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## Fairness, Globalization, and Public Institutions

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## Conclusion

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This book was inspired by a “dialogic” conference to which selected international scholars and practitioners were invited, primarily from East Asian countries. Participants were asked to reflect on and discuss to what extent public institutions in East Asia act so that the advantages and disadvantages of globalization, broadly defined, are widely distributed—what we have referred to as “public regarding.” We also asked participants to say whether a concept such as “fairness” is used in making such an assessment and whether advantageous and disadvantageous impacts are and can be considered not only concerning people living now, but also for future generations and for the environment.

In the first several chapters of this book we explained what we meant by fairness, globalization, and public institutions. Globalization was agreed to involve more than economic issues. Cultural, political, environmental, security, mobility, popular culture, and many other factors were also important, independent of their strictly economic impact. Similarly, we tried to show that “fairness” should be widely construed and that other concepts, such as “harmony,” might be more appropriate in some Asian contexts. Finally, we argued that public institutions mean much more than the formal institutions of government. They include informal social networks, national and international nongovernmental organizations, and many aspects of civil society as well.

### Our Conclusions

On the basis of what is contained within the confines of this book, our conclusions would have to be generally negative: with only a few exceptions, we would have to conclude that, no, public institutions in East Asia generally have not played a significant enough role in seeing that the impacts of globalization are fairly distributed among persons living now; that public institutions have not acted seriously enough on behalf of environmental values or concerns; and that

public institutions have not been at all concerned about the needs and desires of future generations.

### **Globalization and Public Institutions**

With some exceptions noted below, the evidence in this book is that public institutions in the Asian countries represented here have felt obliged to embrace globalization and to try to find a way to gain their own niches within it, leaving it up to future generations to sort out the environmental and other future impacts. For now, public institutions act as though they are open to new ideas, values, and institutions, either embracing them sincerely in their typically syncretic way or else pretending to accept them until each specific fad of the present passes, as they know, from centuries of experience, it eventually will.

One reason for this might be that Asians (more than Europeans or North Americans) are much more comfortable with globalization. Westerners have basically ruled the world and its current globalization processes for the past several hundred years. As long as Westerners believe they control globalization, and as long as some of them clearly profit from it, most of them are more or less happy with it. It is only when globalization is guided by Others, and on the behalf of Others, that globalization becomes problematic for most Westerners, it seems. Current discussions and reconsiderations of “free trade” and agricultural policy hint at this.

But to most Asians, globalization per se is nothing new—the values and institutions of all of the Asian nations under consideration here have been profoundly influenced by wave after wave of external, often global, forces, virtually since the beginning of human history. While they each have their own culture, they recognize that it is largely syncretic and not primarily indigenous. Certainly at the present time, all Asian values and institutions stand profoundly influenced by “foreign” ideas, beginning with the very concept of “nation” and the ideology of “nationalism” all the way down to today’s institutions of governance, economics, education, and pop culture. While each country under consideration has its own unique history, all of them to a large degree have been made what they are by having endlessly had to deal with powerful ideas, values, and institutions from the “outside” as well as from the “inside.”

Moreover, unlike the West, the cosmologies of Asia tend to enable Asians to handle apparent contradictions with greater ease. It is possible for many Asian societies to be Buddhist, Confucian, Christian, and animist all at the same time or to adopt European clothing and customs for certain situations while at the same time retaining clothing and customs from their own past for others—clothing and customs that themselves might well have been introduced from abroad at an earlier time.

In this context, globalization—including such specific factors as the New Public Management—is seen as just the most recent in a very long set of waves that rush toward them, lifting them up for a while and sending them off in a different direction from their original heading, but eventually setting them back down in an area of relative calm so that they can integrate the new with the old in ways that do justice to both. This process mystifies many Westerners who are accustomed to determining “right” from “wrong” and “good” from “bad” and then choosing the former while firmly rejecting the latter. Asians are more content with finding a middle way.

At the same time, some of the authors affirmatively embrace globalization as a solution to what they consider to be the dysfunctional, unfair systems left over from the past. They believe that external pressures, while having their own problems, are necessary in order to get rid of undesirable values and institutions still lingering from that past. It is too difficult and too costly to try to transform their societies from within. In this context globalization is a big help.

Finally, we find that the events of September 11, 2001, and America’s responses to them have placed the post–World War II understandings of globalization into a context it has not had before. With the events both before and certainly after 9/11, and then following the narrow but more legitimate reelection in 2004 of George W. Bush as president of the United States, that nation has discarded the kind of globalization that marked the world since World War II and has embarked on something quite different.

America was a dominant nation globally after World War II, becoming the single hegemon after the collapse of the Soviet Union and its allies by 1990. While America never engaged in practices clearly contrary to its national interests, and while it did embark on many misguided, and worse, misadventures, it could, in its best moments, be viewed as a leading participant in a globalization process ultimately intended (within the capitalist paradigm) to favor all people in all nations. Americans were always on, and usually in charge, of any committee concerned about the future of the world. But people from many other cultures and classes were on those committees too, and their words and concerns were important, if seldom finally determinative.

When George W. Bush won the disputed American election of 2000, his administration immediately began a process of militarization and unilateralism wholly unprecedented in American history. Both processes, now internally as well as externally applied, characterized their response to 9/11.

Bush of course favors globalization, but it is no longer the neoliberal, mildly free-market kind. Rather it is much more aggressively American-centric. Trade agreements are made between the United States and other nations solely on the basis of whether the nation supports or does not support current American foreign policy and especially military actions. While we have very serious doubts

about the utility, much less the morality, of this policy, Bush has interpreted his (re)election as a mandate to pursue his domestic and global ideological visions, and is doing so vigorously. To date there has been nothing within the United States that can stop him, despite substantial efforts. Those who oppose US policy, whether within the United States or abroad, will be ignored when convenient, discredited if persistent, and crushed if possible.

This may result in a long-term American global imperium, all denials of such an intention notwithstanding. We, however, expect that America's heavily indebted economy, increasing dependence on outsiders, and growing internal divisions, on the one hand, and looming environmental crises, emergence of competing supereconomies, and growing global resentment, on the other, make a long American rule unlikely.

Whatever the longer-term prospects, among the many consequences of America's new policies is a revival of narrowly nationalistic perspectives not only at home, but elsewhere as well. Whereas a decade ago scholars could write convincingly of the end of the nation-state system and the emergence of some kind of cooperative global governance system beyond that of the United "Nations," most scholars now see the reemergence of nationalism instead.

And whereas once upon a time some people could dream of a world without war, made so in part by the belief that "freely-trading democracies do not fight," now, with the possible *de facto* end of free trade, wars between nations seem more likely, even as security forces still are unable to cope with "terrorism" launched by nonstate actors.

Japan appears to be preparing itself to become what is frighteningly said to be "a normal nation" once again. It is very likely to have a full-fledged military able and willing to fight anywhere in the world to advance its national interests and not merely for "national defense." China is no longer the sleeping giant, but is stretching its muscles as a manufacturing and, perhaps soon, agricultural power. Its economic ambitions are charged by a deep desire to never again be anyone's victim.

While currently preoccupied with the quagmire of Iraq, US policies aim to be able to defeat militarily any nation it declares to be an enemy, whether it be North Korea today, China tomorrow, or Russia the day after. War is no longer the last method used to advance policies. It has become the second—to be used immediately if threats fail.

But whatever form it takes—neoliberal and more or less equitable, or imperial under American hegemony—globalization does not seem to be a big deal for Asia. And now they are preparing to deal with the opportunities and threats contained in China's economic, political, and cultural emergence. They have seen it all before, and somehow coped. They expect to muddle through—if not triumph—this time as well.

## Fairness and Public Institutions

As Edgar Porter, Sohail Inayatullah, and others have said, it is not clear that “fairness” is the most useful term for most Asian contexts. “Harmony” seems to be better. But even “harmony” is in doubt. In East Asia (at least in Japan and Korea) the term was often used in the phrase “harmony within hierarchy” when national leaders (or heads of organizations) wanted to emphasize national or social unity over individual rights during the recent developmental era. For many young people in East Asia today the term “harmony” implies the sacrifice of individual rights, exploitation through mass mobilization, and something very unfair. It has come to have more negative connotations than positive ones.

In any event, “fairness” always arises within a cultural context, one of which might make “harmony” the goal of fairness.

Consider the issue of who cuts the cake and who takes the first piece that was discussed in chapter 3, “What Is Fairness?” The riddle is based on the assumption of individual selfishness: we expect the person who takes the first piece of cake to choose the bigger piece for herself. In order to “be fair,” someone else must cut the cake so each piece is as equal as possible. So even if the chooser wants to be selfish, she can’t. And that is fair.

But imagine you are in a culture where deference to others is so important that the first chooser is annoyed, if not insulted, by not being able to take a smaller piece so the next person can have a bigger one. How should the cake-cutter cut then, in order to do so fairly?

Or imagine a world (as some think it was for a very long time) in which one would be embarrassed to have something that others did not have, or to have more than others have, and thus would do everything she or he could to see that scarce things were shared equitably in order to suppress envy and preserve the harmony of the group as a whole.

Moreover, recent comparative research, discussed in chapter 3, suggests that in fact almost no people prefer to act greedily. Even with strangers, but certainly among friends, they want to be able to share—to be fair—and so they often chafe at institutions or situations that require them to act selfishly. Humans are fully capable of selfishness (as they are of killing), but which they do—cooperate or appropriate, kill or embrace—often depends on the social situation they find themselves in. Neoliberalism presumes and rewards selfishness—makes it a profound virtue and mocks altruism as a pathology. Any good human can be made into a neoliberal, given enough time and the proper ration of rewards and punishments, but it seems more likely that, left to their own devices, most people would prefer harmony and identity within some group, whether it be family, community, church, sports club, criminal gang, or corporation, over self-centered individualism.

These general points about fairness are connected to the tensions between economic values and other social values in the post–Cold War era. Economic analysis focuses on whether or not aggregate wealth is increasing. From an economic perspective the issue is largely or exclusively the degree to which total global or national wealth is increasing. If it is increasing, the global or national system is working. If it is not, we are falling back.

The economic lens gives much less attention to how wealth is distributed. To begin with, “politics” and “policy” are matters to which the tools of economic analysis lend themselves less well. More generally, things that are done to distribute wealth more evenly are often seen to be in competition with processes that maximize its creation (i.e., killing the goose that laid the golden egg).

In the post–Cold War environment we are, often unwittingly, witness to a striking variety of experiments in capitalist systems of wealth making. They include the Scandinavian countries, Canada, Japan, China, Korea, Singapore, Thailand, and many others. These experiments give differing priorities and attention to the creation versus the distribution of wealth. Each seeks a somewhat different balance along a continuum that ranges from, at the one end, a “market society” and, at the other, a “social economy.”

One way to view the questions raised in this book about fairness, globalization, and public institutions is this: what form of society—market society or social economy—will emerge as dominant, and what network of global rules, also affecting fairness and the public benefits of globalization, will be created by it?

Perhaps the most common expectation is that the American model, moving ever farther in the direction of a market society, will prevail. There are a number of reasons to doubt this. The United States has created great wealth and is justifiably proud of its democratic traditions. At the same time, it is not hard to make the case that America today has done something never before accomplished in human history: created fabulous wealth and widespread abundance amidst impoverished lives.<sup>1</sup> The impoverishment derives from not only the fact that many are excluded, but it is also based in the personal anxiety and stress, environmental dangers, and intergenerational risks created by the relentless pursuit of more of everything, and from the erosion of institutional safety nets dictated by economic efficiency rationales.

The American paradox of impoverished abundance creates a social and political space in which to reconsider American capitalism. Something else helps to create that space: the collapse of the Soviet Union. Its demise removed a comparison that had reinforced and legitimated the priorities of the American form of capitalism. With the Soviet Union no longer available to hide the shortcomings of the American model, self-assessments and comparisons take on a different appearance.

If this view is at least partially correct, then our focus must shift. We must

adopt a more globalized perspective on changing institutions, one that gives legitimacy to diverse experiments. How do these emerging social economy experiments strike the balance between wealth's creation versus its distribution, or between the goals of a market society versus those of a social economy? Equally important, how are public institutions used to strike and maintain those balances?

### **Fairness to the Environment and to Future Generations**

Almost none of the authors in this book (except the organizers of the conference itself) seem particularly concerned about environmental problems or about balancing the desires of current generations with those of the environment now and later. Martin Khor is a clear exception.<sup>2</sup> The only others affirmatively to raise the issue in this book are Ivana Milojevic and, to some extent, Sohail Inayatullah.

No one breathed a word of concern for future generations except for (again) Milojevic and Inayatullah, who have been long-time participants in various activities sponsored by the Future Generations Alliance of Kyoto, Japan. As we noted above, there was an episode during the conference when some participants were concerned that if China were to achieve a Western standard of living soon that the environmental impacts would be disastrous.

The Chinese participants immediately said this was not fair! Unless the West was willing to give up its wealth and live far more modestly, China and other developing nations have the right to develop as quickly and as fully as they wish. Everyone seemed to agree with this to the extent that no one stood squarely behind the right of the environment to be saved from devastation.

And no one asked what future generations—in China and elsewhere—might think if the price for enabling China to become wealthy now meant that future generations everywhere would be poor.

We live in a world where few care enough to act on behalf of tomorrow and yet where many proclaim their support for “family values.” A strange paradox indeed.

### **Final Observations**

So we are left both hopeful and concerned about the future of the region.

We seem worried about war, global warming, global economic depression, global population aging, and the militarization of space. But most of our respondents seemed convinced that Asian interests will adapt, as they have always done, and perhaps even, in this new environment, prevail.

This may come to pass. Yet we know the grim times East Asians have been through, often as a consequence of an earlier wave of globalization. We do not want that for their—or our—future generations. As we confront the challenges



and opportunities of the new manifestations of globalization, we are well advised to keep in mind the linkages between fairness, globalization, and public institutions.

### Notes

1. For a detailed example of this perspective, see William Greider, *The Soul of Capitalism* (New York: Simon & Schuster, 2003).

2. Khor did not actually attend the conference, though invited. He did allow us to edit a chapter for inclusion in the volume, and we are grateful.