

## **Distribution Agreement**

In presenting this thesis as a partial fulfillment of the requirements for a degree from Emory University, I hereby grant to Emory University and its agents the non-exclusive license to archive, make accessible, and display my thesis in whole or in part in all forms of media, now or hereafter now, including display on the World Wide Web. I understand that I may select some access restrictions as part of the online submission of this thesis. I retain all ownership rights to the copyright of the thesis. I also retain the right to use in future works (such as articles or books) all or part of this thesis.

Richard Frank Walker

April 17, 2012

Sartre, Sen, & the Living Wage:

An Examination of the Modern-day Prospect of Ethical Globalization

by

Richard F. Walker

Dr. Thomas R. Flynn

Adviser

Department of Philosophy

Dr. Ann Hartle

Committee Member

Professor Allison Burdette, J.D.

Committee Member

2012

Sartre, Sen, & the Living Wage:  
An Examination of the Modern-day Prospect of Ethical Globalization

by

Richard F. Walker

Dr. Thomas R. Flynn

Adviser

Department of Philosophy

An abstract of  
a thesis submitted to the Faculty of Emory College of Arts and Sciences  
of Emory University in partial fulfillment  
of the requirements of the degree of  
Bachelor of Business Administration with Honors

Department of Philosophy

2012

## Abstract

Sartre, Sen, & the Living Wage:

An Examination of the Modern-day Prospect of Ethical Globalization

By Richard F. Walker

To actively acknowledge that globalization could and should be carried out in a truly ethical manner has never been more urgent. Resonating with recent worldwide protests denouncing capitalism is the belief that our global economy requires a different mode of production. Yet, when faced with the question of what should replace the dominant Western economic system, no answer thus far provided by capitalism's opponents seems adequate. In many ways, then, this thesis hopes to generate meaningful conversation about the globalization phenomenon and its connection with ethics by identifying the aspects of capitalism which have warranted its negative ascriptions.

This work consists of three subdivided chapters. Chapter One considers the institution of capitalism from the perspective of Jean-Paul Sartre. By seeking to situate capitalism within the Sartrean framework, we may address the worst aspects of the system. After reconciling Sartre's theory with capitalism, we will consider Apple© Inc. and the company's controversial outsourcing policy, as this will provide context to Sartre's ontological descriptions.

Chapter Two will examine the idea of a living wage in great detail. To justify the right to a living wage we must establish its Natural Rights basis. Next, I will reference several business ethicists who have recognized the right to a living wage as fundamental and necessary for enhancing the ethics of globalization.

Chapter Three argues against the classic liberal economic view which disintegrates the link between economics, ethics, and man's morality. The notion that growth in GNP serves as the best measure for evaluating the worth of economic development misses an important consideration, as our discussion of Amartya Sen's theory of social justice will make clear. Sen's approach serves as a useful method for addressing social justice issues with global implications.

In the end, I propose that globalization is desirable due to its proven success at increasing freedom and raising living standards throughout the world. However, this does not mean that the system is without fault. Indeed, this paper argues that if firms and states were to accept the Living Wage doctrine then the prospect of achieving a more ethical globalization would be greatly enhanced.

Sartre, Sen, & the Living Wage:  
An Examination of the Modern-day Prospect of Ethical Globalization

by

Richard F. Walker

Dr. Thomas R. Flynn

Adviser

Department of Philosophy

A thesis submitted to the Faculty of Emory College of Arts and Sciences  
of Emory University in partial fulfillment  
of the requirements of the degree of  
Bachelor of Business Administration with Honors

Department of Philosophy

2012

## Acknowledgements

First and foremost I would like to thank my adviser, Dr. Thomas R. Flynn. In addition to being an invaluable source of knowledge for all aspects of my thesis, he provided me with much needed inspiration and encouragement throughout the thesis process. I would next like to thank my other two committee members, Dr. Ann Hartle (Philosophy Department) and Prof. Allison Burdette, J.D. (Goizueta Business School Professor of Business Law- Accounting Faculty). This work would not have been possible without the assistance I received from each of these individuals.

In addition, I would like to thank my mother and father (Richard and Madeleine), sisters (Jacqueline, Nicole, and Noelle), and brothers (Randy and the brothers of the Kappa Alpha Order- Epsilon Chapter) for supporting me as I worked on this thesis. The Woodruff Library of Emory University provided me with all of the resources I could have ever utilized, and the library assistants were very gracious whenever I needed help. Last but certainly not least, I would like to thank my girlfriend, Annie Kwon, for putting up with the stress caused by the thesis and supporting me throughout the tedious process.

All of the mistakes contained herein are my fault entirely, and I hope to improve upon this work and possibly continue the topic discussed here or explore a variation of it in a future PhD dissertation. I am confident that there still remains a great deal of work to be done on this subject and that it deserves greater attention from the general public.

## Table of Contents

Introduction.....	1
Chapter I: Sartre on Capitalism.....	7
Praxis/Practico-Inert/History.....	8
Primacy of Praxis Principle.....	9
Collective/Collective Object/Seriality.....	11
Scarcity.....	12
Seriality.....	14
Interest/Machine-Destiny.....	15
Capitalism as Praxis-Process/ Serial Responsibility.....	17
Group/ Positive Reciprocity/ Mediating Third.....	20
Additional Sartrean Concepts Applied: Apple’s© Outsourcing Policy.....	24
Facticity/ Bad Faith.....	25
Non-Alienating Objectification.....	29
Chapter II: The Right to a Living Wage.....	30
Natural Rights: The Notion of a Living Wage.....	33
The Catholic Church’s View on the Living Wage Doctrine.....	34
Compatibility of Living Wage with Business Ethics.....	39
Practical Means/Reasons to Improving the Ethics of Globalization.....	44
Unions.....	44
Harmonization of Labor Standards.....	46
Productivity Benefits.....	48

Chapter III: Amartya Sen’s Theory of Social Justice for the Global Era.....	50
Rawls’s Transcendental Approach: Justice as Fairness.....	52
Social Choice vs. Social Contract.....	53
‘Impartial Spectators’ .....	55
Amartya Sen: Capabilities and Freedom.....	59
Conclusion.....	62
Bibliography.....	68



## INTRODUCTION

*History does point to something Other than human forces controlling humanity. But, according to Sartre, those who, exaggerate this Other... have a hatred of humanity at heart. This Other has been created by human beings, and human beings are responsible for it.<sup>1</sup>*

To actively acknowledge that globalization could be carried out in a truly ethical manner has never been more urgent. Today, world population growth estimates continue to rise as the divide between the rich and poor continues to increase at an astonishing rate. For example, since the year 1977 in the United States, millionaires have increased their wealth by the greatest amount of all classes.<sup>2</sup> Resonating with the recent “Occupy Wall Street” movement and its denouncement of capitalism is the belief that our global economy requires a different mode of production— one that does not encourage greed and exploitation.<sup>3</sup> Yet, when faced with the fundamental question of what should replace the dominant Western economic system, no answer thus far provided by capitalism’s critics seems adequate. This thesis hopes to generate meaningful conversation about the globalization phenomenon by precisely identifying the aspects of capitalism which have warranted its negative characterizations.

Simply, there is no mode of production as efficient as capitalism at providing goods and services to large numbers of people and spurring industrial, technological, and intellectual

---

<sup>1</sup> Joseph S. Catalano, *A Commentary on Jean-Paul Sartre's Critique of Dialectical Reason, vol. 1, Theory of Practical Ensembles* (Chicago: University of Chicago Press, 1986), 125.

<sup>2</sup> Jeffrey Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: Norton, 2006), 250.

<sup>3</sup> These concerns are similarly reflected in other protests throughout the world by individuals forced to suffer because of the gross misjudgment and excessive greed of capitalism’s barons.

development.<sup>4</sup> Indeed, “free-market” economic policies have proven to be the most effective means for achieving economic progress and raising living standards, especially in developing nations. Yet, at the same time, it is the unregulated free market which has caused many of the problems from which capitalism suffers, namely, greed and exploitation. The incentive for employers to derive maximum surplus from their employees by working them as hard as possible while paying them as little as possible seems to be the “system’s” most significant moral failing. However, while some would disagree, this paper holds that the deviant form of capitalism which exists today does not demand that workers be exploited to the greatest extent possible and that, in fact, there are other incentives which encourage exactly the opposite.<sup>5</sup>

This work consists of three subdivided chapters. Chapter One critically examines the institution of capitalism from the perspective of one of its greatest critics and avowed opponents, Jean-Paul Sartre. By seeking to situate capitalism within the Sartrean framework, we may confront the toughest criticisms and worst aspects of the “system.” This will help us understand which aspects of the capitalist economic arrangement have supported and continue to sustain the alienation of lower-classes members of various societies. It is by first recognizing capitalism’s ailments that we can hope to later arrive at possible remedies. After reconciling Sartre’s social ontology with capitalism, we will consider Apple© Inc. and its controversial outsourcing policy. This case study will provide context to Sartre’s ontological

---

<sup>4</sup> Jeffrey Frieden, *Global Capitalism*, 301, The fact that virtually all countries which have embraced free-market principles have higher per capita income than countries which have not speaks for itself.

<sup>5</sup> Niall Ferguson, *Civilization: The West and the Rest* (New York: Penguin Press, 2011), 101.

descriptions as well as reveal one of the greatest obstacles to improving the ethics of globalization.

One of Sartre's greatest contributions to social theory pertains to his grounding of systematic exploitation in oppressive human praxes. Moreover, his theory performs the useful task of humanizing certain aspects of our world we might be inclined to view as non-human or beyond our control. For example, many individuals regard the globalization process only from a perspective that considers economic factors and the laws of supply and demand. Sartre, on the other hand, forces us to realize that despite living within a material environment which often constrains our ability to make completely unadulterated choices, we nevertheless retain the freedom to choose; that is, to define ourselves through our choices and free acts. The existentialist tenet that a man's actions determine his identity, not vice versa, has significant implications when applied to the globalization debate. For whether or not one chooses to support, work against, or do nothing about the conditions of alienation he experiences in the world will determine his essential character.

Moreover, one cannot in good faith condone the exploitive practices of multinationals while at the same time hold the view that freedom and human rights are intrinsically good. It is inconsistent to both value the special dignity of each person and yet support corporations which actively repress and deny the dignified status of their workers. In purchasing the products of rights-violating companies, one provides the means by which such practices are

incentivized and further perpetuated: money. Paradoxically enough, while consumer demand is what fuels the system, it is also that which provides the greatest tool for enacting reform.

Chapter Two will examine the Living Wage doctrine in great detail. How does one justify the right to a living wage? What is the basis of the claim that one is *entitled* to receive a certain level of compensation in return for his or her labor? To help answer this question we must examine Natural Rights theory, purporting that man is entitled to certain *rights* based upon self-evident, basic human *needs*.<sup>6</sup> Prior to this, we must establish the Natural Law basis of the Living Wage doctrine. We will consider some of the Catholic Church's proclamations concerning the right to a living wage, as this institution has consistently been ahead of its time in its thinking on matters of social justice. The connection between Natural Rights theory and the Church will be readily apparent, as the former's line of reasoning follows from the principles established by the latter. Next, we will consider some contemporary views on the subject of incorporating ethics into the business practices of present-day multinational corporations. I will reference the academic literature and theorists which have recognized the right to a living wage as fundamental to maintaining respect for human dignity within the context of globalization.<sup>7</sup> The hope is that the Living Wage doctrine will be seen to fit nicely within several of the recent normative frameworks proposed by business ethicists.

---

<sup>6</sup> John Finnis, *Natural Law and Natural Rights* (Oxford: Clarendon Press, 1980), 214.

<sup>7</sup> We will consider one of the Catholic Church's most influential proclamations concerning social justice, *Rerum Novarum* (1891).

Chapter Three argues against the “classic liberal” economic view which disintegrates the link between economics, ethics, and man’s morality. The notion that growth in GNP constitutes the best measure for evaluating the worth of economic development misses an important consideration, as we will see with our discussion of Amartya Sen’s “capabilities theory.” In addition, we will consider Sen’s “comparative approach” to understanding the idea of social justice. Demonstrating the flaws of the mainstream, Rawlsian theory of justice, Sen demonstrates how Rawls’s transcendental approach does not permit one to judge transgressions from what would be considered a perfectly just society. According to Sen, Rawls’s theory cannot help us prioritize relative degrees of justice or injustice for two specific situations both of which depart from an ideal. In order to combat this difficulty, Sen’s method invokes the perspectives of “impartial spectators” or distant observers to help assess the justness of different scenarios while avoiding parochial biases. As we will see, by incorporating a wider range of opinions, Sen’s approach serves as a more useful theory for addressing global concerns of social justice.

In the end, I propose to demonstrate that global economic integration is desirable due to its proven success at enhancing the quality of life and increasing freedom for millions of people worldwide. However, this does not mean that the system is without fault. Indeed, this paper assumes that acceptance of the Living Wage doctrine would greatly aid the prospect of achieving a more ethical globalization. The conclusion will present several practical means by which the ethics of globalization may be enhanced. Staying true to the existentialist principles

which inspired this undertaking, the burden of responsibility for the task of improving the ethics of globalization will be placed firmly upon the shoulders of the individual.

It is important to keep in mind throughout this work that I do not intend to focus on reasons how a company would practically realize my recommendations; that is, I do not make an argument for how companies could start paying a living wage. Rather, I propose an appeal to human dignity and moral responsibility for all individuals involved in perpetuating the capitalist system (i.e. employees, managers, customers of multinationals), and ask them to consider their role and culpability in sustaining those companies which perpetuate conditions of alienation.

My argument holds one simple yet controversial assumption: global economic integration is worthwhile because it promotes individual freedom and provides the best opportunity for the greatest number of people to improve their condition. For the purposes of this paper, then, those things which facilitate social advancement, such as increased access to education and healthcare and political participation, will all be regarded as desirable ends. In addition, it should be noted that I assume a Western set of values from which I base my moral and ethical evaluations. In contrast to Eastern philosophy, I do not regard the collective as more important than the individual, as this thesis will make clear. The final conclusion is that we should not forego the benefits of globalization. The ability of capitalism to increase living standards and provide the best means for individuals to enhance their freedom demands that we truly consider whether ethical globalization is possible and, if so, how we might realize this possibility.

## CHAPTER I

### Sartre on Capitalism

During the span of his prolific career, Sartre devoted a considerable amount of time to analyzing the capitalist mode of production. He critically scrutinized all aspects of the system, paying especially close attention to the way in which this economic arrangement negatively alters interpersonal human relationships. And though the *Critique of Dialectical Reason* was written over half a century ago, many of the problematic issues he recognized still persist today. Indeed, his theory provides the basis for a social ontology which allows one to identify capitalism's most dire historical flaws: oppressive alienation and systematic exploitation.

Prior to applying his theory to the concrete case of Apple's outsourcing policy, it is necessary that we first come to grips with both the way in which Sartre interprets history and the intricate relationships between the terms and concepts figuring within his ontology. As a result, section one may appear rather encyclopedic in nature. Yet, after organizing and relating such technical terms as praxis, practico-inert, and the "mediating third", we will have a framework for understanding the basis of Sartre's criticisms of capitalism.

### Praxis/Practico-Inert/History

*...the purpose of Sartre's Critique is to enable us to comprehend the alienated aspect of our praxis through the dialectical understanding of the relation of praxis to antipraxis.<sup>1</sup>*

The crux of Sartre's entire social theory rests upon the relationship between two foundational, dialectical concepts: praxis and the practico-inert. Praxis refers to "the activity of an individual or group in organizing conditions in the light of some end."<sup>2</sup> Individual praxis is what defines a person's life project, that is, the way in which an individual works or acts on the material conditions of his or her environment in order to achieve certain desired ends.<sup>3</sup> That inert, worked matter upon which praxis works is what Sartre terms the practico-inert. Defined as "the activity of others in so far as it is sustained and diverted by inorganic inertia," the practico-inert field consists of all the previous generations' workings (i.e. praxes) on matter.<sup>4</sup> This "sedimentation of previous praxes" has produced the institutions, customs, and conditions that constitute the socioeconomic and political realm of our material existence.<sup>5</sup> We should recognize that Sartre locates the capitalist mode of production within this field of passive activity and worked matter.

---

<sup>1</sup>Catalano, *Commentary*, 120.

<sup>2</sup>Jean Paul Sartre, *Critique of Dialectical Reason (CDR)*, trans. Alan Mark Sheridan-Smith (London: NLB, 1976), 829, in Thomas R. Flynn, *Sartre and Marxist Existentialism (SME): The Test Case of Collective Responsibility* (Chicago: University of Chicago Press, 1984), 90.

<sup>3</sup>Sartre, *CDR*, 829, Project refers to "a chosen way of being, expressed in *praxis*." In other words, praxis refers to the end goal or life-orienting mission of a person. Praxis is the way in which a person acts to accomplish his project.

<sup>4</sup>Sartre, *CDR*, 556, in Flynn, *SME*, 99.

<sup>5</sup>Thomas R. Flynn, "The Meanness is [not entirely] in the System," (paper presented at 44<sup>th</sup> annual conference of the Society of Phenomenology and Existential Philosophy, February 5, 2005, 1-14), 9.



Having only become slightly acquainted with the two most basic terms of his ontology, we can nonetheless begin to consider the reason why I have chosen Sartre for the purposes of this study. This relates directly to the notion of the “primacy of praxis,” which refers to the logical priority of man over matter in determining our existence. It will soon become clear how and why this fundamental principle serves as the guiding theme of Sartre’s social theory.<sup>6</sup>

### **Primacy of Praxis Principle**

Specifically, the term ‘inert matter’ is a relative term indicating matter as it exists prior to a praxis. From another perspective, so-called inert matter is always altered by the human organism from which it receives inertia and unity. Although matter becomes totalized by receiving numerous individual praxes, it never achieves the organic unity of the human organism<sup>7</sup>

Contrary to Structuralism and neo-Marxist ideology, Sartre insists that man is not determined but rather conditioned by his environment; he creates and gives meaning to the world through his free choices, though his freedom is influenced by his material environment and “factual” circumstances.<sup>8</sup> With regard to capitalism, man has produced the structures and socioeconomic conditions whereby it became necessary, accepted, and beneficial for some individuals to oppress and exploit others in the name of maximum profits. As Sartre writes,

...the process on the basis of which [low wages] were settled was a necessity of the practico-inert only in so far as an oppressive praxis had deliberately produced a situation which made the process necessary.<sup>9</sup>

---

<sup>6</sup> Flynn, *SME*, 105.

<sup>7</sup> Catalano, *Commentary*, 120-121; Sartre, *CDR*, 161, “Every praxis is primarily an instrumentalization of material reality.”

<sup>8</sup> This relates to Sartre’s notion of facticity, an important topic to be covered near the end of this chapter.

<sup>9</sup> Sartre, *CDR*, 723, in Flynn, *SME*, 111.

The “principle of the primacy of praxis” relates to the specific way in which Sartre maintains the integrity of his existentialist heritage while partially ascribing to the Marxist interpretation of history.<sup>10</sup> Hazel Barnes writes that, “from one point of view, history might be said to be the story of how human *praxis* has inscribed itself in the *practico-inerte*.”<sup>11</sup> That history is produced by man acting upon the conditions of his given environment, and not the other way around, represents a vital distinction between Sartre and the orthodox Marxists’ interpretation of history.

By maintaining his belief in the primacy of praxis, Sartre’s theory is saved from devolving into the Marxist “economism” he so despised, and further retains a place for the individual in historical accounts.<sup>12</sup> Hence the appeal of applying Sartre’s theory to present-day capitalism: if we are not completely determined by our environment, then the possibility that we can change our world still exists. Furthermore, Catalano points out that, according to Sartre:

...in the abstract, there is no reason why our alteration of the environment should have resulted in a counterfinality. Conceivably, totalizations could have arisen in which matter’s ‘passive action’ was only secondarily a counteraction. This state of affairs would lead to a different history and to a different humanity. This is not now possible [according to Sartre], but it is conceivable that by being aware of this counterfinality we can learn a new praxis that originates from an awareness of its own future counterpraxis and thus alters or eliminates it.<sup>13</sup>

---

<sup>10</sup> Flynn, *SME*, 105.

<sup>11</sup> Hazel E. Barnes, introduction to Jean-Paul Sartre’s *The Problem of Method* (London: Alfred Knopf, 1963), xvi.

<sup>12</sup> “Economism” refers to economic determinism, the idea that economic forces, conditions, and principles completely determine human reality and choice.

<sup>13</sup> Catalano, *Commentary*, 121-122, Counterfinality refers to the unintended consequences or results of man’s workings or actions on matter.

Were our actions or essence causally-determined by social structures, it would seem futile and irrelevant to pursue this investigation. Yet, we must further examine Sartre's theory of collective ensembles, as this will reveal the alienating aspects of capitalism which contribute most to the system's moral bastardization.

### **Collective/ Collective Object/ Seriality**

[Sartre writes]: it is at the practico-inert level that sociality is produced in men by things as a bond of materiality which transcends and alters simple human relations.<sup>14</sup>

[Flynn succinctly explains]: [this] bond of materiality, the practico-inert ensemble, is called the collective; the "thing" which forges it, the collective object; and the relations altered thereby, serial.<sup>15</sup>

For Sartre, the economic system of a state, such as free-market capitalism, represents a collective.<sup>16</sup> As the social unit specific to the practico-inert, collectives comprise the negative half of Sartre's social structure. A *collective* is more than a mere collection of individuals "united through purely external means, such as people meeting accidentally at a crossroads."<sup>17</sup> Rather, it consists of the "interpenetration of individuals and material environment considered from its relatively passive and inert aspect."<sup>18</sup> Flynn explains that the price in a free-market represents a collective object, as this...

---

<sup>14</sup> Sartre, *CDR*, 304, in Flynn, *SME*, 94.

<sup>15</sup> Flynn, *SME*, 94.

<sup>16</sup> Sartre, *CDR*, 306, in Flynn, *SME*, 144.

<sup>17</sup> Catalano, *Commentary*, 142, "The main reason for beginning with a study of the collective is that our procedure has been to establish first the objective, material condition for praxis...praxis is not reducible to its material conditions."

<sup>18</sup> *Ibid*, 143, it is important to note here the type of activity which characterizes the practico-inert: passive. This form of activity will have important implications when we later discuss Sartre's notion of serial responsibility.

...depends, among other things upon what each thinks other buyers and sellers are willing to accept. Thus the price imposes itself on me because it imposes itself on my neighbor and so on indefinitely." "The false reciprocity, 'Other-unity'...that these [collective] objects effect serves to keep serial individuals apart under the pretext of unifying them.<sup>19</sup>

These objects cause members of the collective to view their fellow human beings as "other."

They are united neither by common purpose nor common threat, and this contributes to their state of powerlessness and passivity in regard to their situation.

The relations between individuals within the collective are "mediated"<sup>20</sup> by collective objects. Dr. Thomas R. Flynn explains the workings of this type of mediation:

This mediation is originally via "worked matter" that yields alienating or what he terms relations of otherness or "alterity" among those so mediated. When this mediation is qualified by what Klaus Hartmann called the "universal a priori" of scarcity, the resultant relations are marked with violence.<sup>21</sup>

Indeed, each individual's interest conflicts with the goals of his fellow human beings due to the fact of *scarcity*, a concept of immense significance in Sartre's understanding of history and interpersonal human relationships.

---

<sup>19</sup> Flynn, *SME*, 98.

<sup>20</sup> Mediation refers to moving between abstract concepts and the concrete, lived experience of reality.

<sup>21</sup> Thomas R. Flynn, 2005, "Meanness," 8.

## Scarcity

“Alienation, for Sartre, exists because praxis occurs in the milieu of a sustained scarcity.”<sup>22</sup>

Human relations have historically been characterized by violence and conflict because of this fact of our existence. He claims that scarcity “is a fundamental relation of our history” and that this has intrinsically altered our very conception of the world.<sup>23</sup> Furthermore, as Joseph Catalano points out, “the environment as scarce produces individuals as survivors...it appears as the nonhuman aspect of every praxis.”<sup>24</sup> We exist in a milieu of scarcity, and when we internalize this aspect of our material environment, it affects the very way in which we view the world. As such, *scarcity is the source of man’s alienated condition*. Catalano writes:

Because of scarcity, there exists the permanent threat that the bonds of reciprocity between myself and others will degenerate, and that we will each see ourselves as alien beings fighting over the same planet. Moreover, scarcity creates the permanent possibility of personifying my fellow human being as Evil incarnate.<sup>25</sup>

His point here is that even our basic, necessary actions to sustain ourselves as human beings, such as acquiring food, shelter, and clothing, reveal to us that others lack these things.<sup>26</sup> It is precisely because of scarcity that otherness and seriality, concepts which we will discuss next, pervade the collective social structure. Moreover, Sartre seems to believe that this historical

---

<sup>22</sup> Catalano, *Commentary*, 118-120, It is important to note Catalano’s further explanation of this idea: “*Locally*, my praxis may not occur in the milieu of scarcity. I may be aware of my praxis only as improving my condition, and, on this local level, my experience is real. But, in our present historical situation, our praxis is also received in a matter totalized by past human action. Through these totalizations, every praxis occurs within a broad milieu of society, within which it participates, as Sartre says, in society’s choice of its own dead. On the historical level, every praxis takes place *in* violence, although not *by* violence...this occurs because matter has been so totalized that it both receives our praxis and also acts on us with an inverted counterpraxis.”

<sup>23</sup> Sartre, *CDR*, 125, in Catalano, *Commentary*, 109.

<sup>24</sup> Catalano, *Commentary*, 111.

<sup>25</sup> *Ibid*, 115.

<sup>26</sup> *Ibid*.

fact has been created by man himself, at least to some extent.<sup>27</sup> If we were able to overcome this ontological given of our existence, Sartre believes that the alienated state of man would no longer persist.<sup>28</sup>

### Seriality

The collective contains negatively-altered relations of “seriality” and “otherness.” “Rather than true, mediated reciprocity, the relations among individuals within the collective are serial.”<sup>29</sup> In the Sartrean context of capitalism, this “seriality” refers to the interchangeable, dispensable, and identical status conferred on each worker by the dominant class. As a worker on an assembly line in a sweatshop, for example, each unique individual is reduced to a numerically equivalent commodity by the capitalist and his system; furthermore, every worker is viewed and treated by the sweatshop-employer as mere objects or instruments. Responsible for this “alienating objectification” are the ingrained behaviors of past capitalists, for they have condoned the practice of treating certain classes of people as sub-human. However, Sartre implores that we not forget that these conditions must be sustained by individuals in the present, and that we are all, as members of a collective, serially responsible for our active or passive reluctance to work against a system which benefits by exploiting the disadvantaged.

---

<sup>27</sup> Ibid, 119, See his discussion of coal miners in the industrial revolution.

<sup>28</sup> Indeed, by eliminating scarcity, what Sartre terms a “socialism of abundance” would occur and modify the typical relations between humans so that they would become ones of ‘reciprocity’ and ‘sameness.’ In addition, Sartre suggests that we have the means to eradicate scarcity but those members of the elite in control of such means purposefully aim to continue the subjugation of the lower classes.

<sup>29</sup> Flynn, *SME*, 98.

If we consider the present-day situation of sweatshop workers, the detrimental aspects of seriality become more readily apparent. Because there is such an enormous supply of unskilled labor in China right now, employers can offer wages barely above subsistence-levels as well as require excessive overtime hours and unreasonable production quotas. If workers attempt to demand better working conditions or higher wages, they will be fired and easily replaced by one of the various lines of unemployed individuals waiting outside. Hence the serialized relations of interchangeability and numerical equivalence upon which Sartre laments. It matters not to the employer who works his machines; the capitalist has no regard for the worker as an end in himself, and does not recognize the validity of his employee's project. Moreover, a transformation occurs in an exchange between the worker and the machine upon which he works.

### **Interest/Machine-Destiny**

This equivalence and interchangeability- what we know to be the standard marks of Sartrean alienation-are both symbolized and realized by the machine. It mediates workers in otherness and they see in it capitalism as 'Machine-Destiny'.<sup>30</sup>

Instead of being able to pursue their own destiny, workers are required to modify their very existence to meet the demands of the machines they work, which represent the interest of the capitalist. Hence, alienation is inevitable within the system because the 'interest' of the capitalists, namely, high profits via high machine labor, inevitably becomes the 'destiny' of the

---

<sup>30</sup> Sartre, *CDR*, 311, in Flynn, *SME*, 144.

worker.<sup>31</sup> He must conform to the demands of the machines on which he works in order to meet the requirements imposed on him by the system. Similar to Marx, Sartre argues that alienation occurs when man becomes the product of his product, thereby losing his ability to work to achieve his own ends.<sup>32</sup>

We must keep in mind that though “[it] can be said to be the material condition of the possibility of seriality,” “...the collective as the structural organization within the practico-inert and the members within it cannot be abstracted from each other.”<sup>33</sup> Indeed, when Sartre says that economic systems represent collectives he means to include the inert, socioeconomic structures as well as the people or praxes that work on such matter. Moreover, whether one looks at the individual or the “inorganic complex... what is revealed is the exigency of the material field.”<sup>34</sup> That is, whether one looks at the persons within the collective or the conditions surrounding their existence therein, he is nonetheless confronted with the problem posed by scarcity.

The primary status of praxis in Sartre’s ontology is what allows his theory to maintain its moral weight. While he did come to appreciate the impact these forces have in influencing human choice, the primacy of praxis implies the logical priority of man’s workings on matter as

---

<sup>31</sup> Flynn, *SME*, 103.

<sup>32</sup> This claim was first presented by Marx in *Capital*.

<sup>33</sup> Catalano, *Commentary*, 146.

<sup>34</sup> *Ibid*, extrapolating from such a benign example, we will next specifically examine the notions of collective and seriality by applying them to the labor situation of present-day China. This clearly presents a more dire and relevant scenario for understanding these ontological terms. For now it suffices to say that the alienating conditions and serialized relationships Sartre locates within the practico-inert are the result of material scarcity.



creating the sociopolitical environment in which we live.<sup>35</sup> A man is *conditioned* by his environment, but not determined by it. Hence Sartre's claim that "a man can always make something out of what is made of him."<sup>36</sup> For despite being influenced by our material environment, we nevertheless retain the freedom to act upon the world in a manner either consistent or inconsistent with the value of freedom. And it is these actions which define our essence.

### **Capitalism as Praxis-Process/ Serial Responsibility**

Capitalism, for Sartre, is not merely the oppressive praxis of capitalist employers actively engaging in the dehumanization of their work force; nor is it simply the result of material, socioeconomic conditions and historically inscribed practices. Rather, capitalism consists of a combination of these two features, a *praxis-process*. The term process "denotes the impersonal sequence of events proper to the practico-inert field."<sup>37</sup> As a process, the capitalist mode of production thrives on and seemingly demands the exploitation of the working class in the form of low wages, poor working conditions, and even violence. The ends pursued by the capitalist system are not those of the workers but rather those of collective objects.<sup>38</sup> Moreover:

we know for certain...that the present praxis of accumulating surplus capital is embedded in the capitalist process itself...this praxis shows that the process can continue only by constantly increasing reserve capital needed for improvements<sup>39</sup>

---

<sup>35</sup> Hence Sartre's use of the phrase practico-inert to denote the field of inert matter which is constituted by previous praxes.

<sup>36</sup> Jean-Paul Sartre, *Between Existentialism and Marxism*, 35, in Flynn, "Meanness," 11.

<sup>37</sup> Flynn, *SME*, 96.

<sup>38</sup> Jean-Paul Sartre, *Problem of Method*, 163.

<sup>39</sup> Catalano, *Commentary*, 245.

According to Sartre, capitalism could not exist were it not for the individual, oppressive praxes of the capitalists who perpetuate the exploitive conditions. This is quite significant, for “were process a force independent of all praxis and we but pawns of some cosmic determinism, our ‘responsibility’ would be purely causal, scarcely exceeding that of other ‘natural processes.’”<sup>40</sup>

The notion of capitalism as praxis-process seeks to dispel the belief that economic or institutional factors alone cause the alienation and oppression experienced as a result of globalization. As Catalano has explained, “there is no reason why any mode of production... Moreover, Sartre once remarked that “the meanness is in the system” with regard to the institutions of colonialism and capitalism. Yet, as Dr. Thomas Flynn has pointed out, this statement deserves minor modification:

So the practico-inert phenomenon that Sartre calls “system” (meaning the praxis-process of capitalism, colonialism and racism, to name his chief targets) have a structural bias against their subjects (they are “mean spirited” one could say) but their continuing operation, their effectiveness depends in significant part on the “free organic praxis” of those who keep them functioning. In other words, the “meanness” is not limited to the “System” alone.<sup>41</sup>

Indeed, for in asserting the primacy of praxis, Sartre implores that we not view exploitative practices as though they are the result of deterministic socioeconomic forces. Doing so denies the fact that humans have created and continue to sustain the conditions of alienation throughout the world. Moreover, because capitalism requires human agents to operate and sustain it, responsibility is conferred on the serialized individuals of the collective. Sartre refers

---

<sup>40</sup> Flynn, *SME*, 97.

<sup>41</sup> Flynn, “Meanness,” 9.

to this as serial responsibility, and says that “to the extent that we do not act against [the system]...we are serially responsibly for the meanness of the system.”<sup>42</sup> This relates back to the passive activity which characterizes the practico-inert field: “...social institutions are practico-inert but the actions they both foster and limit are praxes.”<sup>43</sup>

Sartre’s notion of capitalism as a praxis-process aptly illustrates the crucial primacy of praxis in his theory. Though the system does reward the capitalist for exploiting his labor force, capitalism requires his praxis in order to operate and sustain itself as a process. In other words, the system depends on humans to reap its potential economic benefits, and further cannot exploit certain people at the expense of others without the workings of oppressive praxis. “Because the colonialist and the capitalist systems are praxis-processes, they have a necessity of their own which, once set in motion, defies the power of the individual to control.” However, there is an important qualification which accompanies the above statement: “But because it is praxis-process, the responsibility is existentialist-moral and hope of liberation from serial impotence ever remains.”<sup>44</sup>

Sartre’s theory is predicated on the assertion that individual, “oppressive” praxis, not inhuman forces, has caused and continues to sustain the conditions that make labor exploitation an acceptable and profitable practice. Indeed, humans are required to operate the

---

<sup>42</sup> Flynn, *SME*, 145.

<sup>43</sup> Thomas R. Flynn, "Jean-Paul Sartre," *The Stanford Encyclopedia of Philosophy*, Spring 2012 Edition, ed. Edward Zalta, <http://plato.stanford.edu/entries/sartre/> (Date accessed: January 5, 2012).

<sup>44</sup> Flynn, *SME*, 145.

system which alienates, reduces, and objectifies the freedom and dignity of many poor people for the gain of an elite few; in essence, the system did not decide the winners and losers, but rather those fortunate enough to be born into favorable circumstances. On the other hand, however, it is individual praxis inculcated into group praxis which provides the basis for hope in Sartre's philosophy, as the following discussion should make clear.

### **Group/ Positive Reciprocity/ Mediating Third**

*Where the practico-inert mediates, the human relations are serial;  
where praxis mediates, the relations are free.*<sup>45</sup>

Comprising the positive half of the social structure, "groups arise from and fall back into collectives."<sup>46</sup> In sharp contrast to the feelings of otherness and alienation which pervade the collective, positive reciprocity and free-alterity characterize the relations between group members. This ideal social arrangement, which Sartre calls the "group-in-fusion,"

[forms] when both the external pressures of other groups and the material environment are the occasion for a gathering to adopt a common praxis spontaneously. In a group-in-fusion, seriality is overcome negatively, and not, as in pledged or organized groups, positively, by a self-determination that explicitly aims at a common praxis<sup>47</sup>

By assuming a common threat or objective, each member views his fellow human beings no longer as adversaries but rather as comrades. The unique concerns of each individual are maintained and yet transformed into a common interest which represents each member

---

<sup>45</sup> Flynn, *SME*, 116.

<sup>46</sup> Catalano, *Commentary*, 142.

<sup>47</sup> *Ibid*, 169.

equally. Hence Sartre speaks of the 'sameness' obtained between group members to distinguish the type of relationship found in this setting. Rather than being reduced to numerical equivalents as in the collective, each group member retains his unique identity even though his interests are transformed into a common one. In contrast to the alienation of the practico-inert, "free-alterity is precisely that non-alienated otherness which characterizes each individual in a group as being distinct though 'the same' as every other member."

The process whereby each group member assumes the interests of his fellow members takes place under the guise of what Flynn refers to as the "mediating third." He explains:

It is in relation to dyadic separation and serial impotency that the mediating third must be understood, for it exists in dialectical opposition to them. Structurally, the Third is 'the human mediation by which the multiplicity of epicenters and ends (identical and separated) directly allows itself to be organized as determined by a synthetic objective.' The pure but abstract dyadic relationship in which agents suspend mutually incompatible actions toward individual goals becomes actualized as free reciprocity only through the mediating Third. It is by the organic agent *as Third* that multiplicity is interiorized and alterity rendered harmless in view of a common objective"<sup>48</sup>

Sartre's notion of free reciprocity or reciprocity mediated by praxis,<sup>49</sup> which can only be achieved in the group setting, is necessary for overcoming the alienation of the practico-inert field. In the group, where free praxes as opposed to collective objects mediate human relationships, each person's concerns are interiorized into a common purpose. Through this internalization of multiple interests, the members gain power. No longer united by serialized

---

<sup>48</sup> Thomas R. Flynn, "Mediated Reciprocity and the Genius of the Third." In *The Philosophy of Jean-Paul Sartre*, compiled by Paul Arthur Schilpp, 345-70. Vol. XVI. (La Salle, Ill.: Open Court, 1981), 353.

<sup>49</sup> Flynn, *SME*, 115.

relations of impotence, the members achieve a level of mediated reciprocity in which every person's interests are represented through the group's common purpose. Hence Sartre's use of the phrase "we are one hundred strong" to denote the conversion of identity which occurs during the process of group formation.<sup>50</sup>

With this example, Flynn's notion of the "mediating Third" comes to the fore, referring as it does to the tertiary relationship between each member of the group with the other members of the group in their material context.<sup>51</sup> The simultaneous, "apocalyptic" grasping of a given circumstance by each group member along with the transformation from individual to group identity is achieved by each as Third with this non-alienating form of mediation. Thus,

the quantitative leap from plurality to interiorized multiplicity which marks the genesis of the social subject in Sartre, therefore, can be accounted for without appeal to collective consciousness or hyperorganisms on the condition that the individual functions in a new and different way, namely, as mediating third.<sup>52</sup>

This "Third" is best understood as a type of praxis arising from the "practical interiorization of multiplicity" whereby each person of the group becomes a "member qua Third."<sup>53</sup> Each individual assumes responsibility for the group's acts and, in doing so, overcomes the otherness which characterized their relations within the collective. The individual interests' of the workers are transferred to the group as a whole, enhanced by sheer numerical power. "This all-important interiorization whereby each becomes "ours," i.e. the same, everywhere, translates

---

<sup>50</sup> Referring to the storming of the Bastille during the French Revolution, the quote refers to the unification of common interest which allows the group members to regard each other as "same" rather than "other."

<sup>51</sup> Flynn, *Genius*, 357.

<sup>52</sup> Ibid.

<sup>53</sup> Flynn, *SME*, 117.

into *responsibility*.<sup>54</sup> Indeed, it is the mediating third which allows Sartre to confer collective responsibility on the members of a group, for each as “Third” is liable for the groups’ actions.

To help visualize Sartre’s notion of the group social apparatus, we need only consider labor unions, as these exhibit many of the positive qualities Sartre associates with groups. Mass organization of workers united by common goals, for instance, allows serialized individuals to overcome the impotence which characterizes their condition within a collective. Each member of the union has his or her interests represented by the group as a whole and furthermore stands united with his fellow workers. This confers the considerable advantage to the worker of enhanced bargaining power relative to his or her employer.

Indeed, by banding together, workers within a union become a force to be reckoned with; if their demands are not met, the workers’ unified position allows them to effectively strike. The capitalist owners, realizing that their success depends heavily upon those who produce their goods, are forced to comply with workers’ requests in order to prevent the shut-down of their factory operations. Chapter Two will further consider the role of groups as they relate to international labor policy and the Living Wage doctrine. For now it suffices for us to say that the positive reciprocity which characterizes the relations between group members serves as both an ideal and practical measure for eliminating alienation and promoting freedom, especially for lower-class workers.

---

<sup>54</sup> Ibid, 118.

Sartre forces upon our conscience the realization that we must not view aspects of our inhumanity as though they are inscribed, inevitable. And though group praxis is what is required to effectively overcome our alienated condition, it is individual praxis, that is, directed human activity in the context of freedom, which provides the foundation of mankind's hope for the future:

*we may speak of 'the primacy of individual praxis' as a basic principle of Sartre's social thought, indeed as part of his existentialist legacy. Individual human work, even if "enriched" by group membership or absorbed and deflected by the practico-inert...is the ultimate active source of change in the social sphere<sup>55</sup>*

Having established the fundamental concepts underlying Sartre's social ontology, we will now consider some additional themes and concepts which will help to summarize Sartre's views on capitalism.

### **Additional Sartrean Concepts Applied: Apple's Outsourcing Policy**

Rather than simply rephrasing the aforementioned ontological terms to fit the case of Apple, this section will consider a few concepts not yet discussed but which merit attention in light of Apple's outsourcing policy. This should further our understanding of capitalism's flaws even more. In particular, we will look at how Apple's practice of outsourcing labor to sweatshop operations relates to Sartre's notions of facticity and bad faith. We will then turn our focus to

---

<sup>55</sup> Flynn, "Meanness," 352.



Chapter Two and consider a particular allegation made against Apple which, in my view, contains serious implications for the prospect of improving the ethics of globalization.

### **Facticity/Bad Faith**

Sartre's notion of reducing a person or group of people to the givens of their material environment, that is, their *facticity*, captures the essence of Apple's outsourcing practice. It is not by coincidence that Apple has the labor-intensive aspects of its production process performed in regions where workers lack union protections and other basic rights. Rather, by locating its business operations in areas called "Special Economic Zones,"<sup>56</sup> Apple purposefully positions itself to take advantage of weak labor law enforcement. And while Apple accrues enormous cost benefits from this arrangement with its subcontracted employer, it is the workers who suffer the most.

Outsourcing practices such as these raise significant moral concerns. Is Apple doing anything illegal? Not technically<sup>57</sup>; however, it seems obvious that the company is acting unethically and with no concern for the human rights of its employees. Indeed, the company specifically avoids having to abide by international labor standards and furthermore pays minimal taxes by outsourcing to these regions of lax labor law enforcement. What makes matters worse is that Apple, along with the vast majority of other transnational corporations,

---

<sup>56</sup> These "Special Economic Zones" are areas subject to trade agreements whereby the Chinese government offers preferential treatment to foreign producers that set up operations in Chinese territories.

<sup>57</sup> Though this could change if the recently launched labor investigation finds evidence that the firm's subcontracted employees are working under legitimate sweatshop conditions.

often times escape blame and public criticism for these practices because the exploited workers are subcontracted employees and therefore not under Apple's direct supervision. Moreover, penalties have historically been minimal in regard to labor rights violations, and labor rights violations in these "Special Economic Zones" are often overlooked by the Chinese government.

For instance, consider the situation of workers in China's Chengdu Region. In order to survive, workers in this remote, rural area have the option of either farming or obtaining factory work at places like Apple's subcontracting facility, Foxconn®. That countless scores of individuals choose the latter option attests to the fact that farming is not a realistic option for these persons to sustain themselves. Moreover, the willingness of these people to endure inhumane and dangerous working conditions in order to keep their jobs confirms the fact that these people have little if any alternatives. The choice between starvation or accepting these inhumane conditions, it would seem, really amounts to no choice at all.

It would be a clear instance of Sartrean "bad faith" or "inauthenticity" for one to deny that Apple's decision to outsource is motivated by the fact that these individuals have virtually no alternative employment options and hence cannot demand higher wages. Moreover, those who claim "that's just the way it is" when judging the exploitation of foreign workers by multinational corporations are guilty of the same inauthentic existence, for they fail to respect the equal worth and validity of others' free projects. Equally at fault are those who attempt to minimize the ethical significance of sweatshops by saying that such jobs are better than the alternatives offered in these developing nation. The subsequent chapters seek to demonstrate

why certain rights necessary for the dignity of a man's life must never be sacrificed for the sake of industrial growth.

Another example of "bad faith" which also brings to mind the notion of serial responsibility and collective guilt can be seen in a less obvious though still pertinent example. Nearly every retirement fund or pension plan which invests in stock market mutual funds holds shares in Apple. This means that when Apple increases its profit margin, every person who has their retirement savings invested in mutual funds holding Apple stock benefit considerably. Moreover, by outsourcing the labor-intensive aspects of its production processes to subcontractors in China, Apple© realizes labor cost savings that directly benefit the company's investors. Hence it becomes clear that American citizens and future retirees have their livelihoods and financial security linked with exploited Chinese workers. This surely brings to mind Sartre's notion of serial responsibility as passive acceptance of an alienating system which further ensures its continuation. As Sartre would argue, we cannot excuse ourselves from responsibility by claiming ignorance. We must recognize the interpenetration of freedoms which defines the social world.

Despite its hyperbolic nature, Sartre's claim that everyone who does not actively work against these types of injustices is equally guilty as the ones managing the sweatshop operations offers much to our discussion. If more people were to adopt this view, the prospect of improving the ethics globalization would appear less daunting. Furthermore, by now the aim of this chapter should have manifested itself. In sum, I hope the reader understands why

Sartre's theory should be regarded as a useful proxy for judging capitalism, especially in light of the recent worldwide "Occupy" protests denouncing the system. Furthermore, if what Sartre suggests is true, as I believe it is, then we are not determined by the socioeconomic and political factors of our material environment and our ability to change the world remains intact. Indeed, the principle of the primacy of praxis forces us to realize that the conditions of exploitation such as we find in Third World sweatshops do not sustain themselves. Rather, they require human agents to actualize their alienating potential.

In the same vein, then, one could argue that directed human acts or praxes also have the potential to alter those alienating structures and practices of our existence. I believe this point is understated by Sartre, who consistently maintains a bleak perspective on improving humanity without overthrowing the system of capitalism altogether. Yet, as we have seen, Sartre's notion of group praxis, as manifested in the form of labor unions and international workers' rights organizations, offers a perspective which allows us to identify the most significant problems of capitalism. Similar to curing a sickness, one must first locate the cause or causes of capitalism's illness before seeking remedies. Indeed, it all starts with individual praxis and the recognition by each man that his every action must either perpetuate or work against the conditions of alienation found in the world.

### **Non-Alienating Objectification**

For Sartre “reciprocity can exist within alienation, exploitation, and repression;” “...thus, of itself, reciprocity is not a guarantee of human dignity.”<sup>58</sup> Hence, the ideal of positive reciprocity is unique to the group setting we discussed before. This entails a certain kind of mutual relationship, not found within the collective, which requires that man, in order to respect the dignity of his fellow man, not alienate others in his objectification of them. To do this, he must recognize that his life project has no more worth than others’ projects, and must further will the freedoms of those around him.

The notion of a living wage entails precisely this ideal type of non-alienating objectification. The belief that a certain level of income is needed for a person to lead a dignified existence implicitly assumes that humans should be treated as more than mere instruments. To argue in support of a living wage is to recognize that the lives of others’ have no more intrinsic worth than one’s own.<sup>59</sup> Moreover, Sartre’s ideal of “true social reciprocity demands changes in those socioeconomic conditions that mediate this reciprocity.”<sup>60</sup> The Living Wage doctrine, which we will now consider, seeks to accomplish just that.

---

<sup>58</sup> Catalano, 104, “for example, workers who sell themselves as a commodity in exchange for wages, enjoy, at the moment of the exchange, a bond of reciprocity in the freely drawn contract. The free contract, however, hides the historical situation, which requires that the workers, because of poverty, sell themselves in this way.”

<sup>59</sup> Furthermore, a respect for human dignity demands we help those in need overcome barriers preventing them from realizing their human potentialities. Chapter Three’s discussion of Amartya Sen’s theory hinges on this idea.

<sup>60</sup> Flynn, *SME*, 192, According to Sartre, such changes would surely involve a removal of all hierarchical structures of government to be replaced by direct, eye-level democracy in a completely non-authoritarian society.

## **CHAPTER II**

### **The Right to a Living Wage**

*The laborer's right to a Living Wage is the specific form of his generic right to obtain on reasonable conditions sufficient of the earth's products to afford him a decent livelihood. The latter right is, like all other moral rights, based on his intrinsic worth as a person, and on the sacredness of those needs that are essential to the reasonable development of personality.<sup>1</sup>*

In the previous chapter I mentioned how Apple has recently come under intense public scrutiny because of allegations that its subcontracted employees are subjected to inhumane treatment. Of the various criticisms leveled against the company, the claim that Apple's subcontracted workers are not paid a "living wage," in my view, stands out as the most serious. Yet, there appears to be a general lack of concern for the Living Wage doctrine, and it seems likely that the lack of consensus surrounding what exactly a living wage means and how it should be measured all contribute to its neglected status. In addition, there are those who denounce the right to a living wage outright. I shall present these views next, as this chapter and the next seek to refute these claims on moral principles and practical reasons, respectively.

Since the advent of the industrial revolution, classic liberal economic theory has based its evaluation of the worth and desirability of global economic integration and development exclusively in terms of its success at achieving one, specific end-goal: increasing per capita

---

<sup>1</sup> Pope Leo XIII, *Rerum Novarum*, [http://www.vatican.va/holy\\_father/leo\\_xiii/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum\\_en.html](http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html), 44.

Gross National Product. One prominent economist, Dr. Paul Krugman, has written extensively on the subject of globalization and labor practices within industrializing nations. The Princeton University Economics Professor argues that the demands for foreign workers to receive wage increases and better working conditions are misguided. If these demands were realized, Krugman claims, they would actually work against the interests of the majority of poor individuals in developing nations meant to gain from them. He explains:

... even if we could assure the workers in Third World export industries of higher wages and better working conditions, this would do nothing for the peasants, day laborers, scavengers, and so on who make up the bulk of these countries' populations. At best, forcing developing countries to adhere to our labor standards would create a privileged labor aristocracy, leaving the poor majority no better off.<sup>2</sup>

The 2008 Nobel Laureate goes even further by suggesting that forcing companies to pay higher wages would potentially “reverse the growth that has been achieved”<sup>3</sup> in developing regions by denying these places the use of their competitive advantage: cheap labor. It is this resource, Krugman argues, which has been the catalyst for industrialization and subsequent improvements in living standards for these places. He asserts that the outrage against these business practices are unwarranted, and maintains that they arise simply because “Westerners” feel guilty wearing fashion merchandise produced under conditions of duress.<sup>4</sup>

I shall argue against the claims espoused by Krugman on two grounds. First, the noted economist commits the same error as liberal economists before him by divorcing economic

---

<sup>2</sup> Krugman, “Why Bad Jobs at Bad Wages are Better Than no Jobs at all,” *Slate, Dismal Scientist*, MIT, March 20, 1997, <http://web.mit.edu/krugman/www/smokey.html>.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*, moreover, Krugman claims that those who demand wage increases and better conditions for Chinese sweatshop workers have not done their “moral duty” by failing to consider the potential adverse side-effects such changes would have on the intended beneficiaries of such actions, i.e. the impoverished Third World workers.

goals from ethical principles and moral concerns. I argue that this is not possible in reality. Man is not merely an economic agent; he is a social being worthy of dignified respect. Hence, economic ends such as industrial development first and foremost and his must not be pursued at the cost of human suffering. To that same point, certain human rights which promote freedom and life should never be repressed for the sake of economic gain, for the very purpose of development is to promote the realization of these rights. Hence, it seems appropriate to begin by presenting the justification for a living wage. After showing why a living wage should be pursued based on the inextricable link between economic and moral considerations, Chapter Three will lastly discuss Amartya Sen's theory for evaluating the worth of economic development from a capabilities enhancing and comparative perspective. The goal will be to show why a basic level of income sustained by a living wage will help to improve humanity and enhance the worth of global economic integration.

In order for the Living Wage doctrine to gain substantial force, it is imperative that we ground this claim, showing that its appeal is not merely based on aesthetic displeasure or irrational emotive responses. Hence, the following discussion of the right to a living wage will proceed by first establishing the natural rights basis of a living wage. This will allow us to comprehend the basis of the Catholic Church's proclamations on workers' rights, and will further show the applicability and validity of the living wage doctrine in the context of recent normative frameworks which explicitly incorporate ethics in the discussion of global economic integration.



### Natural Rights: The Notion of a Living Wage

Natural Rights theory presupposes the existence of Natural Law. Hence we must begin by first dealing with the latter. Over seven centuries ago St. Thomas Aquinas first laid down the principles of Natural Law in his *Summa Theologica*.<sup>5</sup> Through the premises laid out in “Question 90”, the Thomist definition of law “is nothing else than an ordinance of reason for the common good, made by him who has care of the community, and promulgated.”<sup>6</sup> That law is equivalent with reason for Aquinas suggests we can use our rational faculties to arrive at an understanding of those things which the Law is meant to protect, namely, basic needs.<sup>7</sup>

These basic needs, such as life, liberty, and the pursuit of happiness, are perfective of human existence. Accordingly, these belong to us in the form of rights, positive or negative, because they are required of others as a matter of practical reasonableness.<sup>8</sup> A person is entitled to a living wage because this is what allows him to support his life, a basic good, as well as pursue those things which may be considered life-fulfilling. Our status as rational beings demands that we pursue those things which are good for us, and in turn imposes a duty to refrain from impeding the projects of others so long as they are in accord with reason. Turning now to the Church’s view on the Living Wage doctrine, we will notice a continuation of this line

---

<sup>4</sup> Thomas Aquinas, *Summa Theologica*, Trans. by the Fathers of the English Dominican Province. "The Summa Theologica," January 11, 1998. Accessed February 06, 2012. <http://www.ccel.org/a/aquinas/summa/FS/FS090.html>.

<sup>5</sup> Ibid, Question 90, “Law is a rule and measure of acts, whereby man is induced to act or is restrained from acting: for “lex” [law] is derived from “ligare” [to bind], because it binds one to act. Now the rule and measure of human acts is reason, which is the first principle of human acts... since it belongs to the reason to direct to the end, which is the first principle in all matters of action...”

<sup>6</sup> Ibid, “Now the first principle in practical matters, which are the object of the practical reason, is the last end: and the last end of human life is bliss or happiness...Consequently the law must needs regard principally the relationship to happiness.”

<sup>8</sup> John Finnis, *Natural Law and Natural Rights*, 214.

of reasoning. Indeed, the Church holds that if we respect the value of human dignity then we must logically support those things which promote its realization.

### **The Catholic Church's View on the Living Wage Doctrine**

*The preservation of life is the bounded duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages.<sup>9</sup>*

On May 15, 1891 Pope Leo XIII published his famous encyclical "*Rerum Novarum: On the Rights and Duties of Capital and Labor*." Writing at a time when industrialization had led to the accumulation of unprecedented amounts of wealth into the hands of a few capitalists, the Pope sought to address the "industrial ills of modern Europe."<sup>10</sup> In doing so, he laid down certain fundamental principles concerning the rights, duties, and moral obligations of workers and their employers. Significantly, "it was his encyclical that converted the Living Wage doctrine from an implicit into an explicit principle of Catholic ethics."<sup>11</sup>

A primary concern of Pope Leo XIII, as well as other Catholic thinkers on social justice, was to discredit the belief that a "free contract" between wage-earners and wage-providers necessarily leads to a just societal outcome. According to the Pope, the practice of unrestricted bargaining which had come to characterize nineteenth-century English economic policy was entirely misguided. It is absurd to think, then and now, that a lower-class laborer can truly

---

<sup>9</sup> John A. Ryan, *A Living Wage: Its Ethical and Economic Aspects*, (PhD diss., Catholic University; New York: Macmillan, 1906), 33.

<sup>10</sup> Ibid, 34.

<sup>11</sup> Ibid.

possess enough bargaining power in relation to his or her employer so that he is not taken advantage of or exploited. Indeed, the workman necessarily occupies a disadvantaged position in such negotiations, and justice demands that this inequity be recognized. Moreover, that wages must not be determined by unrestricted bargaining has to do with the second quality the Pope identifies with labor, namely, that it is necessary for self-preservation. He writes:

...a man's labor has two notes or characters. First of all, it is personal; for the exertion of individual power belongs to the individual who puts it forth, employing his power for the personal profit for which it was given. Secondly, man's labor is necessary; for without the results of labor a man cannot live; and self-preservation is a law of nature which it is wrong to disobey. Now if we were to consider labor merely in so far as it is personal, doubtless it would be within the workman's right to accept any rate of wages whatsoever; for in the same way as he is free to work or not, so he is free to accept a small remuneration or none at all. But this is a mere abstract supposition; the labor of the workman is not only his personal attribute, but is necessary; and this makes all the difference.<sup>12</sup>

While in his encyclical Pope Leo XIII defines labor as both "personal and "necessary," it is the latter feature which contains the most far-reaching implications. Were labor merely a personal act then there would be no great crime or injustice committed by an employer offering a workman a small wage, for he is free to accept the wage or not on his own accord. However, the realization that labor is what allows lower-class workers to support their life, a basic good, demands we interpret the level of wages one receives for performing work from a moral

---

<sup>12</sup> Pope Leo XII, *Rerum Novarum*, [http://www.vatican.va/holy\\_father/leo\\_xiii/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum\\_en.html](http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html), 44.

perspective. “For without the result of labor a man cannot live, and self-preservation is a law of nature, which it is wrong to disobey.”<sup>13</sup>

Moreover, the Pope explains how certain moral considerations trump other economic ones when evaluating wage rates. In response to the claim that wages should be determined “freely” according to the free-market, he writes:

Let the working man and the employer make free agreements, and in particular let them agree freely as to the wages; nevertheless, there underlies a dictate of natural justice more imperious and ancient than any bargain between man and man, namely, that wages ought not to be insufficient to support a frugal and well-behaved wage-earner. If through necessity or fear of a worse evil the workman accept harder conditions because an employer or contractor will afford him no better, he is made the victim of force and injustice.<sup>14</sup>

That it is unjust and fraudulent for an employer to use his economically-advantaged position to coerce a laborer into working for less than a living wage is often overlooked by proponents of the free-contract economic approach. These individuals hold that wages must be determined solely by the free-market. In contrast, the Living Wage doctrine demands that an employer or firm take into account a person’s dignity when setting wage levels. This depends on his being provided a fair and just compensation for his work. This idea of fairness hinges on what would be required for him to support his family, develop his personality, and take enjoyment in life’s pleasures.

---

<sup>13</sup> Ibid.

<sup>14</sup> Ibid, 45.

Not long after Pope Leo XIII published his encyclical, Rev. John A. Ryan completed his dissertation entitled “A Living Wage: Its Ethical and Economic Aspects.” In this important work, Ryan refutes the supporters of the unrestricted bargaining approach to deciding wage rates. Drawing extensively from principles espoused in *Rerum Novarum*, Ryan presents a well-reasoned defense of the Living Wage doctrine. At the onset of his thesis, he writes:

The great majority of fair-minded persons believe, indeed, that labor does not get its full share of the wealth that it helps to create, but they are not agreed as to the precise measure of that ideal share...Upon one principle of partial justice unprejudiced men are, however, in substantial agreement. They hold that wages should be sufficiently high to enable the laborer to live in a manner consistent with the dignity of a human being<sup>15</sup>

Ryan presents a useful account of the “chief authorities, contemporary and historical, that are against the method of unrestricted bargaining and in favor of a professedly ethical standard.”<sup>16</sup> His analysis reveals how the tradition of determining wages on the basis of the “free contract” has not always existed and that, prior to the Industrial Revolution, wages had always been determined with ethical considerations in mind.<sup>17</sup> Indeed, the following quote effectively summarizes Ryan’s contention with the “free-market” approach to determining wage rates:

Economic laws are not inexorable, are not independent of the wills of the men whose actions they describe, do not compel wages to be adjusted by an unlimited use of the economic strength of the bargainers, and do not render existing rates of wages just...consequently the doctrine of a Living Wage cannot be

---

<sup>15</sup> Ryan, *A Living Wage*, vii.

<sup>16</sup> *Ibid*, 22.

<sup>17</sup> *Ibid*, 26, provides a detailed analysis of how, prior to the nineteenth century industrial revolution, wages were “fixed” either by government statutes or customary practices of guilds. He argues that back then society realized that certain measures must be taken to prevent the degradation of the lower classes. “The accepted principle of medieval society...was that some kind of social organization was necessary in order to protect the standard of life of the workers, and to prevent their degradation.” His concern, however, is for the present, in which this idea has been altogether lost or overlooked, as illustrated by “laissez-faire” economic policy.

refuted or put in peril by any mere appeal to economic or legal authority.<sup>18</sup>

Ryan's work traces the history of the Living Wage doctrine. He describes what seems to be a great, unfortunate paradox of 19<sup>th</sup>-century English laissez-faire economic policy: in efforts to promote individual liberty, the English government relaxed regulations to such a great extent that it infringed most severely upon the freedom of the lower classes. Ryan argues that though this policy was intended to benefit the interests of all through allowing the "invisible hand" to allocate goods and services impartially, its actual results were in direct opposition to its goal.<sup>19</sup> Moreover, he states that "the ethical theory underlying the method of unlimited bargaining, namely, that contracts made without force or fraud are necessarily fair, is, despite the prevailing practice, condemned by the majority of disinterested persons."<sup>20</sup> Furthermore, he makes a convincing argument for his assertion that "as a determinant of rights, economic force has no more validity or sacredness than physical force."<sup>21</sup>

Because our discussion seeks to evaluate the Living Wage doctrine in the context of modern-day global capitalism, we will now direct our thoughts to some of the more recent arguments in favor of a living wage and, more generally, ethical globalization. Business ethicists as well as others properly labeled "moral economists" have dealt extensively with the issue of

---

<sup>18</sup> Ibid., 21-22, Indeed, even in the Middle Ages ethical and moral concerns were incorporated into determinations of wages for peasants.

<sup>19</sup> Indeed, the "hands-off" approach has historically as well as recently created serious inequities and unjust situations. The recent global economic meltdown and financial crises attests to the negative effects of deregulation in the market.

<sup>20</sup> Ryan, *A Living Wage*, 55.

<sup>21</sup> Ibid, 326, Ryan argues that the stronger "sense of solidarity, mutual dependence and mutual responsibility among the members of a community."

incorporating ethics into the structures of modern-day corporations. Moreover, many of their claims appear to follow from the line of reasoning we have seen employed by Catholic social thinkers.

### **Compatibility of Living Wage Doctrine with Recent Business Ethics Frameworks**

Thomas Donaldson and Thomas Dunfee, a pair of prominent business ethicists, have proposed “a social contracts approach to business ethics.”<sup>22</sup> Referred to as “Integrated Social Contract Theory” (ISCT), their well-known approach attempts to strike a balance between respecting “the norms local communities determine are appropriate while keeping those norms subject to philosophical understandings of moral appropriateness.”<sup>23</sup> They argue that because “moral rationality is strongly bounded in terms of business ethics...designing business ethics requires sensitive attention to the rules determined by local communities.”<sup>24</sup> The way in which deference is given to local customs when evaluating the ethicality of certain practices is through the notion of moral free space. Timothy Fort explains:

Communities are entitled to free space to determine what is appropriate for their time and place. Provided that members of such communities have the capacity to consent to the norms, the community’s rule are ‘authentic’. Proxies indicating meaningful consent are the rights to exit and voice in the development of norms.<sup>25</sup>

---

<sup>22</sup> Timothy Fort, “A review of Donaldson and Dunfee’s “Ties That Bind: A Social Contracts Approach to Business Ethics, *Journal of Business Ethics*, Springer, Vol. 28, No. 4, Dec 2000, 383-387, <http://www.jstor.org/stable/25074428>, 384.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

However, if we return to the previous chapter's example and consider the situation of sweatshop workers in China, this notion of "moral free space" becomes problematic. The communities of workers engaged in sweatshop labor have virtually no voice in the values which the Chinese government has decided to promote. Moreover, the lower classes have not consented, and it is hard to imagine that they would, to the Chinese government's decision to pursue collective economic growth at the expense of civil liberties and human rights protections.<sup>26</sup> Hence, the notion of "moral free space" can have negative consequences when the government of a given community fails to consider the interests of its citizenry when establishing socio-cultural norms. Indeed, it seems clear that the criteria for meaningful consent are grossly unsatisfied in this case.

However, a correct interpretation of Donaldson and Dunfee's notion of hypernorms helps to alleviate this problem. These (hypernorms) are "second order moral concepts" which "represent norms sufficiently fundamental to serve as a source of evaluation and criticism of community-generated norms."<sup>27</sup> In order for culturally-specific norms to be considered legitimate they must satisfy a specific set of criteria. For example,

Any participant of a legitimate economic system should take seriously the "structural hypernorm of necessary social efficiency... [which] requires observance of duties generated by the array of institutions and organizations that taken together provide the basic fabric of a given political economy."<sup>28</sup>

---

<sup>26</sup> Indeed, China has repeatedly demonstrated partiality to the interests of multinationals seeking to invest in China, as evidenced by its refusal to enforce international labor standards.

<sup>27</sup> Fort, "Review," 384.

<sup>28</sup> Laura P. Hartman, Bill Shaw, Rodney Stevenson, "Exploring the Ethics and Economics of Global Labor Standards: A Challenge to Integrated Social Contract Theory," *Business Ethics Quarterly*, Vol. 13, No. 2, Employment (Apr., 2003), 193-220, Philosophy Documentation Center, Stable URL: [Http://www.jstor.org/stable/3857659](http://www.jstor.org/stable/3857659), 209.



I contend that the notion of a living wage, if not a hypernorm itself, can rightfully be considered an example of a basic norm which legitimizes a given economic system.

Laura Hartman, Bill Shaw, and Rodney Stevenson have sought to apply Integrated Social Contract Theory “to the challenge of global labor standards, attempting to identify labor rights that could serve as guides for corporations producing or out-sourcing outside of their home country.”<sup>29</sup> The authors identify several basic labor rights which seem to near universal acceptance, one of which is the right to subsistence or, more generally, the right to life. They argue that labor hypernorms such as this one, if respected by a business enterprise, should not be subject to cross-cultural limitations and hence do not suffer from cultural relativists’ claims. However, it should be noted that implicit with the idea of a living wage is the notion that each person, as a dignified human being, ought to have a certain quality of life.

Moreover, Hartman, Shaw, and Stevenson make the following point worthy of consideration:

The complete content of a given right, then, would be the exhaustive enumeration of its correlative obligations. Under this approach, defining the specific content of a right to life will involved identifying the particular obligations that the right imposes. It seems clear that person A’s right to life includes an obligation on all other...not intentionally to stab A. But a right to life does not entail only such direct and obvious negative duties...it also entails some positive duties to prevent harm and, arguably, sometimes to provide assistance.<sup>30</sup>

---

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

However, the authors concede that attempts to impose specific American labor standards on foreign cultures would be difficult at best. Other countries will regard such attempts as imperialistic or protectionist policies. In order to combat this notion, Chapter Three will consider the Rawlsian notion of “justice as fairness,” as this should give us a better framework for judging the living wage doctrine with respect to cross-cultural contexts. However, it should be noted that the thrust of this paper has not been to define what exactly constitutes a living wage. Rather, I have sought to demonstrate why a living wage is truly a legitimate claim predicated on the universal values of human dignity and freedom. Indeed, it is important to note that “labor hypernorms... constitute a *fundamental moral minimum* that should be guaranteed to workers in all countries notwithstanding culture, stage of economic development or availability of resources”<sup>31</sup>

Ethicist Philippe Van Parijs has also made a similar claim with respect to the argument that universal labor rights should entail not only negative but positive freedoms. Yet, this author more forcefully argues that the right to a living wage or, more simply, a basic level of income, is absolutely necessary in order for “capitalism to justify itself:”

Only a guaranteed basic income allows individuals to have considerable economic equality and to participate more equally in politics...freedom and justice both require a basic guaranteed income at the highest level that society can afford because it is the basis of all freedom.<sup>32</sup>

---

<sup>31</sup> Ibid, 205.

<sup>32</sup> Philippe Van Parijs, *Real Freedom for All: What (If Anything) Can Justify Capitalism?* (New York: Oxford University Press, 1995), 330. Review by Howard J. Sherman, University of California, Riverside.

Notwithstanding the hyperbolic nature of his claim, Van Parijs' theory hinges on one basic idea which likely would garner support from Catholic thinkers and contemporary business ethicists alike: real freedom demands a certain level of equality. Indeed, the practical benefit of a living wage is that it promotes freedom, a universal good of intrinsic worth. Furthermore, it should be obvious by now that to value the freedom of one's self or a particular group of people and not appreciate the equal merit of another group of individuals' freedoms amounts to nothing other than hypocrisy.

“For non-universal or relative right within ISCT's moral free space, ISCT can, at best, identify categories for rights and their correlative obligations. It cannot determinately specify the specific content of those rights.”<sup>33</sup> Nonetheless, I do not think this limitation to ISCT hinders in any way, shape, or form the strength of the Living Wage doctrine in particular. The purpose of this paper is not to give a precise answer as to what level of wages would be acceptable for sweatshop workers in China. Rather, it is to show that these people deserve higher wages than they are currently receiving, ones that do not require 100+ hour work weeks, and ones that provide the real opportunity for social mobility through education and political participation. Indeed, if the opportunity for social advancement merits capitalism's use, then it seems absolutely necessary to help ensure that this opportunity is equally provided to those who work the system, regardless of national origin.

---

<sup>33</sup> Hartman, “Challenge,” 210.

**Practical Means to Improving Globalization from an Ethical Standpoint**

The question of replacing the practice of unlimited bargaining with a definitely moral standard of wages is discussed not so much from the standpoint of ethics, as from that of feasibility<sup>34</sup>

Having considered the reasons why a living wage is both reasonable and necessary to help alleviate the inequities facilitated by the globalization process, we will now consider some of the practical means by which a living wage and other labor standards might be implemented and enforced.

**Unions**

The right to freely associate and form independent trade unions is arguably more vital and necessary for protecting workers' interests than even the right to a living wage, as the former often provides the only realistic opportunity for the latter to be realized. Indeed, the *Rerum Novarum* stresses the integral role that unions have historically played in not only ensuring that the lower-class members of society are protected but also in "promoting the advancement of art, as numerous monuments remain to bear witness."<sup>35</sup> Referring to labor unions as private societies, distinct from public or civil societies and concerned with differing goals, Pope Leo XIII writes:

Civil society exists for the common good, and hence is concerned with the interests of all in general, albeit with individual interests also in their due place and degree...But societies which are formed in the bosom of the commonwealth are styled *private*, and rightly so, since their immediate purpose is the private advantage of the associates.<sup>36</sup>

---

<sup>34</sup> Ryan, *A Living Wage*, 18.

<sup>35</sup> Pope Leo XIII, *Rerum Novarum*, 49.

<sup>36</sup> *Ibid.*

He further argues that we have a natural right to enter into these private societies, and the state is obligated to protect this liberty. Failure to do so “contradicts the very principle of [the State’s] own existence, for both [man] and [state] exist in virtue of the like principle, namely, the natural tendency of man to dwell in society.”<sup>37</sup> In China, the distinction between private and civil society is not respected, and consequently Chinese workers are not afforded adequate Union representation. Rampant labor abuses such as we are seeing today in China are a direct consequence of this condition.

The International Labor Organization has committed itself to fully advancing workers’ rights to form unions. The right to freely form associations or organizations is protected under Article 8 of the international Covenant on Economic, Social, and Cultural Rights; it states that nations signing on to the covenant will “undertake to ensure:

The right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned, for the promotion and protection of his economic and social interests. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others<sup>38</sup>

However, the caveat at the end of the above quote has allowed China to carve out a special exemption for this rule, despite signing on to the Covenant. China “prohibits labour rights in Article 8 in a manner consistent with its constitution and domestic law.”<sup>39</sup> This creates significant problems for the Chinese workers and goes against what is in their best interest. By

---

<sup>37</sup> Ibid, 51.

<sup>38</sup> UNESCO, <http://www2.ohchr.org/english/law/cescr.html>.

<sup>39</sup> Ibid.

not allowing Article 8 rights to form separate trade unions, a conflict of interest arises from the fact that the Chinese government has a monetary incentive to side not with its own citizens but with the foreign companies violating labor rights, for it is the latter which brings business, tax revenues, and royalties to the government.

The right to freely associate must be protected if we are to have any hope of successfully eradicating the types of labor abuses occurring in China at this very moment. Foxconn offers Apple competitive prices for its outsourced manufacturing work by keeping the wages it pays employees at a minimum. Because they are not allowed to form separate trade unions from the state-run trade union, Foxconn's workers are unable to effectively organize. As a result, strikes are unsuccessful; management will simply replace the striking workers with any one of the scores of workers waiting outside the factory for the same job. Without the ability to effectively strike, workers have little bargaining power, meaning that demands for working conditions improvements are given little attention.

### **Harmonization of Labor Standards**

While Dr. Krugman insists that low wages and wretched working conditions are unassailable, necessary facts of the globalization process which must be endured for the sake of aggregate economic improvement, the truth of the matter is not as cut and dry as he proclaims. In fact, several studies published by the International Labor Organization, which discuss the likely result of countries and firms being forced to comply with higher labor standards, directly contest several of Krugman's primary suppositions.

Specifically, his claim that forcing higher wages to be paid to foreign Chinese workers would hurt China's competitiveness, deterring industrialization and economic growth, hinges on the idea of a "race to the bottom."<sup>40</sup> According to economic theory, the overriding incentive for capitalist enterprises to maximize profits will cause firms to search around the globe in pursuit of lower labor standards, investing and locating operations in places with lax regulations so as to exploit things such as cheap materials, labor, or environmental laws. Dr. Krugman's statements suggest that such a pro occur, which is why forcing Chinese employers to pay higher wages and enforcing labor standards would hurt Chinese competitiveness. Yet, there exists several means by which this negative impact on competition might be mitigated or altogether eliminated.

First, if countries agreed and effectively enforced a harmonized schedule of labor standards, multinationals would no longer engage in "races to the bottom."<sup>41</sup> The incentive for firms to locate their operations in places with lax labor regulations would be altogether eliminated and, further, the competition between firms in search of places with weak labor enforcement would cease. Second, empirical evidence exists which suggests that a firm's additional labor costs from paying workers higher wages could very well be offset by productivity gains from having well-treated, healthy employees. Third, multinationals could most likely benefit by becoming pioneers in the practice of implementing and maintaining

---

<sup>40</sup> Lee, Eddy. "Globalization and Labour Standards: A Review of Issues," *International Labour Review*, 136. No. 2, 173-89 (UNESCO Publishing: 1997), 176.

<sup>41</sup> *Ibid.*

ethical business practices, as this could reasonably increase demand for a company's products from people who value the firms' socially responsible labor policies.

### **Productivity Benefits**

In addition to overlooking sound moral arguments, liberal economists or pure-capitalists often times also neglect to fully consider a significant economic claim in favor of paying a "living wage." In my view, this is one of the most effective means by which globalization can improve from an ethical and moral standpoint. Arnold and Bowie explain:

Empirical evidence supports the view that increased productivity from better nutrition offsets the cost of higher wages. Thus, if workers are being paid less than the efficiency wage in a particular market there are good economic reasons, in addition to moral reasons, for raising wages.<sup>42</sup>

Employers paying a "living wage" will also prevent the need for workers to labor excessive overtime hours, another worthwhile goal in the pursuit of ethical globalization.<sup>43</sup> Furthermore,

[paying a living wage] helps to ensure the physical well-being and independence of employees, contributes to the development of their rational capacities, and provides them with opportunities for moral development. This in turn allows for the cultivation of self-esteem.<sup>44</sup>

Indeed, this is precisely what the right to a living wage entails.

Chapter Two has stressed the importance of a living wage for improving the ethics of globalization. I have sought to establish the strong, rational basis of the Living Wage doctrine

---

<sup>42</sup> Denis G. Arnold and Norman E. Bowie, "Sweatshops and Respect for Persons," *Business Ethics Quarterly*, Vol. 13, No. 2, 221-242 (Philosophy Documentation Center: April 2003), 237. Article Stable URL: [Http://www.jstor.org/stable/3857660](http://www.jstor.org/stable/3857660).

<sup>43</sup> *Ibid*, 237.

<sup>44</sup> *Ibid*, 234.



and show that, because man is not merely an economic agent, economic forces alone must not decide wage rates. Instead, a wage must be determined with strong consideration of moral precepts and ethical principles. A respect for the innate human dignity of each individual, regardless of cultural considerations, demands that one not accept the dehumanization of a certain group of peoples. Furthermore, “human dignity is defined as the sacredness or value of each person as an end rather than a means to the purposes of the majority or others.”<sup>45</sup> Indeed, the idea of a living wage hinges on the claim that man should not treat his fellow man as only tools or instruments.

Having considered both the moral reasons and practical means for improving the ethics of globalization, as well as the way in which the Living Wage doctrine accords with current Business Ethics Frameworks, we now lastly turn our attention to a recent philosophical approach for understanding issues of social justice. As I shall explain, this method offers several advantages relative to the conventional approach for evaluating the justness of different situations, especially global ones.

---

<sup>45</sup> Ibid, 203.

## CHAPTER III

### Amartya Sen's Theory of Social Justice for the Global Era

*The Smithian 'impartial spectator' is, of course, a device for critical scrutiny and public discussion. It need not, therefore, seek unanimity of total agreement in the way that the institutional straitjacket of Rawlsian theory of justice demands. Any concurrence that may emerge need not go beyond a partial ordering with limited articulation, which can nevertheless make firm and useful statements. And, correspondingly, the agreements arrived at need not demand that some proposal is uniquely just, but perhaps only that it is plausibly just, or at least not manifestly unjust. Indeed, the demands of reasoned practice can, in one way or another, live with a good deal of incompleteness or unresolved conflicts. The agreement to emerge from 'a public framework of thought' can be of a partial but useful kind.<sup>1</sup>*

To believe that economic integration and foreign investment remains the best, most realistic option for improving the lives of millions of destitute individuals around the world is not meant to imply that we should overlook or accept capitalism's ethical failings. Yet, certain persons maintain exactly this view, holding that the low wages and tough conditions are necessary, inextricable aspects of industrial growth in countries with large supplies of unskilled workers. Indeed, it seems as though the current globalization debate<sup>1</sup> is presented in such a way that all those in favor of global capitalism must accept the means by which benefits from economic integration are realized, regardless of the ethical significance attached to such actions. Amartya Sen's idea of social justice, which we will now consider, firmly discredits this belief.

In contrast to the "classic" liberal economic view which makes evaluative claims in favor of globalization based on average welfare increases as measured by GNP, there exists a well-

---

<sup>1</sup>Amartya Sen, *The Idea of Justice* (Cambridge, MA: Belknap Press of Harvard University Press, 2009), 104-105.

reasoned philosophical theory from which we might gain by applying to our current situation.

In his recent work, *The Idea of Social Justice*, Nobel Prize-winning economist Amartya Sen proposes a method for understanding issues of social justice based on the notion of “capability enhancement.”<sup>2</sup> By seeking to identify the justness of social arrangements in “comparative” terms rather than from a transcendental perspective, Sen’s approach departs from the conventional Rawlsian notion of “justice as fairness.”<sup>3</sup> In so doing, Sen allows for the individual to perform the critical task of deciding how injustice might be reduced in the world based on practical alternatives and comparative rankings. Moreover, his theory hinges on the right to development. Arjun Sengupta provides a cogent definition of this idea:

Development is a comprehensive process, going beyond economics to cover social, cultural and political fields and aiming at ‘constant improvement’, meaning progressive and regular improvement of well-being. This differs from the conventional definitions of development in terms simply of GNP growth, industrialization, export expansion or capital inflows. The process of development must be genuinely participatory, with a fair and equitable distribution of benefits that results in the steady improvement of the well-being of all people.<sup>4</sup>

Prior to examining the implications of Sen’s theory, however, it is necessary to briefly mention some of the fundamental ideas underpinning Rawls’s philosophy of justice. This will allow us to see how Sen builds upon the Rawlsian “public reasoning” framework yet distances

---

<sup>2</sup> Sen, *Development as Freedom* (New York: Knopf, 1999).

<sup>3</sup> John Rawls, “Justice as Fairness,” *Philosophical Review* 64, no. 1 (January/February 1955): 3-32, arguably the most prominent political philosopher of the twentieth century, John Rawls’s theory rests upon the notion of contractarian fairness. This concept will be dealt with shortly, as it is integral to understanding how Sen’s method differs from the former.

<sup>4</sup> Arjun Sengupta, “The Human Right to Development,” *Oxford Development Studies*, vol. 32, no. 2, 179-203, Taylor and Francis Group, Carfax Publishing (Oxford: June 2004), 180.

himself from the latter in several respects. As we will see, it is these differences which confer the considerable advantages of his novel approach.

### **Rawls's Transcendental Approach: Justice as Fairness**

*The idea of public reason specifies at the deepest level the basic moral and political values that are to determine a constitutional democratic government's relation to its citizens and their relation to one another. In short, it concerns how the political relation is to be understood.<sup>5</sup>*

Rawls's theory of justice turns on the notion of "justice as fairness," seeking to identify those conditions which would define a perfectly just society.<sup>6</sup> He begins by considering societal demands of fairness from an imagined 'original position' in which all members of society are ignorant of their respective individual characteristics, including their own comprehensive preferences. The ideas of justice that emerge under this 'veil of ignorance' are taken to be impartial because they are chosen by individuals without knowledge of their personal identities and vested interests.<sup>7</sup> The individuals placed under the veil represent the parties to a social contract. This "[Rawlsian] approach standardly proceeds toward identifying the demands of transcendence."<sup>8</sup> Rawls further explains:

---

<sup>5</sup> John Rawls, "The Idea of Public Reason Revisited," *University of Chicago Law Review*, 64 (Summer 1997): 765-807, in *John Rawls: Collected Papers*, ed. Samuel Freeman (Cambridge: Harvard University Press, 1999), 574.

<sup>6</sup> Thomas Pogge, *John Rawls: His Life and Theory of Justice*, trans. Michelle Kosch. (Oxford: Oxford University Press, 2007).

<sup>7</sup> Amartya Sen, "What do we want from a theory of Justice," *The Journal of Philosophy*, 103, no. 5, 215-240 (2006), 217, "the fairness exercise is aimed entirely at identifying appropriate principles for a fully just society and at isolating the institutional needs for the basic structure of such a society."

<sup>8</sup> John Rawls, "The Sense of Justice," 97-98, in *John Rawls: Collected Papers*, ed. Samuel Freeman (Cambridge: Harvard University Press, 1999); in Sen, "What," 230.

Thus our moral principles and convictions are objective to the extent that they have been arrived at and tested by assuming this general standpoint and by assessing the arguments for them by the restrictions expressed by the conception of the original position.<sup>9</sup>

Sen writes that “the principal inquiry in the original position is aimed at the demands of a just society.” These demands arise from consideration of Rawls’s two principles of justice:

- (i) each person participating in [a society] or affected by it has an equal right to the most extensive liberty compatible with a like liberty for all; and
- (ii) inequalities (as defined and permitted by the pattern of distribution of rights and duties) are arbitrary unless it is reasonable to expect that they will work out for everyone’s advantage<sup>10</sup>

These principles serve as the focal point for Rawls’s public reasoning framework, which Sen adopts for his own purposes. While the precise workings of this framework are intricately bound, it is enough for now to note that “central to the idea of public reason is that it neither criticizes nor attacks any comprehensive doctrine, religious or nonreligious, except insofar as that doctrine is incompatible with the essentials of public reason and a democratic polity.”<sup>11</sup>

### **Social Choice vs. Social Contract**

Despite being accepted as the dominant paradigm for social political philosophy, there is a limitation to the contractarian format employed by Rawls, as Sen is adamant to point out. This pertains to the exclusivity of Rawls’s theory with regard to the perspectives it considers when

---

<sup>9</sup> Sen, “What,” 229.

<sup>10</sup> John Rawls, “The Sense of Justice,” 97-98.

<sup>11</sup> John Rawls, “The Idea of Public Reason Revisited,” 574.

evaluating issues of justice. According to Rawls, “a person’s voice counts [when considering issues of justice] because he or she is directly involved in the social contract, which will ‘regulate the institutions’ of the society of which he is a member.”<sup>12</sup> Sen explains:

The Rawlsian device of losing information about personal identities in a given society, which does much to eliminate the influence of individual vested interests, does not provide any systemic way of avoiding prejudices that are broadly *shared* by everyone within a given society.<sup>13</sup>

In stark contrast, the appeal of Sen’s “social choice theory” lies precisely in the breadth of its scope. The Indian-born, Nobel Prize-winning economist presents a theory which is not confined to addressing only those issues in which a sovereign can exercise legitimate authority to enforce freedom-enhancing institutional reforms.<sup>14</sup> In fact, Sen purposefully designs his plan so that it may accommodate the types of global concerns for which the traditional Rawlsian theory is inapplicable or inadequate.<sup>15</sup> He accomplishes this goal by utilizing a thought device borrowed from the father of the “invisible hand” theory.

---

<sup>12</sup> Ibid.

<sup>13</sup> Ibid, 233

<sup>14</sup> Ibid, 229, “institutional limitations.”

<sup>15</sup> Ibid, 229 With Rawls’s theory, “A person’s voice counts because he or she is directly involved in the social contract, which will “regulate the institutions” of the society of which he is a member.” However, Sen argues that this poses certain problems when dealing with global issues: “the institutional preconditions would be particularly hard to meet in dealing with, say, problems of global justice. The claim that we need a sovereign state to apply the principles of justice- a claim that was well articulated by Thomas Hobbes- is substantially connected with the elaborate institutional demands of a transcendental understanding of justice.”

### 'Impartial Spectators'

*The route of fair arbitration is fundamentally different from that of fair negotiation and of social contract, because of the way impartiality is interpreted. The institutional demands of the contractarian procedure if aimed at the identification of transcendental justice take us immediately to the need for a sovereign nation...this is a problem that does not arise in a similar way in the case of invoking the device of the impartial spectators to assist in the assessment of justice in a comparative framework.<sup>16</sup>*

Sen's comparative approach seeks to incorporate the perspectives of "distant observers" in its interpretation and understanding of social justice issues.<sup>17</sup> In order to overcome the deficiencies of Rawls's theory, Sen employs Adam Smith's notion of "impartial spectators."<sup>18</sup>

This allows Sen to overcome the "closed rationality" which he believes hinders Rawls's theory.

He explains the workings of this thought device:

The impartial spectators are imagined observers who need not be members of the society, and their impartiality does not come, as in the Rawlsian system, exclusively- or even primarily- through the thought experiment of a veil of ignorance... Rather, the thought experiment by members of society...invokes the judgments of disinterested observers who are not themselves parties to the societal decisions that are to be taken.<sup>19</sup>

The result is that investigations and discourse on matters of social justice appear "more like arbitration, rather than negotiation."<sup>20</sup> Sen explains the crucial benefit this device confers:

---

<sup>16</sup> Sen, "What," 232.

<sup>17</sup> Ibid, 229.

<sup>18</sup> Adam Smith, *Theory of Moral Sentiments*, in Sen, "What," 230.

<sup>19</sup> Sen, "What," 230.

<sup>20</sup> Ibid, 229, Rawls view suffers from being confined to only local points of view when considering matters of social import. "a second reason for Rawls's reluctance (to address global justice concerns) is his insistence on linking public reasoning with the contractarian format of the "original position"...the deliberation (over social justice issues) thus takes the form of fair negotiation, in which the fairness of the reasoned negotiation is grounded on the

...the approach of the impartial spectator can bring in, *inter alia*, distant perspectives that are detached not only from the particular vested interests of individual citizens, but also from any parochialism of local beliefs that may be generally shared by all members of a given polity or community.<sup>21</sup>

By adopting Smith's notion of impartial spectators, Sen is able to avoid the narrow confines of Rawls's theory.<sup>22</sup> Rather than only relying on the perspectives of individuals specifically influenced by and located within a given society, Sen argues that there are compelling reasons for considering the views of outsiders when evaluating social justice matters. Yet, the most substantial benefit yielded by this device relates to the idea of objectivity.

In order to arrive at a truly objective understanding of justice, we must recognize and avoid parochial views which could bias our notion of a perfectly just society. "The demands of objectivity not only require avoiding a 'personal slant' (as Rawls noted), but also national parochialism (as Smith emphasized)."<sup>23</sup> Indeed, this is precisely the purpose of incorporating the views of distant and impartial observers when judging social justice issues. Further, Sen notes:

---

demand that the reasoning occur under a specially conceived veil of ignorance. But the participants in the deliberation are exactly the parties to the social contract for the society in question."

<sup>21</sup> Ibid, 233, the interpretation of fairness and impartiality through an understanding of "fair arbitration" is a serious rival to the route of "fair negotiation," which is the exclusive direction in which the contractarian feature of Rawls's transcendental approach- "justice as fairness"- proceeds.

<sup>22</sup> Sen, "Closed and Open Impartiality," \*\*

<sup>23</sup> Ibid, 235, "this does not, however, yield an obligation to accept the views of others elsewhere, only that they be taken into account in an overall scrutiny (leading to modification of local priorities in some cases and no revision in others)."



Smith's argument that we must *inter alia* view our sentiments from a 'certain distance from us' is motivated by the need to ask the question whether some appearance of justice is socially biased through the impact of entrenched tradition and local custom<sup>24</sup>

For instance, we might do well by using Sen's approach to address the injustices currently occurring within the Chinese "Special Economic Zones" to which I referred in Chapter Two. With respect to this case, it would be useful to take into account many diverse perspectives on the matter of repressing individual liberties and freedom in the name of collective stability or prosperity. If the majority of opinions condemn China's policy on workers' rights, then this would possibly pressure the Chinese to reform. At the least it would make us more certain that our views on the matter coincide with the world community's, thereby affirming our positions and strengthening our stance and political clout. As Sen has emphasized, collective denouncement of a particular practice seen as manifestly unjust does not require unanimous agreement as to what constitutes a perfectly just society.

Sen's theory accepts "the general Rawlsian position that the interpretation of justice is linked with public reasoning."<sup>25</sup> However, he argues that a "transcendental approach" such as Rawls provides is neither necessary nor sufficient for an adequate theory of comparative justice; that is, "comparative conclusions" do not "either *follow* from, or *need*, some transcendental identification."<sup>26</sup> Indeed, Sen criticizes Rawls's method for being unable to deal

---

<sup>24</sup> Ibid, 233.

<sup>25</sup> Ibid, 215.

<sup>26</sup> Ibid, 219.

with deviations from the ideal state of perfect justice: “[the transcendental approach] does not tell us much about the comparative merits of many- indeed typically most- of the different societal arrangements.”<sup>27</sup> Such “comparative gradings” are critically necessary, says Sen, in order to rank alternative, non-ideal outcomes according to their relative justness.<sup>28</sup>

Yet another advantage of Sen’s method relative to the “transcendental approach to justice” is that the former can be beneficially utilized without having full agreement between the parties concerned with a particular social justice concern. He writes:

The focus [of the comparative approach] will be on whether there are significant issues on which agreements or consensus may emerge, especially after public interaction, with exchange of knowledge and understanding<sup>29</sup>

The important point to remember, as Sen reminds us, is that judgments on social justice issues must include “open and interactive public reasoning,” as this “is centrally important for understanding the claims that human rights make, despite differences in manifest practices *between* countries, and also of course *within* each country.”<sup>30</sup> Thus, a lack of complete, absolute harmony in conclusions regarding the appropriate measures for solving social justice issues should no longer deter us from seeking solutions which promote partial improvements.

---

<sup>27</sup> Ibid, 221.

<sup>28</sup> Ibid, 220.

<sup>29</sup> Ibid, 235.

<sup>30</sup> Ibid, 235, emphasis his.

### Amartya Sen: Capabilities and Freedom

*By proposing a fundamental shift in the focus of attention from the means of living to the actual opportunities a person has, the capability approach aims at a fairly radical change in the standard evaluative approaches widely used in economics and social studies.<sup>31</sup>*

For the past two decades Amartya Sen has forcefully argued that the steps and processes involved in the development of a society must necessarily be considered when evaluating the worth of such progress.<sup>32</sup> While the Rawlsian question of what constitutes a truly “just society” should be kept in mind, Sen’s approach emphasizes assessing the relative justness of different societal arrangements when looking to enhance freedom in a given societal context.<sup>33</sup> To be brief, it considers all practical alternatives aimed at improving justice or reducing injustice. These will relate to increasing the capabilities or opportunities of individuals’, as improving justice in a given context goes hand in hand with enhancing freedoms for a given people, which is exactly what the capabilities metric measures.

Having come to terms with Sen’s argument for incorporating the views of distant, impartial spectators when evaluating issues of social justice, it is important to note the trajectory of his comparative approach. The *telos* of Sen’s system is to increase the capabilities

---

<sup>31</sup> Sen, *The Idea of Justice*, 222-224.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid, 236-237, “...there is a need to allow- and sometimes even to assert- incompleteness of relational comparisons of justice. Incompleteness can arise from unbridgeable gaps in information, but also from decisional unresolvability involving disparate considerations that may resist gradation, even with full information. However, possible incompleteness of judgments emerging from the relational route is not an embarrassment for practical reason...the challenge of assessing *advancement*, or identifying *regression*, will very often be not compromised at all by the presence of substantial incompleteness in the rankings of justice.”

of individuals in a given context, as this equates to improving their freedoms, the ultimate goal of development. Sen has argued forcefully against Rawls's emphasis on primary goods and Dworkin's resources approach, saying that each of these methods wrongly values the means to an end instead of the end itself. That is, both Rawls and Dworkin assert the primacy of goods which are merely instrumental to reaching a final goal, which is the opportunity to realize one's freedoms in everyday life. In contrast, Sen argues that the capabilities to exercise one's freedoms are truly the most important factor when seeking to enhance social welfare:<sup>34</sup>

Since the idea of capability is linked with substantive freedom, it gives a central role to a person's actual ability to do the different things that she values doing. The capability approach focuses on human lives, and not just on the resources people have, in the form of owning- or having use of- objects of convenience that a person may possess.<sup>35</sup>

Indeed, Sen has made us aware of the fact that it matters not, from a practical standpoint, if one has the freedom to do something yet lacks the ability or opportunity to exercise that liberty. Furthermore, the Living Wage Doctrine, its aim and benefits, seems to align well with this idea.

It is also important to note that, though he rejects the rigid, institutional confinements and limited perspectives of Rawls's transcendental approach, Sen nevertheless accepts the former's public reasoning framework. The idea of public reasoning relates to the notion of reciprocity. Rawls states:

---

<sup>34</sup> One can surely see the parallel between Sen's insistence that we must evaluate situations based on a capabilities approach and Van Parijs notion of a basic income. Both thinkers believe that having the positive freedom to realize or exercise one's liberties and rights is the most important consideration when seeking to enhance global justice.

<sup>35</sup> Sen, "What," 230.

The criterion of reciprocity requires that when those terms are proposed as the most reasonable terms of fair cooperation, those proposing them must also think it at least reasonable for others to accept them, as free and equal citizens, and not as dominated or manipulated, or under the pressure of an inferior political or social position<sup>36</sup>

If we again think back to the situation of Chinese sweatshop workers, the notion of reciprocity becomes even more crucial. For it is precisely because these people are oppressed and dominated by not only the factories in which they work but also the state in which they reside. Moreover, the fact that these people have virtually no voice in government matters and little, if any, political participation shows why the public reasoning framework suffers in places which lack effective constitutional democracy.

By allowing us to judge situations regardless of institutional considerations, Sen's comparative approach enables us to more easily evaluate the justness of a wider array of situations. In addition, the threat that parochial values will bias and therefore prevent effective evaluations of judgments about societal arrangements is altogether eliminated.<sup>37</sup> Such a method is exactly the type needed for evaluating issues of globalization in the modern context.<sup>38</sup> Furthermore, in a world plagued by corruption, injustice, and inhumanity, the ability of Sen's theory to allow us to identify gradual yet significant social justice improvements under non-ideal conditions is perhaps its greatest quality.

---

<sup>36</sup> John Rawls, "The Idea of Public Reason Revisited," 578.

<sup>37</sup> The Chinese government's decision to relegate certain basic human rights for the sake of economic growth can now be viewed from a theory which includes all perspectives critical of this policy. This will help to show that the Chinese belief is not necessarily a result of their conception of justice but rather an indoctrinated view perpetuated by the ruling classes.

<sup>38</sup> Particularly those in which cross-cultural institutional differences prevent applicability of Rawls's theory.

## CONCLUSION

*We are thinking of the possibility that the world civilization which is just now beginning might one day overcome the technological-scientific-industrial character as the sole criterion of man's world sojourn. This may happen not of and through itself, but in virtue of the readiness of man for a determination which, whether listened to or not, always speaks in the destiny of man, which has not yet been decided.<sup>1</sup>*

This paper has sought to advance the position that ethical globalization is possible. As such, it is also the preferable approach for those who support the claim that global development is good for humanity. Providing evidence against the claim that stringent regulations will necessarily diminish countries' industrialization efforts, I have made the case that capitalism can in fact operate in a manner which respects human dignity, assuming effective regulation. Moreover, we have also considered the compelling moral arguments which override the potential negative costs associated with forcing countries to adopt tougher labor standards. In particular, we have seen how a "living wage" and access to union representation would greatly assist the ethical disposition of globalization.

Krugman and certain other economists' stance, that low wages and inhumane treatment of workers must be endured so that industrialization can continue in places like China and other, is contemptible and morally reprehensible. If we understand development as freedom, then it appears logically inconsistent to support globalization for its developmental benefits yet condone freedom-restricting practices which can accompany that process. Social advancement derives its worth from its ability to promote human freedom; thus, to permit

---

<sup>1</sup> *Martin Heidegger, On Being and Time*, trans. Joan Stambough [New York: Harper & Row, 1972], 60, in Catalano, *Commentary*, 125, footnote 11.

exploitative practices for the sake of progress defeats the very purpose of development, sacrificing freedom in the name of it.

Freedom cannot be compromised in order to achieve economic growth, save hypocritically, for the latter is precisely valued because of its ability to maximize the former. As we have seen, Amartya Sen's notion of development as freedom entails this awareness. In conclusion, I propose a three-prong approach for supporting ethical globalization, specifically within the context of American society. Though by no means original, these claims deserve brief mention as they offer some practical alternatives not yet discussed which would likely be instrumental in improving the ethics of globalization.

### **Stakeholder-focused economy**

First, rather than adhering to the shareholder-focused theory, United States' corporations and politicians should try adopting or transitioning toward a more stakeholder-focused approach for conducting business. Firms in countries such as Germany, France, and Japan utilize this philosophy, which evaluates the success of business operations based on the interests of stakeholders other than just shareholders, such as consumers and employees. This can have substantial benefits, ranging from increased sales due to consumers' appreciation of socially responsible policies to the very real productivity gains to be realized from treating workers more humanely.

### Transparent Business Practices

*What vitiates relations among people is that each keeps something hidden...not necessarily from all, but from the one to whom he is presently speaking...transparency ought to replace secrecy at all times.<sup>2</sup>*

Second, in order for consumers and other stakeholders to monitor the business practices of a firm and make informed judgments, transparency is needed. Investors and consumers have an obligation to demand transparency from firms, as this is necessary for properly evaluating all aspects of a company. In my view, an even larger share of the burden falls on the shoulders of the affluent customers and stockholders of Apple, for these individuals can help subsidize the cost of providing a living wage.<sup>3</sup> Consumers agreeing to price increases will require the company to show that it is truly taking steps to improve the condition of its workers. Forcing companies to have independent organizations audit their labor practices also helps to achieve a proper level of transparency. Sartre too emphasized the role of transparency, as evinced by the introductory quote.

### The Power of the Individual

The third-prong involves realizing that the “individual” wields the greatest power and constitutes the most effective means for enhancing the ethics of globalization. As the recent protests against Apple’s labor practices has shown, consumers are a vital force necessary for

---

<sup>2</sup> Flynn, Sartre and Marxist Existentialism, 194.

<sup>3</sup> Eddy Lee, 239, “increase[d] labor costs that are not offset by greater productivity may be passed on to consumers, or, if necessary, absorbed through internal cost-cutting measures such as reductions in executive compensation.”



calling attention to issues of social justice. The demonstrations against Apple's products have lead to an unprecedented labor investigation into the world's largest company; and, it is in large part due to voiced concerns from ordinary individuals causing Apple to take the matter seriously.<sup>4</sup> Furthermore, consumers are in the best position to dictate that Apple become an innovator in not just consumer electronics but also labor practices. Satisfaction of consumer demands that Apple's subcontracted employees be paid a living wage would certainly be a healthy step in the right direction. Again, it is up to investors and consumers to compel Apple to carry out such changes as providing higher wages and better conditions for those who manufacture its products.

Finally, it is not by mere coincidence that I have chosen to utilize the theories of two philosophers both of whom regard human freedom as the highest societal value. Despite his insistence that no objective moral values exist, Sartre nonetheless advances above all else the notion that man cannot be free unless all men are free. His existentialist emphasis on our ability to choose, and through these choices project an image of man as we think he ought to be, forces us to realize the hypocrisy of valuing one's own freedom while at the same time not condemning those who inhibit the freedom of others. Similarly, Sen's theory of development as freedom necessitates the realization that successful economic development depends on its ability to increase individuals' capabilities and hence freedoms in an ethical manner. Both philosophers, then, equate enhancing freedom in the world to increasing the range of

---

<sup>4</sup> Since the first criticisms emerged nearly two years ago, wages have risen three times for Foxconn's lowest paid workers.

possibilities of choice for every individual. I have argued that ethical globalization would satisfy this requirement.

A globalization which promotes the Living Wage Doctrine would reasonably permit the poor individuals of developing world regions to earn more money, enabling them to afford better education and healthcare. I agree with Sen's claim that the end of development can properly be construed as freedom itself and that, when evaluating the worth of globalization, the means by which the freedom is achieved must be kept in mind. Policies which violate individual liberties contradict the very purpose of economic growth and have produced the unfortunate situations of oppression and exploitation we witness occurring in the world today. Yet, these problems must not be regarded as irredeemable.

Sartre's notion of authenticity reminds us that we cannot escape responsibility for purchasing items made under exploitative conditions. Authentic existence demands more than just making an honest effort to ensure our luxury products are not produced under conditions of duress. It forces us to recognize that valuing our freedom while engaging in practices which directly contribute to denying the freedom of others is an egregious, inconsistent, and hypocritical act. Further, the means used to enhance human freedom and improve social welfare by multiplying the possibilities of choice for a given individual must not violate or compromise on the principles constitutive of such ends. The protection of basic rights, then, must be given the highest priority when evaluating the worth of economic development, for this is necessary to improve global justice in a manner consistent with all of humanity's interest.

Sartre's entire theory rests upon the notion that "...as a matter of fact we are responsible for *our* world, for what 'happens' to *us* and to others, and for the value-image of man that our every basic choice projects."<sup>5</sup> Realizing this statement's claim to truth and our corresponding responsibility for the acts or non-acts of ourselves and others is a definite step in the right direction toward arriving at a more dignified human existence. Indeed, an understanding of the interpenetration of all freedoms in the world goes hand in hand with the task of enhancing social welfare and creating a more "just" world order.

---

<sup>5</sup> Flynn, *SME*, 201.

## Bibliography

- Anderson, Thomas C. *Sartre's Two Ethics: From Authenticity to Integral Humanity*. Chicago, IL: Open Court, 1993.
- Aquinas, St. Thomas. "Summa Theologica." Translated by the Fathers of the English Dominican Province. January 11, 1998. Accessed April 06, 2012.  
[Http://www.ccel.org/a/aquinas/summa/FS/FS090.html](http://www.ccel.org/a/aquinas/summa/FS/FS090.html).
- Arnold, Denis G. and Norman E. Bowie. "Sweatshops and Respect for Persons." *Business Ethics Quarterly*, Vol. 13, No. 2, Employment (Apr., 2003): 221-242. Published By: Philosophy Documentation Center. Article Stable URL:  
[Http://www.jstor.org/stable/3857660](http://www.jstor.org/stable/3857660).
- Catalano, Joseph S. *A Commentary on Jean-Paul Sartre's Critique of Dialectical Reason, Volume 1, Theory of Practical Ensembles*. Chicago: University of Chicago Press, 1986.
- Ferguson, Niall. *Civilization: The West and the Rest*. New York: Penguin Press, 2011.
- Flynn, Thomas R. "Jean-Paul Sartre." Stanford Encyclopedia of Philosophy. Spring 2012. Edited by Edward Zalta. Accessed January 10, 2012.  
<http://plato.stanford.edu/entries/sartre>.
- Flynn, Thomas R. "Mediated Reciprocity and the Genius of the Third." In *The Philosophy of Jean-Paul Sartre*, by Paul Arthur Schilpp. 345-70. Vol. XVI. La Salle, Ill.: Open Court, 1981.
- Flynn, Thomas R. *Sartre and Marxist Existentialism: The Test Case of Collective Responsibility*. Chicago: University of Chicago Press, 1984.
- Fort, Timothy L. "A Review of Donaldson and Dunfee's 'Ties That Bind: A Social Contracts Approach to Business Ethics.'" *Journal of Business Ethics*, Vol. 28, No. 4 (Dec., 2000): 383-387. Published By: Springer. Stable URL:  
[Http://www.jstor.org/stable/25074428](http://www.jstor.org/stable/25074428).
- Frieden, Jeffry. *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York: Norton, 2006.
- Giovanola, Benedetta. "Re-Thinking the Anthropological and Ethical Foundation of Economics and Business: Human Richness and Capabilities Enhancement." *Journal of Business Ethics*, Vol. 88, No. 3 (2009): 431-44. doi:10.1007/s10551-009-0126-9.
- Hammarberg, Thomas. "Not by Bread Alone ... but Not without Bread Either - Economic and Social Rights." CBS Interactive. June 29, 0099. Accessed April 06, 2012.

- [http://findarticles.com/p/articles/mi\\_m1309/is\\_4\\_35/ai\\_54823726/pg\\_2/?tag=content;coll](http://findarticles.com/p/articles/mi_m1309/is_4_35/ai_54823726/pg_2/?tag=content;coll).
- Hartman, Laura P., Bill Shaw, and Rodney Stevenson. "Exploring the Ethics and Economics of Global Labor Standards: A Challenge to Integrated Social Contract Theory," *Business Ethics Quarterly*, Vol. 13, No. 2, Employment (Apr., 2003): 193-220. Published By: Philosophy Documentation Center. Stable URL: <Http://www.jstor.org/stable/3857659>.
- Krugman, Paul. "In Praise of Cheap Labor: Bad Jobs at Bad Wages Are Better than No Jobs at All." *Slate- Dismal Scientist*. March 20, 1997. Accessed February 06, 2012. <http://web.mit.edu/krugman/www/smokey.html>.
- Lee, Eddy. "Globalization and Labour Standards: A Review of Issues." *International Labour Review*, 136, no. No. 2 (1997): 173-89. EBSCO Publishing (c) 2003.
- McBride, William L. *Sartre's Political Theory*. Bloomington: Indiana University, 1991.
- Pogge, Thomas, *John Rawls: His Life and Theory of Justice*. Translated by Michelle Kosch. Oxford: Oxford University Press, 2007.
- Pope Leo XIII. "Leo XIII - Rerum Novarum." Vatican: The Holy See. Accessed February 06, 2012. [http://www.vatican.va/holy\\_father/leo\\_xiii/encyclicals/documents/hf\\_l-xiii\\_enc\\_15051891\\_rerum-novarum\\_en.html](http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html).
- Radin, Tara J., and Martin Calkins. "The Struggle Against Sweatshops: Moving Toward Responsible Global Business." *Journal of Business Ethics*, Vol.66, No. 2-3 (2006): 261-72. doi:10.1007/s10551-005-5597-8.
- Rawls, John. Compiled by Samuel Richard Freeman. *Collected Papers*. Cambridge, MA: Harvard University Press, 1999.
- Robinson, Mary. "An Ethical, Human-rights Approach to Globalization." *Peace Review*, Vol. 16, No. 1 (2004): 13-17.
- Ryan, John A. *A Living Wage: Its Ethical and Economic Aspects*. PhD dissertation, Catholic University. New York: Macmillan, 1906.
- Sartre, Jean-Paul, and Benny Lévy. *Hope Now: The 1980 Interviews*. Chicago, IL: University of Chicago Press, 1996.
- Sartre, Jean-Paul. *Critique of Dialectical Reason*. Translated by Alan Mark Sheridan-Smith. London: NLB, 1976.
- Sartre, Jean-Paul. *Notebooks for an Ethics*. Chicago: University of Chicago Press, 1992.

- Sartre, Jean-Paul. *The Problem of Method*. Translated with an introduction by Hazel E. Barnes. London, Methuen: Alfred Knopf, 1963.
- Sen, Amartya. *Development as Freedom*. New York: Knopf, 1999.
- Sen, Amartya. "The Discipline of Cost-Benefit Analysis." *The Journal of Legal Studies*, Vol. 29, No. S2 (2000): 931-52. doi:10.1086/468100.
- Sen, Amartya. *The Idea of Justice*. Cambridge, MA: Belknap Press of Harvard University Press, 2009. Ebook Reader.
- Sen, Amartya. "What Do We Want from a Theory of Justice?" *The Journal of Philosophy*, Vol. 103, No. 5 (2006): 215-40.
- Sengupta, Arjun. "The Human Right to Development." *Oxford Development Studies* Vol. 32, No. 2 (2004): 179-203.
- Spar, Debora, and David Yoffie. "Establishing a Framework - Multinational Enterprises and the Prospects for Justice." *Journal of International Affairs*, Vol. 52, No. 2 (1999): 557-81.