

### **New Rules for Global Justice: Structural Redistribution in the Global Economy**

*Edited by Jan Aart Scholte, Lorenzo Fioramonti and Alfred G. Nhema*

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Each year, Oxfam releases its global inequality report with increasingly shocking numbers. In 2016, it reported that the wealth owned by the planet's 62 richest people – a group that would fit on a single city bus, if you could get them onto public transit – had as much wealth as the poorest half of the world's population.

Such statistics were actually welcomed as “fantastic” by Canadian businessman and TV personality Kevin O’Leary, who argued that the possibilities for some to attain great wealth under capitalism provided inspiration and motivation for the world’s poor, and not-so-poor, to “fight hard to get to the top.” If you agree with O’Leary, then *New Rules for Global Justice: Structural Redistribution in the Global Economy* is not for you. However, if you are concerned about the systemic maldistribution of wealth across the globe, then you may find much of value in this book’s provocative set of proposals to reduce today’s staggering inequalities of resources and power.

This edited volume includes contributions from an internationally diverse group of scholar-activists, including many perspectives from the Global South. The introductory chapter by Jan Aart Scholte makes a strong case for why global redistribution is necessary. It notes, for example, that when inequality is measured at the global scale, it is as extreme as in some of the most unequal countries on earth; the global Gini coefficient is estimated to be as high as 70, similar to South Africa and much greater than the figure of 55 in highly unequal Brazil or 48 in the USA. Scholte makes clear that such inequalities are not the product of market forces in isolation; governance matters as socially constructed rules shape distributional outcomes.

The core of the book consists of chapters outlining a new set of possible rules and institutions to produce more equitable outcomes. Each chapter includes diagnosis of a specific problem and how it contributes to global inequality, prescription of possible solutions, and discussion of the process to bring about the proposed change. Some of the proposals are reformist, reflecting hopes that new rules and institutions can provide greater equity within capitalism. Others aim to be “transformist” and call into question the basic structures of capitalism.

In the reformist camp is Valentina Fedotova’s call for greater equity through “global social democracy.” This would be based on international institutions and governance regimes that redistribute resources from rich to poor countries (e.g. by ensuring that the costs of climate adjustments are borne mainly by rich countries), supplemented by measures to ensure equitable distribution within countries. The approach is promising in principle and could build on some existing examples at the international level; however, as the author



acknowledges, major challenges include building up international institutions capable of delivering redistribution and overcoming opposition.

A more transformational approach is taken in Yash Tandon's chapter on "Rethinking global investment," which rejects the idea that foreign direct investment will help poor countries to develop and instead sees such investment as a continuation of imperialism. Tandon calls for decoupling from globalization – i.e., poor countries should only participate in the global economy to the extent that it is on their terms, not on the terms of international financial institutions and "donors." Although Tandon presents a strong critique of how foreign investment operates in practice, the difficulties and potentially harsh penalties facing any country that chooses to decouple from globalization should not be underestimated.

Focusing on the challenges facing Caribbean nations, Beverly Mullings and Allisa Trotz urge a more effective engagement of diaspora networks in internet-enabled conversations about the development process. The hope is that democratic engagement of diverse voices can help advance socially just alternatives to neoliberalism, although one is left wondering if any such initiative would go beyond conversation to deliver substantive change in practice. Meanwhile, in her chapter on the "Corruption of anti-corruption," Pinar Bedirhanoğlu questions international anti-corruption programs, arguing provocatively that they are linked to a neoliberal agenda of privatization and scaling back the state, distract attention from the more profound corruption of capitalist exploitation, and hinder attempts to find alternative routes to a non-corrupt society.

In their call for "an alternative global money," Taoxiong Liu and Mendang Huang convincingly argue that the current system of international money – focused on the US dollar and, to a lesser extent, the euro and yen – is a source of global inequities as it provides enormous privileges, especially to the USA. However, the adequacy of their proposed solution is not clear. They propose a two-stage alternative, focusing in the short term on reforming and expanding the role of special drawing rights – an international reserve asset created by the International Monetary Fund, whose value is based on a basket of major currencies – as a global money. In the long run, they favor developing a decentralized digital currency. Although there are clear equity advantages to a global currency whose issuance is not controlled by any single nation, it seems premature to conclude that a decentralized digital currency is the best long-term solution, given the limited experience, small scale, and volatility of digital alternatives such as Bitcoin to date.

A chapter on "financing global public goods," by Nina Hall and Inge Kaul, makes a strong case for new global revenue sources to meet shared challenges such as climate change mitigation and adaptation, global public health crises, and food and water scarcity. Given the limited willingness of states to pay for international cooperation, the authors propose bypassing nation states through a global currency transaction levy. The general idea is promising, but the specific proposal is more limited than some similar ideas (e.g. a more comprehensive financial transactions tax), and it seems lacking in ambition given the level of need regarding global public goods. The estimated amount raised would be modest – \$30 billion annually, which would fall far short of what is needed globally to enable developing countries to address climate change mitigation and adaptation, let alone other challenges. Meanwhile, the suggestion that the world's major banks be invited to voluntarily introduce the currency transaction levy as a contribution – in the spirit of corporate social responsibility – to implementing the Sustainable Development Goals seems unlikely to get very far.

In his chapter entitled "Copyright," Blayne Haggart focuses on a particularly important structure that affects the distribution of wealth and access to knowledge: copyright rules. Current provisions result in vast revenue transfers to intellectual property owners concentrated in rich countries. For a digital age with the potential to provide inexpensive access to the world's knowledge, Haggart proposes intellectual property rules that emphasize dissemination of knowledge over profit for copyright holders. Although the benefits to poor countries of looser copyright provisions are clear, the chapter also notes that

constituencies in the Global North have an interest in intellectual property reform, which suggests possibilities for alliances with a fighting chance of delivering the proposed change.

Land grabs in the Global South, which result in forms of “development” that leave many people poorer and more insecure, are analyzed by Heloise Weber. She links this phenomenon to the rise of biofuel production and carbon offsetting, purchase of “ghost acres” to address food security concerns in richer nations, and speculative investment in agriculture – and, more generally, to neoliberal modernization approaches to development. In contrast, she proposes an alternative development vision based on food sovereignty, emphasizing low-input agriculture that is more ecologically sensitive and controlled by local, small-scale producers. Although it faces powerful opposition, Weber notes that such a vision is not utopian, pointing out that the existing food sovereignty movement is “easily the largest social movement in the world today.”

In the final chapter before an integrative conclusion, Dorothy Grace Guerrero outlines an anti-capitalist vision of “global redistribution through climate justice.” Such an approach would acknowledge the “climate debt” of rich countries and aim for a “just transition” to a low-carbon society based on ideas such as environmental justice, energy democracy, and – echoing Weber – food sovereignty. She notes that “it is not enough just to be convinced and to want such this change,” raising an important question of what kind of politics is strong enough to realize such change? Indeed, that is a key question relevant to all the proposals in the book – one that is not always answered satisfactorily in the chapters.

That limitation is, to some extent, understandable. Outlining a viable process for achieving a significant redistribution of resources in the face of entrenched, powerful opposition is more difficult than the two other core tasks – diagnosis and prescription – faced by the authors. Some chapters do nevertheless succeed in highlighting plausible possibilities, as noted above. There is also a related tension in the book between offering proposals that are ambitious enough to address the enormous problems in question, while being realistic in identifying a politically viable path forward.

Despite the book’s limitations, the editors and authors deserve praise for wrestling with the extremely important challenge of reducing global inequalities and putting forward possible solutions. There are growing signs that the neoliberal order of recent decades is fraying, creating opportunities for ideas previously considered “unrealistic,” as well as new dangers. Anger over a system that is leaving vast numbers of people behind has recently pushed politics in much of Europe and the USA towards the far right. If such a drift is to be curtailed, and more socially just and ecologically sound alternatives are to be found, we need more of the kind of imaginative proposals found in this book.

**Anders Hayden**

*Department of Political Science, Dalhousie University, Halifax, Canada*