

## **Migration and morality: Sovereign finance and dehumanized immigrants**

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[Abstract: The paper challenges the liberal view of morality and governance in the national and international arena on the ground that it fails to provide a proper framework for guarding the human capabilities and rights of all human beings, including migrants. It sets out the basic contours of an alternative framework of policy-making.]

### **Introduction**

Morality is both a relational and a universal concept. It is defined as a human being's behaviour with regard to other beings and to things outside herself in so far as it impinges on the fortunes of other beings. In a more restricted sense, it bears on the fortunes of other human beings. Hence morality necessarily has to assume certain basic propositions about how the lives of human beings are affected by socio-economic and political institutions and changes in them. The liberal theory of justice, which underlies much of the discourse about 'basic needs', 'poverty alleviation' and so on takes inequality to be a fact of life. It seeks to design policies without trying to alter a social and political arrangement that reproduces and often aggravates structures of inequality worldwide. Applied to migrants (immigrants), policies arising out of that minimalist view of morality only address how 'illegal' immigrants can be treated more humanely, or how the grosser forms of discrimination against minority communities constituted by immigrants can be ended.

This paper challenges the minimalist perspective on morality. It also challenges the view that socio-economic inequality will always be with us and that the goal of sensible policy can only be the provision of primary goods and alleviation of poverty in micro contexts. Such a frame of policy-making neglects the macro-structures and policies that reproduce and exacerbate inequality and poverty. Gross international inequality and poverty are the root causes of streams of 'illegal' migrants and refusal to treat the root causes of those phenomena can only yield ad hoc solutions which leave the migrants in a disadvantaged position.

Two seismic changes in the international politico-economic order can be singled out as the factors underlying the aggravation of inequality internationally and within countries. These are the placing of finance as the sovereign governor of the fates of most market economies and the collapse of the Soviet bloc spanning the landmass of Northern Eurasia. The effects of both have been the disabling of the state as the regulator of economic institutions and as the provider of social security for the disadvantaged section of population. Before they gave up their model of socialism, the Eastern European states took full responsibility for education, health and access to work for the population. The total abdication by the state of that responsibility has created an enormous movement of population within and out of those states. The movement often takes the form of trafficking of women<sup>1</sup>. The social democratic Western European states are also clipping

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<sup>1</sup> For an analysis of the reasons for the growth of trafficking of women in different parts of the world, see Banerjee, 2003, Facio, 2003 and Poulin, 2003.

away the social protection of the sick, the elderly and the unemployed. On the other side, divergent movements in the growth of the working age population (themselves largely the product of unequal access to health care and education in the rich and the poor countries) have produced new tensions in the policies relating to labour and immigrants, especially in the richer countries. While international capital movements are not only permitted but even falsely glamorized as the harbinger of innovation and greater efficiency, the states are introducing increasingly draconian regulations to control immigration and deny the basic human rights to the so-called illegal immigrants. A proper ethical framework for informing policy-making at the national and international levels needs to address these contradictions and tensions if it is to be a step forward for ensuring fuller freedom for all human beings.

In the wake of an increase in terrorist attacks against various targets in several countries of the world, the security approach to migration has found greater favour with policy-makers. There are three basic objections to this approach. First, it is likely to have only a short-run impact, while increasing the cost of surveillance and protection of the borders. Secondly, the measures taken by the authorities in the countries concerned, such as the USA and UK, have often violated the constitution and laws of those countries and abridged the freedom of their own citizens. They have often been thrown out on those grounds by the courts. Thirdly and most fundamentally, they take away many of the basic human rights of immigrants, including their right to life and freedom, with little redress from any higher authority: states effectively practise terrorism against immigrants, those who are stigmatized as 'illegal' immigrants, even they might have lived in the host country for many years, often in menial jobs that the natives,, very often descendants of earlier immigrants won't perform<sup>2</sup>.

The search for an alternative paradigm must start with the basic hypothesis that it is the enormously increased inequality between incomes of different countries that has led to a surge of migration from developing and transition economies. A more decent international order, with the promise of what the ILO calls 'decent work' for most people in most countries would minimize the need for migration and the eruption of irrational anger expressing itself as terrorism. The restoration of the IMF to its original function of minimizing turbulence in the balances of payments of different countries, the scrapping of most of the WTO provisions that damage both agriculture and industry of developing countries, the scrutiny of all money transfers at both the point of origin and the point of deposit so as to prevent the hoemorrhage of the kind that Russia suffered throughout the 1990s and Sub-Saharan Africa and Latin America has suffered throughout the last thirty years or more, and restoring the necessary public provisioning of the state are some of the planks out of which a seaworthy policy vessel might be constructed to guide the global polity of the future.

### **Migration in the Age of Globalization II**

Human beings are migratory animals and it is by migrating across seas and land that they have established their colonies on the known continents, except the very inhospitable Antarctica (Diamond, 1992). But like most other animals, they have also had a

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<sup>2</sup> On 10 April 2006, hundreds of thousands of so-called illegal immigrants, mainly of Hispanic origin, demonstrated in cities against a bill passed in the lower House of the US Congress that would 'speed up deportation, tighten border security and criminalize illegal immigrants' *New York Times*, 11 April 2006..

sense of territoriality. However, rights of territoriality were flexibly exercised until the rise of modern, so-called rational-bureaucratic states<sup>3</sup>. Pastoral and agricultural communities in many regions of the world lived symbiotically side by side.

How do we then treat migrants? The simplest answer is that migrants are human beings and they should enjoy the same rights as any other human beings. This answer, however, runs up against the modern state system, under which the states treat their own citizens and citizens of other states differently. The problem becomes even more complicated when people become refugees and stateless. Not all refugees are stateless, but many of them refuse to return to the jurisdiction of states of which they are citizens and many states refuse to take back persons who claim to be citizens of those states.

Migration within the borders of a given state is probably a more important stream, quantitatively speaking, than migration across international borders. In the People's Republic of China alone, estimates of actual and potential numbers of migrants range from 150 million to 500 million persons, whereas the currently accepted estimate of the number of international migrants is 200 million (GCIM, 2005, p.1). The treatment of internal migrants also raises many issues of morality and justice, and most of them are of the same nature as come up in treating questions of international migration.

We will deal briefly with the most important issues of internal migration before moving on to those of treatment of international migrants. The common cause behind internal migration on the part of free agents is the search for better incomes, better environment, better education and other facilities. But there are many who are coerced into migration, such as women forced into sex work, bonded labourers in the sugarcane or cotton fields, or brick kilns of South Asia, and other unfree workers in many other developing regions. Under conditions of modern economic growth, this has generally meant moving out of rural to urban areas, out of agriculture into industry or services as the main occupation, or moving from areas of slow growth or stagnation to fast-growing areas. In the developed countries, the major movements out of agriculture into industry or services had more or less been completed by the third quarter of the twentieth century. But, of course, movements of people among the developed countries, virtually all of which are members of the OECD still go on. While such movements took place at a fast rate, they posed major problems of urban congestion, shortages of housing, clean water and infrastructural facilities, renewal of decaying habitations and so on, and those problems, while less acute than, say, in 1900, have not gone away.

The developing countries today face very similar problems but the dimensions of those problems are much greater because the population masses involved are about three to four times those of the developed countries. They are also more acute because various ideological and structural reasons have rendered resources available for meeting the challenges more scarce. But the challenges will ultimately have to be tackled at the local level by the people of the developing countries themselves, even as they struggle against the international socio-economic order that drains the resources of the Third World and cripples the concerned states' capacity to plan for a humane process of structural change.

Several epochal changes in the developing countries have intensified the problems caused by internal migration. The first is the construction of dams, factories or opening up of mines in regions mainly populated by economically and politically underprivileged

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<sup>3</sup> See, for example, the description of exchanges between agriculturists and pastoralists, and of transhumant migrations in precolonial Senegambia, in Curtin, 1975, chapter 1.

communities. Many of the projects were earlier mainly carried out by the state, even if the state in most countries was complicit in the projects of the local landlords or capitalists. But with the rise of neo-liberalism the private sector has assumed a leading role and the protective regulation earlier installed by the state has been stripped away, leaving the affected people even more vulnerable to the pressures of the market. That market is often backed by the force of the police or musclemen of the corporate sector. Secondly, in many cases in which the state has faced resistance against such acts of displacement, it has resorted to forcible resettlement of the oustees and ethnic mixing with the majority community in order to dilute the strength of the popular resistance. Thirdly, in recent times, especially after the coming into operation of the WTO regime, agriculture, which still supports about half the work force of the developing world, is facing a severe crisis. Unemployment and imminent starvation are forcing hundreds of millions of peasants off the land. At the same time, the rate of growth of employment in services and industry is far lower than that of the labour force in developing countries (ILO, 2004a).

In India, the Sardar Sarovar Project, under which a very big dam has been constructed, thereby submerging the houses and fields of thousands of mainly Adivasis or tribal peoples in the Narmada valley, has attracted international attention (Baviskar, 1995/2004; Paranjape and Joy, 2006). The Sardar Sarovar Project, which has been executed despite the protests of a big social movement spearheaded by the Narmada Bachao Andolan, under the leadership of Medha Patkar, has a submergence area of 360 square kilometers and has displaced about 150,000 persons. In Bangladesh, the Kaptai river project submerged about 40 percent of the agricultural land of the people of the Chittagong Hill Tracts (Adnan, 2004). There are several aspects that are common to both these projects, namely, that both have involved displacement of indigenous peoples who had survived for thousands of years as forest dwellers, and using forest products and shifting cultivation as their means of livelihood, that the project displacing them would mainly benefit farmers and other members of the majority community through the provision of electricity and irrigation and that in both cases, the oustees were promised rehabilitation by the state and that promise was carried out in a niggardly fashion, if at all, leaving the already marginalized communities as slum-dwellers or squatters eking out a miserable living. Such stories of the pushing back of indigenous peoples into inhospitable land and their further displacement leading to their forced migration have been repeated all over the developing world and the currently affluent North America and Australia and are going on right now. The threat of such forced migrations has increased many times under the neoliberal regime that, among other things, aims to privatize many goods and resources that had earlier been considered inviolably public goods.

Under conditions of capitalist growth, displacement and coerced migration take place also because of the working of cumulative causation feeding on economies of spatial agglomeration and increasing returns within firms and among networks of firms (Bagchi, 2005a). First,

When, for some reason, a particular city or region attracts customers and firms, and economic agents in general cluster in that locality, division of labour becomes more complex both within and between firms. The greater specialization through division of labour itself generates economies of scale. In addition, learning by doing and by experimenting makes individuals and organizations more efficient. ... in process industries, larger volumes of production lead to economies of scale. With modern information-intensive technologies, larger firms also exploit economies of scope. Many of these processes can be path-dependent, generating implicit and

idiosyncratic advances in knowledge. They confer further benefits on an established industrial or financial cluster (Ibid, p. 20).

Second,

The profits generated through the first set of factors enable the capitalists operating there to accumulate more capital, and to increase their advantage in comparison with those who operate in less-favoured locations. The experience of successful operation of dynamic firms induces the managers and capitalists to venture on further innovations. Moreover, the dynamic cluster acts as a beacon to capitalists and entrepreneurs from other regions (Ibid, p. 20).

Third,

Workers leave a declining location and migrate to the dynamic clusters. A predominant fraction of such migrants tend to consist of young adults, and in many situations, adult males. The expanding cluster gets the benefit of adult workers whom it had not fed from childhood or educated (when the workers have skills and/or formal education), and the capitalists can offer lower wages than would have ruled if the migration had not taken place (Ibid, pp.20-1).

We will have to remember these factors of inequalizing forces causing migration and, very often on a selective basis, also in the international context. The selectiveness may be caused by mindless destruction of the habitats of already disadvantaged communities or by deliberate policies for attracting low-wage nurses, domestic servants or heavy manual work or for using the special skills of doctors, engineers, software specialists who have been trained at a high cost by a poor country.

When internal displacement occurs through the working of state-sponsored or market-driven development, the moral issues are starkly clear. Any concept of public morality that places both the substantive and formal freedom of persons at the centre of its discourse would want society to provide for the people who have been forced into a situation of destitution through no fault of their own. Without such provision human lives will be lost or rendered intolerable and the freedom of choice that upholders of negative liberty value will be rendered meaningless. On the other hand, substantive freedom will be badly curtailed or lost altogether if the people who are displaced and coerced into migration because of state action or the depredations of an unregulated market cannot give expression to their discontent about the changes they are victims of. When women and children are trafficked within a state and especially across state borders, they are often rendered voiceless through the complicity of the employers and the police authorities. As pointed out already, neo-liberalism has badly damaged the capacity of the state to provide even the so-called safety nets of the most disadvantaged sections of population, including coerced migrants, let alone the inputs necessary for them to live as free human beings with dignity and self-respect. Moreover, the creation of many new states in the wake of the disintegration of the Soviet Union and Yugoslavia have led to an enormous increase in trafficking.

### **Theories of justice and morality and their bearing on the ethics of treatment of migrants**

The usual systems of morality or justice have been built on the assumption that they apply to persons who are subjects or citizens of particular states. They owe their origin mostly to the context of the modern mercantile-absolutist states in Europe in the sixteenth and seventeenth centuries and the continual wars in which they were involved for acquiring a hegemonic position (Bagchi, 2005, chapter 4). Hugo Grotius (1625/1998) put forward the basic system of laws governing relations between states. But that system primarily dealt with relations between states in peace or war, and did not throw much

light on how states should treat people whose status as citizens or residents straddled several territorial jurisdictions.

Conventional political philosophy, including the dominant version of political liberalism, has little to offer in the way of insight into the ethical or political problems surrounding international migration. For such philosophy takes the existing system of states to be given and has very little to offer beyond what had been accepted as the norm between ‘civilized states’ from the time of Grotius onward.

A discourse on the morality of migration, internal or international, has to negotiate three overarching structures governing the fate of all human beings. These are the prerogatives of the modern state, the regime of property rights as mediated through the marketing in a property-owning society, and the governance of the family and the power of adult males over women and children<sup>4</sup>.

One of my claims would be that, the dominant strands of political liberalism, in its ‘social’ or ‘democratic’ variants (to borrow a classification made by Plant, 2004), in fact contradict their consequentialist approaches to questions of public morality and justice in treating the market as an unanalyzed institution that is a fact of life and thereby not only produces false answers about the different ways markets perform but also yield the high ground to neo-liberalism that has made short work of the ‘social’ or even the ‘democratic’ variant of political liberalism.

John Rawls has been arguably the most influential philosopher of political liberalism since the 1960s, as far at least as academic discourse is concerned. John Rawls’s theory of justice as fairness demands that everybody enjoys certain inalienable liberties, that ‘fair’ opportunities for advancing themselves should be available to all citizens, and that only those differences in economic and social arrangements should be tolerated that would be accessible to everybody and maximally benefit the most disadvantaged sections of the population (Rawls, 1971/1999; Van Parijs, 2003). Compared with many other versions of liberalism, Rawls’s work possesses at least two virtues. First, it is an explicitly ‘political’ theory of justice that underpins his corpus. There is no pretence that the principles of justice apply to some ideal society, without a state endowed with a monopoly of coercive power. Secondly, the principles of justice are primarily macro-social in nature and are not principles that should guide individual behaviour, as Rawls has insisted in the numerous restatements he has engaged in (see, for example, Rawls, 1974, 1999). It is a consequentialist theory and, therefore, judgments about enforcing certain rules necessarily involve analysis of the processes by which the results encoded in the principles of justice are to be achieved.

Since Rawls’s theory is based on the notion of a contract implicitly or explicitly entered into by citizens of a democratic state, it is virtually impossible, without altering the structure of the basic axioms, to extend it into the international arena. This was explicitly recognized by Rawls when he wrote an essay on the ‘law of peoples’ (Rawls, 1999). Not only is it difficult to extend the Rawlsian approach to problems of citizens who are not members of the state to which the principles of justice apply by contract, it is also exclusionary since as Rawls made clear in his numerous writings, including his *Political Liberalism* (Rawls, 1993), it cannot apply to nations that do not have the

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<sup>4</sup> The tyrafficking of women and children is often facilitated by a strong patriarchy, but we will not have the space to discuss it in this paper.

background institutions of his conception of ‘the reasonably just societies of well-ordered peoples’ (Rawls, 1999, p. 17). As Sen (2002, p. 458) pointed out:

The Rawlsian exercise involves institutional reasoning among people “who are born into that society in which they lead their lives” (Rawls, 1993, p.23). What is a matter of concern here is the absence of some procedural insistence on forceful scrutiny of local values that may, on further scrutiny, turn out to be preconceptions and biases that are common to a focal group.

Thus Rawlsian democracy may end up by encoding racism, gender discrimination, not to speak of class biases, directed against strangers or even citizens who do not belong to the focal group.

Rawls has also insisted that his principles of justice will be embedded in production relations that, following James Meade (1964), he has dubbed as a ‘property-owning democracy’ (Rawls, 1987/1999, p. 419). Given the importance of this construct in Rawls’s conceptual architecture, it is surprising that the students of Rawls have devoted so little analytical scrutiny to it. In the *Cambridge Companion to Rawls*, for example, there are only two casual references to it (Freeman, 2003, pp. 221, 279).

Rawls has sharply distinguished his concept of a property-owning democracy from that of a welfare state (Rawls, 1987/1999, p. 419):

One major difference is that the background institutions of property-owning democracy, with the system of (workably) competitive markets, try to disperse the wealth and capital, and thus to prevent a small part of society from controlling the economy and indirectly political life itself. Property-owning democracy avoids this, not by redistributing income to those with less at the end of each period, so to speak, but rather by ensuring the widespread ownership of productive assets and human capital (educated abilities and trained skills) at the beginning of each period, all this against a background of the equal basic liberties and fair equality of opportunity. The idea is not simply to assist those who lose out through accident or misfortune (although this must be done), but instead to put all citizens in a position to manage their own affairs and take part in social cooperation on a footing of mutual respect under appropriately equal conditions.

However, the outcome of the working a property-owning democracy may violate some of the basic principles of justice laid down by Rawls. First, if by workable competition, we mean perfect competition, then in equilibrium, some persons may starve as a result of the working of the market, if the state does not intervene (Coles and Hammond, 1995). Secondly, as Atkinson (1995) has argued, if workable competition includes the possibility that some markets are monopolistic then groups of people may be unable to access goods and services because the monopolists find it profitable to raise prices and change qualities of those goods and services so much that they go out of reach below a threshold income. Even if everybody starts with equal physical assets, the market can enrich some in such a way that the outcome of monopolistic competition leads to their being denied Rawls’s ‘primary goods’ and hence damage the capabilities stressed by Sen (1987).

In countries that had a landlord class using both market and non-market coercion, the deprivation of the peasants and the emergence of a landless class of workers was built into the institutional framework (see, for example, Habib, 1965/1995, 1983/1995). But even under legal systems that gave rights to land initially only to actual cultivators, the working of the market produced a class of landless workers. This was true as much of the northern states of the USA as of, say, Denmark at the end of the nineteenth century. In the industrial sphere, the market led to ever-greater concentrations, and when mergers and take-overs were permitted, to greater centralization of economic power. The protection of the actual cultivators or small producers in industry against dispossession could be achieved only through the continuous intervention by the state, say, through the

operation of Sherman Act in the USA, or continuous monitoring of land transfers as used to be exercised in South Korea.

Rawls's programme would in fact involve a periodic redistribution of all assets in society, something that no welfare state has attempted. There are two different ways of demonstrating that in a market economy, with chance associated with external factors such as harvest fluctuations or changes in trade patterns or with endogenous factors such as competition or innovations, themselves spurred by competition, a skewed distribution of assets and income would be generated. One is theory of proportionate effect of a variable subjected to random shocks originally propounded by J. C. Kapteyn in 1903. Under the propulsion of such an effect some members of the population who are subjected to these shocks would acquire larger values of assets and incomes and others would get lesser shares of the assets and incomes and an unequal distribution of assets and income would be inevitable if no purposive action is taken to interfere with this process (Aitchison and Brown, 1957, chapter 3).

Another, connected set of factors would work through the processes of increasing returns to scale and spatial agglomeration that we have sketched earlier. Karl Marx's theory of the tendency for concentration of capital in a few firms and the associated tendency of smaller firms to being gobbled up by larger ones leading to centralization of capital would fit into this schema. The Marxist tradition includes Joseph Steindl's theory relating increasing concentration of economic power in a few firms and the resulting tendency for deficiency of effective demand facilitating such concentration, and Baran and Sweezy's characterization of the post-World War II global capitalism as a further development of monopoly capital (Steindl, 1952; Baran and Sweezy, 1966). In a parallel development, Schumpeter (1942) stressed the creative destruction wrought by innovations facilitating the growth of oligopolistic firms and further fomenting the growth of such firms.

The failure of Rawls or many advocates of welfare capitalism to analyse the nature of the market and its continual transformation under advanced capitalism and their assumption that they can leave the market to be handled by capitalists while they tackle the undesirable consequences of the market has played into the hands of neo-liberals. If markets are taken to be 'naturally' given, then any interference with that market in the form of state or trade union regulation of wages is considered to be unnatural. A fiscal crisis of the welfare state results when that regulation is supported by typical measures of social insurance associated with the welfare state, while a low tax regime for the rich is instituted in the belief that it will encourage thrift and enterprise, or alternatively, it will check capital flight. That crisis then provides a strong argument for the neo-liberals to do away with most state regulation that is allegedly against capitalist enterprise.

In order to grasp the enormity of dislocation that has fuelled migration, especially migration across borders, we have to briefly analyse the political economy of neoliberalism.

### **The global project of neo-liberal capitalism in the phase of finance-led Globalization II**

Although neo-liberalism began its triumphant march in the U. K. and U. S. A., it was a global project from the beginning. It is not accidental that the problems of international and internal migration have acquired new dimensions as neo-liberalism has

progressively succeeded in stripping the state of most of its functions other than providing security to the property of the rich and the transnational firms. It is also not accidental that the earlier phase of finance-led globalization was also associated with a huge swell of migration. Between 1846 and 1924 an estimated 48.17 million people moved out of Europe into other continents (Massey, 1988, Table 1). Most of that movement took place from the 1870s to 1913. A much smaller number of people from China, India and other colonial and semi-colonial lands were taken as indentured labourers, mostly to serve in the plantations and mines of the tropical regions. The inter-continental European migration was supported by a massive flow of European, chiefly British, investment to the lands where Europeans settled. That foreign investment was in its turn sustained by large flows of tribute and European profits in the nonwhite dependencies of the British, Dutch and other European powers with substantial possessions in Asia, Africa and Latin America (Pollard, 1985; Bagchi, 2005, chapters 13 and 16).

The European migration in the late nineteenth century was driven by the structural transformation attendant on industrialization, and also by the quickening of population growth in several regions brought about by declining infant and adult mortality. Germany became a net immigration country from the 1890s and overseas, the USA became the principal destination for European migrants. The total proportions of population as of 1900 migrating overseas from individual European countries ranged from 1.3 per cent for France, 8.0 per cent for Germany to 29.2 per cent for Italy, 30.1 per cent for Portugal, 35.9 per cent for Norway and 40.9 per cent for British Isles (Massey, 1988, Table 1). The extra-European destination countries were able to absorb these immigrants not only because of the flows of foreign investment received by them but also because of the immense degree of support given by domestic policies in those countries to both public and private investment. The governments of Germany, the USA, Australia, Canada all instituted stiff tariff protection against foreign manufactures, and they built up the infrastructure through generous grants. The concerned governments were also involved in extending education and public health care in various forms. Moreover, in the European heartland, workers' bargaining power improved through their own struggles, through the tightening of the labour market because of migration and government policies to look after the young and the old when so many working adults were migrating abroad. Of course, the European settlers also grabbed the land and resources of native populations in the USA, Canada, Australia, South Africa and Rhodesia (today's Zambia and Zimbabwe). Such acts of usurpation would not be open to today's impoverished migrants, but MNCs continue to usurp common property resources all over the world.

The global situation under finance-led Globalization II since the 1970s is in many respects quite different from what obtained in the first phase of finance-led globalization. From the beginning, the policies were aimed at curbing worker power, making the state retreat from any activities that were judged not to be in the interest of capital and push back the bargaining ability of primary producers, especially the producers of oil. The transnational banks domiciled in the USA, UK, Switzerland, France and Germany successfully corralled the petrodollars arising out of the quadrupling of the oil price in 1973. In a connected development, the major countries of Latin America were pushed into a debt trap that closed on them in 1982. In the so-called rescheduling of the debt of the heavily indebted countries, the trap door was lifted just as far as it allowed the

countries to work a treadmill for generating a stream of service payments, without ever getting out of the trap. The domestic investment capacity of practically all the developing countries, except those of East Asia, was badly battered exactly when they needed to invest more not only in physical capital and economic infrastructure but also in health, education and technology appropriate for providing employment to a burgeoning labour force.

In the history of capitalism as we have known it, armed combat and political domination have from the beginning played an important role as instruments of competition (Bagchi, 2005). This was true also of the two phases of finance-led globalization, namely, that between 1870s and 1914 and the current phase starting around 1971.

### **Theories of justice confronted by facts of globalization**

We have seen earlier that because the ‘social’ or ‘democratic’ versions of liberalism fail to analyse the markets in capital and labour power as they really work, and as they have worked since the financial engineers wreaked havoc on government support for social sectors or productive investment in all countries that they could cajole or bully and on the co-ordination functions of the IMF or World Bank except in so far as they could act as gendarmes at the behest of capital. Through that failure they left the field wide open for neo-liberal policy-makers all around the world. When we come to the ethical aspects of the way international economy has been shaped by financialization and finance-led globalization, the Rawlsian version does not advance a step beyond what Grotius might have said. The ‘law of peoples’ can apply, properly speaking, only to properly ordered societies with institutions that are clones of the US system of governance. They also would apply to peoples which have non-liberal but decent governments. Rawls does not define what he means by a decent, non-liberal government. Leaving that aside, can ‘peoples’ be held responsible for indecent governments ruling over them? Moreover, Rawls imposes on the peoples the responsibility of taking control of their numbers — a responsibility that Grotius did not know of. This is the influence of the neo-Malthusian policy-makers who think that governments can control fertility and the growth of population, if necessary, by direct or indirect coercion (politely called incentives). In fact, such policies have generally failed and, of course, many such policies violate the freedom of choice beloved of liberals. Did Rawls have Hitler’s demand for the *Lebensraum* needed for the *Volk* in mind when he wrote that?

In his law of peoples, Rawls would give citizens the right to emigrate. Would this right make sense if people also did not have the right to immigrate into some other country? Thus unfortunately, the Rawlsian corpus has very little to offer by way of guidance to seekers after justice or morality in international relations. In fact, the general trend of his argument might support the action of a so-called democratic society in imposing its rule over another country because its government is judged to be indecent and is accused of violating systematically violating human rights since that democratic society does not transgress the international laws that obtain only between decent societies.

We have earlier mentioned that the developing economies were caught in a debt trap in the 1980s. Both actual financial innovations effected by the major financial powers led by the USA and UK and ideological constructs by economists played their role in this entrapment of the developing countries. In the early 1970s, stock exchanges of

both Chicago and New York introduced derivatives of future prices of commodities, which included options on increasingly sophisticated variants of delivery systems in terms of dates and instruments. Concurrently Fischer Black, Robert Merton and Myron Scholes constructed the fallacious formula of option pricing (for a short account of the theory see <http://nobelprize.org/economics/lareates/1997/press.html>, accessed on 9 April 2006). It was assumed by them that it is always possible to find out the fundamental values of profit to be made from the ownership of a share in a firm or in a stock of goods, and anchor the formula for option pricing on those fundamental values. But it was well known that prices in the stock market are governed largely by sentiment and operators' guesses about how other operators in the market would behave (for a classic demonstration, see Keynes, 1936, chapter 12). But despite that, in 1997, the Nobel Prize for economics was awarded to Merton and Scholes (Black had died by then). The unreliability of the Black-Merton-Scholes formula was dramatically demonstrated when around August 1998, Long Term Capital Management, a hedge fund that had been founded in 1993, among others, by Merton and Scholes, almost went bankrupt, with a huge exposure to banks in Europe (including the Union Bank of Switzerland, the biggest bank in Europe at the time) and the USA. It was rescued by a bailout operation orchestrated by the Federal Reserve Bank of New York but by it was finally liquidated in early 2000 (<http://www2.sjsu.edu/faculty/watkins/lcm.htm>, accessed on 9 April 2006).

In the same year when the Black-Merton-Scholes theory was formulated, Ronald McKinnon (1973) and Edward Shaw (1973) published books both of which alleged that developing countries suffered from what they called 'financial repression'. The charge was based on the fact that some governments in developing countries tried to regulate money markets in the interest of economic development: the rate of interest allowed to depositors and the loan rate of interest of banks were both subjected to legally specified upper limits and credit was often directed to uses that the respective governments considered to have a priority from the point of view of economic and social development. According to the McKinnon-Shaw doctrine, the regulation of interest rates by the government, rather than their determination in a free market and their direction into designated uses, damages economic growth by discouraging saving and by misallocating resources. This doctrine in its turn is utterly without theoretical or empirical foundation. First, a credit market does not work like a market for apples. Intending borrowers cannot get more credit just by offering higher rates. Credit markets are always characterized by rationing: this was known to most students of monetary economics and the logic of credit rationing has been rigorously brought out by a number of economists (see, for example, Stiglitz and Weiss, 1981). Secondly, in capitalist economies investment drives saving and individual saving intentions, stimulated though they may be for some savers by higher rates of interest earned on their savings, cannot lead to a nationally higher rate of investment and growth unless the investors act in a venturesome manner: in many cases, a low interest regime can stimulate higher rates of investment. After World War II most governments of Western Europe and Japan followed low-interest policies and managed to clock up high rates of growth. In more recent times, the high-growth economies of East Asia, including China, South Korea and Taiwan, have followed policies that would be castigated as financial repression, with great benefit to their economies (Amsden and Chu, 2003; Bagchi, 2005b).

The beginning of the 1970s has been dated as the end of the Golden Age of capitalism (Marglin and Schor, 1990). The rate of economic growth had reached a new high in Western Europe, Japan and the USA during 1950-1970. In Western Europe, this growth had been supported by immigration from Southern Europe, Turkey, North Africa and the former colonies of Britain and France, with very different treatments in respect of citizenship in different countries (Hansen, 2003). As the economic growth slowed and unemployment levels rose, by 1973, practically all the labour-importing countries of continental Europe ceased to be countries of immigration (Ibid, p.26).

As far as the developing countries were concerned, again in 1973, a big gusher of finance, to be used for entrapping them, came under the control of transnational banks. The Organization of Petroleum Exporting Countries (OPEC) quadrupled the price of oil in 1973. Most of the additional revenue resulting from that step accrued on the one hand to the big transnational corporations (TNCs) in the oil industry, all of which were domiciled in the USA, UK and other European countries, and to the kingdom of Saudi Arabia, Kuwait, Iran, the sheikhdoms of the Persian Gulf, and Indonesia - all of which were client states of the USA or UK. The Saudi kingdom and the sheikhdoms were unable or unwilling to use their augmented wealth for industrializing their countries. So the funds were invested in transnational banks of the G7 countries, which in turn lent them mostly to those developing countries, which were run by dictators or juntas owing their power to US support. When US interest rates were raised in the beginning of 1980s, these debts became unserviceable and virtually all major Latin American countries, including those that had already introduced neo-liberal economic reforms became trapped. The structural adjustment programmes (SAPs) mandated by the IMF and the transnational banks with full support of the US government devastated Latin America.

The advocates of neo-liberal reforms have spread the canard that the developing countries had done worse under some degree of state direction and protection of home industries in the 1960s and 1970s than they did thereafter. Investigations by international bodies such as the UNCTAD and individual researchers have shown that most of the developing countries had higher rates of economic growth and advances in human development indices between 1960 and 1980 than they have attained since then (Weisbrot et al., 2001; Bagchi, 2005, chapters 22 and 23; WOM, 2005, chapter 9).

Some of the basic reasons for the SAPs setting back these economies are well known. But it may still be useful to mention them here, because I find that many discussants of new waves of migration from Latin America, the Caribbean and Africa tend to keep silent over them. First, by squeezing domestic expenditure severely, the SAPs badly damaged incentives to invest. The raising of interest rates under the SAPs both curtailed investment by firms and led to the bankruptcy of many businesses that could not meet their obligations. This in turn often led to a banking crisis, which aggravated the problems further, as was witnessed with dramatic effect in the case of Indonesia in 1997-98 and in the case of Argentina during 2001-02. With vastly diminished incomes of the citizens and the obligation to pay foreign debtors, even apart from the pressure of the minimalist state, the governments of the highly indebted countries were forced to sell off many productive enterprises owned by them: these sales were made generally to foreign enterprises at fire sale prices since the currency of the country concerned had by then been drastically devalued and only foreign firms of hard currency areas had the resources to bid for them.

The justice or even the legality of full capital mobility across international borders has not been discussed in the literature, although many of the problems of both developed and developing countries in Globalization Phase II arise from this footloose behaviour of capital. Take any firm employing labour. It is taken as axiomatic in some branches of the Anglo-Saxon literature centred on the interests of shareholders that the latter are only risk-bearers in a firm. On the contrary, the employees also bear risk as do many of the subcontractors or suppliers of the firm, and in some cases, even consumers (if, for example, the firm is the only easily accessible seller of some essential drug in a poor country). In the current phase of globalization, firms have been allowed to shift their operations from one country to another without consulting the interests of workers. That kind of relocation or the employment of low-wage workers at the cost of locally employed higher-wage workers have been the basis of the populist politics of restricting immigration (Crisp, 2003; Spencer, 2003) and even some 'leftist' economists (e.g., Rowthorn, 2004) have supported such moves. Borjas (2004) and Rowthorn (2004) have both argued that immigration of any workers will have a depressing effect on the wages of the locals, especially in pockets of high unemployment. Such views have been contested (Kleinman, 2003; WOM, 2005, chapter 9). I am not here entering into this particular branch of the immigration debates. As regards the argument of Borjas, one simple point is that the USA is now kept afloat by the rest of the world sending more than \$2 billion dollars a day to that country to meet its balance of payments deficit. A large part of the foreign funds comes from controllers of client states or from businessmen who are directly or indirectly responsible for creating deprivation and unemployment in their home bases. A large part of the 'legitimate' US earnings accrues from arms sales to states which have been put into conflict situations or rendered insecure through the activities of the NATO member countries, led by the USA. Moreover, neither Borjas nor Rowthorn takes account of the fact that the financialization that has benefited the gnomes of Wall Street or Threadneedle Street has led to a decline in rates of investment in most of the G7 countries (Stockhammer, 2004), and that decline has been blamed by Rowthorn (1995) earlier for rise in unemployment rates in Europe. To analyse the effects of immigration in developed countries without taking into account these overarching factors is akin to the proverbial attempt to measure the effect of the weight of the fly on a boat when the fly is sitting on an elephant, without measuring the elephant's weight<sup>5</sup>.

With a rampaging market for firms and mergers and acquisitions reaching new records in terms of the value of assets and the numbers of workers affected, none of the ordinary stakeholders can be sure where their jobs, their supply contracts or their skills will end up and whether they will have anything left at the end of the deal. But the concerned economists or political scientists have not questioned the justice of allowing licentious capital mobility that has caused the problem in the first place.

When it comes to developing countries, the injustice of allowing unrestricted capital mobility is even more glaring. Much of the Third World debt originated in the

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<sup>5</sup> The usual analysis of the effect of immigration of skilled rather than unskilled labour is in many cases flawed on two counts. First, with structural change, many skilled persons are rendered unskilled: the task of a responsible government would be to try and retrain the people so affected rather than let them sink to the bottom of the heap (Bagchi, 2002). More investment would also help in this process. Secondly, many developed countries refuse to recognize the certification of countries sending out migrants, so that trained doctors or engineers may end up as taxi drivers or janitors (Jordan and Düvell, 2003, pp.24-5)..

corruption suffusing dictatorial regimes. When businessmen and politicians in the know thought that the currency of the country concerned was likely to suffer devaluation because of unsustainable balance of payments deficits, they simply exported capital to hard currency areas. It was well known that before the Mexican debt crisis of 1982, as soon as the government borrowed money abroad, almost half of it was deposited in US banks. On top of that dictators knew that they might have to flee at some stage from the wrath of the people, as happened with the Shah of Iran, Ferdinand Marcos, Mobutu and many others. What is the justice of refusing to hand over the ill-gotten assets of the former Shah of Iran to the Iranian people? Why did it take so long for Swiss banks to hand over only a fraction of the billions that Sani Abacha stole from the people of Nigeria? Abacha died in 1998, but only a part of the money lodged in Swiss banks was returned to Nigeria, and under the condition that the World Bank would monitor Nigeria's use of the funds (BBC News 9 September 2005: <http://news.bbc.co.uk/2/hi/business/4230884.stm> accessed on 13 October 2005).

It was also known that Abacha's ill-gotten wealth is stashed in the UK, Luxemburg, Liechtenstein and Austria as well. Did those banks ever ask how Abacha had obtained his money in the first place? If that money (altogether several billion US dollars) had been invested in Nigeria, it would have generated income and employment for several thousand Nigerians, and at least part of the incentive to migrate would have vanished. So long as there are countries and institutions which will accept funds without asking any questions, a structure is created for continuous capital flight from all poor, vulnerable economies. As the researches of Boyce. and Ndikumana (2002, 2002a) and other scholars have shown, much of the Third World debt is due to capital flight, to which the international agencies and the G7 countries and traditional safe havens such as Switzerland turn a blind eye. Boyce and Ndikumana (2002a) claim that even for Sub-Saharan Africa, the poorest of the major regions of the world, total capital flight exceeds the debt owed by them. Baker and Nordin (2005) have usefully distinguished three kinds of dirty money sluicing around the international economy, dirty money arising from official and political corruption, criminal dirty money, namely, from drug and arms running, human trafficking, racketeering etc., and commercial dirty money. The last, which receives the least official attention, may well be more important than transfers of funds through direct official corruption. 'Businesses try to hide revenue from their country's tax inspectors by, say, directing buyers to deposit money in Western bank accounts. Private studies have estimated such practices in developing countries at 5 per cent to 7 per cent of their total trade, or more than \$ 200 billion per year illicitly transferred abroad... Annual foreign aid totals \$50 billion or so, while dirty money is upwards of \$1 trillion per year, half of which passes from developing to and transitional economies to the West' (Ibid).

The scale of international migration as computed by the international bodies monitoring them appears to be daunting (Table 1). But it must be recalled that (a) it is a small fraction of the total world population, that (b) most of the migrants are in developing countries rather than in the developed ones, so that the latter bear only a small fraction of the burden (if it is a burden, which many analysts doubt). A third fact is that a single country, namely, China, may be handling as many as between 120 and 120 million people migrating mostly from country to cities, and it is doing so without any international aid and is managing to raise the living standards of both migrants and

residents. It must also be recorded that China is able to do all this because it systematically ploughs back about 40 per cent of its income into investment. It is able to do so because so far it has not allowed the wasting diseases of financialization to enter into its body politic, and because it had effected a transformation of its economy by eliminating the power of landlords and speculative capital. The state still plays a major role in directing all major areas of economic and social improvement.

**Table 1 The scale of international migration 1975-2000**

year	Migrants	World population	Migrants as per cent of world population	Average annual increase in no. of migrants	Income group by GDP per capita (US\$)			Ratios	
					(millions)	(billions)		Low	Middle
1975	85	4.1	2.1	1	150	750	6200	41	8
1985	105	4.8	2.2	2	270	1290	11810	44	9
1990	154	5.3	2.9	10	350	2220	19590	56	9
1995	164	5.7	2.9	2	430	2390	24930	58	10
2000	175	6.1	2.9	2	420	1970	27510	66	14

Source: ILO, 2004, Table 1.2

Note: The figure for 1990 includes the potential migrants from the break-up of the Soviet Union, when many ethnic Russians (and members of other ethnic groups) settled in territories other than those of their ascribed origin were expected to be denied citizenship in their settlement states and therefore forced to migrate.

#### **A sketch of an ethical policy on migration and immigration**

Many of the usual normative discourses in the portals of respectable academia and the more powerful international bodies, and the background forces shaping the pressures for international (and national) migration turn out to be justifications for repressive measures under which the trouble-makers (read asylum-seekers) and unwelcome migrants may be shot with impunity and/or as stop-gap humanitarian measures to alleviate the agony of the sufferers. In the same portals, selective, skill-specific immigration is approved of, and the ill-effects of opening such side doors on the developing countries and the culpability of developed country governments and employers is often overlooked (for exceptions see Özden and Schiff, 2006, a study sponsored by the World Bank, and GCIM, 2005, a study carried out by the Global Commission on International Migration set up by the United Nations). While the agony continues, palliative, humanitarian measures will be absolutely necessary. But a long-term, morally appealing solution to the problem of migration would require the dismantling of the structure that continues to promote finance and the interests of capital at the cost of all human values.

There are several troublesome areas of treatment of international migrants which cause controversies, or even worse, about which a studied silence is maintained in the literature. In some ways, the treatment of skilled migrants has received most attention from researchers and policy-makers. But the treatment of stateless persons, of trafficking

of persons, especially women, and finally, of so-called 'irregular' or 'illegal' migrants pose many ticklish issues.

Let us first turn to the case of migration of skilled or educated persons from poor countries. According to Özden and Schiff (2006a, p.10):

Among the positive externalities that are lost with the emigration of educated workers are (a) the positive effect on the productivity of colleagues, employees, and other workers; the provision of key public services with positive externalities, such as education and health, particularly for transmissible diseases; (c) the fiscal externalities associated with the fact that they pay are larger than the public services they consume and the public funds expended in their education; and (d) their contribution to the debate on important social issues and their impact on policy and institutions.

We can only mention the grievous effect of inducing the selective migration of highly skilled professionals such as doctors or nurses from developing countries to the affluent lands. In some of the poorest nations in the world, such as the countries of Central America and the Caribbean islands, in 2000 CE, more than 50 percent of their university-trained graduates had been living abroad (Docquier and Marfouk, 2006). There are more Ethiopian doctors practising in Chicago than in the whole of Ethiopia or that the number of Jamaican migrants with tertiary education is 3.7 times the number of such people staying at home (WOM, 2005, chapter 8). Since 2000 CE again, 'nearly 16000 African nurses have registered to work in the UK alone. Only 50 out of 600 doctors trained since independence are still practicing in Zambia. And it is estimated that there are currently more Malawian doctors practising in the northern English city of Manchester than in the whole of Malawi' (GCIM, 2005, p.24). Thus doctors and nurses trained at great cost by these desperately poor countries are being lost to rich nations while the Sub-Saharan Africa continues to be a region of health disaster, plagued by HIV/AIDS, tuberculosis, endemic malaria and poverty-related diseases such as diarrhoea and other gastro-enteric disorders.

Not only the health care, scientific and economic progress are threatened by this brain drain, but the ability of poor countries to protect the biological and genetic resources on which they have depended for survival for millennia is also gravely damaged by that drain. Under the Biodiversity Convention and under the TRIPs clauses of the WTO agreement, the poorer countries are allowed to protect their plant genetic resources (Correa, 2000, chapter VI). But how can they protect them if they do not have scientists who can describe and classify them? According to Koen Maes, Belgian-born head of invertebrates at the Kenyan National Museum in Nairobi, in 2002,

There were no specialized taxonomists in the whole of Africa. ...It takes eight to ten years to train a taxonomist, but none are coming along in Africa. 'They are the real fossils', Maes added. He himself was to be let go at the end of the year, he said. After seven years in Kenya, his contract was not being renewed. 'No funds', Maes explained (Bryson, 2004, p. 441).

On the other side of the coin, there is brain waste which benefits nobody except the migrants who may seek to escape unemployment or abysmally low wages at any cost (Özden, 2006). Ordinary graduates, doctors, scientists from developing countries and Eastern Europe migrate to the EU countries, Australia and the USA and perform menial jobs, either because their home country certification is not recognized in the host countries or because they cannot find the jobs that fit their skills.

The migration of women has increased enormously in recent years and pose special problems in the ethical and legal treatment of such migrants. 'In 2000, the number of migrant women exceeded the number of migrant men in Latin America, and the

Caribbean, North America, Oceania, Europe and the former Soviet Union. In Africa and Asia, however, the migrant men were in the majority' (GCIM, 2005, p. 15).

The case of stateless persons is the most difficult. Persons may be effectively stateless because they have been driven out of their usual homes and neither their home country nor the country to which they have been forced to migrate is willing to bear the cost of their rehabilitation. The cases of Palestinian refugees in West Asia and Rwandan refugees in Africa are perhaps the most notorious examples of such victims of ethnic cleansing or genocide, but such victims may be found in many other regions of the world. The UN High Commission for Refugees (UNHCR) may take care of a fraction of these victims and whole generations of people spend their lives in refugee camps. According to the UNHCR, at the end of 2004, there were 19.4 million refugees and asylum-seekers around the world, that is, 10 percent of the estimated migrant population of 200 million (<http://www.unhcr.org/cgi-bin/texis/vtx/statistics>, accessed on 10 April 2006).

But there are stateless people who are not necessarily refugees. In several countries of West Asia such as Kuwait and the United Arab Emirates, there are several hundred thousand inhabitants called *bidun jinsiya* in Arabic, meaning 'without nationality'. Most of them are supposed to have originated in Iran or South Asia. They have no security while they have lived all their lives in some of these countries and may be expelled any time, as happened to half of the population of *bidun* in Kuwait after the 1991 Gulf War (IOM, 2005, pp. 53-54).

The cases of the so-called irregular immigrants have attracted considerable attention because of the atrocities committed against them by developed country governments in the name of enforcing their laws. One of the worst and most publicized incidents occurred on 26 August 2001. The Norwegian steamer MV Tampa responded to an Australian Coastal Surveillance alert that an Indonesian boat was sinking and rescued 460 people on the boat. But the Australian Prime Minister refused landing permission to those boat people who were Afghans who had arrived in Indonesia. Ultimately, 150 of them were taken by New Zealand and the rest were landed in the tiny island state of Nauru (Suter, 2001; Crisp, 2003, p. 85). Australia's action was clearly against international law and human rights. The current Australian government has been notorious in its treatment of asylum seekers and 'illegal' immigrants, keeping them isolated in detention camps, and some of the detainees sewed up their lips in protest (Jordan and Düvell, 2003). 'The International Centre on Migration Policy Development estimates that some 2000 migrants die each year trying to cross the Mediterranean from Africa to Europe. According to Mexican consulates, about 400 Mexicans die trying to cross the border into the USA each year' (GCIM, 2005, p. 34). Many Asian immigrants also die when the traffickers deliberately scuttle them into the Mediterranean when a naval patrol chases a boat carrying such immigrants. Others die trying to cross other seas and the Sahara desert in an attempt to make into a coveted destination.

Trafficking of women raise particularly delicate issues (Poulin, 2003; Trépanier, 2003). When women are employed as domestic servants or for so-called home care, they may be subjected to various kinds of exploitation beyond what they are supposed to do. All 'irregular' or 'illegal' immigrants suffer from the severe handicap that they cannot have any legal redress against their employers. When such immigrant women are sex workers, then their handicap becomes even greater, if in the host country sex work is an illegal activity. In such cases, the traffickers often get away under the usual police

procedures but the women face severe penalties. While many feminists and other activists consider sex work a demeaning activity, legalizing sex work at least frees women sex workers from harassment both by pimps and the police. On the other hand, it has been claimed that legalizing sex trade has led to a larger flow of trafficked women from most countries of Latin America and the Caribbean (Facio, 2003).

Given the contradictions caused by the state system and the deliberate violation of both human rights and international law, the only morally defensible stance is that of what might be called cosmopolitan egalitarianism. Beitz (1979/1999) has convincingly argued that neither moral realism or rather, moral cynicism in international affairs, nor an international communitarianism that privileges all domestic institutions equally because they are supposed to reflect a consensual agreement are morally defensible stances if we value every human being equally (cf. Sen, 2002). I have argued above that a cosmopolitan liberalism that Beitz advocates will not work to protect the persons at risk under the current regime of national and international migration since it privileges non-interference with the operation of footloose finance and monopolistic firms concentrating economic power in their grasp. Thomas Nagel (2005) refuses to fully scrutinize the claims of cosmopolitan morality and instead engages in the delineation of a politically oriented international morality. But his argument there runs on issues of whether richer states have the responsibility of aiding poorer states. He again takes not only the international property rights arrangements of a liberal state as his background structure but also refuses to scrutinize the origins and justice of the current international economic and political order characterized by deep inequality.

The only defensible moral stance if we want to protect the human rights of everybody, including those of migrants is to ignore the barriers erected by institutions of states and exclusionary communities, as Amartya Sen (2994) has argued. But in order to even begin to work towards an international order that can address some of the basic issues, certain fundamental changes in the current arrangements governing movements of capital and labour have to be brought about. I can only sketch the needed alterations in the following paragraphs.

1 There should be a regulation of the export and import of capital in all countries. As we have argued above, unregulated capital movements hurt the interests of workers, and not only workers, of all countries. Transparent and internationally monitored movements of capital can benefit all countries and can both stem the migration of labour from poor countries

2 The export and import of capital by means of trading in derivatives should be disallowed. Derivatives are primarily instruments of speculation and not instruments for minimizing risk. This is certainly true when they involve movements of funds across borders. So banning most derivatives will dampen the enterprise of financial engineers. But as we know, the world has been awash with currency, banking and economic crises since the financial engineers were allowed to shape the money and credit markets any way they liked.

3 The state should be fiscally empowered to spend on social sectors so that standards of education, health care and conditions of work can be continuously upgraded. If capital flight and tax evasion by the rich can be minimized, there will be an enormous gain of revenue by the citizens and by the state, which can then spend money on several projects. First of all, especially in developing countries, it can spend more on education,

sanitation and health care. It can expand the urban infrastructure in countries that are undergoing rapid structural transformation. In all countries, it can spend more on decent relocation of families and workers adversely affected by technological change and restore the basic features of the welfare states in affluent nations that have been badly damaged by neo-liberalism.

4 If preference is given to immigrants with skills, then part of the taxes originating from earnings of those persons should be returned to the home bases of the immigrants on a regular basis, at least until the costs of providing the extra education to the immigrants are recovered. Such steps will not interfere with the freedom of individuals and families to migrate but will at least partly take care of glaring misdirection of skilled persons mentioned above.

5 Citizenship should be granted to willing immigrants after a brief period. The current practices of the developed and developing countries in controlling immigration obviously violate some basic human rights. As Kymlicka (2003) has argued, the acceptance of immigrants is closely associated with the way citizenship is defined. Canada had been one of the few countries which had welcomed immigrants and had tried to integrate them into Canadian society, while recognizing that many of them had different ways of relating to another, with different kinds of religious bonds and so on. But as the disasters of the 1990s propelled ever larger numbers of people to migrate, the attitudes of the developed countries hardened. But in the wake of 9/11 and the attack that the USA, UK, Australia and their allies mounted on Iraq in 2002, in clear violation of international law, without facing any sanctions from the rest of the world, the actions of those countries towards asylum-seekers who are automatically treated as 'terrorists' until proved otherwise have been more inhuman than any time in the history of those countries (see, e.g., Chang, 2002). The British government has introduced a so-called anti-terrorism bill that will allow it to detain any suspects for up to 90 days without any charges being filed had drawn the fire of normally reticent judges and jurists in Britain, who warned that the judges must not be deprived of the power to review the actions of the police, if justice was not to suffer a fatal miscarriage (Travis, 2005; Travis and White 2005). The proper thing to do would be to restore the traditional habeas corpus rights, the foundation of the claim for the fairness of British justice, for everybody, including asylum-seekers and suspected terrorists and punish them only if they are really guilty of some offence besides having the wrong skin pigmentation or wrong religion.

What I have suggested above is only a sketch. But I do not think it is millenarian. It will sit well with various other proposals for rendering the global financial system more stable, proposals for uniform labour standards (e.g., Palley, 2004), for defining members of a global community (e.g., Jordan and Düvell, 2003) and so on. In any case, given the fact that the so-called international community of policy-makers has mismanaged the world economy so badly, as far as the lives and security of the majority of mankind, it is high time we seriously discussed schemes for radical structural change rather than palliatives (such as structural adjustment with a human face) have failed so publicly and so blatantly. Ernst Bloch (1959/1986) was recalling the dreams of previous generations and weaving some of his own during the years when the civilized world as he had known it in Europe was collapsing all around him. Some of the proposals made by me may also have resonance in discussions of feasible socialism, which have resurfaced, ironically enough, after the collapse of the Soviet block (Kymlicka, 2002, chapter 5). My proposals

will also require the empowering of the United Nations rather than the G7 governments, the World Bank, the WTO or the IMF as the forum for deciding issues of global governance.

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