Headstrong and Heartfelt

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The highly respectable Paul Krugman has made some rather confused claims in his most recent Op-Ed piece for the New York Times ["Hearts and Heads", April 22, 2001]. He invokes the adage that "Anyone who is not a socialist before he is 30 has no heart; anyone who is still a socialist after he is 30 has no head" to suggest that anti-globalization protestors do not understand the comparative advantages of trading freely with other nations. His invocation of the phrase serves only rhetorical purposes, unfortunately, and misses the primary thrust of arguments made by those in the anti-globalization movement.

Krugman makes two bad assumptions: he first assumes that protestors who seek to end world poverty are appealing to blind, heartfelt emotions; and then he assumes that supporting an unrestricted economy is the only reasonable policy to help the world's poor (even though globalization may look nasty to the untrained observer). To make this claim he cites evidence that people in poor countries will be financially better off if they have some sort of job (no matter what the quality) than if they have no job at all. Given this option, of course, only a fool (or an irrational, emotion-driven college student) would object to free trade. But there are plenty of reasons to suggest that giving just any job to a poor worker ought not to qualify as the sort of job-giving that we should allow in our post-industrial democracies. As well, it is not entirely clear that providing jobs to the destitute in Bangladesh, for instance, actually allows for the freedom of choice that many of us take to be a founding principle of democracy.

The philosopher G. A. Cohen makes this point by considering a situation in which one man proposes to save a drowning man on the extenuating condition that the drowning man subject himself to a subsequent life of servitude. Cohen poses the simple but poignant question of whether we can honestly consider such a decision to be a decision at all. The question of whether to live (in whatever condition) or not to live, he argues, is one answerable without appeal to reason, since choosing between the two only means choosing between possibility and the annihilation of possibility. As long as one remains alive, even if one is indentured and enslaved, there is always hope that new choices will present themselves. The drowning man has effectively no choice to speak of, therefore, and cannot be said to have willingly subjected himself to a life of servitude.

The extreme historical point here is that proponents of slavery have used much the same argument as Krugman: slaves, like Bangladeshi child-laborers, like drowning men, also wouldn't have a job--or a life--if slave-owners didn't provide one for them. The question we should ask, however, is whether this sort of job opportunity is something that we want to promote or allow.

Rationalists like Immanuel Kant would have further balked at Krugman's suggestion. Kant saw the function of government as that of placing ethical constraints on the behaviors of individuals who are not acting rationally. According to Kant, reason was to be the limiting force on the impulses of individual

desires and passions. In the case of global trade, we can see quite easily that although the individuals and traders who are hiring and firing might desire to hire workers at abominable, bottom-floor wages, the government (as the instantiation of reason) ought to stop them from doing so. Minimum wage limits, worker protections, child-labor laws, health codes, environmental restrictions, and so on, all function as ethical constraints that governments place on the actions of profit-seekers because profit-seekers, left to their own devices, will impulsively act on only one directive.

And what makes things like hiring children and devastating forests wrong? Well, simply put, since we wouldn't want to institute a law that enables someone to hire our own children at rock-bottom wages, or to clear-cut our forests, we ought not to think that this is an acceptable practice in other parts of the world. If we open markets to unrestricted trade, we sever any reasonable constraints that we, in democratically accountable governments, might otherwise place on the practices of private profit-seekers in other countries. Furthermore, we locate all economies in a downward spiral away from democracy, in which the country with the weakest ethical restrictions has the greatest appeal to employers in companies looking to relocate.

That said, we should not so easily let Krugman off the rhetorical hook. Given the above reasoning, it is the economists, not the protestors, who are being guided by their emotions. Economists assume only self-interested reason in their models of comparative advantage and globalized free-trade. As far as Krugman is concerned, economies work because people are given the freedom to make decisions based on their own personal preferences. When everyone (that is, companies and workers) can make free and informed decisions, then social and economic optima will naturally arise. But Krugman overlooks the fact that the people most directly affected by free trade are often not making any decisions at all. He then forgets that economic optima are only socially optimal when democratically developed ethical constraints are placed on otherwise free trade. To put this another way, free trade does not only hurt the poor, it flies in the face of democracy. When we allow companies to choose where they will set up shop, and then how they will trade with other countries, we effectively allow them to select the constraints to which they would prefer to be subject. We authorize them to save drowning people by imposing servitude conditions that most people, in a fairer exchange scenario, would reject outright. Doing so places the profit-seeking cart before the democratic horse, and this--not feeling sorry for the poor--is what the hoopla is all about.