

The Principle of “All Affected Interests” and its Implications

Global democracy or global regulation?

1. The Standard Argument

There is a straightforward argument for the desirability of global democratic decision-making that runs through widely accepted principles and well-recorded and widely known factual observations. The normative premise of the argument is what is sometimes referred to as the Principle of All Affected Interests (PAAI), which states that anybody whose interests (or vital interests) are affected (or significantly affected) by some political decision – or by any other outcome that is the result of one or more agents’ choices – ought to have an appropriate opportunity to *influence* that decision or outcome. The empirical premise of the argument points to the well-documented facts of global economic integration that have the consequence -- among others -- that the political decisions made by particular political communities about what policies to pursue in specific areas have cross-border effects and may limit the ability of other political communities to pursue their preferred policies, with obvious impact on the lives of the citizens of the latter. The next stage of the argument then specifies the PAAI as the requirement that individuals ought to have the right to *participate* in the decisions that affect their interests, typically by electing representatives into the political bodies that make those decisions. (As the PAAI requires opportunity to influence, it is consistent with alternative specifications that do not commit to participation as the favored form of influencing). Finally, it concludes that individuals around the world should be able to elect representatives into a global democratic assembly charged with making substantive

policy decisions that affect the interests of all persons in the world. Let's call this the Standard Argument.

The Standard Argument has the following abstract logic: whenever a social outcome or state of affairs is (1) the result of one or more agents acting separately, on their own, and (2) the aggregate outcome of these separate decisions has significant consequences for each of them (and for others), and (3) these consequences are also significantly different from what they would be in case the agents' situation would be affected by their own choices alone, it is morally required that the aggregate outcome be determined not by the several agents acting individually, on their own, but by a joint, collective decision in which each can participate as equals. Viewed in this way, the Standard Argument is an account of the circumstances under which diffuse individual decisions ought to be replaced by collective decisions. It specifies these conditions as follows: (1) individuals are affected by the (aggregate effect of the) choices of others; and (2) as a result of such effects their situation becomes different from what it would be had it been determined by their own choices alone. Since (1) almost always implies (2), the Standard Argument has the force of requiring the collectivization of most other-affecting individual choices, provided that the effects are nontrivial.

In this paper I argue that this conclusion is not warranted. I will not challenge the empirical premise of global economic interdependence. Instead, I offer a rival assessment of the implications of the acceptance of the PAAI. First, I offer some general, unargued presumptions about when collective decisions are morally necessary and when they are legitimate. Next, I introduce some prima facie problematic consequences of the PAAI as stated in a general form. I continue by examining various contexts in which the PAAI

does not apply at all, suggesting that stated in a general form, it is not a valid moral principle. Armed with this conclusion, I proceed to examine the more fundamental moral considerations that may be seen as motivating the PAAI, and argue that on the most plausible rationale, the PAAI does not require that private, uncoordinated decisions that affect others should be collectivized so as to be made by all those whom they affect. Finally, I will offer an alternative specification of the PAAI, one that does not typically require the collectivization of individual other-affecting decisions but only that individuals be in a roughly equal position to affect one another's life. I argue that this specification responds best to the most plausible account of the moral considerations that underlie the PAAI.

2. When collective decisions are morally necessary, and when are they legitimate?

When binding collective decisions (of some sort) are morally necessary? One possible necessary condition may be that when people are in a situation that their individual choices inevitably impact the life of others, collective decisions are necessary to establish rules that make sure that those impacts are morally acceptable. On this account, collective decisions are morally required not simply when acting collectively leads to a better outcome for everyone (or to Pareto-superior outcomes), but only when in the absence of collective decision individual actions will lead to unjust consequences even if each individual is effectively motivated to act rightly. On this account, we need a specification of when the effects of individual choices on others are acceptable and when they are unacceptable, and some sort of collective decision will be necessary only when other-affecting choices would inevitably lead to injustice. The Standard Argument does

not distinguish between acceptable and unacceptable other-affecting choices, thereby assuming that all such effects are *prima facie* unacceptable. But that conclusion is not contained in the PAAI: it has to be established by a separate argument.

Assuming that we have correctly identified the circumstances under which collective decisions are morally required, we face the next question: when binding collective decisions are legitimate? For the purposes of this discussion, for a binding, collective decision to be legitimate is equivalent with saying that everyone to whom it applies, including those who disagree with it, are morally required to comply with it. [Problem: what if the necessity conditions obtain but the legitimacy conditions do not? Then we have a situation where it is morally necessary to make binding collective decisions but we cannot make such decisions in a legitimate way. Then, individuals are morally required to make reasonable efforts to bring about the legitimacy conditions; furthermore, an ad hoc judgment is needed to decide whether, under the circumstances, the consequences of not making binding collective decisions are morally better or worse than making such decisions in a not legitimate way.] Therefore, the question may be reformulated this way: what the decision-making process has to be like for it to be true that all to whom its outcomes apply be morally required to comply with them? The requirements that apply to the decision making process may be grouped as follows: (i) **participatory conditions**: those to whom the decisions apply have effective opportunity to influence the outcome through voting and through trying to persuade others by being able to voice their views with such content and form as they wishes, with as few restrictions as possible; (ii) **fairness conditions**: opportunity for political influence is roughly equal for all; (iii) **epistemic conditions**: reliable information about the alternatives are easily available at

low cost, from diverse sources; this condition includes the existence of shared frameworks of deliberation that makes access to, and evaluation of, information about the available alternatives easy and relatively costless for citizens; (iv) **structural conditions**: rough equality of stakes in the decision-making process *as a whole*, the absence of persistent majorities/minorities. The Standard Argument has to show, in addition that the conditions that make collective global decisions morally necessary are in fact obtained, also that the conditions under which such binding decisions would be legitimate are also present. This, too, ought to be established by an independent argument, as it is not implied by the PAAI itself. The PAAI proposes an account of when collective decisions are necessary, but only a partial account of when they are legitimate: it outlines the participatory conditions only, without saying anything about the other conditions.

3. Some difficulties with the PAAI

Circularity: what the outcome of the decision is influences who will be affected; who participates in the decision influences what the outcome will be. We should know what the outcome is before the decision is made to be able to specify the range of participants.

Baseline: the PAAI seems to presume a historical rather than a normative baseline for 'being affected'. Those are considered to be affected by a decision whose situation becomes either better or worse (or simply different) as a consequence of the decision, compared to their pre-decision situation. But what if someone is owed compensation on account of past injustices, but the collective decision does not provide for it: in that case, victims of past injustice are not affected in the sense that their situation is unchanged by the decision, though their moral interests are hurt. By the same token, the PAAI leads to

counterintuitive conclusions in a contrasting group of cases, in which some people may have an actual interest in the outcome of the decision, even though under just circumstances they would not have such interests. For instance, let's imagine that foreign occupying forces appropriated large amounts of property from their rightful owners in the occupied country. Let's assume that once the occupying forces left, they retained their legal claim to the property. Obviously, their actual interests are largely affected by whatever decision the government of the country makes about restoring the legal property rights of the original rightful owners, yet we would not say that the former occupying forces have a moral claim to be able to influence the outcome. This shows that the quality of "being affected" should be defined not in historical but in normative/counterfactual terms. The problem is that the PAAI treats interests as they are, rather than as they would be under just arrangements (actual interests vs. fair shares). By contrast, to avoid these difficulties we should start from the notion not of actual interests/shares of resources, but from fair shares: what sorts of interests people *would* have if resources were distributed in a just way. In this manner, we identify in advance, on independent grounds (i.e. independent of PAAI) what rightful claims individuals have on society as a whole (where society is seen as acting through its binding collective decisions), and then those whose situation's justness depends on the outcome of society's collective decision making (whether or not this would require a change compared to the pre-decision situation) are regarded as being affected by society's collective decisions. The theory of what claims individuals have on society can be specified with reference to the **necessity conditions** of collective decision making that were mentioned above: if people cannot avoid affecting each other's life by their private choices, we need shared institutions that make sure that

the effects of private choices on others are just. Thus, each person is owed by society as a whole such conditions that satisfy this requirement).

4. Acceptable and unacceptable other-affecting choices

Next, I argue that the PAAI cannot serve as the sole normative basis of determining how and by whom decisions should be made. Stated in an entirely general form, the PAAI is not a valid moral principle, since there are several contexts in which it is entirely appropriate for decisions that affect the vital interests of some to be made with their complete exclusion. One such context is personal decisions about intimate relations: someone may believe (and be correct in his belief) that the only way he can have an overall successful life is if a particular other person decides to be his partner for life. In any other case he believes (let's assume correctly) that his life will be a failure. This other person's decision is a momentous one for him: what could affect his interests in a more fundamental way than whether his life is an overall success or an overall failure? Maybe not even being dead or alive, since (perhaps) the ethical gap between having a life that is (and judged by the person whose life it is) an overall success and a life that is (and judged by him) a failure is greater than the one between having a failed life and being dead. And yet, most of us believe, and also believe it to be uncontroversial, that this other person may make the ultimate decision about this matter entirely on her own, and need not even consult the first person in the process of making it. (Breaking up already existing relationships may be importantly different, but there too we do not think that a partner has veto over the relationship-ending decision of the other). Another context is many of the normal economic decisions of companies and of individuals. Assuming that conditions of fair competition obtain, most people think it permissible for a company to

enter a market (e.g. a city) that has hitherto been dominated by a single other company. Such a decision will obviously and significantly affect the other company, yet we do not normally think that it should be consulted or involved in the decision-making. In a similar vein, hiring and firing decisions by firms significantly affect the interests of those fired or not hired, nonetheless few people would think that such decisions are for that reason alone morally unacceptable. (To be sure, there may be unjust firings and injustice in hiring, too, but the injustice in those cases does not consist in the fact that the firms in question made the decision alone). These examples show, I believe, that in some contexts the PAAI does not appear to be a valid moral requirement. To be more exact: the examples do not merely show that in some cases the PAAI is overridden by other, more weighty moral considerations, but that in them it does not apply at all. If the PAAI were merely overridden by other considerations, we would have to say that there is something regrettable in the fact that such decisions can be made alone. But I think most people would agree that in these cases (and especially in the first) there is nothing regrettable about the decision being made with the exclusion of some whose interests are significantly affected by it. Therefore, the PAAI cannot be defended as a completely general principle. The implication is not that it should therefore be rejected wholesale, but that we need to examine the more general moral considerations on which it rests, and offer a more plausible account of their implications for the question of when other-affecting individual choices ought to be replaced by, or constrained by collective decisions. Likewise, the conclusion that the PAAI cannot be defended as an entirely general requirement does not entail that the Standard Argument for collective global decision making is incorrect. It only shows that we have to turn to the moral basis of the

principle to see what it implies for the circumstances of global economic interdependence.

5. Equal participation and equal influence

In the present section I will briefly distinguish two alternative specifications of the PAAI. The first is the one that is assumed by the Standard Argument, and I will call it the *equal participation model*. This model states that whenever a state of affairs or social outcome is the result of several actors acting separately and it affects the interests of those agents significantly, the several individual other-affecting choices should be replaced by joint collective decisions made with the equal participation of those affected. This model has the tendency of disallowing most other-affecting choices and to vastly increase the volume of collective decision-making. The alternative specification, which I will call the *equal influence model*, states that whenever the aggregate effect of several individual actors acting separately has significant consequences for the interests of each, they should be in a roughly equal position to affect, by their separate individual choices, the aggregate outcome and the interests of others. This model will require collective decisions only when such decisions are necessary to make sure that each individual has an equal influence on the collective outcome, and are in a position of rough equality to affect each other's life. As a consequence, this model has the tendency to allow other-affecting individual choices, as long as they are made from a position of equality, and the volume of collective decision making will be more limited, restricting mostly to guaranteeing equal opportunity for influence. (To be sure, the equality of ability to make other-affecting choices does not by itself render all such choices permissible: two persons' equal ability to kill each other does not make killing the other acceptable. One

needs an account of rights that constrain what we may do to each other that is independent of the equal ability condition).

To illustrate the difference between the two models: the consumption and production choices that individuals make affect the life of others in obvious and nontrivial ways. Most obviously, such choices affect the price of the different goods available for consumption, and therefore the demand for and price of the different uses of labor that people may choose. Therefore, the equal participation model implies that consumption and production decisions should be made collectively, with the equal participation of all that are affected. This would imply extensive price- and wage controls as well as rationing of most aspects of consumption, determined in a collective, democratic manner, and may be even restrictions on occupational choice. By contrast, the equal influence model implies only that such a shared framework should be established for the private consumption and production choices of individuals that ensure that no one has market power, i.e. the ability to move prices all by oneself, etc. In other words, the implications of the equal influence model resemble the requirements of perfect competitive equilibrium, together with an equal initial allocation of resources, including internal/personal ones, rather than the requirements of collective democratic decision-making. If those requirements are met, equilibrium prices will be set by the market as a result of all the individual choices made from a position of equality.

In the rest of this paper, I will discuss the normative basis of the PAAI and examine which of these two models is better supported by or more consistent with the moral considerations that may be seen as motivating the Principle of All Affected Interests.

6. Autonomy and equality

The PAAI may be seen as being motivated by either of two distinct ideals. The first of these ideals state that, so far as possible, people's situation be determined by their own decisions: we like to think it morally important that people pursue and realize life plans that they have adopted for reasons based on their own judgments about what would be a valuable, worthy life for them. This ideal introduces a presumption against other-affecting choices and in favor of such arrangements that make exclusive control of one's life possible. Certain forms of other-affecting choices may be declared impermissible, but not all: by hypothesis, in society people's choices will inevitably affect other people's life. It may be seen as a direct implication of this ideal that to the extent that it is impossible for people's life to be determined by their own choices alone (because they are inevitably affected by the choices of others), they should at least be able to participate in the decisions that affect their life. It is assumed that one's life is most likely to succeed when it is shaped by one's own choices, thus participation is seen as a means of success. And since it is impossible for each individual to participate in each of the decisions of other individuals that affect their life, it may be suggested that the ideal requires that these decisions be *replaced* by collective ones and be made with the participation of all those affected. Let's call this the **autonomy argument** for the PAAI.

The other fundamental consideration that may be seen as supporting the PAAI rests not on autonomy but on equality. It states that, given that it is equally morally important that each person's life is a success rather than a failure, it is morally important that each person faces roughly equal circumstances in realizing their life plans (where realization of one's life plan is the most important component of an overall successful life). The

ideal implies that people should have equal influence on aggregate social outcomes, and that to the extent that social outcomes are shaped by collective decisions, people should have equal (opportunity for) influence over the decisions. Let's call this the **equality argument** for the PAAI.

How well do the two models – the equal participation model and the equal influence model – fit the ideals of autonomy and equality? I will argue that the equal influence model provides a better fit – a better approximation – of both of the ideals that underlie the PAAI, and therefore it should be regarded as the favored specification of that principle.

First, the equal participation model is not a good fit for the autonomy ideal. Emphasizing as it does the importance of people's life being shaped by their own choices, the autonomy ideal should endorse a presumption in favor of retaining as large a share of life-affecting decisions as possible within the individual's exclusive control whose life it is. But we have noted that the equal participation model has a tendency to expand the range of collective decisions at the expense of private decisions: it implies that whenever other individual's private choices affect the life of other individuals, the latter should be able to participate in them, and since the same applies for everyone, the only way to satisfy the ideal is to make all but the most trivial decisions collectively. This is an unattractive consequence on its own account, but it is particularly disastrous from the point of view of the autonomy ideal, for the following reason. Whereas if the choices made by others individually affect my circumstances I no doubt lose some control over the circumstances of my life, I can still adjust and respond to these influences and thus retain meaningful control. By contrast, if all such choices, including mine that affect

others, are collectivized (i.e. replaced by collective decisions), I lose almost all control over the circumstances of my life, as my marginal influence on the collective decisions is negligible. Therefore, the collectivizing strategy defeats the original goal of being able to control the circumstances of my life.

It may be thought that from the point of view of the requirement – stated by the equality rationale – that each person should have equal opportunity to influence collective outcomes, the equal participation model (that guarantees equal opportunity to influence collective decisions) and the equal influence model (that guarantees equal opportunity to individually respond to the individual choices of others) are equivalent. After all, in both cases the aggregate outcome is determined by the actions of all the individuals involved, acting from a position of equality: in the first case, as having an equal voice in a collective decision that determines the outcome, whereas in the second case as acting separately but with equal ability to respond to the choices of others. But the equivalence is illusory. Let's take the following abstract example. We know that the choices that people make about what sort of life to live affect the circumstances of others, too: most prominently, they make some forms of life more or less expensive, and thereby more or less difficult to pursue. Provided that people are in a position of rough equality, such effects on others may be regarded as acceptable, since everyone has an equal influence on how easy or difficult it will be to pursue different life plans (Dworkin-Kymlicka). If it so happens that as a consequence of the distribution of preferences one's preferred form of life becomes more difficult to pursue, in the sense that one has to give up more of the other things that she values to be able to pursue that life, it is still open to her to pursue that life at larger costs or to adjust her plans accordingly (cost-elasticity of preferences

over life plans). Which is to say that the overall effect on the individual of the choices of others has a *more or less* character: the decentralized choices of others may make it easier or more difficult to pursue certain plans, but most of the time it will still be possible to do so. By contrast, if other-affecting individual choices are replaced by a single collective decision, then the overall effect of the choices of other will have an *all-or-nothing* rather than a more-or-less nature: some life plans will be outlawed and others will be enforced. Now, if we assume that preferences over life plans are not distributed among members of society in a random manner but rather, there are predictable ways in which such priorities are developed, influenced by such factors as educational status, wealth, etc., then it is easy to see that there will be more or less fixed majorities and minorities in this respect, and members of life-style minorities will have a systematically, radically unequal influence on the aggregate outcome. This is so because the extent of their influence will be a direct function of how many other people share their preferences, and given that they are in the minority their influence will be zero. Therefore, the equality ideal does not, as a general rule, support the equal participation model and will favor the equal influence model. In fact, we have now shown that both underlying ideals favor the equal influence specification of the PAAI.

7. PAAI and global economic integration

It remains to spell out the implications of the preceding arguments for the Standard Argument. The Standard Argument assumes the equal participation model of the PAAI, and it has been argued here that an alternative specification, that offered by the equal influence model, is superior. Applied to the problem of global policy making, this conclusion suggests it is not *prima facie* unacceptable if policy choices made by some

national governments have cross-border effects. Provided that the opportunity to influence aggregate global outcomes is distributed roughly equally among national governments so that none of them is in a position to exert disproportionate influence on global outcomes in general and on the life of people outside it in particular, such cross-border effects are acceptable (assuming, of course, that the policy choices themselves are morally permissible). On the other hand, if such symmetry of influence is absent, global rules are necessary to guarantee it. But the global rules in question need not *replace* national policy making but simply *constrain* it by establishing such a framework that establishes equality of opportunity for influence.

Therefore, as far as the general institutional structure for global policy making is concerned, the equality of influence model should provide guidance, setting such a framework for national policy making that assures equal opportunity for influence on global outcomes. However, as far as the decisions about this framework itself is concerned, i.e. how to make global rules, the equal participation model may provide some guidance. When collective global decision-making is morally necessary, it seems clear that opportunity for some form of participation should be given to everyone that is affected by the rules. However, the participation model will not be able to specify the form of participation all by itself, because it is concerned only with a subset of the requirements that apply to collective decision making: it tells us who should make the decision, but it does not say how it should be made. It is very doubtful, for instance, that the epistemic and structural conditions of the legitimacy of collective decision making would be satisfied by a global democratic assembly under existing circumstances. Therefore, it is an open question whether the most appropriate form of participation in

global rule making is electing representatives by individuals globally to such a legislative body or some alternative, e.g. national governments cooperating in international institutions.

In any case, the burden of the arguments presented in this paper is that the PAAI does not provide support for the desirability of global democracy where that means making substantive policy decisions by a globally elected body. What it does support is global regulation to make sure that the external effects of national policy choices are acceptable and not disproportionate. Of course, this proposal leaves it open how global regulatory decisions ought to be made, and by whom; nevertheless, by showing that the decisions that have to be made globally are much more limited in number and partly different in nature than the Standard Argument normally assumes, it makes it at least plausible that this task does not require a permanent global democratic assembly whose members are elected by persons globally.