differential experience of tariff rates and quotas, which remain after the MFA phaseout despite the intended goal of a free global market in textiles and apparel.216

This case illustrates that there can be greater potential for differentiation and market segmentation within a highly competitive global industry than the “race to the bottom” thesis suggests. I take a concessive position to the criticism that differentiation on the basis of region, specialized production for niche markets, and tariff rates and quotas, does not necessarily imply the potential for differentiation on the basis of the fair treatment of workers. Nevertheless, it implies that there is latitude for corporations to make decisions regarding the foreign sourcing of apparel manufacturing, on the basis of factors other than the cost of labor. The fact that global patterns of production can be partially attributable to trade policy also indicates that states’ trade policies can shape corporations’ decisions regarding where to locate foreign production and the foreign contractors they select.217 I return to the role of trade policy in Chapter 6.

ii. *The Country Context: Vietnam and Cambodia.* Vietnam and Cambodia are similar in many ways, but they nevertheless provide different environments for corporations’ choices within the textiles and apparel industry. These two countries are both lower-middle income countries, which could be assessed as currently failing to provide citizens with the full entitlements of membership in a minimally just society. While both countries have made significant progress in recent years, citizens of both countries still suffer from low economic status, discrimination on the basis of gender, and inadequate access to public services such as basic education and health care.218

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217 The possibility of influence over corporations lends empirical support to the feasibility of my argument for a fair trade policy in Chapter 6.

218 Sukti Dasgupta, Tuomo Poutiainen, and David Williams, “From Downturn to Recovery: Cambodia’s Garment Sector in Transition,” (International Labor Organization,
and apparel is the most significant export commodity for Cambodia and the second most significant export commodity for Vietnam. In 2004, the U.S. International Trade Commission report on textiles and apparel stated, “Two of the world’s fastest growing exporters of textiles and apparel are ASEAN countries, Vietnam and Cambodia.”

Since the 2004 report, garment producers in both countries have faced strong competitive pressures from manufacturers that are based in countries with lower labor costs, such as Bangladesh, China, and India.  

Cambodia’s 1999 bilateral trade agreement with the U.S. made a significant contribution to the country’s economic competitiveness in the pre-MFA period. Cambodia’s bilateral trade agreement was notable for including conditions on trade liberalization, particularly conditions related to Cambodia’s compliance with labor standards. On the basis of yearly evaluations of its compliance with labor standards, Cambodia enjoyed three “bonuses” of export quotas. The country received early and significant support from the International Labour Organization’s “Better Factories” initiative in order to successfully comply with U.S. conditions on labor standards. Today, Cambodia’s apparel-exporting factors are all required to comply with Better Factories

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220 U.S. Department of Labor Bureau of International Labor Affairs, “Wages, Benefits, Poverty Line, and Meeting Workers’ needs in the Apparel and Footwear Industries of Selected Countries”(February 2000). While wages are comparatively higher in China, labor productivity is higher, making per unit labor costs cheaper (USITC, 2004, p. 3-6).
Cambodia, and there is suggestive evidence that this mandatory program has improved wages and working conditions.\textsuperscript{221}

Vietnam’s competitiveness in the industry began with the 2001 Vietnam-U.S. Bilateral Trade Agreement, which significantly lowered duties on Vietnamese textiles and apparel. This bilateral trade agreement helped Vietnamese apparel exports to grow significantly, adding to the country’s already strong exports to the EU and to Japan.\textsuperscript{222} As a result of Vietnam’s trade liberalization in general and in apparel in particular, poverty declined while economic growth and employment increased (particularly employment levels among unskilled female workers).\textsuperscript{223}

By comparison to Vietnam, Cambodia offers a more supportive regulatory environment for monitoring compliance with labor standards in the textiles and apparel industry. Another significant difference between the two countries is that the economic competitiveness of Cambodia within the industry has declined significantly with the MFA phaseout. The country has low productivity in garment production, due to high costs of transportation, its need to import raw materials for production, and its infrastructure deficiencies, notably the cost and reliability of electricity.\textsuperscript{224} In sum, corporations face distinct challenges to improving wages and working conditions for apparel workers in these two countries, due to Cambodia’s more supportive regulatory environment and Vietnam’s superior economic competitiveness.


\textsuperscript{224} Dasgupta, Poutiainen, and Williams, 2011.
I have described the textiles and apparel industry in two different country contexts in order to suggest two points. First, the industry is very competitive on the basis of labor costs, but there might be greater latitude for corporations to provide fair wages and respectful working conditions than it first appears. Second, the feasibility constraints that a corporation faces in different countries are likely to be different in severity and in kind. These feasibility constraints vary even when the countries under consideration are similar in their social, economic, and political aspects, and in the importance of the industry to their economies. For this reason, corporations should carefully choose the countries in which they engage in foreign direct investment and in which they select foreign contractors.

**Conclusion**

I began this chapter by asking two questions: How can the employee assess criticisms that some wages and working conditions constitute “sweatshop labor”? What should he do in his role as an employee of a multinational corporation? In response to the first question, I specified standards of fair wages and respectful working conditions in Part 5.1. In Part 5.2, I argued that corporations should provide workers with fair wages and respectful working conditions, thereby helping corporate affiliates avoid personally engaging in exploitative trade. I also suggested that corporations also might be well situated to help fulfill their individual affiliates’ duties to contribute a fair share of international assistance and to take actions that help meet corporate affiliates’ general responsibilities for having enabled the occurrence of exploitation. I describe these recommendations for corporations’ policies as a model of corporate social responsibility.
In response to the second question, I argued that corporate affiliates with influence over its decision-making should encourage the corporation to adopt these recommendations, and then apply them to the corporation’s engagement in global trade. I discussed the feasibility of applying my model of corporate social responsibility to trade in textiles and apparel in Part 5.4.

In Part 5.3, I considered an objection that corporations and others would do something wrong by interfering in sweatshop workers’ choices. Now, I briefly mention a very different objection to my argument. Many commentators who are critical of corporate social responsibility are skeptical of the view that corporations can voluntarily self-regulate without assistance from and coordination with states. They argue that, to regulate global commerce, corporations must coordinate their own voluntary codes with their affiliates’ own states and with the governments of the foreign societies in which they do business.225 These criticisms suggest an extension of the argument I have made here. The extension is that the state might have a significant role to play in supporting and coordinating corporations’ efforts to trade fairly with foreign workers. I discuss the role of the state in facilitating fair trade in the next chapter, where I argue that the state should undertake actions in response to the public’s general dereliction of their duties and

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responsibilities for having enabled exploitation.
Chapter 6: Poverty Alleviation and Fairness in Trade Policy

In previous chapters, I have illustrated how individuals can be confronted by the ethical problem of exploitation, and have offered recommendations for how individuals should act in their roles as consumers and corporate affiliates. In this chapter, I describe how individuals should act in their roles as citizens of a relatively wealthy, liberal society. I argue that citizens should advocate for their state to adopt a particular kind of trade policy and that they should be willing to bear the burdens and costs of such a policy. However, there are important differences between states, which regulate and structure global trade, and the economic actors that are engaged in global trade, namely consumers and firms. I aim to describe what individuals should do about their duties and responsibilities, by presenting my answers to two questions about the ethics of trade policy. First, is there an ethical imperative for the state to choose a free trade policy because, as most economists argue, a free trade policy will help to alleviate global poverty? Second, should a state use trade policy to encourage its citizens to make choices that avoid personal engagement in exploitation, and also use its trade policy to undermine exploitation in global trade more generally?

In answer to the first question, I will describe individuals’ duty to help alleviate global poverty and how this duty relates to their state’s trade policy. Individuals in relatively wealthy, liberal societies have duties to meet foreigners’ claims for poverty relief, and their state can help them fulfill these duties by adopting a poverty-alleviating trade policy. In Part 6.1, I argue that states should not enjoy complete discretion to choose protectionist trade policies, due to the importance of international trade for the
alleviation of global poverty. In Part 6.2, I will describe my account of a fair trade policy and, in Part 6.3, I will consider the objection that a free trade policy is ethically superior because it will alleviate global poverty more effectively than a fair trade policy.

In answer to the second question, whether states should use trade policy to act on its citizens’ responsibilities for exploitation, I will argue that states should do so through what I describe as a fair trade policy. As I argued in Chapters 2, 4, and 5, citizens of relatively wealthy, liberal societies have duties to provide international assistance to foreigners. When they are derelict in fulfilling these duties, then they also have additional responsibilities for having enabled the occurrence of exploitation. Citizens can fulfill their duties through actions as individuals, such as philanthropy and volunteer services, and through their participation in corporate philanthropy. Citizens can act upon their responsibilities for exploitation through support for fair trade industries and through other activities related to their corporate affiliation. However, these mechanisms are currently limited by feasibility constraints, and many individuals fail to do what they can to fulfill their duties and to act upon their responsibilities. For this reason, I will argue that the states of relatively wealthy, liberal societies should adopt a fair trade policy to act upon its citizens’ responsibilities for having enabled exploitation in global trade.

In Part 6.1, I argue that individuals have a duty to advocate for their states to adopt a poverty-alleviating trade policy. I describe the interests that citizens of relatively wealthy, liberal societies have in retaining some elements of protectionism, but I argue that the pursuit of these interests must co-exist alongside the fulfillment of their duties to alleviate global poverty. Individuals should advocate for trade liberalization, in addition to other elements of trade policy that help the global poor.
In Part 6.2, I argue that individuals should advocate for their states to adopt what I call a fair trade policy. A fair trade policy involves regulations that encourage citizens to choose trades that provide foreigners with fair prices and respectful terms of trade. A fair trade policy also provides resources and incentives for foreign societies to undermine the injustices that enable the exploitation of their own citizens in global trade. A foreign government should adopt reforms to approach the standard of a *minimally just society*, including improvements to the society’s competency, inclusiveness, and respect for rights. Foreign governments also should be encouraged to improve their regulation of the particular exporting industries in which exploitation takes place. I suggest that a fair trade policy should include an offer to liberalize trade, on the condition that these reforms are adopted, as a mechanism to encourage foreign societies to adopt reforms.

Part 6.3 considers two objections to my argument. The first objection is that poverty alleviation should take priority over undermining exploitation in global trade, whenever the two aims come into practical conflict. In response, I will argue that it is possible for societies to accomplish both to a sufficient degree. The second objection is that my fair trade policy’s proposed use of incentives is unethical because it constitutes interference in a foreign society. In response, I will argue it is acceptable to provide incentives that pressure a foreign society, in order to provide fair prices and respectful terms of trade for individuals, who are the proper subjects of ethical concern.

**Part 6.1: A Trade Policy to Alleviate Global Poverty**

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226 Miller, 2010.
According to one prominent perspective on global trade, there is no need to specify a duty to alleviate poverty through the adoption of a free trade policy. On this view, free trade policies represent the alignment of global economic efficiency, self-interest, and ethics. A relatively wealthy, liberal society should adopt a free trade policy because it is in the society’s own economic interests; free trade is also the optimal policy for states to promote global economic efficiency and alleviate global poverty. I will argue that there is the need for an ethical argument for relatively wealthy societies to liberalize their existing trade restrictions. Without such an argument, a democratic society has full discretion to adopt a conception of the public interest that does not aim to maximize global economic efficiency or the society’s economic prosperity. I will provide such an argument, drawing upon individuals' duty to alleviate global poverty, and indicate its recommendations for a relatively wealthy, liberal society’s trade policy.

i. The Need for an Ethical Argument for Free Trade. Economists tend to argue in favor of free trade, on the basis of efficiency and related considerations of countries’ economic self-interest. Among economists, there is a near consensus that trade liberalization would improve the efficiency of the global economy. Efficient markets are more effective at promoting participants’ mutual advantage, and they also increase aggregate income and aggregate welfare.²²⁷ Most contemporary economists also endorse the classical economists’ theory of comparative advantage, which indicates that it is in the economic interest of any state to unilaterally reduce its barriers to trade.²²⁸

²²⁷ Buchanan, 1985 categorizes many different ethical claims made in favor of markets. I have mentioned utilitarianism and mutual advantage because they are the most important justifications of free international markets in particular.
²²⁸ It is acknowledged that liberalization sets back the interests of groups that previously enjoyed subsidies and protection from foreign competition. But it is argued that some of
Several prominent economists have made extended arguments in favor of globalization and in support of free trade policies, debunking common misperceptions. These arguments, when directed to national audiences and to political leaders, are based upon a view that common misconceptions obscure their understanding of the significant benefits of free trade. These arguments are directed to the general public, who might be unaware of the benefits of free trade, as well as to political leaders, who are exhorted to surmount the political obstacles that prevent the adoption of free trade policies. It is plausible that at least some of the public’s disapproval of free trade is related to a misunderstanding or to ignorance of the beneficial impact of trade liberalization. There are also well-known political obstacles to the adoption of free trade policies, which stem from the fact that the benefits from liberalization are usually diffuse, while the costs are often concentrated.

However, the persistence of protectionism is not entirely attributable to public misunderstanding and to the political mobilization of special interest groups. It is at least partially attributable to a distinct conception of the public interest, in which national income and national wealth are not the only predominant values. One significant public concern, particularly in light of the recent global economic downturn, is likely to be the these special interest groups can be compensated for their losses with side payments and, for those groups who cannot be fully compensated, their losses are outweighed by gains trade liberalization brings about for others.


effect of trade deficits on domestic employment levels.\textsuperscript{231} Another public concern is to preserve national cultural values through public support and protection of particular industries, such as agriculture.\textsuperscript{232} Evidence suggests that individual attitudes about trade liberalization already include a significant concern for the national interest. A recent study indicates that attitudes about trade liberalization are more likely to be informed by concern for the impact of trade liberalization on the national interest than by concern for its impact on the respondent’s own economic group.\textsuperscript{233}

Economists can reasonably criticize a society’s protectionist trade policy for its ineffective promotion of the national economic interest. This criticism seems most sound when it is directed to political leaders who respond to special interest groups and empirically mistaken views about economics. However, the economists’ criticism takes on an anti-democratic character when political leaders are competently implementing the view of the national interest that the general public holds. Liberal and democratic theorists often argue for the importance of political autonomy: there is value in a


\textsuperscript{232} Christina Davis describes the political importance of agricultural production in the U.S., E.U., and Japan, in \textit{Food Fights Over Free Trade: How International Institutions Promote Agricultural Trade Liberalization} (Princeton University Press, 2005).

society’s deliberations upon their values and ultimate ends,\textsuperscript{234} even when the decisions seem partially misinformed in certain respects. Economists can deny the value of political autonomy or argue that it is less important than a society’s economic prosperity, but this would require a direct ethical argument to that effect.

I will argue that it is ethically required for relatively wealthy, liberal societies to liberalize their trade restrictions, not because these policies are more efficient or more instrumentally rational, but because citizens of these societies have a duty to alleviate global poverty.\textsuperscript{235} It might seem odd to say that there is an ethical requirement for a society to adopt a trade policy that will, in expectation, make the society economically better off. However, I will not argue that there is an ethical requirement to adopt a free trade policy \textit{because} it is more efficient and will make the society better off in an economic sense. Ethical arguments generally aim to induce people to do what they do not want to do, for reasons having to do with others’ claims, and my argument will not be an exception to this general pattern.

\textit{ii. The Duty to Alleviate Global Poverty through Trade Policy.} What is poverty, and why is it ethically important to alleviate it? In Part 4.1, I suggested a narrow definition of poverty, considered in terms of an individual’s resource constraints. Severe resource constraints are associated with an individual’s experience of many problems, including suffering from physical ailments and a shortened lifespan. Poverty is also associated with an individual’s experience of oppression, discrimination, domination, and


other social ills. In addition, when many individuals in a society are poor, this causes an indirect problem: it is difficult for poor societies to provide the benefits of membership in a minimally just society to all their citizens. It is ethically important to alleviate poverty, understood as severe resource constraints, because of its association with these problems. In sum, the duty to alleviate poverty can be understood as a specific aspect of the duty to contribute international assistance, including the duty to contribute international assistance that promotes minimally just societies. I have argued that individuals enjoy latitude in the fulfillment of these duties, both with respect to the mechanism for fulfilling their duties and with respect to the target of their contributions.

In general, I do think that individuals should enjoy latitude in the fulfillment of their duties. However, I will describe two good reasons to endorse a specific ethical requirement for relatively wealthy, liberal societies to adopt a trade policy that aims to alleviate global poverty. The first reason is that increased global trade is very important to alleviating global poverty, and many relatively wealthy, liberal societies still have significant barriers to trade with the poor countries. It is far more difficult for individuals to fulfill their duties to help foreigners when their societies impose significant barriers to trade. The second reason is that, in all relatively wealthy, liberal societies, many citizens do not fulfill their duties to contribute a fair share of international assistance. The state’s liberalization of its existing trade restriction is a way to help fulfill these duties, without imposing excessive burdens on its citizens. I will argue that individuals should advocate for their states to liberalize trade and, when states actually do so, then they should not object to the setbacks that trade liberalization might inflict upon their own interests.
The first reason for states to liberalize trade is that greater trade openness and increased trade volume are widely believed to promote poor countries’ economic growth and thereby diminish global poverty. Economists who study international trade and development generally agree that global poverty would diminish if the OECD countries liberalized their trade restrictions with the poor countries.\textsuperscript{236} To this end, many of the OECD countries have adopted measures to provide the Least Developed Countries (LDCs) with preferential access to their markets. These include the European Union’s “Everything but Arms” agreement and the U.S.’s Generalized System of Preferences, among others. However, many commentators have criticized these programs as excessively limited by “rules of origin” restrictions on where goods can be produced, which are burdensome for goods that tend to be produced in multiple country sites. Another criticism is that these programs provide only moderate benefits to producers that do manage to meet the stringent requirements.\textsuperscript{237} The relatively wealthy countries’ agricultural policies pose particularly important obstacles to the alleviation of global poverty through trade. William Cline has estimated that rich countries’ liberalization of


trade in agriculture would provide gains to the poor countries that are as high as $200 billion annually.\textsuperscript{238}

However, the fact that trade liberalization helps to alleviate global poverty does not, by itself, entail that there is a specific duty for individuals to advocate for their states to liberalize trade. As I argued in Chapter 2, individuals can contribute their fair shares to help meet foreigners’ claims that are unrelated to their experience of poverty. Even if individuals do have specific duties to alleviate poverty, there are other available mechanisms for individuals to fulfill these duties. The case for poverty alleviation through trade policy only becomes ethically compelling after consideration of an additional, second reason. The second reason is that, by and large, individuals are \textit{not} contributing their fair shares of international assistance. Many foreigners have unmet claims for international assistance, including unmet claims for relief of their poverty. There are some ways for states to force citizens to make contributions, such as increased foreign aid for global poverty relief, which I cannot discuss in detail here. A state’s trade liberalization policy would help to meet foreigners’ claims for poverty relief, without necessarily imposing excessive burdens on its citizens.

What are the burdens of trade liberalization for individuals, and how do we know when they are not “excessive”? As I suggested in the previous section, trade restrictions might help serve important functions related to the public interest. Individual citizens have interests in their state’s pursuit of many public goals, which the state might be better able to pursue through its selective maintenance of trade restrictions. These public goals might include: protecting domestic industries with national cultural significance, such as William R. Cline, \textit{Trade Policy and Global Poverty} (Washington, DC: Center for Global Development and the Institute for International Economics, 2004).
agriculture; promoting domestic employment levels during a global economic downturn; permitting the state to cement important political alliances through the extension of preferential trade agreements to some states but not others;\textsuperscript{239} and other goals. Citizens’ interests in the pursuit of these public goals seem, at least potentially, ethically significant. For this reason, I think it is difficult to make an ethically compelling argument for all relatively wealthy, liberal societies to indiscriminately reduce their existing barriers to trade with all poor countries.

It can be less burdensome for a society to adopt a poverty-alleviating trade policy when the state enjoys greater latitude in the policy’s design. I have argued that there is a specific requirement for relatively wealthy, liberal societies to adopt trade policies that fulfill the duty to alleviate global poverty, and I suggest that there should be some latitude in how countries can design their trade policies to accomplish this goal. A society can reduce its existing barriers to trade with only some poor countries and only on some goods and services, as long as its trade policy does enough to help fulfill its citizens’ duties to alleviate global poverty. How much poverty alleviation is “enough” for a society’s trade policy to aim to accomplish? Admittedly, this is difficult to define in the abstract, and it will depend upon how much members of the society are already contributing to help meet foreigner’s claims for assistance. In the next section, I describe ways in which a society’s trade policy, and its public policies relating to global trade, can be better designed to alleviate global poverty.

\textit{iii. Alleviating Poverty through Trade Policy and Related Policy Areas.} As previously mentioned, a relatively wealthy society’s trade policy can help alleviate global poverty.

poverty by reducing trade restrictions on the specific goods and services that poor
countries tend to export. Several economists have argued that a rich country should
undertake additional reforms to its trade policies and related policy areas, in order to help
promote economic development in poor countries and thereby reduce global poverty.
These additional policy elements suggest how a relatively wealthy, liberal society might
simultaneously pursue two different aims in its trade policy and related policy areas: the
alleviation of global poverty and the fulfillment of the society’s own conception of the
public interest. As an example, I describe the wealthy countries’ policies that relate to
global trade in agricultural products.

Joseph Stiglitz and Andrew Charlton argue that trade agreements should do much
more to protect the development prospects of poor countries, to benefit their economic
interests, and to help them to participate fully in the global trade regime. To this end,
they endorse a variety of policy elements, including but not limited to trade liberalization.
They specifically endorse reform to agricultural policies, which I discuss in greater detail
below, and special and differential treatment so that poor countries can enjoy privileged
access to rich countries’ markets. In addition, Stiglitz and Charlton argue that poor
countries should enjoy greater aid and technical assistance to help them take full
advantage of the trade regime, additional time for them to adjust to new rules of trade

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240 Stiglitz and Charlton, 2005 p. 7. Stiglitz and Charlton argue that these are
requirements of fairness in trade, rather than requirements for alleviating poverty.
However, their conception of fairness draws heavily on a concern for poverty alleviation.
See about Brown and Stern, 2007, on market access for poor countries and fairness in the
supporting rules of the trade regime, including dispute settlement procedures.
liberalization, and an interpretation of “policy space” that allows poor countries to experiment with strategies for their economic development.\(^{242}\)

It is useful to consider the example of global trade in agricultural products, particularly because it has received so much attention in national politics and from activists concerned about the relationship between global poverty and the trade regime.\(^{243}\) Rich countries, from the U.S. to the E.U. member states to Japan, have strongly resisted pressures in WTO negotiations to reform their agricultural policies. Most economists would agree that rich countries should adopt reforms to liberalize trade in agricultural products, in order to promote their own national economic interests, global economic efficiency, and the economic wellbeing of the global poor. In light of my argument thus far, one might propose that there is a specific ethical requirement for the relatively wealthy countries to stop subsidizing their own domestic agricultural production and to liberalize global trade in agriculture. It does seem to me that these policy changes would be ethically desirable, because they would help to alleviate global poverty. However, I also acknowledge that it might be infeasible for a society to fully adopt these policy changes. I suggest below that such a society can adopt a poverty-alleviating trade policy without fully liberalizing trade in agriculture or specifically eliminating its use of agricultural subsidies for domestic production.

The potential for a society to make other contributions to alleviating global poverty is illustrated when we consider that agricultural liberalization, while helpful, is

\(^{242}\) Ibid, pp. 204-208 on technical assistance, and on policy space pp. 85-86. Dani Rodrik argues that the global trade regime currently affords insufficient “policy space” for developing countries to determine their economic policies, Rodrik 2001, p. 27. Rodrik argues that these requirements burden the administrative capacities of developing states, and do so without any economic rationale.

\(^{243}\) Oxfam, 2002.
not a panacea. Kimberly Ann Elliott argues that agricultural liberalization is itself insufficient to alleviate poverty, due to the challenges poor countries would likely face when trying to increase their food production and food exports. Elliott also notes the problematic distributional effects of agricultural liberalization within poor countries:

“Ending the ‘dumping’ of subsidized food by industrialized countries on world markets would help farmers in poor countries. But the poorest are often net buyers of food, unable to produce enough on their own tiny plots to feed their families, and they could be hurt by higher prices in the short run. Alternatively, because many rural poor live in remote areas that are isolated from national and international markets, agricultural liberalization in rich countries might have little or no effect on them.”

Agricultural liberalization can be expected to improve the economic wellbeing of the global poor in the aggregate, but its effects would be uneven. Agricultural liberalization will make at least some poor countries worse off and, more importantly, some very poor people worse off than before.

Relatively wealthy, liberal societies should engage in a cautious process of liberalization of trade in agriculture, in order to help alleviate global poverty. However, some societies simply will find it too difficult, or excessively burdensome to their pursuit of the public interest, to liberalize trade in agriculture to a significant extent. It seems to me that these societies can also help alleviate poverty in other ways, and that pursuing these options reduces the urgency of the specific requirement to liberalize trade in

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agriculture. These rich countries can help alleviate global poverty by helping to facilitate poor countries’ participation in global trade in agriculture. For instance, they might provide technical assistance that improves the capacity of poor countries to increase food production and food exports. They might provide food aid to help meet shortfalls in food production within developing countries. The costs of these policies are not excessive, as I see it, for individuals in relatively wealthy, liberal societies to bear, and they can be integrated with more direct efforts to reduce poverty through trade policy.

In sum, I have argued that it is ethically required, in most cases, for relatively wealthy, liberal societies to adopt trade policies that aim to alleviate global poverty. For reasons I described in the first section, it seems unlikely that these policies will come about spontaneously. At least some individuals will have to actively advocate for these policies, and many more citizens will have to accept them once they have been implemented. Individuals can help fulfill their duties to foreigners by advocating for their own societies to adopt trade policies, and public policies related to global trade, that aim to alleviate global poverty. When societies do adopt these policies, they should be designed to alleviate poverty without excessively undermining the pursuit of citizens’ conception of the public interest.

Part 6.2: A Fair Trade Policy

In Chapters 4 and 5, I argued that consumers and firms should, to the best of their ability, make trade decisions so as to avoid their personal engagement in exploitation. However, it can be burdensome, even economically infeasible, for consumers and firms to gather all the relevant information and to make choices that represent non-exploitative
trades with foreigners. Moreover, many consumers and firms do not currently do everything they can to avoid engaging in exploitative trade. For these reasons, I have suggested that the state has a role to play in encouraging consumers and firms to make choices that represent fair trades. In addition, the state has a role in distributing the additional costs and burdens of these choices among citizens who are responsible for having enabled the occurrence of exploitation, including citizens who do not personally engage in exploitative trade. Here in Part 6.2, I describe how the state can take on this role through what I call a fair trade policy.

A fair trade policy should substantially increase the likelihood that international trades take place with fair prices and respectful terms. In (i), I argue for regulations that inform citizens about the ethical implications of their choices and that make it less costly for consumers and firms to choose goods and services that represent non-exploitative exchanges with foreigners. In (ii), I argue that foreign societies should be encouraged to regulate their exporting industries and to adopt broader reforms to approach the standard of a minimally just society. I illustrate how a fair trade policy might provide such encouragement, through the provision of resources and technical assistance for some societies and the creation of incentives for others. In (iii), I argue that societies can adopt trade policies that contribute to undermining exploitation in international trade, even when their own citizens are not personally engaged in it.

i. Encouraging Citizens to Avoid Personal Engagement in Exploitation. Here I describe possible mechanisms for states to shape citizens’ choices about trade. These should encourage consumers and firms to make choices that represent trades with fair prices and respectful overall terms. Many of these interventions involve the state’s use of
its regulatory capacities and public revenues. I have suggested that it is appropriate for the state to undertake these actions, given that most of the public has responsibilities for having enabled the occurrence of exploitation.

As I suggested in Chapters 4 and 5, consumers and firms face significant shortfalls of information. How are they to know what constitutes an exploitative trade, and how are they to make choices that offer fair prices and respectful terms of trade to foreigners? I suggest that the state can dedicate financial and administrative resources to fill this informational deficit. It can engage in empirical research on social and economic conditions in foreign countries, monitor and regulate the practices of multinational industries based within its borders, and provide publicly accessible documents explaining its findings. For instance, the public provision of this information will reduce the need for fair trade brands to rely upon third-party certification as a way to convey reliable information to the consumer.

States can engage in a variety of market interventions that lessen the costs and burdens of avoiding exploitation. The state can subsidize the development and expansion of fair trade industries, and provide tax relief for corporations that have made substantial commitments to the adoption and application of corporate social responsibility policies for exploitation. In addition, the state can use trade policy to provide citizens with additional encouragement. The state can alter the relative prices of exploitative and non-exploitation options that consumers and firms encounter in the market, by selectively allocating its tax burden upon imported products. This can discourage citizens’ selection of exploitative options and promote their selection of non-exploitative trades with foreigners. For instance, the state could encourage consumers’ choices for fair trade
products by levying tariffs upon conventional brands that are likely to involve exploitation.

In this section, I described several possible ways that the state can encourage citizens to make choices that avoid personal engagement in exploitation. Among these suggestions, I described direct and indirect market interventions that aim to alter the relative prices of different imported goods. These interventions will shape the choices of domestic consumers and firms, so that they are more likely to make non-exploitative trades. In turn, the choices of domestic consumers and firms will shape the choices of foreign economic actors, encouraging them to provide workers with fair wages and respectful terms of employment.

ii. Undermining Exploitation by Shaping the Choices of Foreign Societies. In this section, I describe how a fair trade policy should shape the choices of trading partners that have deficiencies in their competency, inclusiveness, and respect for rights. I describe aspects of a fair trade policy that encourage foreign societies to improve their competency, inclusiveness, and respect for rights, so that exploitative trades are less likely to occur. In addition, I suggest that societies should be specifically encouraged to better regulate exporting industries in which workers are provided with wages that are unfair and working conditions that are disrespectful.

In Chapters 4 and 5, I argued that a foreigner’s unmet claim to enjoy the benefits of membership in a minimally just society has an unfavorable impact on his trades. A fair trade policy should attempt to increase the likelihood that foreigners enjoy fair prices and respectful treatment, such as through employment in a firm that abides by appropriate practices of corporate social responsibility (as described in Chapter 5). A relatively
wealthy, liberal society can encourage its foreign trading partners to regulate their exporting industries, as the United States did in its bilateral trade agreement with Cambodia. The state should attempt to encourage its trading partners to regulate their exporting industries and, more importantly, to adopt broader reforms in order to approach the standard of a *minimally just society*.

How a fair trade policy should encourage reforms in its foreign trading partners depends on the reasons for these societies’ deficiencies. One reason is that a society lacks the necessary resources to achieve competency, to include all its members, and to adequately protect its members’ rights. A fair trade policy then should aim to provide this society with additional resources, such as an additional share of international assistance that aims to promote minimally just societies. Another possible reason is that a society purposively adheres to an unjust social ordering. A society purposively adheres to an unjust social ordering when it is governed by a dictatorship or an intolerant theocracy, or when it has high levels of discrimination within civil society, just to mention a few examples. A fair trade policy with such a society should encourage it to pursue reforms. For societies that have both resource constraints and a purposively unjust social ordering, a fair trade policy should provide both resources and encouragement to undertake reforms. In what follows, I describe how a fair trade policy can encourage foreign societies to undertake reforms to improve their justice.

A relatively wealthy, liberal society can encourage reforms in its poor and illiberal trading partners through a conditional offer of trade liberalization. The offer is to lower the state’s existing barriers to trade, on the condition that the foreign society takes significant steps to reform its own social, economic, and political institutions. As an
example of this kind of conditional trade liberalization policy, the U.S.’s African Growth and Opportunity Act (AGOA) imposes ethical governance and other conditions on trade liberalization with many African countries.\textsuperscript{245}

To see how a conditional trade liberalization policy could work to undermine exploitation in global trade, let us consider the results when trading partners comply or fail to comply with the conditions. There are three general patterns of compliance with the trade policy’s conditions that we can consider: universal compliance among a state’s trading partners, mixed compliance, and universal non-compliance.

When a state makes its conditional offer to liberalize trade, it is possible that all its poor and illiberal trading partners will comply with the conditions. When all these trading partners comply, the state lowers its existing barriers to trade with all of them. In sum, the fair trade policy has successfully encouraged societies to undertake reforms, thereby reducing exploitation in global trade.

When a state makes its conditional offer to liberalize trade, it is possible that only some of its poor and illiberal trading partners will comply with the conditions. When there is mixed compliance, the state lowers its existing barriers to trade with compliant trading partners and retains barriers to trade with non-compliant countries. As a result, the state provides differential treatment to its trading partners based on the justice of their institutions and practices. Differential treatment helps makes the state’s conditions on trade liberalization more credible for the purposes of future negotiations. In sum, the fair

\textsuperscript{245} Unlike AGOA, my idea of a fair trade policy does not also include conditions on economic strategies for growth. For a consideration of the effectiveness of trade conditions on societies’ respect for human rights, see Emilie Hafner-Burton, \textit{Forced to Be Good: Why Trade Agreements Boost Human Rights} (Cornell University Press, 2009). Hafner-Burton employs a narrower understanding of human rights, limiting her analysis to cases of states’ active violation of their members’ human rights through repression.
trade policy has successfully encouraged some societies to undertake reforms, and provided credible incentives for other societies to adopt reforms in the future. As a result, exploitation in global trade has been reduced. Moreover, citizens of the relatively wealthy, liberal society are less likely to be personally engaged in exploitative trade. These citizens are more likely to be engaged in trade with societies that have undertaken reforms, because their state has liberalized trade with those societies and retained barriers to trade with societies that have not adopted reforms.

Finally, when a state makes its conditional offer to liberalize trade, it is possible that none of its poor and illiberal trading partners will comply with the conditions. When no poor and illiberal trading partners comply with the conditions, then the state retains all of its existing barriers to trade. This scenario poses an ethical dilemma between the pursuit of fairness in trade and the pursuit of poverty alleviation, at least with respect to the design of the state’s trade policy. Maintaining trade restrictions for all trading partners is necessary in order for the conditions to have credibility with societies that might pursue reforms in the future. But maintaining trade restrictions with societies unwilling to pursue reforms entails denying poor foreigners the opportunity to increase their economic wellbeing. In Part 6.3, I consider the objection that poverty alleviation should take greater priority in a society’s trade policy, and the aim of undermining exploitation should take on a comparatively lesser role.

In sum, I have suggested that a fair trade policy involves providing resources and encouragement for foreign societies to regulate their exporting industries and adopt reforms to improve competency, inclusiveness, and respect for rights. These measures make it less likely that citizens of relatively wealthy, liberal societies will be personally
engaged in exploitative trade. These measures also contribute to undermining exploitation in general.

iii. Efforts to Undermine Exploitation in General. In the trade regime as it currently exists, it might be difficult for states to adopt a fair trade policy as I have described it. In this section, I briefly describe an important obstacle to a fair trade policy, and how states can contribute to undermining it. By helping to undermine this obstacle to the effectiveness of a fair trade policy, states are indirectly contributing to undermining exploitation in global trade.

The obstacle is that it is difficult for a state to act alone in providing conditions on trade liberalization. If a state’s conditions seem too onerous, relative to the promised reward of greater market access, then trading partners will choose not to comply with the conditions. This is especially true when trading partners have competing opportunities from other societies that offer to trade without conditions. In response to this problem, I suggest that states should cooperate to set up a unitary system of conditions on trade liberalization with poor and illiberal societies. This might be accomplished through reform to the WTO or through reform to regional trade regimes, such as the E.U. States can contribute to attempts to reform the WTO and regional trade organizations in various ways. In addition, states can help support one another’s adoption of a fair trade policy even in the absence of formal institutionalized cooperation. For instance, if a state refuses

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246 China’s foreign direct investment in Africa has a “no-strings attached” approach, which is in opposition to the approach of the Paris Declaration on Aid Effectiveness. Deborah Brautigam notes that China’s approach has concerned some development economists, including Paul Collier, who expresses concern “that the lack of conditions on governance will worsen corruption in a region already plagued by official malfeasance,” although she herself argues this concern is overblown. *The Dragon’s Gift: The Real Story of China in Africa* (Oxford University Press, 2009) p.13.
to liberalize trade with a particular society, due to its failure to respect rights, then other states should not be opportunistic in extending their trading privileges to that same society. In sum, states can support fair trade policies generally without necessarily adopting a fair trade policy themselves.

In Part 6.2, I have argued that a state should adopt a trade policy that helps its citizens avoid personal engagement in exploitation and that acts upon citizens’ responsibilities for having enabled the occurrence of exploitation in global trade.

Part 6.3: Two Objections to a Fair Trade Policy

Here in Part 6.3, I consider two objections to my conception of a fair trade policy, as described in Part 6.2. The first objection is that trade policy should put a higher priority on poverty alleviation, when this aim comes into practical conflict with the aim of a fair trade policy. In response, I argue that a state’s trade policy generally can pursue both the aim of alleviating poverty and the aim of undermining exploitation, even if some elements of the policy bring these two goals into conflict. The second objection is that it is unethical to impose conditions on trade liberalization, particularly for poor countries that have a legitimate interest in alleviating their citizens’ poverty. In response, I argue that conditions are not objectionable if they induce societies to adopt reforms that they actually ought to adopt for the benefit of their members.

i. The Objection that Poverty Alleviation Should Take Priority. In Parts 4.3 and 5.3, I have discussed the objection that it would be morally better for consumers and corporations to engage in exploitative trade, because even exploitative trade makes their poor foreign trading partners better off. For the present topic of a state’s trade policy, the
objection must be restated somewhat differently. Trade liberalization affects many people, including the global poor, regardless of whether they are personally engaged in global trade. I have argued in Part 6.1 that there is an ethical requirement for most relatively wealthy, liberal societies to liberalize trade with poor countries in order to alleviate poverty. The problem is the following: it is not possible for a trade policy to optimally alleviate poverty through trade liberalization and to optimally implement a fair trade policy by putting credible conditions on trade liberalization. Given this conflict between the two aims, many political theorists and economists would object to my view on the grounds that it is ethically better to liberalize trade, so as to alleviate global poverty, than to adopt a fair trade policy.

In support of the ethical priority of poverty alleviation, some commentators might reference the importance of promoting economic growth for the benefit of present and future generations of poor people. Early industrial workers in the U.S. and in Europe suffered terrible working conditions and long hours for the benefit of these countries’ economic growth trajectory. It is possible that the same process will yield the same results, and that the unfair treatment of workers in the present will be justified by future economic growth and poverty alleviation.

However, it seems to me that this argument overstates the conflict between poverty alleviation and fairness in trade policy, by understating the extent to which most societies actually can do much more to alleviate poverty and undermine exploitation. Exploitation in international trade is a problem because relatively wealthy, liberal societies are not currently doing enough to help foreigners. Recall from Chapter 3 that, on my conception of exploitation, exploitative trade can only occur when a person has an unmet claim. In Chapter 4, I argued that international trade is exploitative because foreigners have unmet claims for assistance to help them enjoy the benefits of membership in minimally just societies. In sum, members of relatively wealthy, liberal societies are ethically required to do much more to meet foreigners’ claims and to act on their own responsibilities for exploitation.

I argued in Part 6.1 that the duty to alleviate poverty through trade liberalization is limited and has a degree of latitude. It is not a duty to reduce global poverty as much as possible or to reduce global poverty in any specific countries. This indicates how the pursuit of poverty alleviation through trade liberalization can be compatible with the fair trade policy I described in Part 6.2. When a state makes a conditional offer of trade liberalization, and at least some of its poor and illiberal trading partners comply with the conditions, two things occur simultaneously: first, the state has engaged in trade liberalization that alleviates poverty; second, the state has encouraged poor and illiberal societies to adopt reforms that improve their competency, inclusiveness, and respect for rights. As I mentioned in Part 6.2, there is a greater tension between a poverty alleviating trade policy and a fair trade policy when societies universally refuse to comply with the conditions. For these cases, it is important to my argument that it is actually feasible to
alleviate poverty, and to meet foreigners’ claims, in other ways that are unrelated to increasing trade between the relatively wealthy countries and the poor countries. As I argued in Chapter 2, these include philanthropy, volunteer work, and many other actions on the part of individuals, firms, and possibly states as well.

It can be important for a society to adopt a fair trade policy, even when members of that society are already helping to meet foreigners’ claims for international assistance. Imagine a society whose members, by and large, already contribute their fair shares to help meet foreigners’ claims for international assistance. However, the societies’ members are also personally engaged in exploitative trade with foreigners whose claims remain unmet, and so they enjoy significant wrongful gains at these foreigners’ expense. In this scenario, it is important for the society to adopt a fair trade policy to help its members avoid personal engagement in exploitative trade. Now imagine a society whose members currently contribute a fair share of international assistance, but for a long time they had failed to make adequate contributions. Due to the past shortfall in their contributions, the society’s members are responsible for having enabled the occurrence of exploitation. In this scenario too, it is important for the society to adopt a fair trade policy to help undermine exploitation in international trade.

Finally, I consider a variant of the objection that argues that there is a conflict between a poverty-alleviating trade policy and a fair trade policy in practice. The reason for the conflict is that a fair trade policy is difficult to apply correctly across diverse cases and it sets a precedent for protectionism. For these and other reasons, many economists object to proposals to incorporate international labor standards into the WTO. Economist Kaushik Basu states his own reservations as follows: “Perhaps the most potent form of
supra-national action contemplated is to have a social clause in the WTO provisions, which would allow the WTO to impose trade sanctions on an erring country. The risk of empowering the WTO thus is that this will become a powerful instrument of protectionism in the North. Powerful lobbies may have already misused similar well-meaning legislation. It is true that special interest groups might misappropriate my argument to support illegitimate protectionism. However, the potential for misapplication and misappropriation exists for any policy recommendation, and it is difficult to know whether they are especially serious problems for my argument in particular.

In sum, I acknowledge the potential for conflict between a poverty alleviating trade policy and a fair trade policy, but do not think it is necessarily a difficult problem for most relatively wealthy, liberal societies to resolve. There is a conflict at the ideal level: if a society tried to fully optimize its pursuit of both aims simultaneously, then it would fail. However, as I have argued, most societies are very far from optimizing either aim. There is also potential for conflict at a more pragmatic level: at the implementation stage generally, and in a particular scenario in which all poor and illiberal trading partners refuse to comply with conditions. I do not think the practical difficulties of implementation are insurmountable with the benefit of cautiously designed policies, and I

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have suggested some precedents in the trade policies of many relatively wealthy, liberal societies. However, if there is a conflict between a fair trade policy and the alleviation of poverty, then I think it is important to retain the fair trade policy and to pursue other avenues for meeting foreigners’ claims.

ii. The Objection to Conditionality. One objection to my argument is that it is inappropriate to impose conditions upon poor and illiberal societies in exchange for trade liberalization. This objection does not depend upon the interpretation that the offer of trade liberalization is somehow coercive or threatening. Instead, the objection is that it is ethically inappropriate to offer the society an incentive of liberalized trade to encourage the society to undertake reforms that improve its competency, inclusiveness, and respect for rights.

I think there are two possible reasons why it could be ethically inappropriate to make this conditional offer. The first reason that it could be ethically inappropriate is because of the content of the conditions. As Ruth Grant argues for the case of IMF conditionality, the content of the conditions were inappropriate because they included particular (neo-liberal) economic policies. However, the conditions that I have proposed do not include economic policies at this level of specificity. As I argued in chapter 2, a society’s competency, inclusiveness, and respect for rights are very important and general aims, and they can be endorsed from different ethical perspectives.

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250 John Rawls argues it would be inappropriate to offer “decent societies” incentives become more liberal. Rawls, 1999 pp. 84-85. Rawls’ classification scheme for societies,
The second reason that it could be ethically inappropriate is due to the effects on the target of the incentive. For instance, Vivien Collingwood argues that international assistance with “strings attached” undermines democratic decision-making processes.\footnote{Collingwood, 2003. Grant, 2011 argues that incentives are a form of power and, as such, incentives can be either legitimate or illegitimate uses of power.} However, when a society is already inadequately competent, inclusive, and respecting of rights, it does not seem greatly important why a society adopts reforms to improve its competency, inclusiveness, and respect for rights. It seems much more important that the society actually undertake these reforms for the benefit of its members. That said, of course, it is also important to be attentive to the unintended effects of a fair trade policy at the implementation stage.

Conclusion

In this chapter, I have argued that a relatively wealthy, liberal society can, through its trade policy, help fulfill its citizens’ duties of poverty alleviation and undertake actions in accordance with citizens’ responsibilities for exploitation. We could envision more ideal circumstances, in which citizens were favorably disposed to voluntarily fulfill their duties and it were easier for them to do so purely in their social and economic roles. But in our actual non-ideal circumstances, I suggest there is a significant role for the state to help fulfill citizens’ duties and act on their responsibilities. In their roles as citizens, members of a relatively wealthy, liberal society should advocate for the adoption of a trade policy that alleviates poverty and undermines exploitation. Once the policy is adopted, they should help pay the costs and shoulder its burdens.
Chapter 7: Conclusion

I conclude this dissertation with a summary of what I have argued, an evaluation of some of the argument’s present limitations, and a discussion of possible extensions of the two main contributions of my argument. Part 7.1 provides a summary of the overall argument, and a defense of my approach. Part 7.2 indicates the areas in which there is a need for additional empirical research to clarify how my normative recommendations should be translated into individual, corporate, and state action. Part 7.3 describes possible extensions of my argument to related topics in economic relations, international ethics, and political theory more generally.

Part 7.1: Summary of the Argument and Defense of the Approach

My dissertation has made two main contributions. First, I have provided a novel conception of exploitation that I have used to explain the relationship between duties to provide international assistance to foreigners and exploitation in international trade. According to my view, exploitation occurs when one party has an unmet claim for assistance that unfavorably influences the price and overall terms of his trade with another party (Chapter 3). I have argued that individuals have duties to contribute a fair share of international assistance that aims to build more competent, inclusive, and rights-respecting societies abroad (Chapter 2). Members of relatively wealthy, liberal societies have largely been derelict in fulfilling their duties to foreigners, and thus their commercial exchanges with poor and oppressed foreigners often will have an exploitative character (Chapters 4 and 5).
The second contribution of my dissertation specifies ethical guidelines for how individuals should act when they are responsible for exploitation in international trade. Individuals can be responsible for exploitation in international trade in two different senses: when they are personally engaged in an exploitative trade, and when they have enabled the occurrence of exploitation in general (Chapters 3, 4, and 5). I have described the extent of consumers’ and corporate affiliates’ responsibilities through case studies of the fair trade coffee industry and the textiles and apparel industry (Chapter 4 and 5). I have argued that consumers and corporate affiliates should act on their responsibilities by providing their foreign trading partners with fair prices and respectful terms of trade. Due to limitations on what consumers and corporations feasibly can do to avoid exploitation, and the fact that many are not actually doing what they can, I have argued that it is also necessary for relatively wealthy, liberal states to adopt a fair trade policy (Chapter 6). A fair trade policy includes regulations to encourage consumers and corporations to make choices that represent fair trades with foreigners. It also includes an offer to reduce existing barriers to trade, on the condition that the state’s poor and illiberal trading partners reform their institutions to meet minimal standards of competency, inclusiveness, and respect for rights.

I have described my argument as a mode of engagement in “non-ideal theory” (Chapter 1), and this approach has shaped my argument in several ways. First, my argument has been concerned with preventing the wrong of exploitation, rather than with describing an ideal of fair trade. Second, my argument about exploitation has implications for how individuals should act in our actual world, given the fact of many foreigners’ unmet claims for international assistance. For consumers like the coffee
consumer from Chapters 1 and 4, I have argued that they should make economic choices that avoid personal engagement in exploitation. For corporate affiliates like the employee of the multinational corporation from Chapters 1 and 5, I have argued that they should advocate for their corporations to adopt a corporate social responsibility policy for exploitation, and then they should apply that policy to their own decisions about the corporation’s trading relationships.

The approach of non-ideal theory has shaped my argument by taking account of the limits of what individuals, such as the coffee consumer and the employee of a multinational corporation, can reasonably be expected to know and accomplish through their choices. For this reason, I have argued that there is a significant role for the state to support fair trade industries and corporate social responsibility programs. The state can help to fulfill citizens’ duties to meet foreigners’ claims by adopting a trade policy that aims to alleviate global poverty. In addition, the state can adopt a fair trade policy that aims to encourage poor and illiberal societies to regulate their exporting industries and to adopt reforms that promote competency, inclusiveness, and respect for rights. I have suggested that these policies can pose burdens to citizens, who have a stake in the pursuit of the public interest as they conceive of it, but that it is ethically appropriate for them to bear these burdens. Individual citizens should advocate for the adoption of these trade policies and support them when they already exist.

I have intended to make a normative argument regarding a specific set of global economic issues, drawing upon any one of three widely held ethical views about individuals’ duties to foreigners. My argument depends on the claim that individuals in relatively wealthy, liberal societies have duties to provide international assistance that
promotes minimally just societies. However I have argued that it does not greatly matter whether readers endorse the duty of beneficence, global justice, or respect for human rights, because such duties to provide international assistance follow from any of these three ethical premises. Readers might suspect me of cosmopolitan leanings because, in Chapter 6, I have argued that there is a significant role for the state to fulfill citizens’ duties to foreigners and to act on their responsibilities for exploitative global trade. I do indeed arrive at this conclusion, but I do not believe that my argument begins its journey from the nearby starting place of a cosmopolitan premise. Nor do I believe that my argument could be used to justify a broader range of cosmopolitan conclusions, beyond the set of global economic issues I have discussed here.

Instead, my argument is contingent upon a set of contestable empirical claims. Of course, one might believe that a different set of empirical claims is true. For instance, it could be true that individuals already fulfill their duties to provide international assistance to foreigners, perhaps because additional assistance would be inefficacious or self-defeating. If this were true, then my argument describing exploitation in international trade would be merely hypothetical. For a second example, it could be true that a fair trade policy would never successfully encourage poor and illiberal societies to adopt reforms and that the policy would always harm the global poor. If this were true, then I would revise my argument’s conclusions and recommendations. I have cited social scientific research in support of the validity of my background assumptions and empirical claims, whenever possible, and so I believe that my argument’s conclusions and recommendations are sound. My approach has been to permit the argument’s success to depend upon the validity of its empirical claims, and to limit the argument’s dependence
upon the truth of any particular ethical premise about individuals’ duties to provide international assistance.

**Part 7.2: The Need for Additional Data.**

As I have made my argument, I have directed it to ordinary individuals, who have to decide how to act as consumers, corporate affiliates, and citizens of their societies. However, their decisions often require them to make empirical estimations and complex practical assessments, and these can be genuinely difficult to make. More definitive empirical research in particular areas of the social sciences could help to inform and thereby facilitate individuals’ decision-making processes.

First, my argument in Chapter 2 indicates the need for continued research on competency, inclusiveness, and respect for rights in poor and illiberal societies, particularly with a focus on how to promote them through international action. It would be helpful to have more information about: the individuals who live in societies that are not minimally just and, of those individuals, the number who have unmet claims for international assistance; an assessment of the costs of meeting their claims; the individuals with duties to contribute to meeting their claims; the determination of each individual duty-bearer’s “fair share” contribution for meeting these costs; and an estimation of the levels of voluntary compliance among all duty-bearers. This information could help to bolster the empirical foundations of my argument. It also could

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252 Taking global poverty as an important example, empirical research on the extent and distribution of global poverty is difficult to collect and to analyze. Scott Wisor describes the desiderata of a measure of global poverty as the following: comparability over time, comparability across contexts, operational feasibility, non-arbitrariness, comprehensibility, and freedom from invidious bias. Scott Wisor, *Measuring Global Poverty: Toward a Pro-Poor Approach* (Palgrave Macmillon, 2012) pp. 12, 16-18.
help an individual to assess whether she’s fulfilled her duties by contributing a fair share towards meeting foreigners’ claims.

Second, my arguments in Chapters 4, 5, and 6 indicate the need for more and better research on the wages and working conditions within exporting industries in poor and illiberal societies. This is necessary to determine exactly where and to what extent exploitative international commerce is taking place. It is also necessary to assess the choices available to consumers and corporate affiliates, so they can make informed choices to avoid personal engagement in exploitative trade. I have used case studies from particular industries, namely the coffee industry and the textiles and apparel industry, that are especially well-studied in the fields of economics, sociology, and business management. For a broader understanding of exploitation in international commerce, it would be useful to have access to similarly reliable and extensive data on a greater variety of industries. Finally, it is also necessary for states to have better information about the effects of their trading policies on ethically important outcomes for individuals in other societies. In future work, I intend to develop extended case studies of trading partnerships between a relatively wealthy, liberal society and its poor and/or illiberal trading partners.


In this dissertation, I have focused on cases of international trade, and a case of economic relations within a relatively wealthy, liberal society. However, one could extend the two contributions of my argument and its approach to related topics. I describe three possibilities for doing so below.
First, one could apply my conception of exploitation to a variety of cases involving problematic economic and social relationships. As illustration, I will briefly describe two sets of cases. Within poor and illiberal societies, many citizens will have unmet claims for privileged members of their own society to make contributions to its reform. When privileged members of society have not fulfilled their civic duties and their fellow citizens have unmet claims for assistance, then it is possible for economic and social relations within this society to be exploitative. This argument can be applied to many cases of domestic trade in goods or services, such as the employment of domestic workers in other people’s homes. An additional set of cases concern child labor, especially child labor within poor and illiberal societies. I would suggest that we can describe many cases of child labor as exploitative when dependent children have unmet claims for assistance from family members and from other members of their society.

Second, one could extend the second contribution of my dissertation to many cases requiring ethical guidance for individuals’ and collectives’ actions in response to global ethical problems. In my dissertation, I provided a set of recommendations for how individuals should act when they have duties to meet foreigners’ claims for assistance, and when they have responsibilities for exploitation in global trade. My argument could be extended to provide recommendations for how societies should act together when their members have duties and responsibilities in relation to global ethical problems. For instance, I would suggest that each society should make a “fair share” contribution to the global provision of foreign aid, taking account of the society’s capacities and the society’s other significant contributions to meeting foreigners’ claims for assistance. These other contributions include the private philanthropic contributions of the society’s
members and the society’s other humanitarian foreign policy initiatives, such as its acceptance of refugees.

Finally, my argument’s approach could be broadly useful for how political theorists provide advice for how individuals should act when confronted with difficult choices. As I mentioned in Chapter 1, choices about trade are empirically complex, and there are multiple ethical considerations to take into account. I have tried to grapple with the empirical complexity of my cases, to acknowledge the possibility of practical conflicts between distinct ethical concerns, and to provide individuals with rough guidelines for how they should act. This approach could be broadly useful for the analysis of cases that are both empirically and ethically complex, which is to say, much of contemporary political theory.
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