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SOCIAL STANDARDS AND SOCIAL DUMPING

by

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ABSTRACT

This paper reiterates arguments made in Lal(198) against attempts to include labour standards based on human rights in the WTO. It then critically asesesses the debate about 'ethical trading' through a brief excursus of the cosmological beliefs of the West to show these are culture-specific and finally outlines the consequences for the world economic order if the political moralism currently infecting the West turns into a new form of moral imperialism.

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"It is no chance matter we are discussing but how one should live".

Plato, Republic.8

INTRODUCTION

I have a tremendous sense of deja vu about the current debate on the introduction of labour and environmental codes in the WTO. Whilst the demand for linking trade policy to environmental standards is new, the similar demand concerning labour standards is a repetition of the events surrounding the Tokyo round of multilateral trade negotiations (1973-79). In the Trade Act of 1974, the US Congress -under pressure from labour unions - had included a provision requiring the President to raise the subject of 'fair labour standards' in the GATT framework. This President Jimmy Carter duly did in October 1979 just before the end of the

Tokyo Round negotiations. About the same time the European Commission suggested that 'minimum labour standards' be included in the Lome convention which provided for tariff preferences and technical and financial aid to a group of African, Caribbean and Pacific countries. In 1980, as the multi-fibre agreement (MFA) regulating trade in textiles and clothing came up for renewal, organizations representing business and labour in textiles and clothing industries in America and Western Europe advanced proposals for a 'social clause' to be inserted in the MFA.

I wrote a pamphlet (Lal (1981)) countering this new variant of the pauper labour argument. The new twist in the 'protectionists' case was that rather than claiming that imports from countries with low wages were inimical to the welfare of the importing countries, protection was now sought against imports produced by foreign workers who had been denied their so-called human rights, in countries without 'minimum labour standards'. Protection of imports from poor low wage countries was to be instituted to promote the interests of these poor, exploited benighted foreign workers. Fortunately nothing came of this hypocritical drive to legislate a particular morality, in the subsequent decade. But with another Democratic President in power, and with the fear of 'low wage' imports from the developing world being fanned by the stagnation of the wages of the low skilled in the US and the very high unemployment rates in continental Europe - particularly France (see Goldsmith (1994), Hindley(1994))- protection is again being sought on the high minded grounds of promoting the 'human rights' of Third

(and now also Second) World workers. Plus ca change!

But there are two other additions to the protectionists armory. The first is the argument called 'the race to the bottom'. It is argued that with mobile capital, buying the goods produced by socially and environmentally unprotected Third World workers will lead to an erosion of the First World's labour and environmental standards, as home industries unable to compete with these "low standard" imports locate abroad and/or use the political process to obtain a lowering of the standards in the West. To prevent this "social dumping" protection is sought, analogous to the anti-dumping codes which currently allow protection against purported economic dumping.

The second argument is based on what Corden (1997) has labelled "psychological spillovers". The utility of consumers in the First World is claimed to be effected by the way goods are produced or by their environmental effects in the Third World. This leads to demands for 'ethical trade', as in the recent call by the UK Secretary of state for international development Clare Short, and the various measures taken to label goods as ethically produced (eg. without cruelty to animals, or destroying the rain forests, or without using child labour as certified by the Rugmark label).

On the first of these new arguments I can be brief because of two comprehensive papers surveying the analytical models and the empirical evidence concerning the 'race to the bottom'. Levinson (1996) surveys the empirical evidence concerning

environmental regulation and industry location within the US and internationally and finds little empirical evidence of such a race. Wilson (1996) surveys the various analytical models which have dealt with the theoretical case of a race to the bottom in environmental standards in a world with free trade and capital mobility. He finds that the case "is mixed at best". There can be no race to the bottom without any domestic distortions and constraints on tax-subsidy instruments. So the relevant question is one of political economy: why governments would choose to lower standards rather than use more appropriate tax-subsidy measures? But surely, the prior question about the global harmonization of social standards is whether there are any such universal standards to be harmonized in the first place. We are back to ethics.

In this article I, therefore, first, summarily reiterate the detailed arguments in Lal (1981) against attempts to include 'labour standards' based on 'human rights' in the WTO. Second, I discuss the question of 'ethical trading' through a brief excursus through what I label the "cosmological beliefs"- as contrasted with "material beliefs"- (Lal (in press)) of the West to show that they are culturally specific. Finally, I discuss the consequences for the world economic order if the "political moralism" (Minogue(1995)) currently infecting the West turns into a new form of moral imperialism.

I. THE ILO AND LABOUR STANDARDS

First note, that an international organization, the ILO, already exists whose 'raison d'etre' is to develop and promote

'fair labour standards'. Its success has been patchy. (see ILO(1976), Valticos (1969)). At best it provides some 'normative' pressure on countries social legislation. Even so, it is worth noting that many developing countries eg. India have accepted and legislated more ILO labour standards than the US! Thus, the ILO is the obvious forum for countries keen to promote 'fair labour standards'. But it is precisely the lack of teeth in the procedures for accepting the ILO labour code which has prompted the current attempt to use trade policy to legislate a particular morality based on purported universal human rights.

For despite the rhetorical resonance of universal human rights, the underlying morality is not universal. The great religions and social ethics of the East- Hinduism, Buddhism and Confucianism- would not accept it. (see Kamenka(1978)). Thus what is being sought to be imposed on the rest of the world is a particular Western morality.

II. WESTERN ETHICS AND HUMAN RIGHTS

Even in the West, the moral theory justifying 'human rights' remains elusive. They are the modern variant of 'natural rights' (see Minogue (1978),(1979)). But at no time has it been generally agreed even within the Western moral tradition that there are any such natural rights.

Specific and General Rights

In clarifying the issues it is useful to make a distinction between specific and general rights. For a right is a normative

resource which an individual either has or is given and which entitles him 'to limit the freedom of another person and for determining how he should act' (Hart (1955), p.60). The claim that human rights exist is therefore based on the assumption that being human in some sense provides a moral justification for certain rights. These rights are moral or general rights, to be distinguished from the specific rights associated, for instance with special legal or social systems or with those which arise when promises are made.

That there is nothing logically necessary about the existence of 'general' rights is borne out by their repudiation by some Western moral codes, for instance the utilitarian. As Bentham stated "right is the child of law; from real laws come real rights...Natural rights is simply nonsense on stilts."

Liberty as a General Right

However many Western political and moral philosophers have accepted at least one general ('natural' or 'moral' or 'human') right, namely "the equal right of all men to be free" (Hart, op.cit., p.53)¹ But particularly in respect of 'fair labour standards' there is a tradition, going back to Marx, which would deny that 'human rights' can be restricted to the liberal notion of individualistic freedom. Instead Marxists have identified various

¹The most consistent attempt to work out the ethical and political implications of this general right to liberty is by Nozick (1974). By contrast Dworkin (1977) argues against the primacy of any general right to liberty and instead seeks to put the general right of 'equality of respect' as the only general moral (or human) right. Also see White (1984).

social and economic rights which "are, in effect, statements of desirable conditions of life for every human being" (Minogue (1979)p.13). It is these which form the backbone of the demand for 'fair labour standards' as a matter of human rights.

Economic and Social Rights - Specific or General?

But can there be any such general (or moral) social and economic rights? Much of the confused thinking on the basis of which such general rights (often identified as 'positive' freedom or liberty) are adduced is based on terminological confusion surrounding various notions of freedom (see Hart,op.cit, Berlin (1958)) and, too, on a failure to distinguish between a right and a 'morally right' action. I concentrate on the latter.

If it is granted that freedom (in its negative sense) is a general moral right, then its infringement must constitute an injury, which is a failure of justice and therefore demands for restitution would be just. By contrast it maybe morally right (although it is not a right) to attempt to alleviate poverty, but failure to do so would merely be a failure to do what is good or best because the consequences would be best; it would not be a failure to render what is due as in the case of a right to poverty alleviation. Most of the demands for minimum labour standards not only assert that they are morally good but also raise questions of justice and rights. These are claimed, moreover, to be not merely specific rights which can arise in a host of different ways within a specific legal or social system ; they are claimed to be general rights , on a par with 'liberty'. Why?

As this "rights chatter" is peculiarly American it is best to quote an American liberal psychologist who states: "It is legitimate and fruitful to regard instinctoid basic needs and the metaneeds as rights as well as needs. This follows immediately upon granting that human beings have a right to be human in the sense that cats have a right to be cats. In order to be fully human, these need and meta-need gratifications are necessary and, therefore, can be considered to be natural rights" (Maslow (1970) p.xiii).

But the obvious retort is that:" if being human is a fact, no rights can be inferred from it. It may, of course, be necessary that certain conditions must be met before we can fully function as human beings. But, again, no question of rights would arise. The function of a lawn mower is to mow lawns, but a broken-down lawn mower cannot be said to have a right to be repaired in order to become, fully and truly, a lawn mower"! (Streeten (1981) p.367)

I take it, therefore, that no general welfare-promoting economic or social rights can be deduced from the general right to liberty. This does not mean that in particular societies or nations, some people may in fact come to possess what are demonstrably just, specific rights to various benefits of the welfare state. But the resulting obligations to subserve these rights would be the result of the specific restraints and guarantees built into a particular country's legislation and would only apply to its citizens. No general universal moral right could thereby be adduced to apply to all mankind.

Labour Standards as Derivative from 'liberty'?

But might there still be a case that at least some of the minimum labour standards could still be derived from the basic and general moral right of liberty. Edgren has suggested that from the large number of ILO conventions four types of minimum labour standards could be identified as being based on human rights: those concerning freedom of association; safety and health; restriction of the use of child labour and discrimination in employment. These are- along with restrictions on trade in goods produced by convict labour- the most likely set of standards that would be incorporated in a WTO code. On the last- prison labour- little needs to be said as Art. XX of GATT already permitted trade restrictions against goods produced with convict labour. I briefly examine the other areas in turn.

Freedom of Association : Prima facie it might appear that the right to freedom of association and corresponding trade union rights could be derived from the general right to liberty. But this is only because of the ambiguity of the phrase "freedom of association". Defined to cover merely associations which do not in anyway infringe upon the rights and liberties of others, such a right can clearly be derived from the general right to liberty. On the other hand no similar rights can be advanced in favor of a free association of individuals which constitutes a rampaging mob because its intent (most often) is to infringe someone else's liberty. Freedom of association cannot, therefore, be a general right, even though in many specific circumstances a right to

particular kinds of freedom of association can be derived from the general right to liberty.

This means that what are often called political rights (eg. one-man-one -vote) are not consequent upon the general moral right to liberty. Thus various forms of authoritarian government are compatible with promoting the 'negative' general right to liberty of a state's citizens².

If no general and unqualified basic right to free association can thus be derived from the general right to liberty, it will hardly come as a surprise that so-called trade union rights, too, cannot be inferred to be general or human rights. The existing trade union 'rights' are specific rights which were granted to workers during the historical evolution of Western economies. There is no logical connection between these specific rights and the general moral right to liberty.

Health and Safety Similar considerations apply to health and safety standards viewed as universal human rights. For individuals, in both developed and developing countries, a large part of life consists of taking various actions in the face of all sorts of risk and uncertainty. Although, as a part of the general process of raising living standards, it may be feasible to reduce certain kinds of risk (essentially by enabling various forms of social

²Thus Berlin, op.cit., notes: "Liberty in this (negative) sense is not incompatible with some kinds of autocracy, or at any rate with the absence of self-government... there is no necessary connection between individual liberty and democratic rule. The answer to the question 'who governs me?' is logically distinct from the question 'how far does government interfere with me?'" (p.147-8)

insurance) no general right to such insurance can be adduced. The provision of such insurance requires resources which 'belong' to particular people. These individuals maybe willing to transfer some of their resources to provide such insurance, thereby creating specific rights for all workers facing these risks. But there would clearly be no general 'right' to social insurance which the latter could demand on the grounds of human rights.

In societies so poor that they are unable to meet even the so-called basic needs of a minimum amount of food, clothing and shelter for their citizens, the legislation of health and safety standards, which have a demonstrable opportunity cost, could easily be at the expense of providing these very essentials of life. It would be hard to justify that a starving man should be prevented from voluntarily taking a job which workers in more advanced countries would consider unsafe or unhealthy when it is his only chance of avoiding starvation.

Child Labour: Granted that, as autonomous moral beings, children cannot be owned by their parents, they clearly must have some general rights (if these exist) akin to those of adults. It is, however, widely recognized in most societies that children do not become full moral beings at the moment of birth. The purpose of various initiation ceremonies as rites of passage in traditional cultures, as well as the conferring of various specific political and legal rights (and corresponding obligations) on children at the age of majority, signifies the link between the ability to make

rational moral choices and being a fully-fledged moral person.³

Before this adult status is achieved there are, it could be argued, particular rights that children have to parental 'care' which are counterbalanced (if only partially) by the extent of the partial ownership rights that parents have in their children (reflected in such notions as the right of parents to -at least some degree of-obedience from their children).

A good analogy for the resulting relationship between parents and their children would be that the former are trustees of the incipient rights which the latter will acquire as full adults. From this position of trusteeship would flow both the obligations for parental care and children's obedience. Furthermore, given the resulting partial ownership of their children, the parents would have some coercive rights (for instance, to force them, against their infantile wills, to go to school or learn the piano or eat spinach). But these coercive rights cannot be absolute in any sense. Parents clearly would not have the right to sell their children into slavery. Even an incipient moral being would presumably have the right not to be extinguished as a moral being which slavery would entail.

But what of parents sending their children to work in varying circumstances? Clearly, again, no general prohibition against such work would seem to flow from either the trusteeship role of the parents and the general rights (current or incipient)

³It is implied by the logic of the language of morals that the most basic moral categories which people apply, like 'ought' must imply 'can'.

of the children. A parent who trains his child to be a carpenter at an early age and allows the fruits of the child's labour to be sold cannot be said to have infringed any of the child's general rights (including those which are incipient and of which he is a trustee). The same argument would seem to hold for restrictions on other forms of child labour. Although certain types of child labour may not be morally right, it is unclear how such work would infringe any general right (actual or incipient) of the child.

Discrimination in Employment: A prohibition of discrimination on grounds of race or creed can more readily be derived from notions of a general right to liberty. As the arguments against discrimination which would flow from such a general right are fairly obvious, I will not labour the point.

Thus even within the existing Western ethical framework, apart from the standards against discrimination (and slave labour) none of the other labour standards can be adduced as being-or being derivable from-general human rights. Even if the latter exist, and many within the Western philosophical tradition would deny that they do, they would not cover the panoply of so-called economic and social rights which form the ILO code of minimum labour standards. If anything they represent either specific rights created by particular legal or social systems or they represent a logical (and terminological) confusion between what "is right" and what is "a right". Finally, even though I have argued for the existence of at least the general moral (human) right to liberty,

it must be remembered that it only follows from the corpus of Western moral and political philosophy and even there, this notion of so-called negative freedom is of fairly recent origin (see Berlin, op.cit.). To try and force this Western morality on the rest of the world through punitive trade policy would be unjustified moral imperialism.

III. LABOUR STANDARDS TO RAISE LIVING STANDARDS⁴

For many however the argument in favor of linking trade policy with labour standards will not be the rarified one about human rights, but the more practical one that labour standards can improve the standard of living of workers, both in developed and developing countries. We consider each in turn..

Developed Countries: In developed countries, improved labour standards (eg. safety and health regulations and various trade union 'rights') resulting from social legislation can be looked upon as shifting their comparative advantage away from sectors where such legislation particularly impinges - relative to their competitors. Any resulting reduction in national income is the 'price' paid as it were, for the improved social conditions of the groups affected.

If in addition, a tariff to impede the entry of goods from countries without similar legislation is imposed, it will

⁴A recent taxonomic analysis of labour standards and trade is provided by Brown, Deardoff and Stern (1996). They conclude that "the case for international harmonization of labour standards is rather weak..it is likely that international harmonization of labour standards will have unintended adverse consequences for the very people they are intended to protect" (p. 272).

inflict further costs in terms of higher prices on users of these goods in the home country, as well as on those associated with the ensuing prevention of the flow of resources out of these "inefficient" industries into those which are more efficient. And if the 'protection' of these high 'social standards' industries is brought about not by instituting a domestic tariff, but through raising the costs of production equivalently in the foreign countries through the international adoption of minimum labour standards, it would still lead to the costs associated with the higher prices paid by domestic users of the product.

Developing Countries: Those motivated by notions of cosmopolitan welfare, however, might still argue that these losses to advanced-country consumers flowing from the international adoption of minimum labour standards would be counter-balanced by the resulting gains in the standard of living of poor countries' workers. At its most naive this argument, though, is based on a non sequitur. For although it may be true that there is a high correlation between observable high living standards and the existence of various aspects of the welfare state in many OECD countries, this does not mean either that the latter cause the former or that the latter component of possibly higher living standards can be acquired without costs.

This view is implicit in an ILO analysis of the likely impact of the ILO's standards concerning trade union 'rights' and economic development. (Claire (1977)). The demand for labour depends, in large part, on the availability of the co-

operant factors of production, and, too, on the wage rate. For any given level of the former, the demand for labour will be greater, the lower the wage rate. In many developing countries the level of the available cooperant factors of production is insufficient to generate sufficient demand for the labour which would be supplied by their burgeoning labour forces at what might be considered by Westerners to be a "fair" wage. Any attempt by various combinations of labour or trade unions to raise the wages of their members must reduce the overall demand for labour- thus implying that the rise is at the expense of other workers who would henceforth be unemployed or under-employed. Whilst the 'standard of living' of the 'labour aristocracy' which had found jobs in the high-wage unionized sector would no doubt be greater, it would be achieved at the expense of its numerically preponderant but unfortunate fellow workers who had not succeeded in gaining entry into this select group.

Any argument that, the imposition of fair labour standards (including any notion of a global minimum wage) is in the interests of raising the standards of living of the bulk of the labour force in developing countries is thus unlikely to be valid.

IV. ETHICAL TRADE AND WESTERN COSMOLOGIES

It is particularly ironical that the West should have launched its moral crusade in the name of human rights, to promote 'ethical trade' and prevent 'social dumping' at a time when many in

the West are questioning its ethical moorings- succinctly expressed by the title of Robert Bork's recent book, "Slouching towards Gomorrah". How can one reconcile this perceived moral decay at home in the West with its resurgent moralism abroad, and what will be its consequences? An answer to this question is relevant for our subject because despite the rational arguments against the modern variants of the pauper labour argument, the notion of 'social dumping' is increasingly resonant because of the 'psychological spillovers' from the West's desire to see its mores adopted globally.

First, note that Western cosmological beliefs -to the extent they are coherent and commonly shared- are still deeply rooted in Christianity, particularly its theological formalization in St. Augustine's "City of God". There are a number of distinctive features about Christianity, which it shares with its Semitic cousin Islam, but not entirely with its parent Judaism, and which are not to be found in any of the other great Eurasian civilisational religions, past or present. The most important is its universality. Neither the Jews nor the Hindus or the Sinic civilizations had religions claiming to be universal. You could not choose to be a Hindu, Chinese or Jew, you were born as one . This also meant that unlike Christianity and Islam these religions did not proselytize. Third, only the Semitic religions being monotheistic have also been egalitarian. The others have believed

in Homo Hierarchicus⁵ An ethic which claims to be universal and egalitarian and proselytizes for converts is a continuing Christian legacy even in secular Western minds, and is the basis for the moral crusade of 'ethical trading'.

It would take us too far afield to substantiate this argument in any detail but since Augustine's "City of God", the West has been haunted by its cosmology. As I have argued elsewhere (see Lal (in press)) from the Enlightenment to Marxism to Freudianism to Eco-fundamentalism Augustine's vision of the Heavenly City has had a tenacious hold on the Western mind. The same narrative with a Garden of Eden, a Fall leading to original Sin and a Day of Judgment for the Elect and Hell for the Damned keeps recurring. Thus the philosophes displaced the Garden of Eden by classical Greece and Rome, and God became an abstract cause-the Divine Watchmaker. The Christian centuries were the Fall, and the Christian revelations a fraud as God expressed his purpose through his laws recorded in the Great Book of Nature. The Enlightened were the elect and the Christian paradise was replaced by Posterity (See Becker). By this updating of the Christian narrative the 18th century philosophers of the Enlightenment thought they had been able to salvage a basis for morality and social order in the world of the Divine Watchmaker. But once as a result of Darwin he was seen to be blind, as Neitzsche proclaimed from the housetops at the end of the 19th century, God was Dead, and the moral foundations of

⁵The title of the famous book about the Hindu caste system by Louis Dumont.

the West were thereafter in ruins.

The subsequent attempts to found a morality based on reason are open to Nietzsche's fatal objection in his aphorism about utilitarianism: "moral sensibilities are nowadays at such cross purposes that to one man a morality is proved by its utility, while to another its utility refutes it"(Nietzsche(1881/1982)p.220) .⁶ Nietzsche's greatness lies in clearly seeing the moral abyss that the death of its God had created for the West. Kant's attempt to ground a rational morality on his principle of universalisability- harking back to the Biblical injunction "therefore all things whatsoever ye do would that men should do to you, do even so to them"- founders on Hegel's two objections: it is merely a principle of logical consistency without any specific moral content, and worse it is as a result powerless to prevent any immoral conduct that takes our fancy. The subsequent ink spilt by moral philosophers has merely clothed their particular prejudices in rational form.

The death of the Christian God did not however end variations on the theme of Augustine's "City". It was to go through two further mutations in the form of Marxism and Freudianism, and a more recent and bizarre mutation in the form of Ecofundamentalism. As both Marxism and Eco-fundamentalism provide the ballast for ethical trading it is worth noting their secular

⁶A point only reiterated by reading the contributions in the edited volume by Sen and Williams.

transformations of Augustine's Heavenly City.⁷

Marxism like the old faith looks to the past and the future. There is a Garden of Eden -- before "property" relations corrupted "natural man". Then the Fall as "commodification" leads to class societies and a continuing but impersonal conflict of material forces, which leads in turn to the Day of Judgment with the Revolution and the millennial Paradise of Communism. This movement towards earthly salvation being mediated, not as the Enlightenment sages had claimed through enlightenment and the preaching of good will, but by the inexorable forces of historical materialism. Another secular "city of God" has been created.

Ecofundamentalism is the latest of these secular mutations of Augustine's "City of God" (Lal (1995)). It carries the Christian notion of contemptus mundi to its logical conclusion. Humankind is evil and only by living in harmony with a deified Nature can it be saved.

The environmental movement (at least in its "deep" version) is now a secular religion in many parts of the West. The historian of the ecological movement Anna Bramwell notes that in the past Western Man was

able to see the earth as man's unique domain precisely because of God's existence... When science took over the role of religion in the nineteenth century, the belief that God made the world with a purpose in which man was paramount declined. But if there was no purpose, how was man to live on the earth? The hedonistic answer, to enjoy it as long as possible, was not acceptable. If Man had

⁷That Freudianism follows the same narrative is argued by Gellner (1993) and Webster (1995).

become God, then he had become the shepherd of the earth, the guardian, responsible for the oekonomie of the earth. (Bramwell, p.23)

The spiritual and moral void created by the Death of God is, thus, increasingly being filled in the secular Western world by the worship of Nature. In a final irony, those haunted natural spirits which the medieval Church sought to exorcise so that the West could conquer its forests (see Southern), are now being glorified and being placed above Man. The surrealist and anti-human nature of this contrast between eco-morality and what mankind has sought through its religions in the past is perfectly captured by Douglas and Wildavsky who write: "the sacred places of the world are crowded with pilgrims and worshippers. Mecca is crowded, Jerusalem is crowded. In most religions, people occupy the foreground of the thinking. The Sierra Nevada are vacant places, loved explicitly because they are vacant. So the environment has come to take first place" (p.125). The guilt evinced against sinning against God has been replaced by that of sinning against Nature. Saving Spaceship Earth has replaced the saving of souls!

But why should the rest of the world subscribe to this continuing Augustinian narrative cloaked in different secular guises?

The second point to be made is that, the 'political moralism' underlying the West's current global moral crusade is also the result of its Christian heritage. The Reformation is the hinge. It shattered the ideological unity of Western Christendom. It also brought to an end the commonly accepted view from Aristotle

to Aquinas that there was general agreement within communities about the ends of the good society which politics was concerned with establishing.(see McClelland (1996)). There was now radical disagreement amongst communities about the ends of life, with Catholics and Protestants, hitherto parts of the same Western Christian community willing to send each other to the stake for heresy. The ensuing bloody internecine ideological conflicts within Western civilization over the succeeding centuries have no parallel in the histories of other non-Semitic Eurasian civilizations. It also gives the lie to any claim of universality for a particular Western cosmological belief as each one has been contested -- often with blood -- by a countervailing belief within the same corpus of Western thought.

The peace of Westphalia which brought a truce in Christianity's internecine wars of religion, also legitimized the nation-state, as the main actor on the international stage. The purpose of the current 'political moralism' is to replace the nationally sovereign state by an emerging international moral order.(see Minogue (1995),Chp.13). This is an ancient Christian project as Michael Oakeshott noted in his famous distinction between the State viewed as a civil or enterprise association. Oakeshott argues that the view of the State as a civil association goes back to ancient Greece. The State is seen as the custodian of laws which do not seek to impose any preferred pattern of ends (including abstractions such as the general (social) welfare, or fundamental rights), but which merely facilitates individuals to

pursue their own ends. This view has been challenged by the rival conception of the State as an enterprise association -- a view which has its roots in the Judaeo-Christian tradition. The State is now seen as the manager of an enterprise seeking to use the law for its own substantive purposes, and in particular for the legislation of morality. The classical liberalism of Smith and Hume entails the former, whilst the major secular embodiment of society viewed as an enterprise association is socialism, with its moral aim of using the State to equalize people.

Oakeshott identifies three versions of the collectivist morality such an enterprise association has since sought to enforce. Since the truce declared in the 18th century in the European wars of religion, the major substantive purposes sought by States seen as enterprise associations are "nation-building" and "the promotion of some form of egalitarianism". These correspond to what Oakeshott calls the productivist and distributivist versions of the modern embodiments of the enterprise association, whose religious version was epitomized by Calvinist Geneva, and in our own times is provided by Khomeini's Iran. Each of these collective forms conjures up some notion of perfection, believed to be "the common good".

The origins of the current 'political moralism', Minogue (1995) claims, lies in the broadened suffrage in 19th century Europe so that "welfare came to be as interesting to rulers as war had always been...[They were both interesting] politically because they constituted a reason for exercising dazzling powers of government and administration" (p.114). This is the distributivist

enterprise association of Oakeshott. "The substance of political moralism is in the detailed moral attitudes it inculcates" (ibid). But the morality is a specifically Western Christian offshoot, as I have tried to show, and 'ethical trading' whose opposite is 'social dumping' is only one of its many contemporary hydra-headed manifestations. But why should the rest of the world worship the Christian God, clothed in whatever secular clothes current fashion dictates?

Therein lie the seeds of the impending "clash of civilizations" hypothesized by Huntington. But this maybe too Apocalyptic. For the West's ethical crisis noted by Nietzsche has not ended. As Macintyre has powerfully argued, the West's current cosmological beliefs, particularly in its most advanced outpost the US are incoherent. The Western notion of self he argues has three contradictory elements. The first, derives from the Enlightenment and which views it as being able to stand apart from the social influences which undoubtedly mould him or her, and allows individuals to mould themselves in accordance with their own true preferences. The second component of the Western self concerns the evaluation by others of oneself. Here the standards are increasingly those of acquisitive and competitive success, in a bureaucratized and individualist market economy. The third element of the Western self derives from its remaining religious and moral norms, and is open to various "invocations of values as various as those which inform the public rhetoric of politics on the one hand and the success of Habits of the Heart on the other"(p.492). This

aspect of the self harks back to the Christian conception of the soul, and its transcendental salvation.

These three elements comprising the Western conception of self are not only mutually incompatible they are incommensurable, and lead to incoherence as there are no shared standards by which the inevitable conflicts between them can be resolved. "So rights based claims, utility-based claims, contractarian claims, and claims based upon this or that ideal conception of the good will be advanced in different contexts, with relatively little discomfort at the incoherence involved. For unacknowledged incoherence is the hallmark of this contemporary developing American self, a self whose public voice oscillates between phases not merely of toleration, but admiration for ruthlessly self-serving behavior and phases of high moral dudgeon and indignation at exactly the same behavior" (p.492).

This incoherence explains the oscillations in the debates on social standards and why I will not be surprised in another 15 years- if I am still around- to write yet another paper on the theme. For given this incoherence and the clearly irrational nature of the demands for ethical trading -even within its own cosmology- the Rest will be right to reject this current attempt at moral Imperialism.

There is a long standing argument in development studies whether modernisation requires westernisation. As the examples of Japan (see Waswo, Eisenstadt) and increasingly China and India show, the Rest can adopt the instrumental rationality underlying

the market institutions and technological marvels underlying the "European Miracle" without giving up their souls. As the epigraph from Plato asserts the most important concern of different cultures is how their constituents should live. This relates to both their material and cosmological beliefs. Whilst the West has clearly established its superiority in the former sphere -of which free trade untrammelled by moral concerns is a corner stone- there are grave doubts about the viability of its beliefs in the latter sphere. So I would expect the Rest to fiercely resist the pressures for legislating universal social standards. As these do not make much sense even within the West's own cosmology, perhaps part of its fractured self will call a halt to the 'political moralism' of its other part, and avoid the 'clash of civilizations' which is by no means inevitable and would be yet another disaster visited upon the world because of the culture-specific, proselytizing, universal and egalitarian ethic of what remains at heart Western Christendom.

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