# How to look foreign trade partners in the eye

## why international trade justifies cosmopolitan distributive justice

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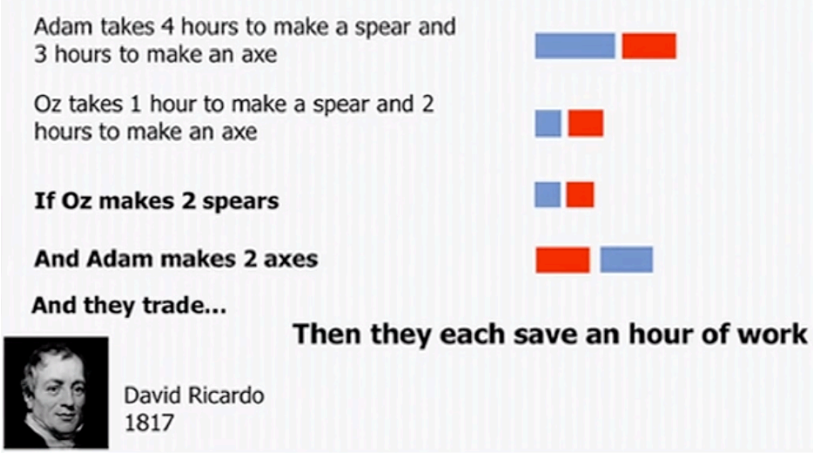
### 1. Introduction

This article is motivated by indignation at the view that when two islands — one rich in resources and the other poor — engage solely in trade, no moral obligations of distributive justice arise. That seems obviously wrong because more often than not trade leads to the accumulation of vast inequalities that cannot be attributed to the fault of the misfortunate party. Rather, the inequalities appear to stem from differences in power. But if it is mere power that can coerce one into an endless cycle of increasingly unfavourable exchange, that does not sound right. That sounds like a violation of justice that demands compensation. So, after all, there is an obligation of distributive justice.

In what follows, I explore the nature of the injustice that is inherent in international trade and its relationship to cosmopolitan distributive justice. That relationship is not straightforward. It appears that the social states of affairs that ought to be brought about in order to prevent trade injustice, such as comprehensive fair trade policies, cannot be brought about. However, the redistributive schemes implied by the theories of cosmopolitan distributive justice are the next best option. So I argue that cosmopolitan redistribution ought to be implemented if only to correct for the injustices of global trade.

### 2. The pitfalls of trade in axes and spears

In his influential TED talk, the British writer Matt Ridley (2010, 04:50) gave a vivid account of David Ricardo's justification of international trade. The story is this. Adam and Oz need axes and spears, and they can produce them. It takes Adam 4 hours to make a spear and 3 hours to make an axe. Oz has had more brute luck in his life and it only takes him 1 and 2 hours for a spear and an axe, respectively. One would think that the gentlemen are perfectly economically autonomous and can provide in their own needs. However, if they start to specialize and to trade, in what could seem to be a paradox, both of them are better off. Ridley's animation demonstrates how they can both save one hour of their lives if each of them makes two identical products and trades the one for the other.




In Ridley's example the trade is quite straightforward: one axe is exchanged for one spear. After all, each gentleman supposedly only had made two pieces. Things get complicated with scale. Suppose instead, that dozens of axes and spears are produced. Would one spear still be worth one axe? There does not seem to be an apparent reason for that. If we assume that the exchange is voluntary, then the parties can settle on any exchange rate that does not deprive either of them of a good, in this case, their time. For example, for lack of other options, Adam would still accept[1] Oz's offer to exchange his 13 axes for only 10 spears because it costs him 39 hours to make those axes and he saves the 40 hours he would spend on making the offered spears. If that is their "beautiful deal", Adam saves 1 hour and Oz saves 26 hours[2] of work. Both parties are better off, but their surpluses seem to be far from symmetrical. Moreover, Oz can use his spare time to devise ways to preserve the asymmetry and the lack of Adam's options.

In my earlier work (Bell 2024), I argued that justice is not an inherent feature of free markets. Neither monopolies nor perfect competition entail just distribution of the benefits of exchange. On the contrary, it is mainly the market power of the trading parties that determines the price and hence each party's benefits of cooperation. The party that has more market power can coerce the other party to accept less favourable conditions. The surplus from exchange can be used to acquire even more market power. Thus power accumulates and inequality grows.

Can Adam and Oz look each other in the eye after repeated asymmetrical exchange? I do not think so. Obviously, Adam would feel resentment and anger and would want to put his axes right to work. Oz, on the other hand, would be likely to either feel guilt or exhibit arrogance and complacency in an attempt to justify his larger share. The power differential and its accompanying oppression are felt on both sides. The ease of equality is exchanged for the tension of injustice.

[1] Accepting a minimal reward is still rational. One could also view this situation as a variation of the bargaining game. Empirically, most, but not all, cultures exhibit a strong aversion to extreme asymmetry (Camerer 2003, 8-11). However, moderate asymmetry is often accepted, and can certainly accumulate.
[2] Debit 13 axes x 2 hours minus credit 10 spears x 1 hours

Suppose Adam and Oz have families that are aware of the exchanges. Their family members would hardly be able to look each other in the eye. Finally, suppose that Adam and Oz are in different countries, and these are corporations producing military tech. I do not suppose that there would be relaxed eye contact between the employees of the two manufacturers or the residents of their respective towns if they ever met each other.

In what follows, I will address the details of international trade-inflicted injustice, and what can and cannot be done about it in order to be able to look foreigners in the eye.

## 3. Overview of the argument

To spare my readers some cognitive effort, I explicitly state below my four premises that lead to the conclusion of my argument. These are the following:

P1 International trade generates injustice.
P2 Injustice ought to be corrected. Trade injustice creates duties of compensatory justice.
P3 Compensation of all particular injustices caused by trade is impossible.
P4 Cosmopolitan redistribution leads to partial compensation for trade injustices.
C1 Hence, cosmopolitan redistribution is justified partly because it helps fulfil the duties of compensatory justice.

In the sections below, I elaborate on each of the premises and the conclusion. Before that, a number of general points need to be made. Let us begin with some definitions.

By *trade* I refer to the exchange of material goods or services, either through barter[3] or for money. However, most of my argument also applies to other types of economic exchange that are vulnerable to unfairness such as employment (eg. underpaid workers of a local subsidiary of a foreign corporation), investment (eg. foreign investors dominating local housing markets) or even taxation (eg. multinationals squeezing low-tax deals from vulnerable municipalities). *International trade* implies that either the trading parties or their ultimate beneficiaries have their residence in different states[4].

By *cosmopolitan redistribution*[5] I mean some policy that is implied by a theory of cosmopolitan distributive justice. Generally, the relevant literature (eg. Axelsen

[3] In the case of barter, "price" refers to the exchange rate of one good for the other.
[4] Or, in rare cases, one or both parties can be states themselves.
[5] Hereinafter I use "redistribution" or "comprehensive redistribution" as a substitute for cosmopolitan redistribution, unless stated otherwise.

2014; Caney 2005, 102-147) focuses on global and/or cosmopolitan[6] distributive justice rather than redistribution. My argument, however, supports redistribution, i.e. an implication of distributive justice rather than the justice itself. I take redistribution to be *comprehensive* if it is based on some general principle of distributive justice that goes beyond injustices caused by trade and includes recipients beyond those affected by trade injustice. Some examples of such general principles are the global difference principle proposed by Charles R. Beitz (Caney 2005, 109), global human entitlements to subsistence advocated by Henry Shue (Caney 2005, 119) or Robert Goodin's consequentialist duties to aid the vulnerable (Caney 2005, 117). My argument is neutral between theories of distributive justice as long as their implied redistribution scheme meets the principles discussed in P4. Beyond these criteria, I do not propose any concrete measures to be implemented. Designing redistributive schemes and institutions is a separate large respectable task.

As suggested by conclusion C1, my argument is limited to offering merely an instrumental reason for the adoption of an international redistributive scheme, namely, that it helps correct the injustice inflicted by trade. This justification is also partial and contingent.

Trade injustice provides only partial grounds for redistribution for two reasons. First, comprehensive redistribution can certainly correct injustices caused by trade power asymmetries, but its broad aim is to correct much more injustice than that. Compensating for harm caused by unequal trade will fall short of establishing the general equality or minimal/maximal thresholds of welfare, opportunities or capabilities as envisaged by the respective schemes. Hence, trade injustice can only support part of redistributive effort, and the other part needs to be based on the relevant broader theory of distributive justice. For example, many theories of distributive justice will want to compensate people who are below the subsistence level because of brute luck but do not engage in unfair trade. Trade injustice would be irrelevant in their case. Second, comprehensive redistribution is unlikely to correct all injustices inflicted by unfair trade. Being general in nature, redistributive schemes cannot track individual transactions and therefore some injustice will persist. Thus, it is only some part of the duty to correct trade injustice that lends support to redistribution.

My conclusion is contingent in the sense that providing an instrumental reason for redistribution does not make my argument conclusive. If other ways of fulfilling the duty of compensatory justice, or maybe even preventing trade injustices, are discovered (contra P3) and prove to be more effective than redistribution, my argument would carry less, if any, force.

Partiality and contingency are not the strongest features of an argument. On the other hand, I hope that my account is also stronger than many general theories of cosmopolitan distributive justice because the injustice of trade (P1) is apparent

[6] For the distinction between global and cosmopolitan principles of distributive justice see Caney (2005, 103-104). In short, cosmopolitan justice assumes duties to people across different states whereas global justice assumes redistribution among states rather than their citizens.

and aligns well with the intuitions of many, which can also be said about the impossibility of correcting such injustice by particular measures such as fair trade (P3).

Much of the present argument is similar to David Miller's work on fair trade (Miller 2017). However, there are also a couple of important distinctions. Miller provides an extensive overview of the conceptions of fair trade. He comes to the conclusion that all proposed accounts of fair trade fail to capture the concept and that none of them can be implemented in practice. At the same time, they do offer a good cluster concept of the unfairness of trade. Thus, Miller accepts the premises P1 and P3 of my argument. Nonetheless, he does not consider P4 which together with P2 brings me to my conclusion. This is hardly surprising, since holding nationalist views must prevent one from endorsing cosmopolitan justice and its call for international redistribution.

The second point of difference concerns the type of agents involved in trade. Although Miller at times considers individual coffee farmers, most of his argument revolves around states or "collective units" that engage in trade (eg. Miller 2017, 250,269). This is an empirical mistake. By far the most international trade takes place between private subjects, mostly corporations. Therefore, it is mainly private parties that are wronged by unfair trade, and it is cosmopolitan rather than global justice that can address the wrongs.

Having made these general remarks, let us now explore what it is that makes trade so vulnerable to injustice.

## 4. P1 International trade generates injustice

To unpack my first premise, let us first see how trade is prone to cause injustice generally, and then verify that this is also the case for international trade.

Two different though related arguments can be made for the claim that trade leads to unjust consequences.

The first argument invokes coercion. If we abstract from the example of Adam and Oz, we can say that free trade is an exchange undertaken by two parties whereby the parties bring something in the transaction and get something different out of it. Each party values their outputs higher than their inputs. Otherwise it would not make sense to accept the transaction in the first place[7]. However, the amount of surplus is usually different for each party. There is no rule inherent in trade that regulates the ratio of the benefits that parties derive from their exchange. It is rational for each party to maximize their surplus. Thus the interests of the parties oppose each other and there emerges a power struggle. In the absence of inherent principles, the party that has more market

[7] Under conditions of free trade parties are assumed to be able to deny any transaction.

power is able to command a higher share of the benefits[8]. By exercising market power, the stronger party limits possible choices of the weaker one. The latter can still refuse the transaction, but can no longer enjoy choices that lead to greater or equal benefits from cooperation. Furthermore, since market power is usually acquired by certain resources, the stronger party is in a better position to preserve and extend power since they can invest more resources acquired from unequal transactions than their weaker counterparts. Thus power accumulates, and the resources commanded from the weaker party are used to secure future inequality[9]. One can say that the weaker party is coerced by powerful agents into unfavourable choices without any moral fault of their own, which is unjust.

On Philip Pettit's (1997, 52) account of domination, the stronger party dominates and subjugates the weaker one insofar as it has the capacity to negatively affect the effective choice situation of the latter without tracking its relevant interests or ideas. As I have just mentioned, market power just is the capacity to (deploy certain tools to) strip others from choice options more favourable to them, and free markets do not suppose tracking the interests of weak parties. Even if one rejects the statement that domination is unjust prima facie[10], one has to accept the claim that market power limits freedom. In that case, rather than justice, preservation of liberty still lends normative grounds for my conclusion C1.

The second argument for the injustice of trade involves the notion of just price. What would make trade just? In his analysis of fair trade, David Miller (2017) almost[11] settles on the conclusion that an equal distribution of the benefits of trade is what makes trade just. Such equal distribution is reflected in the fair price. So, if a coffee farmer is willing to sell a bag of beans for at least €100 while the most that a customer is ready to pay for it is €200, there is a total exchange benefit of €100 that can be divided between the parties. According to Miller[12], the fair split is achieved at the price of €150.

My own methodology for calculating the just price is somewhat different. In the example above, the price of €150 does not seem to be just for the following reason. The seller brings in the value of €100 in the transaction, which is his minimal sell price, meaning that the beans are worth €100 to him. He gets €150 out of the transaction, hence he benefits 1.5x, or 50% of his input. The buyer, on

[8] In practice, this means that powerful sellers command higher prices and powerful buyers command lower prices in monetary transactions.
[9] In David Axelsen's terms, to impose duress on the weaker parties (Axelsen 2014, 75).
[10] Pettit does not make this claim in *Republicanism*. However, he does state that domination implies inequality of basic rights (Pettit 1997, 71), from which a claim of justice can easily be made.
[11] Miller's analysis culminates in the fair trade principle no.8 (Miller 2017, 262-264). Some problems that Miller identifies with this principle lead him back to his earlier principles that, in turn, had problems of their own that were meant to be corrected by his later principles. In this circularity of problems, the final eighth principle is deemed to be the most plausible one, and a dominant one if several principles are to be used together as a cluster concept.
[12] In fact, Miller's (2017, 263) argument is more complex. He does not use money in his examples. That makes it easier to see that there is an inherent valuation problem to all exchange. On the one hand, the exchange rate is not given apriori and is the result of a transaction. On the other hand, the benefit of each party depends on the relative value of the other party's goods. That creates circularity in determination of the fair price. Nevertheless, there are still valid boundaries for an indeterminate fair price, according to Miller. He also claims that this problem persists for monetary transactions.

the other hand, brings in the value of €150 in the exchange and takes out the value of €200, which is reasonable to say because he would have paid €200 for the beans if that was his only option. So, his ratio is €200 / €150 = 1,33. In other words, his benefit is only 33% relative to his input. Thus he does not benefit from the exchange in an equal degree as the seller does. In order to preserve equality, the just price would need to be €141,42 in this case (Bell 2014, 8).

My justification of the equality of exchange benefits rests upon the Rawlsian conception of justice and the contractarian thought experiment of the veil of ignorance. If the two parties are stripped of their partial interests, i.e. they know all the details of a possible transaction but they do not know on which side of the deal they stand, then the only rational position for them to take is to agree on equal benefits in proportion to their contributions. In fact, that is the only rational impartial choice for any possible transaction and a weighty[13] reason to design the basic structure of society in such a way as to permit only transactions that are equal in this sense.

Thus, if trade is only just when the exchange benefits are equal, which is reflected by the just price, any different transactions are unjust. Once again, in the real world there are no mechanisms for enforcing justice in trade. If ever the actual price of a transaction happens to coincide with the just price, that can be attributed either to mere luck or to an incidentally perfect balance of market powers of the involved parties, which is statistically rare. By far the most transactions take place at unjust prices and thus generate injustice.

Now that we have established the injustice of trade in general, let us briefly focus on international trade. Is international trade any less likely to generate injustice than domestic trade? Can anti-cosmopolitans come up with some meaningful disanalogy (Axelsen 2014, 37) between the two? I do not think so.

Cross-border coercion by market power does not seem to have intrinsic reasons to be less than its domestic kind. On the contrary, global markets are even more alienated from humanity because the farther the weaker party is and the less it is seen and empathized with, the less moral constraints the strong parties have against exercising their extortive powers. One may object that some items in the toolkit of market power such as patent law or culture-dependent marketing are only available domestically. That is indeed true. On the other hand, however, domestic markets of typical powerful players also restrict their domestic power in important ways such as by anti-monopoly regulations or anti-corruption laws. Those restrictions are absent internationally, which amplifies the commercial power struggle across state borders.

The argument from non-domination freedom does not seem to apply any less to international trade either. On the contrary, the arbitrariness of interference can

[13] Of course, there are also competing reasons for other arrangements, most notably the difference principle. However, when other reasons are silent, equal transactions ought to take priority.

be higher for parties that reside in different states since they do not fall under a single legal system for the protection of their rights[14].

Finally, there is no reason to assume that the broadly Rawlsian just price would bear less normative force internationally. Rawls himself did not allow for cosmopolitan justice (Caney 2005, 125) and limited the principle of justice as fairness to the domestic realm of liberal states. Nonetheless, this limitation has been repeatedly challenged, among others by Beitz (Caney 2005, 109). Without having to dive all the way into cosmopolitan arguments against Rawls, we can only modify the coffee beans thought experiment and check if it is still consistent with the key features of Rawls's argument.

Suppose that the coffee farmer and the buyer reside in different states, and the states fall under different Rawlsian categories. Say, the seller operates in a liberal state and the buyer lives in a benevolent absolutist state. Again, they are stripped from the knowledge of their role in the deal, but they do know all the details including the fact that they reside in different states and the features and rules of those states. Does their citizenship change anything? Again, I do not think so. It is still rational for them to agree on precise equality of the benefits of trade. It is a fact of life, known to them, that their states are different. But even if just principles are not endorsed by absolutist states[15] why would anyone who potentially lives in an absolutist state agree to a lesser share of the benefit when they can have a greater share of up to 50% of it? There is no rational reason[16] for that. Thus international trade is not different from domestic trade when it comes to justice.

Rawls did not endorse cross-border veil experiments because he was worried about toleration and non-enforcement of liberal values on other societies. But in our case it is hard to see how agreeing to an equal share foists any liberal values on the other party[17]. In his own international thought experiment, Rawls gathers representatives of states for the negotiation behind the veil of ignorance. That kind of experiment is not relevant for the injustice of trade since, as I mentioned in relation to Miller's argument, most trade is undertaken by private agents rather than states. That is indirectly supported by the fact that Rawls's principles of international justice (Caney 2005, 80) do not address economic cooperation.

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[14] Empirically, avoiding legal lacunas or collisions of different legal systems, as well as enforcing legal verdicts abroad can be very challenging and sometimes impossible. Thus the more legal systems apply to a given situation the more difficult it is to enforce protection of rights.

[15] According to the second feature of Rawls's argument as discussed by Caney (2005, 125).

[16] A possible complication is the fact that states can impose trade barriers and those barriers might not be symmetric. For example, a state can impose import duties which will affect the buyer's benefit. Alternatively, as in the case of China, states can enforce currency regulations that strip exporters from part of their revenues. Nevertheless, this need not be a serious problem. If these contingencies are known by the parties behind the veil, and *ex hipothesi* they are known, the parties should still settle on equal net benefits.

[17] One could argue that the very invocation of the veil of ignorance experiment, and thus the impartial conception of justice is a certain value that one is not entitled to force on other societies. In this vein, one could imagine some absolutist societies that adopt the principle of justice "people who live in absolutist states deserve 75% of the benefits of cooperation – that is justice!". An even greater danger to my argument is the potential possibility for grossly illiberal states to dictate to their citizens at what prices they have to sell or buy their goods. To argue against such positions one would indeed need to dive all the way into cosmopolitan arguments against Rawlsian confined liberal nationalism.

In sum, we can conclude that international trade leads to injustice without substantial disanalogy to domestic trade.

## 5. P2 Injustice ought to be corrected. Trade injustice creates duties of compensatory justice

This premise is self-evident and requires little support. In the words of James Grant (2011), compensatory justice means that if a person wronged someone, the just thing to do is to compensate them. Thus a strong party that used its market power to coerce a weaker one into an unfavourable, i.e. unequal, exchange has a moral duty to compensate them in order to restore justice. Given that countless agents engage in trade and most of trade is unjust, it generates innumerable individual compensatory duties. Arguably, many agents are unaware of the inflicted injustice and their resulting obligations.

One may argue that authoritative agents such as democratic state governments have a higher-level moral duty to prevent injustice from happening and to encourage if not compel the wrongdoers to fulfil their compensatory duties. Albeit from the field of climate justice, Henry Shue (1999, 533) lends support to this claim by saying that "we are justified in reversing the inequality by imposing extra burdens upon the producer of the inequality".

## 6. P3 Compensation of all particular injustices caused by trade is impossible

The premises P1 and P2 are certainly recognized by various fair trade initiatives that have been around for several decades. They admit that certain kinds of trade are unfair, and their actions are driven by idealistic motivation, i.e. a moral duty to correct the wrongs. The question is, then, whether it is possible to prevent and/or correct all the injustice that arises from trade if some version of fair trade policy is enacted to apply to all trade worldwide? And what version of fair trade would that be?

The second part of the question is easier to answer than the first one. Given our account of trade injustice in P1, the correct version of fair trade policy would ensure that any exchange takes place at a price that creates an equal benefit for the involved parties. In other words, fair trade is trade at the just price. In Miller's taxonomy, it is the eighth principle of fair trade that implies equal benefits of trade partners. Such policy tracks well the agents who suffer injustice, i.e. agents that actually engage in trade, and provides the right kind of compensation, i.e. the exact amount of money they were deprived of by the injustice[18]. If successful, this would remove any coercion by market power.

[18] In terms of Caney's (2005, 103) four fundamental questions for the theories of distributive justice, the sorts of entities involved (Q1) are people, corporations and states. Although states rarely engage in trade, tax evasion can be seen as a form of economic exchange injustice. The mentioned entities are also the

In order to prevent or correct all trade injustice, the "just price" fair trade policy needs to apply to every single transaction. Is that possible? Unfortunately, no, because of several fundamental and pragmatic reasons. The boundary between these kinds is somewhat vague, so I list the reasons in the order of being more fundamental to more pragmatic.

a. **The epistemic problem**. Since rational agents aim to maximize their benefit, they have no incentive to disclose their real cut-off price, i.e. the value that the exchanged goods have for them. In our coffee beans example, there is no way to verify the supposed amounts of €100 and €200. Hence, determining the just price seems to be impossible in the real world in front of the veil of ignorance.

b. **The currency problem**. As mentioned earlier in footnote 12, besides the epistemic uncertainty about the cut-off prices, there is a technical problem of indeterminacy of the calculation of the exact just price (Miller 2017, 264).

c. **The desperation problem**. As discussed by Miller (2017, 265), the duress of a party can have a significant impact on their cut-off price. Thus, provided that the previous two problems could be avoided, the just price calculated at a time of distress of one party would not reflect equal benefits in normal circumstances and thus contradict the general intuition of justice.

d. **Individual incentives to defect**. Powerful market players in a given market that could reap significantly higher benefits from trade in the absence of the just price policy find themselves in a deadlock game. If they keep cooperating, i.e. complying with the just price policy but their competitors do not, they yield their position to the defectors. Thus there is a continuous incentive to defect.

e. **Collective incentives to defect**. Similar to individual players, if the just price policies are to be implemented by state governments, the states that host relatively powerful players will face the deadlock game. They will have little incentive to cooperate with other well-off states, and still less incentive to cooperate with the states that have residents with little market power.

f. **Impossibility of control**. Given the vast number of exchanges taking place every single second, even if one could know the just price of any given transaction, it would certainly be impossible to inspect and verify every exchange. This could only be solved by some new, utopian or even

rightful recipients of goods (Q2) whenever they suffer from receiving less than the just price in transactions. The obligation to redistribute the goods lies probably with the states under some international scheme. What gets redistributed (Q3) is money since it is money that the agents were deprived of. And the criterion of such distributive justice (Q4) is, obviously, the just price.

totalitarian kind of money that would track the just price and prohibit unjust transactions.

g. **Narrow focus on trade**. Current policies of fair trade mostly focus on, indeed, trade. Thus, injustice in other kinds of economic transactions such as employment or investment is overlooked. It is unclear, though, whether fair trade policies can be extended to include other types of economic exchange.

h. **Collective trade**. Allegedly (Miller 2017, 265), some transactions involve simultaneous selling of goods created by many producers to many customers. This poses a significant calculation challenge. Perhaps, the cost of determining the just prices can even exceed the benefits of exchange, which would undermine the policy altogether.

All in all, despite all the moral obligation to rectify the injustices of unequal trade, there is no possibility to address them individually. Can we do it by some general collective action then?

## 7. P4 Cosmopolitan redistribution leads to partial compensation for trade injustices

Let us start with the observation that most if not all modern liberal states have extensive domestic redistribution policies. It is perhaps not a coincidence that there are no well-known domestic fair trade programs. In public opinion, it is mainly the poor producers in far-away countries that suffer from unfair trade. I take it to be a sign that domestic redistribution policies, while being seldom, if ever, explicitly focused on trade inequality, turn out to be quite effective at correcting domestic trade injustice, at least in its most painful part. Tax benefits, minimum wage policies, accessible health care and the like seem to protect people from having to accept extremely unfavourable transactions.

If domestic redistributive justice indeed succeeds in undercutting trade injustice, and if Caney's (2005, 107) well-argued cosmopolitan $Scope_2$ claim is true, namely that "the use of a policy domestically entails that it is also valid universally", then one must admit that cosmopolitan redistribution can alleviate international trade injustice. That is the shortcut route to support my premise 4.

A somewhat longer route is to explore the four principles of cosmopolitan justice[19] proposed by Caney (2005, 122-123) and check whether they imply redistribution schemes that are likely to compensate for trade injustices.

Principle 1: persons have a human right to subsistence.

[19] Caney argues that these four principles should be endorsed or implied by any plausible theory of cosmopolitan justice.

While lacking a direct connection to trade, principle 1, similarly to domestic redistribution policies, protects people from having to accept unfavourable exchange out of dire necessity. Thus, when someone's positive right to subsistence is fulfilled, they cannot be as easily coerced into buying unreasonably expensive products or into selling their products too low. Of course, that does not automatically guarantee just pricing, but the unjust extremes can be avoided. In fact, Principle 1 solves the desperation problem of fair trade mentioned in P3.

> Principle 2: persons of different nations should enjoy equal opportunities: no one should face worse opportunities because of their nationality.

Equality of opportunity presupposes a high degree of equality of resources. In fact, one could even accept Ronald Dworkin's (1981a, 1981b) argument that ultimately, if opportunities are corrected for brute and option luck, one should embrace equality of resources if one deeply cares about equality of opportunity in life. A redistributive scheme under this principle would bring about a high, if not total, degree of equality of resources. Incidentally, in a world where all exchange takes place at just prices, there will also be a high degree of equality of resources since inequalities will arise only by innovation (Bell 2024, 10), and the just price mechanism will gradually reduce arising inequalities by letting richer agents pay more for their purchases. Hence, cosmopolitan redistribution under Principle 2 and fair trade policies would lead to quite similar states of the world.

> Principle 3: Everyone, without any discrimination, has the right to equal pay for equal work[20].

However problematic the concept of equal work across different societies may be (Caney 2005, 123), a cosmopolitan redistributive scheme that prevents or corrects unequal pay for equal work would make sure that employees are not grossly underpaid. Extreme injustice in the exchange of labour for money would thus be prevented. Indirectly this would also lead to similar consequences as Principle 1.

> Principle 4: Benefiting people matters more the worse off these people are[21].

Again, similar to the point made for Principle 1, poor people are usually more vulnerable to unjust trade since they lack market power. Putting them in a better position is likely to improve the balance of power and thus reduce the severity of unjust coercion. Thus redistribution according to a cosmopolitan difference principle will also reduce trade injustice.

Overall, we can conclude that although cosmopolitan distributive justice provides a different kind[22] of grounds for redistribution, it has as its

[20] Caney lends this principle from Article 23(2) of the Universal Declaration of Human Rights.
[21] Caney attributes this principle to Derek Parfit.
[22] Another important distinction between cosmopolitan distributive justice and the compensatory justice of trade concerns the beneficiaries of redistribution. Cosmopolitan principles only include people as recipients

consequence the prevention and compensation for a certain part of injustices caused by trade.

## 8. Conclusion: cosmopolitan redistribution is justified partly because it helps fulfil the duties of compensatory justice

To reiterate, I have argued that much of international trade causes injustice to one of the trade partners. Injustice ought to be rectified and thus there is a moral duty to compensate for trade injustices. Unfortunately, the enforcement of just pricing in all individual transactions worldwide is not possible, thus the compensatory duty cannot be fulfilled in a straightforward fashion. However, there is a wider possibility. Cosmopolitan distributive justice implies redistribution that prevents and compensates for some trade injustices.

Thus we can conclude that in the absence of better alternatives, we ought to pursue cosmopolitan redistribution in order to fulfil the compensatory obligations. In other words, the injustice of international trade lends instrumental normative support for cosmopolitan distributive justice.

Ultimately, the implementation of a policy that is consistent with Caney's four principles should lead to a situation where Adam and Oz have a balance of power that preserves the exchange rate of one axe for one spear, so that they can look each other in the eye in their equal spare time.

or fair shares of goods. Trade, on the other hand, often takes place between corporations and sometimes states. Hence, comprehensive redistributive schemes should also include legal entities and public bodies. These are completely omitted by cosmopolitan redistribution. On the other hand, it is always people besides legal entities and also states who are the ultimate victims of injustice. Thus, the broad compensatory schemes of cosmopolitan theories do indirectly address trade injustice inflicted on companies and public bodies. Needless to say, they also target cases where the injustice takes place domestically between corporations and individuals.

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