



A New International Division  
of Labor: *a satire*  
By M. Shahid Alam

**" it is exactly at one year old that I propose to provide for them [Irish children] in such a manner as instead of being a charge upon their parents or the parish, or wanting food and raiment for the rest of their lives, they shall on the contrary contribute to the feeding, and partly to the clothing, of many thousands."**

Jonathan Swift, *A Modest Proposal* (1729)

The world has never shown a greater, more deeply felt solicitude for the wretched of the earth-the hundreds of millions who die miserable deaths on less than a dollar a day-as it has in the six months since September 11, 2001. These concerns are being showcased at the **Conference on Financing Development** that is even now underway in Monterrey, Mexico, where the heads of the richest, most powerful nations will pen their signatures to a *Consensus* on how to eradicate global poverty in our lifetime.

It is indeed gratifying that the Core countries, so soon after the dastardly attacks of September 11, have recovered their sense of the great civilizing mission inau-gurated by Christopher Columbus, and are once again fully seized of the few remaining tasks that still demand their attention. In the first aftermath of the September 11 attacks, it had appeared that the righteous anger of the American public-which never fails to produce great consequences when it is unjustly provoked-would incinerate any country even remotely connected to the hijack-ers. Thankfully, President Bush was fully apprised of the need to placate this great Moloch. Having accomplished this task quickly and brilliantly-by scat-tering the Al-Qaida and their Taliban hosts to the four winds-he has now joined his war against terrorism with a war on poverty.

In case my reference to America's anger is misconstrued, I wish to make it clear that I consider this response justified in the fullest measure. This anger was justi-fied because of all the burdens United States has carried in the past: most im-portantly, advancing the West's universal project of civilizing the rest of the world. We have intervened repeatedly, by force of arms as well as stealth, to make the world safe for capitalism. No great power in the recorded history of mankind has dedicated itself so selflessly-and may I add, ceaselessly-to propagating freedom; but unlike romantics, anarchists, and other muddle-heads, we have never pursued these goals in reckless disregard of the native conditions which sustain free institutions. American presidents have never lost sight of the fundamental principle that the lesser breeds will never be ready for freedom until they can first embrace free markets, free trade, and free mobility of capital across national frontiers.

In the pursuit of these great goals, United states has waged a relentless campaign since the start of the twentieth century to rid the world of its chief scourges: in succession, these have included fascism, communism, and a hundred insidious chauvinisms. Having engineered the collapse of Soviet Union in 1990, and having finally established the firm foundations on which the world could build a millenium of prosperity, the least United

States could expect from the rest of the world was gratitude. A vote of thanks for establishing an epoch of unprece-dented prosperity based on irreversible globalization. So when the terrorists struck on September 11, bringing down the twin symbols of the world's financial capital and the military headquarters that make the world safe for capitalism, Americans were understandably in deep shock. They were dismayed, discomfited and disoriented. Those who understand the deep discomfiture of United States, and her inconsolable sorrow, could scarcely blame Americans if they responded with a sense of outrage, or if their demand for justice occasionally sounded like a call for vengeance.

After this clarification, I wish to return to the subject of the Monterrey *Consensus*. On my first reading of this historic document, I was moved to tears by the grand vision of its framers; and every one of its eleven printed pages carries stains to prove the depth of my gratitude. Each one of the goals of this *Consensus*- "to eradicate poverty, achieve sustained growth and promote sustainable development as we advance to a fully inclusive and equitable economic sys-tem"-deserves to be inscribed permanently in laser lights on the night sky so that they may be read in all quarters of the world.

More incredibly, each one of these goals is faithfully translated into a stunning array of policy recommendations. Space prevents me from listing all; but each one of them deserves our attention. The Monterrey Consensus calls for "collabo-ration among all stakeholders," and "national and global economic systems based on the principles of justice, equity, democracy, participation, transpar-ency, accountability, and inclusion." It urges corporations "to take into account not only the economic and financial but also the developmental, social, gender and environmental implications of their undertakings." It welcomes the "WTO's decisions to place the needs and interests of developing countries at the heart of the WTO Work Programme." It calls on developed countries "to provide duty-free and quota-free access for all LDC's exports." It demands that "immediate attention should go to strengthening and ensuring the meaningful and full par-ticipation of developing countries, especially the LDCs, in multilateral negotia-tions." Finally, amongst many other equally weighty recommendations, the *Consensus* urges "developed countries to make concrete efforts toward the target of 0.7 % of GNP as ODA [aid] to developing countries."

For hours upon reading the *Consensus* I was ecstatic, overwhelmed by visions of the new global economy it would help to create. But being a realist, I had to pull myself together. While the *Consensus* will always be remembered as a testament to the vision of its signatories, I knew that this vision would unfold only slowly, and this not because there are forces that will obstruct the progress of the poor countries. I have to acknowledge that this progress, as in the past, will be hindered by the refractory cultures-still struggling to cope with modernity-that continue to clog the wheels of progress in Africa, Asia and Latin America.

This retreat from euphoria, however, does not lead to pessimism. On the con-trary, I rest confident in the thought that the new wave of globalization that be-gan in the 1990s is more inclusive and more durable than any we have seen in the past. It is more durable

because it is managed by multilateral institutions—the IMF, the World Bank, and WTO—rather than a gaggle of great powers. In turn, these institutions derive their legitimacy from the United States, as benign a hegemon as there ever existed in the annals of human history.

It is this global economy that has created the prospect for a new international division of labor: one that I hope to demonstrate will reverse the marginalization of the Periphery. At this point, the orthodox economist is likely to yawn since this is what his theory of international trade has always predicted. That is not a prediction that anyone would contest lightly, since orthodox economics always takes great care to choose assumptions which guarantee its results. My concern at the moment, however, is with the real world. And though this concern is not valid in the eyes of orthodox economists—and rightly so, since their function is to provide impenetrable arguments for the world *as it is*—this writer feels that we may be allowed occasional glimpses of the real world, especially when it is thrust upon us violently, as it was by the suicidal hijackers on September 11.

Now while the arguments favoring free trade remain unassailable—and I cannot emphasize this enough—there are some countries at the Periphery that have perversely failed to benefit from the global economy. There are two reasons for this, quite unrelated to any asymmetries in the workings of the global system. Rather, driven by irrational fears, their xenophobic leaders have chosen to shut off their people from energizing contacts with foreign capital. But even when free trade was thrust upon them by European powers—motivated only by a Christian altruism—their response has at best been sluggish. As Sir Arthur Lewis has so brilliantly explained, they could derive no benefits from their primary exports because they failed to raise their productivity in food.

The countries at the Periphery have paid dearly for their failures. Starting from positions of near parity in 1800, they have been falling behind the Core countries ever since, so that in 1999 the gap between the high income and low income countries stood at 63 to one. It is a testimony to the power of global capitalism to generate unremitting growth—a power that Karl Marx had glimpsed quite early on—that the owners of dogs and cats in the Core countries spend considerably more on their pets than most parents in the Periphery can spend on their children. These disparities offer a sobering measure of the opportunities for growth squandered by the Periphery.

But all is not lost for the Periphery. Global capitalism does not consign the sinners to eternal perdition: it is continuously creating new opportunities and inviting past sinners to make a fresh start. When the Core countries first prospered in the eighteenth century, this created demand for the Periphery's sugar, tea, coffee, cocoa and tobacco. Later, when the industrial revolution got underway, this translated into a massive demand for wheat, cotton, jute, sisal, and vegetable oils. Even some Core countries organized to meet this demand. This created a huge demand for workers in the Periphery; most notably, millions of underemployed Africans found themselves permanently employed in the plantations of the United States and the Caribbean. Finally, as the Core countries accelerated their growth in the 1950s, they generously let go of their most labor-using industries. Those countries that embraced this opportunity with *laissez faire* policies are now the miracle economies

of East Asia. Thus, growth in the Core countries has never failed to transmit its dynamic impulse to the Periphery.

And now a variety of developments in the Core have converged to create vast new opportunities for a new international division of labor. First I will draw your attention to advances in the medical field that have made organ transplants safe, and that are generating drugs and cosmetic products derived from fetal tissues and body wastes. This has created a growing demand for a variety of body parts and body wastes (BPWs). At present, the body parts in greatest demand include heart valves, livers, kidneys, corneas, skin, ovum, sperm, bone marrow, and muscle tissue. A variety of body wastes are also in growing demand, including fetuses, brain cells, umbilical cords, foreskins, placenta and infected cells. As the Core countries get richer, as their incomes become more skewed, and as their population ages, we can safely predict a sustained growth in the global demand for BPWs.

This growing demand for BPWs carries an enormous-and I would hasten to add, unprecedented-opportunity for growth in the poorest of the poor countries. A simple application of the standard theory of international trade would suggest that the production of BPWs will occur in the poorest countries of the Periphery. The logic is quite transparent. The production of BPWs, since these are harvested from the *bodies* of workers, is a very strongly labor-using activity; and since labor is cheapest in the poorest countries, the global markets will ensure that their production is concentrated in these countries.

Quite apart from its tremendous economic advantages, this international division of labor, once established, will create a hitherto inconceivable organic bonding between the Center and Periphery. When the populations at the Center-the men, women and children-realize that some of their body parts are imported from the Periphery, one hopes that this will finally erode the age-old racisms that have poisoned relations between the world's peoples.

I am aware that there is some work to be done before this new division of labor can be implemented. We will have to work out a legal framework, including property rights, to foster this trade in BPWs. I will not trouble you with the details of these legal questions, since I am confident that the WTO can be trusted to work out both the legal framework and the standards that will govern and guide this trade. I have been warned of the inevitable objections that some humanitarians and other busybodies will raise concerning the morality of a trade in BPWs. Such objections will be quickly laid to rest by economists. Clearly, the economic benefits to humanity from these exchanges exceed by a wide margin their moral costs to a few finicky humanitarians.

If the assorted humanitarians, ethicists and anarchists in the Core countries should succeed in erecting barriers to this trade, I am confident that they will be quickly circumvented. Instead of *importing* the BPWs, the consumers will simply move to the Periphery. The Core country patients will now travel to the Periphery, creating a new *transplant tourism*; and the pharmaceuticals will sub-contract their research to the

Periphery. All this may not be such a bad thing. The Periphery can now add tourist dollars to the revenues from the sale of BPWs.

I should have ended this essay at this point-since I have already made a most capital suggestion for improving human welfare in the Periphery. But once I had started upon this exciting train of thought, I was ineluctably drawn to several related proposals. And since I am convinced of the great advantages they will confer on the poor and the meek, I think it would be criminal if I held them close to my chest for too long. But I promise to be brief, since I know that the reader might be better employed examining a variety of perceptive proposals for extending the war on terrorism.

In recent years, the pharmaceuticals in the Core countries have encountered growing problems in finding human subjects for testing their drugs; it is those ethicists again. Needless to say, the delays this causes in marketing new drugs have cost lives, lowered people's beauty coefficients, and, most importantly, cost billions of dollars in lost profits. These losses can now be remedied by testing the new drugs in the Periphery. Once again, the moralists-if there are any-will be quickly answered by the economists. Since markets value life much more highly in the Core than in the Periphery, it is efficient to allocate the human costs of developing drugs where life is cheapest.

The disposal of toxic wastes too has become a serious problem in the Core countries: they are now producing 300-500 million tons of toxic wastes annually. As the environmentalists gain strength, a growing number of districts in the Core countries have prohibited the dumping of toxic wastes. Providentially, this is opening up a vast new trade opportunity for the Periphery: a few island economies are already specializing as dumping sites for toxic sites. I do not have an accurate figures for the price which the markets will fix for such dumping, but assuming a price of \$100 for each ton of waste, this has the potential of generating a revenue of \$30-50 billion dollars annually for the Periphery. That would be a bonanza for many.

I must admit, though, that the potential for this trade in toxic wastes was brilliantly anticipated by Lawrence H. Summers in December 1991 when he was Chief Economist for the World Bank. As he explained, the water and air quality especially in Africa are at levels that are "vastly inefficiently" high. Clearly, this is an unconscionable waste. The high water and air quality of the Periphery should be reduced by encouraging the dumping of toxic wastes.

I have one final proposal in my bag; and though some might consider this out-landish, I believe it can stand on its economic merits. There also exists now a modest opportunity for promoting sex tourism for pedophiliacs. It appears from the growing incidence of child abuse cases that sexual tastes in the Core countries are now slowly shifting towards pedophilia. Given their superabundance in children, I should think that the poorest countries could promote themselves as a paradise for pedophiles-the alliteration sounds inviting. Those who would shrink from such a degradation of children only need to be reminded that this may be the only alternative that some children in the Periphery have to certain death. Let *them* choose between abuse and death.

I launch these proposals for a new international division of labor in the firm conviction that this is not some utopian project. Five centuries of global capital-ism have produced a superabundance of *bodies* in the Periphery, but now, at last, the same forces promise to process these bodies for the enrichment of the Periphery. This is the latest, most cunning twist in the dialectics of capitalist development.

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