

Institutional Consequentialism and Global Governance

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Outline

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- Reasons to adopt institutional consequentialism
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Consequentialism

Normative properties depend on consequences only:

- The moral rightness of an act depends exclusively on the valuable consequences of that act (or something related to that act as judged from an impartial perspective.
- We focus on maximizing consequentialism:
 - Requires agents to maximize the good as born by the consequences of acts, motives, rules and so on.
- We focus on welfare for the time being:
 - The relevant consequences are those that bear on human welfare.
 - Can be relaxed later.

Institutional consequentialism

- Institutional division of labor (taken from Rawls):
 - The demanding consequentialist principle regulates the design of the institutional structure.
 - Individuals ‘only’ have the duty to set up and maintain these institutions.
- The institutional division of labor reduces moral demands on individuals.
- There are further reasons to endorse institutional consequentialism: background adjustment and content determination.
- The best form of institutional consequentialism is two-level consequentialism.

What are institutions?

- A *public system of rules* which defines positions together with their rights and duties.
- They can include organisations as well as systems of organizations, but they do not need to have such parts (e.g. barter economy).
- They involve roles together with rights and duties attached to them.
- They are constituted by the conduct of individuals upholding them (i.e. they are not abstract entities).
- They include formal sanctions to enforce their rules.
- Our focus is on what Rawls calls the *basic structure* of society.

Reasons to adopt institutional consequentialism

- Institutions enable the more effective promotion of consequentialist goals by counteracting informational, cognitive and motivational limitations in individual agents.
- They are also necessary for a division of labour allowing individual agents to specialize and exploit their comparative advantages.
- Institutional rules allocate responsibilities within a larger group:
 - Political and economic institutions coordinate the behaviour of large numbers of agents in strategic settings.
 - They solve collective action problems and implement policies that would otherwise not be implemented.

The best form of institutional consequentialism

- Aim is to keep the act-consequentialist *criterion of rightness* (as opposed to bifurcating the criterion - have one for institutions and another for individuals).
- We have seen that there are good reasons to require private individuals not to follow in their every-day decisions the act-consequentialist criterion but to follow one rule: to set up and maintain the right institutions. Similar reasoning, but leading to different rules, applies to public officials.
- Hence we get *two-level consequentialism*: one set of decision rules for institutions and another for individuals under the watchful eye of the act-consequentialist criterion of rightness.

Global challenges

- 6 million children under 5 died in 2015.
- Most deaths are due to poverty-related causes (starvation, diarrhea, pneumonia, measles, malaria, maternal conditions).
- 700 million people live on less than \$1.90 a day:
 - Extreme poverty: cannot afford a minimum, nutritionally adequate diet plus essential non-food requirements.
- This is just one challenge but we could easily list several more:
 - Climate change and the resulting global problems: climate refugees, massive humanitarian costs and so on.
 - Threat of (nuclear) war: there may only be one more big war left for us...but in the meantime we have a myriad of regional conflicts.

Corresponding moral duties

- The prevention of premature deaths and suffering would make the world a much better place.
- The affluent have a duty to aid the poor whether or not they are citizens of the same country:
 - Human lives are of equal worth from an impartial point of view.
 - Compelling moral reason to contribute to eradicating poverty-related causes of death and suffering.
- Reasoning is generalizable and can be applied to other global challenges:
 - Climate change and its humanitarian costs.
 - War and its humanitarian costs.

Institutional consequentialism and global morality

One response: relationism about justice (morality in general).

- Claims of justice (morality) are grounded in institutional relations among people.
- Since the relevant relations do not exist on the global level, no obligations of (egalitarian distributive) justice occur.

Not consequentialist: no need for relations to create duties of assistance etc.

- Classic version of this picture of (global) morality: Singer's pond example and the argument it is used to support.

Another response: find or establish relevant institutions. What are the options?

Alternative global frameworks

1. The status quo ('global governance'):
 - The nation-state system
 - Supplemented with supranational institutions
2. Multilayered sovereignty/neo-medievalism
3. World state

Other options?

4. Bull: System but not a society
5. Bull: States but not a system
6. Non-historical alternatives and hybrid versions

Caney's conceptual framework

Four defining features of sovereignty in the state system:

- *Legality*: authority over its jurisdiction
- *Supremacy*: final and absolute authority, with no final and absolute authority elsewhere
- *Territoriality*: authority over a territorially defined unit
- *Comprehensiveness*: authority over all issues, not just some

The state system and the world state do not depart from this model of state sovereignty. Other institutional frameworks can abandon some features while keeping others.

Neo-medievalism

State system	Neo-medieval system
Concentration of power	Overlapping authorities
Hierarchy (vertical pyramid)	Divided sovereignty (polycentric: various horizontal lines)
Sovereignty	Differential institutional arrangements
Clear-cut identity	Multiple identities
Fixed and relatively hard external borders	Fuzzy borders
Centrally regulated distribution	Redistribution based on different types of solidarity between various transnational networks
Strict rules, commands, and penalties	Bargaining, flexible arrangements and incentives
Nation states at the core	Nation states, large cities, regions, transnational and supra-national organizations, NGOs etc.
Integration based on territory	Integration through networks along functional lines

The full picture

	Desirability	Necessity	Possibility
State system	X	?	X
Neo-medievalism	?	?	X
World state	X	X	?

The status quo (1)

Two reasons for territorially limited obligations:

- A set of distributed general obligations: each government bears special responsibility for its citizens' welfare:
 - It is better to have a system of states each of which is responsible for a limited number of people than to require everyone to be responsible for everyone else.
 - Recall the benefits of specialization, division of labor and coordination.
 - The pursuit of prudent economic and social policies through state institutions is necessary for the preservation of natural and social resources.

The status quo (2)

- Given the existence of a system of nation-states, governments are in general in a better position to affect the welfare of their citizens than outsiders are:
 - Limited options for outsiders: either provide assistance in developing country institution-building (e.g., analytical work; supporting reform initiatives; technical assistance), or simply ‘get out of the way’ of the poor.
 - Duties to provide international assistance are going to be less demanding since what needs to be done cannot be done by outsiders.

The status quo (3)

States are embedded in a system of supranational institutions such as the IMF, WTO, WHO, or the World Bank:

- Nation-states alone cannot solve global collective action problems: e.g., limiting greenhouse gas emissions, or preventing a global ‘race to the bottom’ in labor regulations, tax laws, and protectionism.
- Nor can they satisfactorily specify duties for agents since it is often unclear which jurisdiction applies (e.g., international trade).
- Supranational institutions (in some cases) effectively coordinate national policies and solve global collective-action problems.
- Authority to make, interpret and sometimes enforce rules in direct or indirect rule-making relationships with individuals globally.
- They shape national policies and individual conduct by imposing sanctions and providing incentives: e.g., public health, product standards, labor standards, environmental regulation.

Why this may not be enough

- Currently existing institutions are arguably not optimal by consequentialist standards.
- E.g., critics regard the current global intellectual property rights regime governed by TRIPs under WTO jurisdiction as suboptimal:
 - It leads to a neglect of diseases afflicting the poor and concentrating funds on pharmaceutical products marginally improving the life-prospects of the affluent.
- Additional global problems in search of institutional solutions: climate change, poverty, wars, protectionism etc.
 - Often require collective action that depends on compliance enforcement and assurance.
 - It is unclear whether a mere extension of the state system can provide these.

Gradual reform vs. radical change (1)

- Gradual institutional reform through the introduction of procedural rules:
 - One reason why supranational institutions are suboptimal is that they lack support or legitimacy.
 - Institutions need to be shaped so that they motivate their own support.
 - Introducing procedural requirements on decision making may be a good way to achieve legitimacy.
 - Suitable institutional procedures can mitigate moral demands in the face of disagreement.
 - Short of a global state, standard majoritarian mechanisms are not feasible but other mechanisms can be implemented (e.g. Daniel's *Accountability for Reasonableness* in the distribution of health care).
- Zielonka argues that his neo-medieval system can produce integration in the face of radical diversity and plurality.
- Tännsjö argues that global democracy is achievable (desirable).

Gradual reform vs. radical change (2)

- When the pursuit of gradual reforms through legitimate procedures is not feasible – since there are no workable institutions in place or current institutions are perceived as grossly unjust or illegitimate – individuals likely have no consequentialist duty to fight for institutional reform since global collective action problems make individual attempts at system change futile and wasteful.
- Pogge argues that multilayered sovereignty can be reached gradually from where we are now through “second-order decentralization”. Zielonka points out that most ingredients of a neo-medieval system are already in place (take the EU!)
- A world state is reachable also through contract; step by step; unintentionally. What if radical change is our only option?!

Gradual reform vs. radical change (3)

- Risse: proposals for radical changes to existing political structures face epistemic and moral difficulties:
 - It is impossible to have a reasonably clear understanding of what a world with no states or with a world state would look like.
 - Counterfactual outcomes are impossible to evaluate.
 - Such utopias cannot be action-guiding in a meaningful way; we need instead a *realistic utopia* (a la Rawls).
 - Radical proposals are therefore also morally wrong since they are *irresponsible*.
- Is a radical vision really so removed from our reality?
 - World state: extrapolation from the extended state system?
 - Neo-medievalism: historical precedent?

Conclusion

- Institutional consequentialism can be worked out and motivated in a consistent and coherent way.
- Attempts at dealing with global problems must start by looking at the existing global institutional architecture:
 - Action-guiding consequentialist requirements must be based on an assessment of what can be achieved given existing institutions, and at what cost.
 - Costs of transition must be taken into account.
- The epistemic limits of imagining a radically different institutional structure may raise the justificatory burden radical institutional proposals face.
- Nonetheless, it is far from obvious that we shouldn't be working toward a radical system change!

Thank you for your attention!

It's good to be back in Bayreuth!