



Economics and Law in Conversation

History, Law and the Myth of Economic Neutrality

an interview with Dr Ha-Joon Chang

by Joshua Curtis, Visiting Fellow at the Lab

Dr Ha-Joon Chang is a Reader in Economics at the University of Cambridge. He works on the role of the state in economic change, alternative approaches to economics, the history of economic thought and issues of methodology. In addition to his academic work, Dr Chang is highly engaged in economic policymaking circles and public debates, particularly with respect to industrial and economic policy in developing countries and the role of wealthy states in facilitating or inhibiting their economic development. Academically he has published widely on these issues, including [*Globalization, Economic Development and The Role of the State*](#) and [*Kicking Away the Ladder: Development Strategy in Historical Perspective*](#). He has also reached a wider audience with bestsellers such as [*Bad Samaritans: Rich Nations, Poor Policies, and the Threat to the Developing World*](#), [*23 Things They Don't Tell You About Capitalism*](#) and [*Economics: The User's Guide*](#).

JC:

Your work in economics evinces a high regard for issues of inequality and socio-economic justice. As just one example, you are on the editorial board of the highly regarded *Forum for Social Economics*, a journal with the aim of situating economic issues within wider ethical contexts, seeking to embed this context in current teaching on economics. This approach to economics resonates deeply with the basic principles and motivations of human rights law.

From the perspective of social justice and human rights, what has been your experience of education in economics?

HJC:

I began studying economics in the 1980s in South Korea, at a time when the country was in a serious state of foment, turbulence and dramatic economic and social change. Economic growth was consistently around 10-12% per year and both the economy and society were being transformed

beyond recognition, but this growth was not occurring evenly or smoothly, or without negative social impacts. In many ways there was an improvement in people's lives, but a lot of conflicts were also created. There was exploitation of labour, many squatted settlements were being demolished, with the police often acting as arms of the major construction companies, and there was serious repression of political activism.

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In this environment it was clear to many colleagues and myself that it was not possible to take the neo-classical economics that we were being taught too seriously. The neo-classical notions of general equilibrium and harmony did not make sense when the world around us was being hit by a tsunami called

economic development. Quite naturally then, we were critical of much of the mainstream neo-classical economics that we were being taught. It must be said that some of our teachers would mention past debates in economics that went beyond a narrow neo-classical understanding, such as Marxism, the German historical school and the old institutionalism of Veblen, for example. But they would do this in passing, so to say, and most teachers were hiding behind a supposed neutrality and objectivity in the mainstream brand of economics. Nonetheless, we were given an inkling that hidden deep under the mathematics and technical language of the mainstream is some kind of moral core to the subject. Even if only mentioned in passing, these further references beyond the mainstream made it clear, to those who had ears for these alternative views, that this moral core should be something foundational in the field of economics.

Unfortunately, in the last two decades this moral aspect has disappeared almost completely from the teaching of economics, and certainly from today's textbooks. These days, students are not exposed to this moral dimension, and this has had a very negative affect on the field as a whole. Of course, there have been some anomalies, such as Amartya Sen's early philosophical focus on the moral foundations of economics, which has gained a certain amount of coverage through inclusion in many reading lists. However, today's economics students have not generally been introduced to this more philosophical way of thinking, which is instead buried under mathematical modelling, and so contributions like those of Sen tend to be seen as esoteric to them and quite irrelevant.

Indeed, there has been a real decrease in the interdisciplinary connections that the field of economics used to have, particularly within the social sciences. Instead there has been an ever greater pretension within economics that it is in fact more of a pure science, unrelated to the 'lower' social sciences. Economists of this view point to all of the mathematics

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and statistics, and even randomised controlled trials, that increasingly define the field. In the 1970s Paul Samuelson, who is often considered the father of modern economics and who is credited with doing the most to introduce this mathematical aspect, called economics the 'queen' of the social sciences. The current lack of exposure to alternative ways of thinking and to other relevant disciplines,

and this increasing belief that it is a science like no other within the social sciences, has turned economics into a strange subject that is now aptly referred to as 'autistic'. It is a discipline now that only talks to itself. It does not speak to the world of ethics, law and culture.

However, it goes even further. For some time now, students have been actively discouraged from looking into the history or the philosophy of economics. These modules are portrayed as inferior, irrelevant and distracting, too close to the interests of a sociologist, which is now a common term of abuse in economics departments.

After the financial crisis of 2008 priorities changed. Students worldwide organised and have demanded the reform of economics teaching. In the United Kingdom, a famous Post-Crash Economics Society in Manchester was created by a group of economics students. There also arose similar groups in London and Cambridge, which have now banded together to form a group called Rethinking Economics, which is linked to other student groups internationally through a network called the International Student Initiative for Pluralism in Economics (ISIPE). These students are demanding new curricula in universities, re-introducing courses on economic history, the history of economic thought, the philosophy of economics, and the ethics of economics, among other things. History, in particular, is crucial to re-invigorate economics.

HISTORY, IN PARTICULAR, IS CRUCIAL TO RE-INVIGORATE ECONOMICS. HISTORY IS A WONDERFUL WAY OF MAKING PEOPLE QUESTION THE UNSTATED, AND SOMETIMES TOTALLY UNRECOGNISED, ASSUMPTIONS BEHIND THEIR THEORETICAL AND MORAL POSITIONS. MANY STUDENTS, FOR EXAMPLE, ARE SHOCKED WHEN YOU TELL THEM THAT FREE-MARKET ECONOMISTS USED TO BE IN FAVOUR OF CHILD LABOUR.

History is a wonderful way of making people question the unstated, and sometimes totally unrecognised, assumptions behind their theoretical and moral positions. Many students, for example, are shocked when you tell them that free-market economists used to be in favour of child labour.

Together with a group of likeminded teachers, I have sought to help open the subject up through initiatives like the Cambridge Advanced Programme on Rethinking Development Economics (CAPORDE), which ran for eight years with funding from the Ford Foundation, between 2001 and 2008. Each year we brought 30-35 young academics and advanced graduate students from developing countries to Cambridge to teach them alternative approaches in development economics. This programme lives on in the form of its daughter programmes in Africa (APORDE), based in South Africa, and Latin America (LAPORDE), based in Brazil. The idea was that it was important to maintain these alternative ways of thinking and alternative ways of doing research. It was intended to help forward thinkers in developing countries especially, because many were very isolated in their home environment. It helped them to create their own lasting networks, beyond a short trip to Cambridge, and this is borne out in the existence of APORDE and LAPORDE.

In the last ten years I have also spent quite a lot of my time trying to communicate with people outside the field of academia, doing policy work for organisations like the UN, the World Bank, NGOs and various governments. But in doing so, it is important to me to make my moral position very clear. This is the only correct way, I think, to exercise an ethical responsibility that any specialist has when talking to policymakers in particular. We have specialised knowledge that is useful, but we must be clear about the ethical background from which the advice is given.

In attempting to open up economics, I have also written books with a broader appeal, aimed at the everyday person who is often at odds with the present economic state of affairs but who does not quite understand why this is our reality, or how exactly to change it. This is an effort to de-mystify the field of economics, where the trend has been the opposite for some time now. Both economists and

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policy makers are often guilty of obfuscating and hiding behind a supposed technical language of economics known only to a select few, not to mention a set of regularly pronounced maxims or myths that have very little or no empirical basis. I have been trying to introduce alternative economic thinking to the general public through my popular books, such as *23 Things They Don't Tell You About Capitalism* and *Bad Samaritans*, and through writing for newspapers and other types of mass media. I think that, like all other specialists, economists have a duty to

communicate with the general public. In fact, it is even more important for economists to do this, because the kind of economics we practice, the kind of economics that the general public is aware of, influences people's lives so much: their jobs, the price of food, their pensions, etc.

JC:

We are now familiar with the refrain from governments and many economists that a broad range of pro-social economic policies are disallowed due to various international and domestic legal restraints. In this regard you have written widely on the constraints of 'neo-liberal law',¹ for example in the form of modern trade and investment agreements, on industrial and economic policymaking and governmental policy space.

How do you envision the possibility for law ultimately shaping economic policy decisions, at the national and international levels, in accordance with social values as opposed to free-market values? From your vantage point within the economics profession, what is your sense of the role of human rights law in this context?

HJC:

I think it is important to recognise that the law can be the greatest friend of the weaker people. When you have money and power law is not very important for you. Not only do you need its protection less

¹ Ha-Joon Chang, 'Regulation of Foreign Investment in Historical Perspective', *European Journal of Development Research*, vol. 16, no. 3, 2004; Ha-Joon Chang, 'Policy Space in Historical Perspective – with special reference to Trade and Industrial Policies', *Economic and Political Weekly*, vol. 41, no. 7, 2006; Ha-Joon Chang, 'Why Developing Countries Need Tariffs – How WTO NAMA Negotiations Could Deny Developing Countries' Right to a Future', South Centre, Geneva, 2005; Ha-Joon Chang and Duncan Green, 'The Northern WTO Agenda on Investment – Do as We Say, Not as We Did', South Centre, Geneva, 2003.

than ordinary people do but you are also less constrained by it. We see this clearly in the case of electoral and political lobbying, especially in the US. The powerful have the ability to bribe their way

BASICALLY I SEE LAW AS THE INSTITUTIONALISATION OR CONSOLIDATION OF POWER RELATIONSHIPS WITHIN SOCIETY ... THE PROBLEM IS THAT THESE DAYS FOR EVERY LAW WE HAVE THAT PROTECTS THE WEAK, WE HAVE TEN LAWS THAT PROTECT THE POWERFUL.

around existing regulations or to shape future regulations in their interests, and to influence heavily the way society thinks through the media and by funding think tanks and high-level policy forums, for example. So if anyone needs law, it is the weaker people. The ultimate difficulty is that this weaker position translates into a limited ability to shape that law in

their own interests. However, it remains true that these people need the protection of the law more than the powerful.

Basically I see law as the institutionalisation or consolidation of power relationships within society. When you introduce a law banning child labour, for example, you are shifting relations between capitalists and workers. When you introduce a law legalising and protecting trade unions you are consolidating power relations that move away from 'pure' capitalism. The problem is that these days for every law we have that protects the weak, we have ten laws that protect the powerful.

It is clear that the legal profession has a lot to offer in the fight for social justice and solidarity.

JC:

While international economic law is clearly informed by a motivation to free the economy from state regulation in the interests of supposed economic efficiency, many international trade and investment lawyers state that this body of law allows sufficient space for the introduction of adequate social regulation of the economy, through exceptions to market and investment liberalisation agreements and the space for social interpretation of their substantive obligations. However, this legal regime of market-liberalisation makes pro-social policies an exception. This structurally forces those seeking social regulation of the economy into a permanently defensive position.

Many human rights lawyers, in this context, argue for a recognition of the primacy of human rights law, with the aim of turning the tables to some extent and endeavouring to create an international legal environment where pro-market policies are instead the exception to a pro-social legal regime.

Would you see this as an achievable, or even a desirable, goal, or would you see the primacy of the economy and free-market economic law as now inevitable?

WE SHOULD ABOLISH THIS NOTIONAL DISTINCTION BETWEEN THE ECONOMIC AND THE SOCIAL. MY VIEW IS THAT ECONOMICS IS POLITICS. I ARGUE THAT THERE IS NO SUCH THING AS A FREE MARKET. THE MARKET CAN ONLY BE DEFINED IN TERMS OF THE UNDERLYING RIGHTS AND OBLIGATIONS OF THOSE WHO ARE INVOLVED IN IT, AND THOSE RIGHTS AND OBLIGATIONS ARE FUNDAMENTALLY DEFINED POLITICALLY.

HJC:

I would absolutely agree with the characterisation of social regulation being in a permanently defensive position. But I would actually aim to go even further than the remedy suggested, and say that we should abolish this notional distinction between the economic and the social. My view is that

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economics *is* politics. I argue that there is no such thing as a free market. The market can only be defined in terms of the underlying rights and obligations of those who are involved in it, and those rights and obligations are fundamentally defined politically. It is not correct to posit some sacrosanct domain that we call the economy, in which market logic should reign supreme, and then there are some other fields around it where you can implement social ideals like

those embodied in human rights law. The boundary of the economy itself is defined by the economic, social and political values of any specific time and place, and the easiest way to defend the status quo is to say that there is a sacred area called the economy, and then to place within this area everything you want, especially those things you do not want to be changed.

We should therefore fight against this view that there is a valid distinction between the economic and the social or the non-economic. The economy itself is socially defined. For me then, it is actually too weak to say that human rights should have priority over economic rights, because that distinction itself is already making a large and unnecessary concession. It is already to concede that there is validity to that exclusive construction of the economy, but there is in fact no such separate domain.

THIS IS ALSO TO ACKNOWLEDGE THAT LAW ITSELF CANNOT BE ECONOMICALLY NEUTRAL, NEITHER ECONOMIC LAW NOR HUMAN RIGHTS LAW.

This is also to acknowledge that law itself cannot be economically neutral, neither economic law nor human rights law. If economics itself is socially constructed and cannot be isolated, then it cannot be politically neutral. As such, neither can the law that is created through a particular political process, according to a particular social construction, be neutral.

From the point of view of an economist, the conception of an 'institutional political economy' may have relevance here. According to this view, the economy is shaped by institutions, which in turn are shaped by politics. Therefore, institutions, in this case pertaining to legal institutions and structures, are created from social customs, and these institutions are also a consolidation of a particular power relationship. The laws that we have are shaped by power relations, that is, politics, and those institutions define how the economy is organised. They define who can buy and sell what, and under what conditions. These definitions shape the boundaries and the objects of exchange in the market.

PERHAPS ONE OF THE CHALLENGES HERE IS HOW HUMAN RIGHTS LAWYERS CAN EFFECTIVELY REMIND POLICYMAKERS THAT HUMAN RIGHTS HAVE A GREAT DEAL TO DO WITH BOTH POLITICS AND INSTITUTIONS, AND THEREFORE THEY MUST HAVE A ROLE TO PLAY IN ECONOMICS.

Economics and politics cannot be separated, even though they may be mediated by laws and institutions.

Perhaps one of the challenges here is how human rights lawyers can effectively remind policymakers that human rights have a great deal to do with both politics and institutions, and therefore they must have a role to

play in economics. My instinct is that there is an opportunity here for human rights lawyers to collaborate with certain sections of the economics profession, as there is an obvious affinity between the underpinnings of human rights law and the approach of progressive, or more socially inclined economists.

JC:

There is a well-known divide in human rights law between dominant civil and political rights on the one hand, which in some narrow applications can be said to fit well with neo-liberal economics (such as strictly construed property rights and a minimalist protection for individual liberty), and 'secondary' socio-economic rights on the other, which, given for example their redistributive focus, tend to challenge neo-liberal economics and seem to fit better with social and heterodox conceptions. In part because of this divide, and the focus of socio-economic rights on securing mere minimums in an age of inequality, it has been said by some, such as the Harvard historian Samuel Moyn,² that the human rights movement is ineffective in the face of our dominant neo-liberal paradigm.

What prospects do you see for the mutual reinforcement of heterodox economics and socio-economic rights, both in theory within the academic discourse and in practice within the field of policymaking, in effectively displacing the neo-liberal paradigm? Can these two 'secondary' elements in their respective fields join forces to overcome present socio-economic injustices?

HJC:

First of all, I have some issues with the term 'heterodox economics'. This is an oft-used umbrella term that is imprecise and very relative, and can therefore be open to abuse. There are indeed many schools of economics and many sub-schools within those, in the same way as there are many

WE NEED TO BE CAREFUL FROM WHAT PERSPECTIVE WE CALL SOMETHING HETERODOX ... IN THE FIELD OF DEVELOPMENT ECONOMICS, UNTIL THE 1970S THE SCHOOL OF ECONOMICS THAT I WOULD SAY I BELONGED TO WAS THEN ORTHODOX.

² "In the face of distributive inequality, the human rights movement must acknowledge its limits. ... The real trouble is that those systems of law and programs of action that have so far been established around socioeconomic rights have made of them neither an enabling tool, nor a threatening enemy, but a helpless bystander of market fundamentalism." Samuel Moyn, 'Human Rights and the Age of Inequality', 27th October 2015 - <https://www.opendemocracy.net/openglobalrights/samuel-moyn/human-rights-and-age-of-inequality>.

denominations and divisions within religions. To follow the analogy, from the point of view of a Russian Orthodox Catholic the Roman Catholic Pope is 'heterodox'. This is to point out that we need to be careful from what perspective we call something heterodox. Whatever is termed heterodox is always relative to who has the numerical majority, to who has political power. In the field of development economics, until the 1970s the school of economics that I would say I belonged to was then orthodox. I would use the term

heterodox with some care. For example, I do not mind being called a heterodox economist, because in the present circumstances it is a correct description of my political position within the economics profession. But some might say, for example, that the Austrian school of economics is heterodox because it has some fundamental differences with the

neo-classical school, even though it has been in a sort of marriage of convenience with neo-classical economics. But I do not think that the Austrian school will be very helpful for progressive human rights people, because it is a very individualistic and atomistic approach that is less likely to support a more communal view of society and social responsibility. Even though it is more aware of the social side of economics and the importance of institutions than the neo-classical school is, this school still views a fundamentalist individual right to use one's property as one sees fit as the most basic right of all. So I do not think this will be compatible with a progressive or reformist human rights perspective.

Those schools with the greatest affinity to progressive human rights lawyers will be heterodox schools that see the individual as a product of society, rather than something that fell from the sky in a complete form. This may sound strange, but it is essentially what neo-classical economics assumes; the completely unrealistic proposition that individuals with pre-existing interests that can be

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objectively known in isolation from their social environment are the basic units from which an economy is built. However, in so far as any given heterodox school recognises and theorises that individuals are socially formed, and that in that formation institutions indirectly, and politics more directly, play a large role, then economic insights from this school would indeed be highly compatible

and useful from a human rights viewpoint. For example, the Marxist school is very explicit in this regard, even though some versions of this school can be overly deterministic, the institutionalist school would be well matched. In addition, many members of the Keynesian school take a similar view.

In any case, with regard to these particular heterodox schools, I have no doubt that they would shed useful light on the key debates within human rights law. As you mentioned, with regard to the division between civil and political rights on the one hand and socio-economic rights on the other, those schools of economics would point out that this division in and of itself already buys into the neo-classical world. This is a world where you have the sacrosanct economy that basically has to be

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operated in line with a narrow version of economic theory, in contrast to a separate sphere where you might be able to take some form of social values seriously.

In terms of making a real change to our world, I would be of the opinion that this combination of heterodox economics, properly understood, and human rights law would be a significant step in the right direction. Any joint force thus created may not be sufficient to cause a fundamental shift in our present neo-liberal system,

but it might well be a necessary element in bringing about such a shift. Unless we somehow reformulate the whole debate, through a basic refusal to accept some evidently false premises, we will never win it. In this reformulation the combination of economic discourse with legal discourse is essential, and, within this combination, the merging of certain heterodox economic viewpoints and progressive strands of human rights will similarly be crucial.

JC:

There have been recent developments in international law around the extraterritorial obligations of states towards the human rights of people in other countries, especially with the development of the Maastricht Principles on Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights.³ Accordingly, some, including prominent UN human rights bodies, are calling for the application of these extraterritorial obligations in the areas of development cooperation and financing, trade, investment, and international financial regulation. Much of your work on the hypocrisy of Northern state policy prescriptions, and the need for increased industrial and financial policy space for developing countries, seems to be very supportive of these trends towards international legal accountability for human rights harms.

Could you elaborate on how you view this apparent compatibility between the human rights legal perspective and a heterodox economic perspective? Do you think there is an economic case for an international legal regime of accountability for the direct and indirect extraterritorial human rights harms of states?

³ To consult the Principles in full see, http://www.etoconsortium.org/nc/en/main-navigation/library/maastricht-principles/?tx_drblob_pi1%5BdownloadUid%5D=23; see further, Olivier De Schutter, Asbjørn Eide, Ashfaq Khalfan, Marcos Orellana, Margot Salomon and Ian Seiderman, 'Commentary to the Maastricht Principles on Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights' 34 *Human Rights Quarterly* (2012).

HJC:

I would find this avenue of extraterritorial obligations a very interesting avenue of approach, as a way of putting the brakes on many harmful practices at the international level. Traditionally, sympathetic economists would view the inequities of current formulations of trade and investment agreements and international financial arrangements as issues of inefficiency, to be remedied simply by better reformulation. But I am encouraged that there is also a perspective from international human rights law that can add to these traditional arguments for better reformulation and for fundamental renegotiation.

If we take the case of Swiss tax laws and the impact they have on developing countries through the facilitation of corporate tax evasion, then there are strong economic arguments against this practice. Switzerland is benefiting from economic activities which it did

nothing to create or support. Indeed, through its secrecy policy, the country is aiding the avoidance of compliance with the laws of the countries which have done the most to fund those economic activities. When someone is then defending Swiss banking laws, they are at least implicitly using an economic theory that is full of holes; a theory that states that whether someone is taxed or not should be a matter solely for their conscience, and practically a function of their economic power and geographical reach. Having a sound economic theory, particularly an empirically sound theory, will help to draw together the dots of causation present in the process.

You could even make a sound economic case for the establishment and enforcement of a regime of extraterritorial human rights obligations informed by certain schools of heterodox economic theory. Tax havens and Swiss banking law, for example, make it difficult for developing countries to have

PREVENTING INTERNATIONAL TAX EVASION THROUGH THE LAWS PROMOTING EXTRATERRITORIAL HUMAN RIGHTS OBLIGATIONS WOULD ACTUALLY BENEFIT EVEN SWITZERLAND IN THE LONG RUN THROUGH THE CREATION OF NEW AND BIGGER MARKETS IN THESE DEVELOPING COUNTRIES, AS WELL AS BETTER INVESTMENT LOCATIONS AND OPPORTUNITIES.

public investment in the infrastructure and education that they need for economic development. A greater share of corporate profits being taxed in the developing countries where they originated would help those countries develop their economies better. Therefore, preventing international tax evasion through the laws promoting extraterritorial human rights obligations would actually benefit even Switzerland in the long run

through the creation of new and bigger markets in these developing countries, as well as better investment locations and opportunities.

One of my main arguments, in books like *Bad Samaritans*, is that developed countries are now kicking away the ladder of development that they have climbed up, by disallowing with respect to the present developing countries, many of the domestic economic and industrial policies that worked to produce their own economic success. But the truth is that in the end the developed countries are losing out on

markets and investment opportunities through this practice, not to mention contributing greatly to global economic instability and imbalance, which ultimately harms everyone. It seems to me that a regime of extraterritorial human rights obligations would help greatly to remedy this situation for the better.

JC:

Since the advent of the UN Guiding Principles on Business and Human Rights in 2011 we have seen a substantial increase in discussion at the UN level on the regulation of transnational corporations and other business enterprises. However, this is limited largely to the strengthening of voluntary regimes and market incentives. In 2014 an initiative was launched to begin negotiating a binding treaty on business and human rights.

IT IS PERHAPS AN ACUTE CHALLENGE CURRENTLY FOR HUMAN RIGHTS LAWYERS TO TRANSLATE THESE 'ECONOMIC HARMS' INTO HUMAN RIGHTS HARMS, WHERE THEY CAN BE MEANINGFULLY TRANSLATED. THIS WILL GO A LONG WAY TO SUPPORT THE PRESENT PUSH FOR A BINDING TREATY ON HUMAN RIGHTS AND TRANSNATIONAL CORPORATIONS.

As an economist, how do you view these ongoing discussions on legal human rights accountability for transnational corporations? Aside from the moral case, do you think that there is also an economic case for greatly increased regulation?

HJC:

There are lots of economic arguments for regulating the activities of

transnational corporations. The most well-known example is the practise of transfer pricing, whereby a lot of companies avoid tax obligations by shifting finances between subsidiaries in different countries in search of the subsidiary in the country with the lowest tax rate. This involves a practice of over- or under-pricing goods which are bought and sold between these separate legal entities that are all nonetheless internal to the same corporation. This is an inefficient process that prevents a fair economic return to a given society on the investment made into the success of a business entity in its country. Many sound economic arguments can be used to justify regulating these practices; to make corporate entities pay tax in the jurisdictions where they have most of their economic activity and make their profits. It is perhaps an acute challenge currently for human rights lawyers to translate these 'economic harms' into human rights harms, where they can be meaningfully translated. This will go a long way to support the present push for a binding treaty on human rights and transnational corporations.

Pro-regulatory arguments are more often than not simply ignored because they do not serve the short-term self-interests of the powerful. But where the arguments cannot be avoided, corporations reflexively respond to calls for greater regulation by warning that this will depress economic activity and GDP growth, which will have the effect of lowering state revenues that can be spent on social goods. Here it must be noted that it is not theoretically true that more regulation will result in less economic activity and GDP growth. But more importantly, there is no evidence that this is the case. If restrictions and regulations on multinational corporations are so bad then how can we explain the rapid growth of a country like South Korea, which had very draconian regulations on transnational corporations everywhere except in a small number of export processing zones.

I am very much of the opinion that growth is highly important in developing countries, but we also have to be careful in assessing the nature of growth. First, sometimes a country may appear to be growing only because we are not counting the real costs. If growth is destroying the environment and the social fabric of the country, oppressing workers by making them work in terrible conditions, then any growth is, in part at least, illusory and dangerous. Second, GDP growth is not the same as increasing human well-being. It can be a very effective way of increasing human well-being, but it does not guarantee it. So, even if it were true that more regulation reduces growth, which as I said is not the case, growth does not necessarily mean a country and its society is doing well. Human rights set a minimum standard of human dignity, and it must be asked why we should in any way value a form of growth that transgresses this baseline.

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IT MUST BE NOTED THAT IT IS NOT THEORETICALLY TRUE THAT MORE REGULATION WILL RESULT IN LESS ECONOMIC ACTIVITY AND GDP GROWTH. BUT MORE IMPORTANTLY, THERE IS NO EVIDENCE THAT THIS IS THE CASE.

JC:

The focus of this series of conversations is to explore and develop the rapport between the discourses of human rights law and economics. However, another intention is to determine the

possibility of the development of a third discourse, a response in the event that the first two discourses prove unable to combine in a manner that could lead to coherent and effective programmes of action. Given the differences that exist between human rights and economics, perhaps the development of a third discourse would be a more promising project than a lengthy, difficult and uncertain rapprochement of human rights and economics. It may be that this new third discourse could take form initially in the field of politics, perhaps underpinning a new political movement. On the other hand, this could also simply be an unnecessary and distracting theoretical diversion, with no practical utility.

Would you care to comment on the idea of such a third discourse, for example its possible shape, feasibility, desirability or likely effectiveness?

HJC:

There are some people who think that economics cannot be saved from itself, and will have to be replaced by another discipline that goes beyond it. However, I have argued that the boundaries of a discipline should be set by whatever is the subject of study. Therefore, in so far as you are

IN SO FAR AS YOU ARE STUDYING THE PROS AND CONS OF REGULATING CORPORATIONS, OF DESIGNING ALTERNATIVE TAX STRUCTURES, OR ENGAGING IN THE FORMULATION OF TRADE AND INVESTMENT AGREEMENTS, ETC., YOU ARE STUDYING THE ECONOMY AND YOU THEREFORE HAVE THE RIGHT TO BE CALLED AN ECONOMIST.

studying the pros and cons of regulating corporations, of designing alternative tax structures, or engaging in the formulation of trade and investment agreements, etc., you are studying the economy and you therefore have the right to be called an economist. In that sense I think that human rights lawyers engaged in this sort of analysis should be called economists when they do that. Perhaps they even have more right to be called an economist than those economists that do very abstract modelling that is almost entirely removed from its social setting and its social impact.

IF WE ARE TO CONVINCe PEOPLE OF THE NEED FOR CHANGE, I WOULD SAY THAT WE NEED A BIGGER ALLIANCE THAN ONE THAT ONLY INVOLVES HUMAN RIGHTS LAW AND HETERODOX ECONOMICS.

However, to look at this from a perspective of discourses rather than academic disciplines, if we are to convince people of the need for change, I would say that we need a bigger alliance than one that only involves human rights law and heterodox economics. It would be necessary to look to elements within

political science and anthropology, etc., that could all come together in developing a certain discourse, whatever we end up labelling it. I think that from this angle it is not feasible to wait for any individual genius, or even a small group of them, to connect all of the relevant dots between these important areas of social analysis and various discourses. I think it should start with various collaborative projects and concrete studies. It would be best to start modestly, small and focused, and then go from there. We might be surprised what could be created in this way.

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