

Sovereign Wealth Funds and Global Justice

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Dozens of countries have established sovereign wealth funds (SWFs) in the last decade or so, in the majority of cases employing those funds to manage the large revenues gained from selling resources such as oil and gas on a tide of rapidly rising commodity prices. Rather than using those revenues for day-to-day government expenditure, sovereign wealth funds ring-fence them for longer-term investments or to smooth expenditure over time in the light of impending pension crises. In building diverse portfolios on international stock and real estate markets, states also reduce their vulnerability to fluctuating exchange rates, volatile commodity prices, or the likely exhaustion of natural resource supplies in the decades to come.

The existence and activities of such funds, however, have prompted a number of ethical discussions: how should SWFs be organized in order to ensure that their governance is at least minimally legitimate?¹ Should fund managers avoid investing in ecologically-damaging or otherwise dubious industries overseas? When foreign SWFs provide much-needed sources of investment for countries such as the United States, should this raise concerns about national security and political independence?² And though they have received far less attention to date, there are equally important questions about what these funds are *for*—about how the money in SWFs should eventually be distributed, and to whom. Some funds, as in the well-known Alaskan example, have been used to generate a (modest) basic income for all citizens. A few others are intended to ease shortfalls in pension entitlements. These cases, though, are rather exceptional.³ Most SWFs, rather than ameliorating inequalities or subsidizing the consumption of the poor, for example, are intended to finance unspecified future infrastructure projects, or, in some high-profile cases, to finance prestige projects for ruling families.⁴

Insofar as ethical debates have begun to touch on how the assets of such funds should be distributed, they have tended to ask how these should be distributed *internally*, to citizens of the countries in question. Sovereign wealth funds are the creation of sovereigns, after all, and we might think that the first duty of a sovereign is to its people.⁵ What, though, of the claims of *global* justice?⁶ The money in the bulk of these SWFs is derived from selling natural resources, usually of the petrochemical variety. But the distribution of natural resources has frequently been thought to raise issues of global justice. Isn't the distribution of natural resource wealth across the globe simply arbitrary, from a moral point of view? Is it *just* that some communities should be so hugely advantaged simply because they have plentiful supplies of valuable resources? Would the proceeds of these funds not be better used to attack global poverty, or to reduce global inequalities?⁷

Discussions of SWFs within the field of international political economy do not address their potential to help ameliorate global injustice. Theorists of global justice, for their part, have not yet turned their attention to the significance of SWFs as vehicles of natural resource wealth—wealth that might be vulnerable to calls for redistribution. This article seeks to remedy that mutual neglect. In the first section I provide a brief overview of one of the world's largest SWFs, established by the Norwegian government. There are two reasons for focusing on the Norwegian case. First, Norway is one of the wealthiest countries in the world, and this fact accentuates the tension between pursuing goals of national and global justice. For a poorer country to use proceeds from a fund to ease domestic poverty might be less objectionable from the point of view of global justice. Second, Norway's SWF is frequently held up as the world's leading example of good practice in terms of both its transparency⁸ and its ethical investment strategy.⁹ It has even been criticized for placing *too much* emphasis on procedural justice and ethical investment at the expense of long-term performance.¹⁰ If Norway's SWF has moral faults, it is not on *those* grounds, but rather on grounds of global justice. All of these ethical achievements would be less impressive, I suggest, if Norwegians were not *fully entitled* to the revenues contained in their SWF in the first place.

SAVING FOR THE FUTURE

Norway's SWF, formally called the Norwegian Government Pension Fund (Global) was established in 1990 to collect various proceeds from Norwegian petroleum sales. Norway has large reserves offshore on the Norwegian Continental

Shelf, located primarily in the North Sea. It currently produces approximately two million barrels of petroleum per day, the vast majority of it in the form of crude oil. In Europe, its production of crude oil and natural gas is matched only by Russia.¹¹ The Norwegian government claims ownership of all petroleum resources under its Continental Shelf, and the fund therefore accrues revenues from taxing Norwegian oil companies, selling exploration rights, and from profits derived from Statoil, an oil and gas company partly owned by the state. By law, the fund is governed on behalf of Norway's Ministry of Finance by Norges Bank Investment Management, a specialized division of the Norwegian Central Bank. Despite its title, the fund does not hold pension funds but, principally, general stocks bought with petroleum revenues—all of them in foreign currencies—with a smaller proportion of its assets comprised of overseas real estate holdings.

The fund is the second-largest SWF in the world, second only to the Abu Dhabi Investment Authority, which it is expected to outstrip in coming decades. As of the last quarter of 2012, its value was 3,723 billion Norwegian Krone (\$672 billion), and it is expected to almost double by the end of this decade.¹² The fund's performance has not always been stellar, precisely since its Council on Ethics holds to firm principles of accountability and ethical investing.¹³ Nevertheless, it now holds a little over 1 percent of the total value of the global equity markets.

Successive Norwegian administrations have affirmed their intention to preserve the fund for the future, and to use it to smooth out vulnerability to fluctuating commodity prices and foreign exchange rates. It is, moreover, feared that immediately spending the revenues from petroleum sales would fuel rapid inflation, and result in an unfavorable exchange rate that would then damage other native industries. Leveling the expenditure of petroleum revenues over the long term should avoid such problems. A fiscal rule dictates that no more than 4 percent of the returns on the fund should be used for government expenditure in any given year. Further, the fund managers have been unusually vigilant in avoiding investment in companies associated with human rights abuses, companies that are involved in the arms trade, and those associated with harmful effects on the environment.¹⁴ It has also shown a degree of interest, as befits a fund that derives its wealth from fossil fuel production, in encouraging environmentally-friendly business practices.¹⁵

But the fund has also shown an unusually explicit concern with issues of distributive justice. Its declared concern is to ensure that future generations of

Norwegians are able to enjoy the same very high standard of living as the Norwegians of the present. Although the final form of its expenditure has yet to be decided—and the details are the subject of ongoing political debate—there is broad consensus that the priority should be insulating Norway’s aging population from the looming pension crises facing many mature welfare states. Thus, the fund’s otherwise puzzling title.

But from the moral point of view, do the Norwegian people have a *claim* to its wealth? The idea that Norwegians in thirty or fifty years’ time ought to enjoy standards of living that Norwegians presently do, and that current generations should not fritter away the windfall of North Sea gas and oil, sounds like an admirable one. However, it would presumably be considerably less admirable if this project of intergenerational justice is bankrolled by using resource wealth to which Norwegians have weak or nonexistent claims.

WHOSE RESOURCES ARE THEY?

The argument that the distribution of natural resources is morally arbitrary is commonplace in the literature on global justice, but it is a little too quick. It tells us, in effect, that since no one created natural resources (which is, for many, precisely why we *define* them as natural resources¹⁶), and since no one did anything to bring about their haphazard allocation across the globe, then no one has any special claims on them. Our claims on them must, to the contrary, be symmetrical.

But even if it is the case that particular communities have not created natural resources, this does not establish that communities have done nothing to generate special claims over them in the real world. Imagine that two communities began with equal shares of coal, but one community has frivolously burned up its own share. The current distribution between the two communities then begins to appear something *other* than purely arbitrary. Even if communities have not created their resources, they may have conserved or protected them, or indeed labored over them in ways that have made them more valuable. Others, to the contrary, may have squandered, neglected, or degraded theirs. Consider, alternatively, that a particular resource holds a special cultural or symbolic significance for a community, such as the significance of Uluru/Ayers Rock for aboriginal Australians. Are theorists of justice too quick to treat natural resources as

interchangeable goods to be distributed between us all, or should we accept that some agents have claims on *particular* resources?

I suggest that there are three reasons why we might believe that any given agent—which could in principle mean an individual or a community—has a special claim over particular natural resources. First, it might be the case that it has done something to significantly increase the value of this resource. In some cases, a resource would not be the resource it is—or at least its economic value would be lower—unless a particular agent had acted on it by excavating it, refining it, or otherwise transforming it. When this is the case, it produces what we can call a *special claim from improvement*. Second, someone might have formed central life-plans or projects that are dependent upon secure and continuing access to a particular resource. Think of Hindus devoted to scattering the ashes of their dead on the Ganges River, for example. For them, no other water can be substituted; it is *that* water that has special significance, and that they desire continued access to. Where this is the case, it produces what we can call a *special claim from attachment*. Third—and this argument especially applies to collectives such as states or indigenous communities—it might be the case that *without* control over a particular resource or set of resources a community would no longer be able to exercise effective self-determination. And if we have reason to value collective self-determination, we will have reason, in turn, to allow at least some communities to control at least some of their resources.

Any or all of these three arguments could potentially give us reason to reserve rights over particular resources for specific individuals or communities. Those reasons would then need to be balanced against—and might plausibly constrain—the broader claims of global justice that focus on the symmetrical general claims that all of us have on natural resources. The question that concerns us in this section, though, is whether any of these arguments apply to the case of Norway's SWF, such that they might override calls for global redistribution.

Improvement

Some nationalist theorists—including, most prominently, David Miller—have suggested that individual nations might deserve (at least some of) their resource wealth if they have, as a community, labored over their resources and, in so doing, increased their value.¹⁷ One obvious way of improving resources would be to change their properties so as to make them more useful for agriculture, industry, or energy production. Raw materials might be smelted, hardened, or

purified; and because of the greater usefulness of these products after these procedures, they might command higher prices. To count as improvements, we expect any such activities to result in increases in market value. Thus, since extracting or transporting resources can also lead to increases in economic value, such activities are also plausible sources of special claims. This might provide a basis for Norway to claim exclusive ownership of the money contained within its SWF. For instance, the market value of refined petroleum products, such as gasoline and kerosene, is notably higher than that of crude oil. And Norwegian companies refine much of their own crude oil before selling it on global markets. Even where petroleum is sold in its unrefined state, Norwegian companies may have sunk considerable money into locating, extracting, and transporting it. Surely, one could argue, this generates a rather strong claim on the proceeds.

Within the literature on global justice there has been considerable debate on how such claims should be limited. For instance, is it just for agents to appropriate, improve, and potentially sell whatever resources they can get their hands on? What about others who are less quick to appropriate? Or should we observe some kind of constraint or proviso on appropriation? One view is that we ought not to appropriate so many natural resources that we leave others unable to meet their basic needs.¹⁸ Another is that whenever we appropriate a greater than equal share, we owe others compensation.¹⁹

But we do not, in fact, need to settle this thorny question, because it is less than certain that an outstanding claim from improvement exists in the first place in the Norwegian case. Consider just what a claim from improvement is a claim *to*. I believe the most persuasive answer is that when an agent increases the market value of a resource, that agent generates an entitlement to *that increased value*. If a quantity of crude oil is worth \$10 but after I extract, transport, and refine it the oil is worth \$15, then it is plausible to suggest that what I have earned a claim over is the additional \$5 of value. Whereas I did nothing to create the original \$10 of value, the increased value is in some important sense attributable to my actions. That, in any case, is the claim made by Miller, as well as by several contemporary scholars of Locke, and I suggest that it is a plausible one.²⁰ In a reasonably competitive market with multiple buyers and sellers, economic theory tells us we can assume that allowing me to retain \$5 will see me recouping the marginal costs of production plus normal profits. The components of refined oil prices will represent crude oil prices (in practice, comprising roughly two-thirds of total refined oil prices), plus

the costs of discovery, extraction, refining, and transportation. Of course, in reality there may be a third component of prices. In practice, markets may be *uncompetitive* in the sense that a few sellers artificially restrict supply, driving up commodity prices and thereby gaining what economists call “scarcity rents” in the process. Perhaps crude oil costs \$10, total costs are \$5, but sellers hold out for a price of \$25, thereby achieving “rents” of \$10. World oil markets have frequently exhibited such behavior. But economists and political philosophers have tended to agree that such scarcity rents are inefficient, unearned, and ideal targets for taxation.

Recall now that the money diverted into the Norwegian fund has two sources. In one case, revenue streams are gained when Norway sells exploration rights over its nonimproved crude oil. In this scenario it is not easy to see how any improvement-based claim exists, because the Norwegian state or the Norwegian people have done nothing to improve that oil. They have simply sold pieces of paper allowing *others* to improve and sell that oil. In practice, of course, doing so may lead Norway to incur costs that it would be reasonable for it to recoup: for example, even allowing others to locate and extract oil might require Norway to undertake health and safety precautions, to minimize or absorb some environmental risks, and so on. But even if Norway was allowed to recoup those costs, it would be left with a very large profit on a deal that it is hard to justify on the basis of improvement. On the other hand, large sums of money are also raised by taxing the very large profits currently made by Norwegian oil companies. But these very large profits are, essentially, scarcity rents. They represent the money left *after* the costs of exploration, extraction, transportation, and, if applicable, refining are recouped. As such, there is no good moral claim on them *either*. That is precisely why Norway has seen fit to tax such large and “abnormal” profits, and in so doing to share that wealth with the Norwegian people. But why should the Norwegian people be the sole recipients of such revenues? The argument from improvement does not provide an answer to that question.

Attachment

Sometimes access to natural resources is crucial to projects that are deeply important to people, and indeed to the way in which they understand their own identities. If I consider myself a fisherman first and foremost but am deprived of access to fish, a project that is crucial to my life is disrupted and before long I will experience a kind of dissonance in believing myself to be a fisherman but not, in fact, fishing. If we have reasons of justice to take seriously the projects that people

are most deeply invested in—and a number of accounts of justice do offer us such reasons—we have a reason to favor allowing continued access to natural resources to which people are attached. This may provide a further reason for granting resource rights to communities such as nations. On David Miller's account, nations do not only labor physically over their resources, thereby increasing their economic value. They also incorporate them into their national projects, imaginations, and histories so that some *particular* resources come to be crucial props for communal identification and come to have great *symbolic* value to them. Where this happens, we have a reason to allow such communities to continue to control the resources in question.²¹ Crucially, we ought to consider such claims where the attachment is to a particular token of a resource—not to trees in general, for instance, but to a *certain group* of trees; not to water in general, but to the water in *a particular* river. What we are looking to ground, in attachment-based accounts, are rights over particular rather than generic resources, and to do so we need an argument about why particular rather than generic resources are necessary for an important project to come to fruition.

Attachment-based claims are perfectly coherent, and good examples of such attachment are available, giving us reason to endorse the granting of resource rights to members of some communities. Such claims may not establish that people are entitled to *more* resources than others, but they may provide an answer to the question of *which* resources they are entitled to. Some communities are deeply attached to resources (or to the integrity of the land they are contained in), and sending outsiders to mine these resources would rob them of something they value and disrupt or destroy projects to which they are deeply committed. Egalitarians therefore need a method for accommodating those attachments (a method which I provide elsewhere).²²

Might attachment provide a reason why Norwegians should be able to retain the assets contained in the fund? That seems highly unlikely. It might well be that Norwegians are attached to the petroleum contained off their western coast; we can afford to remain neutral on that. But the fund is not made up of petroleum—it is composed of the proceeds of *selling* petroleum to the highest bidder. If that petroleum was so nonsubstitutably important to Norwegians, why would they sell it in the first place? Avery Kolers has recently suggested that there is a strong claim to control resources—indeed to disregard any countervailing claims of global justice—wherever those resources are not being treated as mere commodities.²³ But since Norway has already decided to extract, transform,

and sell its petroleum, such an argument cannot be applied in this case. It *is* treating its petroleum as a mere commodity, a source of revenue alone.

It is perfectly plausible, of course, that the Norwegian people have structured their plans and expectations around control over the *money* in the fund. Perhaps the fund will allow Norwegians to more securely pursue projects to which they are broadly committed—in particular, the pursuit of a variety of (moderate) social democracy that avoids the excesses of the Anglo-American model, and which might allow Norwegians to enjoy pursuits they are deeply attached to individually. But it is not clear that money is the kind of thing one can become attached to in the sense required to generate a special claim, as opposed to a general one. In supporting these Norwegian projects, *any* money would do, not only *this* money. Many other communities, for that matter, would be very pleased to have such funds at their disposal. Thus, we still lack a reason why Norwegians should possess a special entitlement to the money in the fund.

Self-determination

The argument regarding self-determination is rather different than the first two. It suggests that regardless of whether states have either improved or become attached to specific resources, we should grant them control over their natural resources *if* we are committed to the idea of national self-determination. As Margaret Moore suggests, it is hard to see how any community could be properly self-determining if it does not have the authority to make decisions about how resources can or cannot be used, exploited, and so on.²⁴ And international law does indeed grant individual states “permanent sovereignty” over the natural resources contained within their territories on something like this basis.²⁵

Invoking self-determination cannot, of course, be a conversation-stopper. We need to know *why* self-determination is valuable; and if we are persuaded that it is valuable, we will need more detail on just how much control over how many resources it truly demands. Self-determination cannot, presumably, mean that communities can use their resources in just any way they please, regardless of the ecological consequences. Moreover, if one community controlled all of the world’s resources while other communities went starving, a mere appeal to the value of self-determination would not be sufficient. Why, then, is self-determination valuable, and how much does it truly demand by way of resource control? The best available defense of territorial rights on the part of individual nation-states is probably the “functionalist” argument, which states that we should

value self-determination because self-determining communities are able to protect the basic rights of their citizens.²⁶ If there were no political communities capable of preserving order and securing minimal services, our basic rights would be seriously threatened. But to deliver those minimal services, some measure of control over the natural resources within a state's borders appears to be necessary. For instance, it is hard to see how a state could secure the basic rights of its citizens without access to fresh water.

What is striking about this argument, however, is that it demands relatively *little* in the way of resource control. It appears to demand control over resources whenever those are necessary to secure basic rights, but to have no particular implications for natural resources that are “surplus” to this task. Many nation-states—including Norway—are already very effective at securing the basic rights of their citizens, and clearly possess resource wealth above and beyond what is required to protect them. The functionalist argument gives us no particular reason to leave control over such resources with local states. Indeed, if what fundamentally matters (and what drives the concern with self-determination in the first place) is that people's basic rights are secured, it may make sense to use such surpluses to help states that currently *struggle* to meet the basic rights of their citizens.²⁷

But even if control over a surplus of resources is not necessary for self-determining states to perform their core functions, the right to self-determination might still be violated if outsiders simply crossed into Norwegian territory in order to reappropriate resources. Imagine a United Nations Natural Resources Task Force descending on Norwegian territory with helicopters and siphoning off some of its oil for use in other parts of the world. Would we not say that Norway's right to self-determination was seriously disrupted? Should it not be the decision of the Norwegians whether, when, and under what conditions to make use of its oil? Is there any way in which Norway's hand could be forced without seriously impairing its ability to make its own decisions, and even to protect its territorial integrity? Of course, the location of the petroleum in question, many miles off the Norwegian coast, might do something to alleviate concerns about territorial incursions.²⁸ But there will be cases in other states where oil is buried underground, in which the worry would re-emerge.

That said, we should not allow this concern to lead us to exaggerate the tension between self-determination and global justice. There are, after all, many ways of sharing the benefits arising from natural resources without actually removing those resources. For instance, when theorists of climate justice debate how

much greenhouse gas each country should be able to emit, one of the things they are doing is dividing up rights to make use of carbon sinks, such as the tropical rainforests, which are contained within particular nation-states. Making use of those sinks does not require incursions onto the territory of those states. On the topic of oil, we could simply say that whenever it is that a country *decides* to raise money from its oil—whether by selling it or selling rights to it—it should *then* pay a global tax. Significantly, in the Norwegian SWF case what is at issue is not whether Norway or anyone else should extract or sell its oil. Norway is *already* extracting and selling its oil on global commodity markets. The question is simply whether Norway should, as a matter of justice, then share the *income* derived from selling those resources. Since the basic rights of Norwegians are not at stake, and neither is its territorial integrity, concern for Norway’s self-determination as a community does not give us reasonable grounds for resisting the conclusion that it should share the money flowing into its fund.

The claim that the distribution of natural resource wealth is morally arbitrary and that there is nothing much from the point of view of justice to be said in favor of leaving resources where they are is unpersuasive. It has become apparent in recent years that there *are* cases where leaving resources put makes moral sense, as in cases where indigenous communities have developed central and long-standing traditions of herding wild animals. But the Norwegian case does not appear to be one of them. On closer analysis, it actually represents a relatively straightforward case for advocates of redistribution in the interests of global justice. The three arguments considered above fail, in this case at least, to support local claims. In the absence of good arguments to the contrary, we therefore have every reason to consider the redistribution of the resources contained in the Norwegian fund to be both plausible and desirable.

SOVEREIGN WEALTH FUNDS AND GLOBAL JUSTICE

My goal in this article has been to connect recent discussions of sovereign wealth funds with debates on global justice. There are many potential targets for principles of global justice, and conceivably justice at the global level might best be served by a rather complex web of tax-and-spend schemes. According to various commentators, these might include taxes on financial transactions, or environmental harms, or even political membership.²⁹ But the wealth contained in SWFs, I have suggested, bears examination in the same category. Theorists of

global justice ought therefore to pay attention to their potential to fund progress toward global justice. At the same time, those interested in the role of SWFs in the contemporary economy should widen their discussions of the ethical implications of such funds, and begin to debate their potential to deliver on projects of global, and not purely national, justice.

Even if we were to tax the wealth contained in at least some SWFs in the interests of global justice, different accounts of global justice will diverge on the question of how the proceeds can best be spent. Should we target the revenues at eradicating severe poverty, as Thomas Pogge would have it? Pogge has endorsed the taxation of natural resources at the point of extraction, but the argument I have presented here suggests that supporters of Pogge's view would do well to (also) examine the potential of SWFs to assist in poverty alleviation. Strikingly, the Norwegian fund contains roughly double the annual amount of money that Pogge reckons necessary to eradicate severe poverty worldwide.³⁰ My own view is that we should set our sights even higher, and try to minimize global inequalities. Taxing wealth derived from natural resource sales—including the money contained in many SWFs—offers one means of doing so. A fuller defense of that view would be the subject of another article.

There is also a question about how widely the lessons drawn from the Norwegian case can be generalized. My own belief is that the same conclusions will follow for other wealthy countries. In the case of poor countries that happen to be resource-rich, global justice might recommend that we leave revenues where they are, *if* doing so proved to be an effective means of tackling serious poverty. But this is a large *if*, since many resource-rich but otherwise poor countries have proven very ineffective at using the proceeds of natural resource sales to seriously attack domestic poverty. That is one important lesson of Leif Wenar's recent work on the international resource trade.³¹ But Wenar's suggestion is that we cease to trade with illegitimate regimes seeking to sell natural resources from under the noses of their citizens. His account is silent on the question of how the funds *already* gained from this morally repugnant trade should be governed or disbursed between citizens. This is a question on which we urgently need guidance. Most likely, even if we favor the use of these particular SWFs to tackle domestic poverty, there is a strong argument for independent, transparent, and accountable governance of such SWFs; accurate public reporting of resource revenues; and mission-statements aimed much more clearly at spreading the wealth derived from natural resources.

As for the many natural resource-derived funds that are managed on behalf of wealthier countries, there is a clear argument in favor of using some form of global taxation in order to better share their wealth. My goal is not to provide an account of how, institutionally, any such taxation scheme should be organized. But I will briefly point to some ways in which the revenues derived from such taxation might be best spent. There is considerable resistance from those currently tasked with managing SWFs to disbursing their assets to individual citizens, because of a fear that dividends will simply be “blown” on short-term consumption rather than employed for long-term investment. Similarly, we might expect resistance to the idea that money should be spent by way of simple transfers to the global poor.³² At the global level, we might also fear that money remitted to poorly-governed and imperfectly democratic countries would be misspent, exacerbating the “resource curse” to which many of these countries are already often subject. This concern, of course, provides no objection to using those assets in the interest of global rather than domestic justice. If it is a valid concern, it counsels us to use these funds to sustain longer-term investment programs *both* domestically and globally. There are, in fact, a number of global infrastructure projects that could provide appropriate targets for such money.

There is no particular reason why these projects should be connected with natural resources, and money could no doubt usefully be spent on developing educational infrastructure in developing countries, enhancing the provision of health care, or combating tropical diseases or HIV. But there are also a number of projects more closely connected with natural resources that could help enhance local capacity, resource conservation, and long-term economic development. Money could be spent, for instance, on developing greater capacity to harness rainwater and hence to reduce dependence on unsustainable forms of irrigation in agriculture. It could be spent on developing (and spreading) green technologies to reduce the dependence of emerging economies on fossil fuel use. Additionally, it could be spent on funding the protection of terrestrial carbon sinks, such as rainforests. I have argued elsewhere that there is a pressing claim of global justice that the costs (including the opportunity costs) of protecting rainforests should be shared by all states and not borne solely by those who happen to have rainforests within their territories, and who are therefore asked to sacrifice their own economic development in the (broader) interests of climate security.³³ If we believe that countries with rainforests should refrain from cutting them down (and we may well be right to demand this), we should be prepared to investigate

opportunities for spreading the costs of such sacrifices more fairly. Taxing natural resource-based SWFs would provide an excellent source for the major flows of revenue that would be required to make such “payments for protection.”

Though I have singled out Norway’s fund as an example of the kind of SWF that theorists of global justice should devote more attention to, the point is not that we should simply raid Norway’s fund alone to tackle global injustices, however pressing those goals might be. There are two reasons for being skeptical about that idea. First, we might believe that Norwegians would only be obliged to give away their money if they knew that others would be targeted in the same way. It is an issue of considerable controversy within normative theory whether agents have a duty to “take up the slack” when it comes to justice, that is, to take additional duties upon themselves to make up for the inaction of others.³⁴ Second, we might consider that Norway has developed legitimate expectations to use the money contained in its fund, given that there has been no scheme in place for taxing SWFs up to now.³⁵

But even if it may be unfair to require Norway to give its money away in the absence of similar actions from others, we might still agree that it would be *desirable* if they did, and we might also agree that it is perfectly legitimate for theorists of global justice to try to persuade them to place more emphasis on global, and not solely national, justice priorities. As noted earlier, the Norwegian fund, unusually among SWFs, has already made some tentative steps in the direction of global justice, in seeking to steer some investment toward green technologies and to encourage corporate ecological responsibility. Nonetheless, we might try to encourage the fund’s organizing council to be even bolder in funding projects where the expected returns are far from optimal. Even if schemes for taxing SWFs are unlikely to come to fruition in the near future, making a significant contribution toward the development of green technologies and subsidizing their introduction in developing countries would be *one* way in which the activities of Norway’s fund—or indeed any fund—could be made more compatible with goals of global justice.

NOTES

¹ See Ashby Monk, “Recasting the Sovereign Wealth Fund Debate: Trust, Legitimacy and Governance,” *New Political Economy* 14, no. 4 (2009), pp. 451–68; Edwin Truman, “Sovereign Wealth Funds: the Need for More Accountability and Transparency,” *Peterson Institute Policy Brief* (August 2007).

² Amy Keller, “Sovereign Wealth Funds: Trustworthy Investors or Vehicles of Strategic Ambition?” *Georgetown Journal of Law and Public Policy* 7, no. 1 (2009), pp. 333–72.

³ Angela Cummine, “Overcoming Dividend Skepticism: Why the World’s Sovereign Wealth Funds Are Not Paying Basic Income Dividends,” *Basic Income Studies* 6, no. 1 (2011), pp. 1–17.

- ⁴ Witness, for instance, the 2011 acquisition of the Paris Saint-Germain football franchise by the Qatar Investment Authority.
- ⁵ Ronald Dworkin, *Sovereign Virtue: the Theory and Practice of Equality* (London: Harvard University Press, 2000).
- ⁶ There is considerable controversy, of course, about whether we owe duties of distributive justice to people outside our own communities, and of what type. This paper is primarily targeted at those who believe we do have such duties. But for an overview of the relevant positions—defended both by those convinced that we have stringent duties of global justice, and those who are skeptical about their existence—see Chris Armstrong, *Global Distributive Justice: An Introduction* (Cambridge: Cambridge University Press, 2012).
- ⁷ Charles Beitz, *Political Theory and International Relations* (Princeton, N.J.: Princeton University Press, 1979); Thomas Pogge, *World Poverty and Human Rights* (Cambridge: Polity, 2002); Mathias Risse, *On Global Justice* (Princeton, N.J.: Princeton University Press, 2012). Hillel Steiner also defends a global tax on natural resources, to be paid wherever anyone appropriates an above per capita equal share. Steiner, “Just Taxation and International Redistribution,” in Ian Shapiro and Lea Brilmayer, eds., *Global Justice* (New York: New York University Press, 1999), pp. 171–91.
- ⁸ Mehmet Caner and Thomas Grennes, “Sovereign Wealth Funds: the Norwegian Experience,” *The World Economy* 33, no. 4 (2010), pp. 597–614.
- ⁹ Kristin Halvorsen, “Norway’s sovereign fund sets an ethical example,” *Financial Times*, February 14, 2008; Simon Chesterman, “The Turn to Ethics: Disinvestment from Multinational Corporations for Human Rights Violations—The Case of Norway’s Sovereign Wealth Fund,” *American University International Law Review* 23, no. 3 (2007), pp. 577–616.
- ¹⁰ Gordon Clark and Ashby Monk, “The Norwegian Government Pension Fund: Ethics over Efficiency,” *Rotman International Journal of Pension Management* 3, no. 1 (2010), pp. 14–19.
- ¹¹ U.S. Energy Information Administration, “Norway: Analysis,” accessed February 14, 2013, www.eia.gov/countries/cab.cfm?fips=NO.
- ¹² According to the Norges Bank’s own calculations: see the website of Norges Bank Investment Management, www.nbim.no/en/About-us/Government-Pension-Fund-Global/.
- ¹³ See the website of the Council on Ethics, www.regjeringen.no/en/sub/styrer-rad-utvalg/ethics_council.html?id=434879.
- ¹⁴ Chesterman, “The Turn to Ethics.”
- ¹⁵ Danyel Reiche, “Sovereign Wealth Funds as a New Instrument of Climate Protection Policy?” *Wuppertal Institute for Climate, Environment and Energy Working Paper* 173e (December 2008). As Reiche notes, the Fund has not only disinvested in companies with poor environmental records, but sought to exert pressure on companies campaigning against environmental protection legislation in countries like the United States. Its leverage in this regard is attenuated by its policy of not holding more than 10 percent of the equity of any company.
- ¹⁶ Risse, *On Global Justice*.
- ¹⁷ David Miller, *National Responsibility and Global Justice* (Oxford: Oxford University Press, 2007), at pp. 217–18. Miller’s argument here applies explicitly to rights over land, but he extends the argument to cover natural resources in his paper “Territorial Rights: Concept and Justification,” *Political Studies* 60, no. 2 (2012), pp. 252–68.
- ¹⁸ Risse, *On Global Justice*.
- ¹⁹ Hillel Steiner, *An Essay on Rights* (Oxford: Blackwell, 1994).
- ²⁰ Miller, *National Responsibility*, p. 218. For a Lockean analysis, see, e.g., Gopal Sreenivasan, *The Limits of Lockean Rights in Property* (Oxford: Oxford University Press, 1995).
- ²¹ Miller, *National Responsibility*, at pp. 218–19.
- ²² See Chris Armstrong, “Justice and Attachment to Natural Resources,” *Journal of Political Philosophy* (2013, OnlineEarly).
- ²³ Avery Kolers, “Justice, Territory and Natural Resources,” *Political Studies* 60, no. 2 (2012), pp. 269–86. I critically examine Kolers’s account in Chris Armstrong, “Resources, Rights and Global Justice: A Response to Kolers,” *Political Studies* (2013, OnlineEarly).
- ²⁴ Margaret Moore, “Natural Resources, Territorial Right, and Global Distributive Justice,” *Political Theory* 40, no. 1 (2012), pp. 84–107, at p. 88.
- ²⁵ Within the International Covenant on Civil and Political Rights, for instance, the clause on “permanent sovereignty” over natural resources is contained within Article 1, which concerns self-determination. See www.ohchr.org/en/professionalinterest/pages/ccpr.aspx.
- ²⁶ For a functionalist defense of territorial rights, see Anna Stilz, “Nations, States and Territory,” *Ethics* 121, no. 3 (2011), pp. 572–601.

- ²⁷ It may matter morally, of course, just why they struggle. On some accounts, if a community culpably failed to meet the basic rights of its citizens even after being given assistance from overseas, then the obligation to continue to provide such assistance might diminish. For two influential discussions of the grounds and limits of outsiders' duties to help poor communities meet their citizens' basic rights, see John Rawls, *The Law of Peoples with "The Idea of Public Reason Revisited"* (Cambridge, Mass.: Harvard University Press, 1999), and David Miller, *National Responsibility*, ch. 9.
- ²⁸ See also Christopher Heath Wellman, "Political Legitimacy and Territorial Rights" (unpublished manuscript, p. 25).
- ²⁹ For an overview of such proposals, see Chris Armstrong, "Proposals for Distributive Institutions," in Darrel Moellendorf and Heather Widdows, eds., *Acumen Handbook on Global Ethics* (Durham: Acumen, forthcoming 2014).
- ³⁰ Pogge, *World Poverty and Human Rights*.
- ³¹ Leif Wenar, "Clean Trade in Natural Resources," *Ethics & International Affairs* 25, no. 1 (2011), pp. 27–39.
- ³² Cummine, "Overcoming Dividend Skepticism," at pp. 4–8.
- ³³ See Chris Armstrong, "Sharing the Costs of Rainforest Protection" (unpublished manuscript).
- ³⁴ For a skeptical view about duties to take up the slack, see David Miller, "Taking Up the Slack? Responsibility and Justice in Situations of Partial Compliance," in Carl Knight and Zofia Stemplowska, eds., *Responsibility and Distributive Justice* (Oxford: Oxford University Press, 2011), pp. 230–45. For a view that there can be such duties, see Zofia Stemplowska, "Doing More Than One's Fair Share" (unpublished manuscript).
- ³⁵ A claim based on legitimate expectations might resemble an argument from attachment, but it would be different in form because—as I suggested in section two—attachment-based claims are claims to particular tokens or a resource, and not to fungible or substitutable goods like money.