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World Democratic Federalism

Peace and Justice Indivisible

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*Before I built a wall I'd ask to know
What I was walling in or walling out,
And to whom I was like to give offence.
Something there is that doesn't love a wall,
That wants it down.*

—Robert Frost (1914)

*I must say to people of good will, to the workers, to the poets, that
the entire future was expressed in that phrase of Rimbaud: an ardent
patience will suffice to conquer the splendid city that will give light,
justice and dignity to everyone.*

Thus poetry will not have been composed in vain.

—Pablo Neruda (1971)

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Preface

I consider myself to be a highly privileged beneficiary of the global process of civilization. In countless ways my life has been enriched by the institutional and technological inventiveness of humanity. I do work that I enjoy in a context that is congenial. I am exceptionally free to express my opinion and I can take advantage of a range of publicly and privately provided amenities. I believe myself to have been one of those fortunate enough to have derived clear net gain from the process of globalization. Chance and human design have not been so generous to all. My firm belief that a broader sharing of the benefits of our world can make gainers of us all, in part through its effect in minimizing violent confrontations, whether individual or collective, has provoked this undertaking.

This work represents a statement of a worldview, in two senses of the word: not merely a paradigm, but one that insists that our world must be re-viewed and reconceptualized as an integrated whole which is affected both by our actions and inactions. One's perspective is never really one's own, hence gratitude must be expressed to all who have 'crossed my path,' whether through their physical presence or through their ideas. As in any human endeavor, intellectual or otherwise, the influences that have shaped my perceptions no doubt far surpass my conscious awareness, which is at best only the tip of the iceberg. Some of the thinkers to whom I feel a significant debt are David Hume, John Stuart Mill, Thorstein Veblen, Albert Hirschman, Gunnar Myrdal, Jane Jacobs, and Riane Eisler. There are undoubtedly many more.

Not only are the ideas here not original with me, but the informed reader may have run into them with increasing frequency in the past five or ten years. This should come as no surprise. Charles Darwin and Alfred Wallace both came up with formulations of evolution through natural selection at the same time. The similar analyses of a problem reflect the parameters of the relevant universe, which today are under scrutiny by many thousands of astute observers. It is logical that those currently concerned with the management of the world economy should look for precedents in the operation of nations, particularly federal ones. During the writing of this book I happened to come across many accounts where points that I convey also appear. And yet approaches differ, emphases differ and in an age of information overload, the audience for one book

may be completely different from those who read a strikingly similar work. Moreover, a major institutional change of the sort being discussed here and elsewhere requires an almost revolutionary change in perceptions. That does not happen in one day or one year or with one book, no matter how influential. Each observation becomes yet another piece in the puzzle—many, many pieces are necessary before an image is discernible to enough people to alter behavior patterns. How many books have been written sounding the ecological alarm, going back at least to Fairfield Osborn's *Our Plundered Planet* (1948) or Rachel Carson's *Silent Spring* (1962)? Our situation is even more precarious now than it was decades ago, yet environmental concerns still take a back seat to economics in many aspects of human activity.

Enormous gratitude is due to my professors and to my graduate student associates at the University of Texas, Austin, where many of the seeds that have since taken root were first sown forty years ago. It is hard to gauge the influence of Wendell Gordon with his persistent refrain 'it may be so, but then again it may not,' of Walter Neale who patiently urged us to struggle with the ideas at hand and of Clarence Ayres, who shared with us the wisdom of a rich lifetime. It took me a long time to fully appreciate his booming denunciation in the early 1960s of the specter of periodic breakfast-time electronic referenda: 'Democracy is not about voting, it is about discussion!'

Thanks are in order to the following people who read and commented on all or part of the manuscript in its many successive manifestations: Nicole Baerg, Guy Bentham, Mauricio Ernesto Granillo, Anastassia Khouri, Duncan McPherson, Ruben Mendez, Joshua Walker, and Hyder Yasufzai. Words fail to express my appreciation to Keith Hart who provided valuable counsel and encouragement when it was most needed. Particular thanks are due to Robert Sampson for his painstaking editorial efforts prior to the submission of the manuscript. The customary caveat about all blame being mine applies. Whatever praise may accrue, I will gladly share.

While people can be singled out, the thanks are to institutions that gave me the space to think and to exchange ideas. First on the list is McGill University, where I came to practice and to revere Ayres' message about the importance of discussion for democracy. My thanks go as well to the École des Hautes Études Commerciales in Montreal which welcomed me during my 1988–89 sabbatical, to the Department of Economics in the Faculty of Economics and Administration of the Universidad de Chile in Santiago where I truly felt that I had a second home during my 1995–96 sabbatical leave from McGill, and to the

Chaire Hoover d'éthique économique et sociale at the Université Catholique de Louvain where the final draft was completed in spring 2003. Special thanks go to Philippe Van Parijs, the Director of the Chaire Hoover and to the Chair's residents and visitors for providing a congenial environment during the academic year 2002–2003 in which I was able to bring this work to fruition.

The personal *is* political. My evolving sense of the world was strongly shaped by my parents, Sam and Rae Frankman—my father was the first to draw my attention in the 1940s to the connections between oil and foreign policy when I was still too young to appreciate the implications, while my mother never missed an opportunity to draw my attention to rainbows; by my late wife, Patricia Ottolenghi, who challenged my faith in mainstream developmentalism; and by my companion of the last thirteen years, Anastassia Khouri, who has patiently, constructively, and lovingly served as a sounding board for the ideas that are incorporated in the pages which follow.

In a world in which monetary considerations tend to permeate everywhere and everything, the kindness of institutional strangers is one important expression of what is best in human society. To extend the words of *Le Petit Prince*, what is most valuable is not only invisible, but not subject to measurement. We need to deconstruct the myths that currently support the formation of a world where everything is metered and the fruits of human inventiveness are available only to those who can pay. If this book contributes in some small measure by adding to the force of complementary voices in altering the course of human action, I shall consider myself to have honored the debt that I owe, along with all my contemporaries and those of every generation, to those who have gone before us.

—MYRON J. FRANKMAN

Abbreviations

BWS	Bretton Woods System
DAC	Development Assistance Committee (of the OECD)
EC	European Community
EU	European Union
FDR	Franklin Delano Roosevelt
G-8	Group of Eight (Industrialized Countries)
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
HDR	Human Development Report
IBRD	International Bank for Reconstruction and Development
ICA	International Commodity Agreement
ICU	International Currency Union
ILO	International Labour Organization
IMF	International Monetary Fund
ITO	International Trade Organization
LDC	Less developed country
NGO	Non-governmental organization
NICs	Newly Industrialized Countries
NIEO	New International Economic Order
ODA	Office Development Assistance
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
PCI	Per capita income
PWCI	Planet-Wide Citizen's Income
SDR	Special Drawing Right
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
US	United States of America
WDR	World Development Report
WTO	World Trade Organization