4

Conditional Sale

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INTRODUCTION

Although just war theory occupies center stage in the political theory of international relations, non-forceful instruments of foreign policy are often both more effective and less destructive than wide-scale military action. In this paper, I focus on a particular kind of economic sanctions, which (to my knowledge) has not been given separate treatment in the relevant political-theoretical literature, and which I call *Conditional Sale*. To illustrate, suppose that some political actor – call it Affluenza – has in its possession commodities or goods, *G*, which some other actor – call it Barrenia – badly needs or wants. Suppose further that Affluenza wants something from Barrenia, though is not willing, able, or justified to go to war for it. Instead, it threatens to raise the price of G to a level – *p100* – that Barrenia can ill afford, unless Barrenia gives in to its demands. If Barrenia does give in, Affluenza will lower the price of *G* to *p1*. Affluenza, in other words, makes its willingness to sell at an affordable price conditional on Barrenia's bending to its will. On what grounds and under what conditions may it so act? The best-known political actor that makes regular use of this particular instrument is Russia, whose vast natural resources (notably oil, gas, and coal) are key to its foreign policy, and which grants highly subsidized prices to its favored neighbors such as Belarus and Moldova while hiking prices as a retortive measure against others such as Ukraine (Lough 2011).

A sale is conditional by definition: when I offer to sell you G at a given price *p*, I offer to transfer to you my property rights over *G* on condition that you pay me *p* for it. Call this the price-condition. My concern here is with cases where Affluenza is willing to have Barrenia acquire property rights over *G* on condition that Barrenia should meet both its price-condition and what I shall call its politics-condition. In other words, sales, in this paper, are doubly conditional. In the next section, I bring the question into sharper focus by highlighting differences between conditional sale, economic sanctions, and conditional aid. All three are forms of economic statecraft (Baldwin 1985), but they differ in morally salient ways. In the sections entitled "Conditional Sale as a Response to a Justified Grievance" and "Conditional Sale in the Absence of a Justified Grievance," I make a first pass at the question, on the assumption that Affluenza has full control over *G* and trades directly with Barrenia's regime. I argue that *Conditional Sale* is permitted under strict conditions, as a means to redress a justified grievance against Barrenia, or to pursue foreign policy goals more widely. In the section that follows these, "Complicating the Picture: Conditional Sales and the Problem of Private Businesses," I relax that simplifying assumption and briefly highlight some of the difficulties raised by *Conditional Sale* for private economic actors in both communities.

There are six preliminary *caveats*. First, similar conclusions can be reached about conditional purchases: thus, Seller might have a natural resource *G* and might badly need to increase its foreign currency reserves; Purchaser might then be tempted to make its purchase of *G* at ~~the former's~~ asking price *p100* conditional upon Seller meeting its politics-condition, failing which it will only buy *G* at *p1*. I focus on conditional sales rather than purchases for ease of exposition.

Second, I posit that Affluenza seeks to get from Barrenia political-cum geostrategic goods such as access to territory, the destruction of weapons stocks, and political changes, rather than economic goods such as the status of a privileged trade partner.

Third, I make no assumption as to whether or not the price Affluenza sets for *G* – be it the high *p100* or the comparatively low *p1* – is above or below market price. One might think that if *p100* is below market price anyway, Barrenia *clearly* has no complaint; conversely, one might think that if *p1* is above market price, Barrenia *clearly* has a complaint. To hold those claims presupposes that the market price is a fair price. Yet, it is not clear that it always is. And even if it is, Barrenia might *not* have a complaint for being asked to pay *p1* – even if *p1* is above market price – on condition that it changes its policy, if its policy is unjust. Conversely, Barrenia might well have a complaint about being made to pay *p100* as the price to pay for conducting its just foreign policy – even if *p100* is below market price – if it can ill afford to pay it. Or so I shall aim to show.

Fourth, and relatedly, I assume (again, to simplify) that Affluenza and Barrenia seek to trade over *G* for the first time. If they have already traded over *G*, conditionality can take two different forms. Affluenza can either threaten to raise the price at which *G* normally ~~was~~ sold unless Barrenia complies with its demands (in which case the price would remain the same) or it can offer to lower the normal price if Barrenia complies (failing which the price would remain the same.) A full account of conditionality in economic statecraft – which space prevents me from offering here – ~~would need to~~ be sensitive to this particular issue.

Fifth, a moral assessment of conditional sales presupposes a background theory of distributive justice. I take the following points for granted. Namely, individuals have private property rights over the resources they need to lead a flourishing life, and, in so far as they form sovereign and territorially bounded political associations, they have joint ownership rights over some of the resources that those associations need to shape their collective destiny. Yet, subject to a no-undue sacrifice proviso, they are under duties of assistance to distant strangers. The content of those duties in turn depends on what one takes the requirements of global justice to be. Following Henry Shue, I distinguish basic human rights – what we need in order to lead a life worth living – from non-basic human rights – what we need in order to live a flourishing life (Shue 1980). I submit that justice does not require merely that the affluent secure the basic human rights of the distant poor; it also requires, more demandingly, that if distant strangers would lead a less than flourishing life as a result of lacking a particular resource, those who have surpluses of that resources are under a duty to help them get hold of it. Taken together, those claims support the right freely to engage in international trade (that is, to sell to and buy from other agents under mutually agreed-upon terms), conditional upon meeting the demands of justice.

Finally, there are strong arguments in support of the view that any political or moral restrictions on global trade should be set by international organizations such as the WTO. That view is analogous to the claim that, save in cases of self-defense against an imminent attack, a political community may not go to war against another without authorization from the United Nations. It finds support in the deeper and largely empirical two-pronged claim that unilateral sanctions, of which unilateral conditional sales is an example, can lead to destructive trade wars, and that politically unrestricted global trade has brought prosperity to millions. I do not take a stand on this here. But *if* those points are sound, then the conclusion that *Conditional Sale* is morally permitted is subject to the *caveat*, which I shall take as given throughout, that the destructive impact of such a policy must not outweigh the goods it might bring about.

ECONOMIC SANCTIONS, CONDITIONAL SALE, AND CONDITIONAL AID

Economic sanctions consist in restricting or raising the costs of their target (T)'s ability to engage in trade and financial activities with the sanctioning party (S) and/or with third parties. S may decide to freeze the financial assets of key members of T's regime or key businesses within T, to ban the purchase by its own citizens or residents of T's valuable export commodities such as oil, diamonds, and other natural resources, or to forbid the sale and exports of certain goods to T. Economic sanctions are imposed for various ends: restricting nuclear proliferation, supplementing counter-terrorism measures, giving T inducements to comply with the laws of war, etc. When applied unilaterally by a sovereign state, they usually apply to individuals and businesses who are residents of, and/or trade from, that state. Likewise, *mutatis mutandis*, when sanctions are applied by associations of states. (Baldwin 1985, Barber 1979, Ellis 2015, Hufbauer, Schott, and Elliott 1991, Wallensteen 1968.)

Conditional sales are a form of economic sanctions. But, whereas sanctions typically prohibit the sale of certain goods altogether as a means to get their target to comply, in conditional sales the seller is willing to sell but at a higher price than it would accept were the target to do what it wants. Thus, Affluenza says to Barrenia not "we will only sell you *G* if you stop doing *x*/ do *y*," but, rather, "we will sell you *g* at price p_1 only if you stop doing *x*/ do *y*; otherwise, we will only sell at price p_{100}." As long as Barrenia is willing to pay the higher price, it can carry on not doing what Affluenza wants. Should Barrenia still want to transact, it faces a choice between paying a high price and not doing what Affluenza wants on the one hand, and paying a lower, more affordable price and acceding to Affluenza's wishes on the other hand. Affluenza's offer is more interesting than a straightforward offer to sell *tout court* subject to a politics-condition, for should Barrenia refuse to meet the politics-condition on the straightforward offer, Affluenza gets nothing at all. Here, it will at least get significant financial revenues, and it pays to ask whether it may so profit from Barrenia's decision.

Now consider conditional aid. Typically, the aid provider offers a package of economic and financial assistance to a beneficiary party, on the condition that the latter should embark on various political and economic reforms – in practice, market liberalization, the democratization of its institutions, and so on. The beneficiary thus has a choice between getting the aid and doing the provider's bidding on the one hand, and getting nothing while retaining their independence from the provider on the other hand.

Contrastingly, in conditional sale, the issue is whether Affluenza is morally permitted to set whatever price-condition it wishes, at whatever politics-conditions it wishes. The cost for Barrenia of sticking to its policy, contra Affluenza's wishes, is either a considerable monetary loss, or not transacting at all and thereby not getting the resources it badly needs or wants. By contrast, in conditional aid as in standard economic sanctions, the cost of sticking to its policy is simply not getting something that it badly needs or wants.

My question, then, is this: On what grounds and under what conditions is Affluenza morally permitted to resort to *Conditional Sale*? The latter policy is justified, I argue, only if:

(a) Affluenza is morally permitted to make *G* available to Barrenia in the first instance (failing which, withholding access to *G* altogether whatever Barrenia does, or economic sanctions, ~~is~~ the only justified option of economic statecraft);

(b) ~~it~~ is not under an independently justified unconditional duty to give *G* to Barrenia (contra *Conditional Aid*).

As we shall see, whether those conditions are met depends on what kind of good *G* is, on whether Barrenia's policy is morally wrong, and on the kind of control that Affluenza has over *G*.

CONDITIONAL SALE AS A RESPONSE TO A JUSTIFIED GRIEVANCE

Suppose that Affluenza owns *G* and controls its production and sale – via state-owned companies. Barrenia conducts a policy, *P*, which Affluenza would like to see it rescind. By assumption, Affluenza's regime has a direct say on ~~its~~ availability to its friends and foes on the world stage.

In contrast to standard economic sanctions, *Conditional Sale* gives Barrenia the option of holding on to *P* whilst procuring *G* – though at a premium price. It also provides Affluenza with a source of revenue – quite an important one in fact if Barrenia is willing to meet its higher-price-condition. Taken together, and in the light of a general presumption in favor of international free trade, those two considerations suggest that Affluenza is morally permitted to adopt this policy in preference to standard economic sanctions. *Vis-à-vis* Barrenia, it seems that it is morally permitted to make *G* available to the latter at a higher price for failing to rescind *P*, and at a lower price in exchange for rescinding *P; vis-à-vis* their fellow citizens, it seems that Affluenza's leaders are morally permitted subject to proper internal authorization procedure to run the risk either that Barrenia will not transact at all or that Barrenia will be willing to meet the higher-price condition but not the politics-condition.

Upon closer inspection, however, we need to distinguish between cases where *P* is wrongful, and thus generates a justified grievance on Affluenza's (and/or other actors' part), and cases where Barrenia acts within its rights by pursuing *P*.

Let us assume that *P* is wrongful. We must draw a further distinction, between cases where *P* wrongs Affluenza and cases where it wrongs a third party on whose behalf Affluenza acts. In the former case, it is up to Affluenza to decide whether to impose standard economic sanctions or to go for *Conditional Sale* – in other words, to sell *G* at *p1* if Barrenia rescinds *P*, or to sell *G* at *p100* if Barrenia refuses to desist. Granted, it might seem odd for Affluenza to agree to Barrenia's wrongful policy in exchange for increased revenues. However, Affluenza might take the view that those ongoing rights-violations are an acceptable price to pay for the chance of pursuing other just and more urgent ends thanks to those extra revenues.

Now suppose that Barrenia systematically violates the rights of one of its own minorities. In this case, *Conditional Sale* is not justified. Recall that at the bar of justice, those who are in a position to help the less fortunate lead a flourishing life are under a duty to do so. By implication, they are under a duty to help prevent Barrenia's systematic violations of its minority's rights. But by going for *Conditional Sale*, Affluenza gives Barrenia the option of acquiring *G* and continuing its rights-violating policy, whilst itself making a profit from Barrenia's decision. Clearly, it may not do that. This is so irrespective of the kind of good that *G* is. Most clearly, if *G* is the kind of good that Barrenia uses to conduct the unjust policy, Affluenza is not morally justified in making it available in the first place unless Barrenia desists. Affluenza may not offer Barrenia a choice between buying the weapons at *p1* in exchange for not using them to kill its minorities, and buying ~~the~~ weapons at *p100* if it persists in using them to such ends. To repeat, it may only offer to make the weapons available – *at whatever price* – conditional upon Barrenia's wholly abandoning its wrongful policy.

Perhaps surprisingly, similar considerations apply if *G* is particularly prized by Barrenia's leaders, or (more likely) if it is the kind of good without which Barrenia's population cannot lead a flourishing life. In all those cases, Affluenza may not give Barrenia the option of carrying on with its unjust policies, and derive a profit from it. Instead – and depending on the kind of good that *G* is – it must do either or some of the following: withholding *G* altogether until such time as Barrenia changes its policy, giving *G* unconditionally, giving *G* conditionally, or selling *G* subject to Barrenia changing its policy.

If *G* is the kind of good without which Barrenia's members cannot lead a flourishing life, then (at the bar of justice) Affluenza may not withhold it altogether. The question is whether it may sell it, or whether it must give it. Suppose that Barrenia cannot pay for *G*, at whatever price Affluenza is willing to offer, without further undermining overall its members' prospects for a flourishing life. In this case, Affluenza must opt for giving *G*. Whether it may do so conditionally or not in turn depends on whether *G* is a basic necessity (in other words, whether Barrenia's members have a *basic* right to it) or whether it is a non-basic good (though still protected as a matter of (non-basic) human right. I believe (though will not defend that claim here) that justice mandates unconditional aid for basic necessities and permits conditionality for non-basic goods. Of course, this creates a perverse incentive for Barrenia to violate the rights of some of its members as a means to place Affluenza under an obligation to give *G* (albeit conditional upon its rescinding its policy). If the evidence suggests that Barrenia would not commit such rights-violations but for the fact that it would be able to get Affluenza to give *G*, Affluenza would be under a duty not to give in to Barrenia's blackmail. But if Barrenia's rationale for adopting *P* has nothing to do with putting Affluenza under that kind of pressure, then Affluenza is under the aforementioned duties.[1]

Suppose now that Barrenia *can* afford to pay for *G*, but that its leaders are unwilling to do so, at whatever price Affluenza sets. In this case, Affluenza is under the same duties as yielded by Barrenia's inability (as ~~opposed to~~ unwillingness) to pay.

Finally, suppose that Barrenia can afford to pay for *G* at a lower price than Affluenza is hoping to get, that it can do so without further undermining in other respects its population's prospects for a flourishing life, *and* that it is willing to pay that price for the sake of its population (perhaps sensing that improving living conditions is the only way to avert a revolution.) Affluenza is not under a duty to give *G*, since Barrenia can pay without cost to justice, but in so far as Barrenia's population need *G*, and so long as it cannot procure it elsewhere, Affluenza is under a duty to sell at a price that Barrenia can afford. More generally, there sometimes is a duty to sell – a point which, incidentally, the literature on global distributive justice tends to overlook, focused as it is on the provision of aid.

So far, I have assumed that Barrenia's residents need *G* to lead a flourishing life, such that denying them access to *G* is unjust. But suppose that *G* is a dual-use resource: It is a constituent of, or is needed for, a flourishing life, *and* is needed above and beyond that threshold. Such is the case with more or less all natural resources, including oil and water. In such cases, Affluenza may withhold *G* from Barrenia above and beyond that threshold; if it chooses to make *G* available above and beyond that threshold, it must do so subject to the politics-condition.

My suggestion, thus, is that aid, whether conditional or not, is morally preferable to selling (and *a fortiori* to withholding) when *G* is needed by Barrenia's civilian population and when Barrenia is guilty of human-rights violations. In the next section, we will consider cases where Barrenia's policy is not wrongful. Beforehand, however, we should deal with a putative objection to my argument against *Conditional Sale*. I argued above that when Barrenia is guilty of human rights violations, Conditional Sale is morally problematic precisely because it offers Barrenia a choice between buying *G* at price *p1* subject to rescinding P, and continuing with *P* at the cost of paying price *p100* for *G*. Of course, Barrenia might decide not to transact at all, in which case its population will suffer the considerable hardship of not getting *G*. Equally, Barrenia might also decide to pay *p100*, in which case its victims will continue to suffer. Affluenza, I argued, ought not to give Barrenia that option. Granted, Barrenia might be willing to rescind *P* as a means to get *G* for the low price; but if its leaders direct the revenues it thereby keeps (in the form of the difference between *p1* and *p100*) to their private coffers, at the expense of the population, this further strengthens the case in favor of *Conditional Aid* and against *Conditional Sale*.

Why should any of this be a concern of Affluenza's, some may object? After all, *ex hypothesi, G* is not needed as a matter of survival by Barrenia's population (for if it were, as we saw above, Affluenza would be under an obligation to give it, and the objection would not arise.) Moreover, whether or not Barrenia's citizens suffer as a result of their regime's decision is that regime's responsibility, and no one else's. In the legal-philosophical literature, this question is known as the question of intervening agency. On some views, an agent is not morally responsible for what comes about as a result of other agents' wrongfully adding at *t2* to what he did at *t1*. On other views, both the initial and the intervening agent are morally responsible for the final outcomes.

The latter view strikes me as plausible. If I negligently throw a lit cigarette in a bush at time *t1*, and if you pour petrol on the bucket at *t2*, I am at least in part responsible, not just for having thrown my cigarette butt but also for the ensuing forest fire that develops at *t3*. The fact that you intervened at *t2* does not wholly exempt me (Hart and Honoré 1959; Zimmerman 1985).

Does this support the claim that Affluenza is somewhat responsible for the predicament of Barrenia's population under *Conditional Sale*? At first sight, one might think not. For by opting for *Conditional Sale*, Affluenza expands the range of options available to Barrenia, and it might seem unclear how that alone could render them responsible for (some of) the consequences of the latter's decision. However, by making *G* available to Barrenia at a higher price, it predictably contributes to exposing that population to worsening conditions – worsening, that is, to the point where their human rights would be violated. Given that there is an alternative in the form of *Conditional Aid*, Affluenza is partly responsible for the predicament of Barrenia's victims, and thus is accountable to them for its decision to sell rather than give.

To recapitulate, Affluenza is permitted to go for Conditional Sale as a response to Barrenia's rights-violating policy *only* when it is itself a victim of that policy. But if the policy is directed against Barrenia's own population, Affluenza may not opt for *Conditional Sale*: It may not, that is, give Barrenia the option of procuring the good it needs or wants without having to rescind its policy.

CONDITIONAL SALE IN THE ABSENCE OF A JUSTIFIED GRIEVANCE

So far, I have assumed that policy *P* is wrongful. Suppose now that neither Affluenza nor third parties have a claim against Barrenia that the latter should not carry out P: Barrenia acts within its rights when pursuing *P*. However, *P* is not in Affluenza's interest: Affluenza wants Barrenia to pursue policy *Q*. Is *Conditional Sale* justified in this case?

If Barrenia merely *wants G*, it seems, at first sight, that Affluenza may make its willingness to sell it at a price that Barrenia can afford conditional upon pursuing *Q*, so long (obviously) as *Q* is not itself morally wrong and provided that Barrenia does not have a prior right to *G*. It also seems, more obviously still, that Affluenza may give Barrenia the option of continuing with its rightful policy. This after all is the give and take of negotiation in foreign policy: Barrenia can always go to another supplier, or go without *G*.

If Barrenia *needs G*, however, we might worry about Affluenza's negotiating stance – even if (let us suppose) Affluenza is not under a duty to *give G* to Barrenia. Consider, by analogy, Joel Feinberg's well-known case of the lecherous millionaire who offers the mother of a desperately ill child the money needed for one last ditch life-saving operation, so long as she has sex with him (Feinberg 1986, 227–230). Suppose that the millionaire is not under a duty to give her the money. Even so, if he does decide to give it, he may not do so subject to this, or relevantly similar, condition. On one view, this is because in so doing he would coerce the woman into accepting: Even though his offer enhances her set of options, he is structuring her choice situation in such a way that she can only choose between two evils. On other views, the woman is not coerced, precisely because she has more choice than she would have had, had the offer not been made; the millionaire, however, exploits her desperate situation, and therein lies his wrong-doing. On other views still, the millionaire's offer is wrongfully coercive precisely because it is wrongfully exploitative (Feinberg 1986, ch. 24; Feinberg 1988, chs. 31–32; Wertheimer 1987, 1996).

I doubt that the lecherous millionaire's offer is coercive, precisely because it increases the mother's options. But it is nevertheless a wrongfully exploitative offer. Standardly, a transaction between two parties A and B elicits this criticism only if it meets the following conditions (Reeve 1987; Wertheimer 1996):

(a) A benefits from the transaction;
(b) A gets B to agree to the transaction by seizing on a feature of B's or of her situation such that B would not agree otherwise;
(c) The outcome of the transaction is harmful or (if the transaction is mutually advantageous) unfair to B.

The lecherous millionaire benefits from the transaction; he clearly takes advantage of the mother's desperate wish for her son to live. It is unfair that, although she too benefits (for her son does live), she should *avoidably* be placed in a situation where she has to choose between her son's survival at the cost of surrendering sexually to a man she does not want, and protecting her sexual integrity at the cost of her son's life – in other words between two extremely bad states of affairs. I emphasize *avoidably*, for therein lies the particular wrong-doing that the lecherous millionaire commits against her: After all, he could give her the money without asking for anything in return. Even if one holds (which many would not) that the woman can nevertheless be deemed validly to have consented, and thus that he does not rape her, he nevertheless wrongs her, by taking advantage of, or using, her vulnerability to get her to agree to relinquish control over the terms under which she will do things for him.

Strictly speaking, it is possible wrongfully to exploit another person even if the offer is meant as an inducement to get that person to do that which they are under a duty to do anyway and which they *could* do without the inducement. If this is correct, then the case against wrongful exploitation when the exploitee acts within her rights is all the more robust. Suppose that B culpably subjects A to a lethal threat without just cause and is seriously wounded in the ensuing shootout. Unless A calls emergency services within the hour, B will die. If she calls them now, B will make a full recovery. If she calls them in half an hour, B will survive but with lifelong injuries that will dramatically impair his quality of life. B still holds his gun, and would be able to inflict a minor wound on A with it: A has run out of ammunition and dares not try and disarm him herself. So she offers to call 999 in half an hour so long as B drops his gun now – failing which, she will not make the call. B would not agree to this but for the fact that he will die otherwise; and were A to dial 999 now, B would agree to drop his gun without qualms. Does it make sense to say that A wrongfully exploits B? Clearly, B ought to drop his gun here and now. At the same time, A could call 999 now, thereby enabling B wholly to recover. Relative to this baseline, the outcome of the transaction is harmful to B. It is a harm, moreover, which A needlessly inflicts on him, for B *would* drop the gun if A called 999 now. It seems that A wrongfully takes advantage of B's admittedly self-inflicted vulnerability to get something (causing B to live with the lifelong effects of serious injuries) to which she does not have a right.

If we have reasons to worry about exploitation in cases such as these, where B is under a duty to do what A demands, *a fortiori* we also have reasons to worry when B is not under a duty so to act – in the present context, when Affluenza merely seeks to pursue its own ends by getting Barrenia to rescind policy *P*, even if those ends are not in and of themselves wrongful. Incidentally, note that in some cases, the transaction can be deemed wrongful merely in virtue of the fact that Affluenza itself is responsible for Barrenia's predicament. If, for example, Affluenza has wrongfully made it impossible for Barrenia to find other suppliers or become independent from Affluenza's *G*-holdings, or if it has wrongfully failed to transfer to Barrenia aid to which the latter was entitled (as a result of which it is broke), *Conditional Sale* is unquestionably wrongful. At the bar of the theory of justice that underpins my argument in this paper, given that the rich have been and continue to be consistently derelict in their obligations to the poor, the overwhelming majority of conditional sales are wrongful.

My concern, though, is with wrongful *exploitation* – and so with conditional sales that are wrongfully exploitative. Assume for the sake of argument that Affluenza is not responsible for Barrenia's weak bargaining situation. Under this policy a transaction (T) involves the following: Affluenza will sell *G* to Barrenia at price *p1* only if B adopts policy *Q* (T1), or will sell *G* to Barrenia at price *p100* were Barrenia to continue with policy *P* (T2). To illustrate, in 2010 Russia cut down the price of her gas exports to Ukraine by 30% over a period of ten years, in exchange for an extension of the lease of the naval base at Sebastopol.

Conditional Sale clearly meets the first exploitation condition: under either T1 or T2, Affluenza gets revenues. It meets the second condition in either one of two ways: under T1, when Barrenia is dependent on Affluenza's resources and when it is in such financial straits that it cannot afford to pay *p100*; under T2, when B can pay the higher price but is wholly dependent on Affluenza's resources.

That said, a transaction that meets both the first and the second condition is wrongfully exploitative only if, in addition, its outcome is harmful or unfair to Barrenia and its population. *Ex hypothesi*, Affluenza is not under a duty to give *G* to *Barrenia* – for example, because giving *G* away without a price-condition would be too much of a sacrifice at the bar of justice. The question is whether Affluenza is permitted to sell *G* under either the politics-condition or premium-price-condition without falling foul of the general requirement not to wrongfully exploit someone in need.

Suppose that under T2 Barrenia's financial resources would become so depleted within five years that its population would suffer a dramatic decline in their standard of living, to the point that most of them would no longer lead a flourishing life. Under those circumstances, T2 would be harmful to those citizens, even though, in the very short term, they would be better off for having access to *G*. In this case, T2 is wrongfully exploitative.

Under T1, Barrenia's financial resources would not be depleted to the same extent. But having to adopt policy *Q* might in fact be harmful to its population overall in the medium term. If so, T1 is harmful to them too, and (in so far as it also meets both the first and second exploitation conditions) wrongfully exploitative.

In cases such as these, given that both possible transactions, T1 and T2, are wrongfully exploitative, *Conditional Sale* is wrong. If Affluenza is willing to make *G* available to Barrenia, it should either give it away or sell it at a price that Barrenia can afford. Returning to Ukraine's case, on a plausible reading of Russo-Ukrainian negotiations, Russia's leadership took advantage of Ukrainian citizens' dependence on Russian gas to get those citizens' leaders to agree to a policy inimical to their compatriots' interests – as was clearly shown in 2014 when President Putin used the presence of the Russian Fleet in Sebastopol as both a reason for, and a means to enforce, the annexation of Crimea.

By implication, however, there may well be cases where only T2 or only T1 is harmful to Barrenia. If so, at first sight, Affluenza ought to make the other offer, if it is to make an offer at all. Furthermore, and again by implication and at first sight, if Barrenia merely wants *G*, and does not need it, then Affluenza can impose whatever conditions it wishes, for Barrenia to accept or reject as it wishes.

I say "at first sight," because the outcome of a transaction that is not harmful to Barrenia might nevertheless be unfair to them. When might that happen? When A benefits more than B from the transaction – or so one might think. If so, not all offers of conditional sale would be unfair in this sense (though some might be): It might be more important to Barrenia that it get *G* than to Affluenza to get either the premium price or the lower price combined with policy *Q*.

In any event, even if Affluenza were to benefit more than Barrenia, the charge of unfairness would hold only if it is grounded in a plausible account of when and why inequalities are unfair. On my account of global justice, so long as all individuals wherever they are in the world have prospects for a flourishing life, inequalities are not unjust. Affluenza, thus, would not *wrongfully* exploit Barrenia (though it might be exploiting it *tout court*) by offering a choice between T1 and T2, since Barrenia's citizens would still enjoy prospects for a flourishing life under either transaction.[2]

To recapitulate, I have argued that *Conditional Sale* is wrongfully exploitative only if (a) Affluenza benefits from the transaction and (b) gets Barrenia to agree to the transaction by seizing on a feature of Barrenia's or of its situation such that Barrenia would not agree otherwise; and (c) if the outcome of the transaction is harmful or unfair to Barrenia and its population. As we also saw, even if only conditions (a) and (b) are met, *Conditional Sale* is wrongful so long as Affluenza's policies are responsible for Barrenia's poor bargaining situation. In all other cases, *Conditional Sale* is a legitimate means to get Barrenia to abandon its rightful policy.

COMPLICATING THE PICTURE: CONDITIONAL SALES AND THE PROBLEM OF PRIVATE BUSINESSES

So far, I have assumed that Affluenza owns *G*, and that its government controls its production and sale. Matters are rarely so simple, however. More often than not, privately owned businesses produce, own, and sell export products. By resorting to *Conditional Sale* as a foreign policy tool, Affluenza in effect says to the relevant businesses: "you must sell at *p1* if Barrenia complies with our demands; you can only sell at *p100* if it does not desist." Is that morally problematic?

Perhaps. If Barrenia decides not to transact at all, those businesses will bear the costs and so, ultimately, will (some) citizens. Alternatively, if Barrenia agrees to transact at the low price and to do Affluenza's bidding, those businesses will lose revenues that they might have been able to get had Affluenza not adopted the policy.

Whether Affluenza's regime may so act depends *inter alia* on whether the ends it pursues through *Conditional Sale* are just ends, and if so whether those ends are in the interest of Affluenza's citizens themselves or whether they benefit third parties. On the first count, if the ends are unjust, *Conditional Sale* is unjust – though not because it controls the prices at which private businesses can transact with Barrenia but, rather, because one simply may not act unjustly. In such cases, in other words, there is no difference between the simple picture painted in the previous two sections and the complex picture outlined here.

Suppose now that Affluenza's ends are just, in the sense that the policy that is pursued by Barrenia wrongs Affluenza's citizens. It might be tempting to think that Affluenza's regime may opt for *Conditional Sale*, thereby exposing private businesses and those economically dependent on those businesses to the possibly harmful consequences of income losses, only if it is suitably representative of its citizenry. As I argue elsewhere, although democratic authorization is not required for justly resisting grievous rights-violations, the less serious the wrong-doings at issue, the greater the moral importance of such authorization (Fabre 2012, 150–156). In the present context, thus, *Conditional Sale* does not require democratic authorization if it is a means for the redress of basic rights-violations (in those cases, for example, where there is a just cause for war but where resorting to war would be unjust for breaching the requirement of proportionality); it does require it when the stakes are not as high, and in particular when the policy is considered as a means to pursue mere foreign policy goals.

The same considerations apply if the ends pursued by Affluenza are just in the sense that they benefit third parties – for example, a minority within Barrenia that is oppressed by policy *P*. If Affluenza is not, in this case, under a duty to restrict freedom of trade with Barrenia for the sake of this minority, it may so act only with the authorization of its own citizens, for similar reasons just adduced in the self-defensive case.

But suppose now that Affluenza *is* under a duty to victims of that policy to thwart Barrenia. If so, whether or not *Conditional Sale* is morally justified as a means to do so, notwithstanding the costs accruing to those businesses, does not depend on whether Affluenza's regime is authorized so to act by its citizens. If those costs are within the range of what may be justifiably asked of individuals for the sake of justice, it is appropriate to ask of those businesses that they should shoulder some of the burdens attendant on fighting injustice. If a war of intervention were mandatory in such cases, they (and tax payers generally) would be under a duty to carry the relevant financial burdens through higher taxes, loss of state-provided services, or a combination of both. If so, carrying the burdens of soft humanitarian measures such as *Conditional Sale* via loss of revenues is not in principle unfair – so long as those businesses are appropriately compensated for their losses out of fairly designed general taxation. (For in this way, the overall burden of the policy is spread fairly amongst all members of Affluenza.) Note that my point does not rely on the assumption that those businesses are owned and managed by citizens of Affluenza. In fact, it extends to all businesses operating from Affluenza, irrespective of nationality – in just the same way as all taxpayers within a given country, irrespective of nationality, have to contribute to the financing of domestic and foreign policy.

So much, then, for Affluenza's private economic actors. But what about Barrenia's private businesses, who are in effect told by Affluenza's regime that they will only be able to purchase *G* if their regime does Affluenza's bidding? Do they have a grievance? If it were the case that Affluenza does not owe those agents anything at all, either on the grounds that its duties do not extend beyond its borders, and/or that its freedom to trade as it wishes outweighs any considerations other than the wellbeing of its own members, then Barrenia's private economic actors would not have a grievance. However, on my account of global justice, Affluenza, and its members, do have duties to distant strangers not to deprive the latter of the opportunities for a minimally flourishing life. Granted, Barrenia's private economic actors do have to incur the costs of their regime's refusal to accede to Affluenza's wishes when those costs are morally acceptable. But in just the same way as Affluenza's decision to opt for *Conditional Sale* is constrained by the impact of the policy on Barrenia's civilians under the simplifying assumptions of the previous two sections, so is its decision constrained in this more complex picture.

CONCLUSION

In this chapter, I scrutinized a very specific kind of economic ~~sanctions~~, which consists in an offer to sell subject to satisfaction of both a price-condition and a politics-condition. In its dual conditionality, it is a more complex instrument of foreign policy than either standard economic sanctions or conditional aid. I argued that, depending on the ends pursued by the seller and the nature of the goods under scrutiny, *Conditional Sale* is sometimes morally permissible but also, sometimes, morally preferable to those other forms of economic statecraft.

NOTES

* I am extremely grateful to Elizabeth Ellis, Joy Gordon, Michael Gross, Tamar Meisels, and David Rodin for their comments on an earlier draft of this paper.

1. I am grateful to Elizabeth Ellis and David Rodin for pressing me on this.
2. My point here implies that the super-rich cannot wrongfully exploit the medium-rich (at least so long as the inequalities between them are not the product of an injustice.) This may seem counter-intuitive, yet I do think that this is correct.