

Free-Market Molotov

Like aspirin for a headache or a Bloody Mary for a hang-over, there is a patented Republican supply-side prescription for progress in emerging nations: the cocktail

of democracy and free markets.

If only we plant both in Mesopotamia, runs the argument, Iraqis will give up their old ways to become friends of America and partners in the Global Economy. This is the thinking behind the U.S. effort to recreate Iraq in our own image and the Bush commitment to “world democratic revolution.”

But is the hope misplaced? Is there a possibility, or a probability, that a sudden introduction of democracy in Iraq will rather ignite a bloody struggle for power and wealth by Iraq’s dispossessed majority?

That is exactly what we may expect, writes Yale professor Amy Chua, author of *World on Fire: How Exporting Free-Market Democracy Breeds Ethnic Hatred and Global Instability*. The professor stands on the rock-hard ground of 20th century history.

During the 1980s and 1990s, when General Suharto introduced free-market reforms in Indonesia, the Chinese, 3 percent of the population, took control of 70 percent of the private economy. Every billionaire was Chinese. And when the people of Indonesia “ousted General Suharto in 1998, the poor majority rose up against the Chinese minority and against markets.”

Writes Chua: “The democratic elections that abruptly followed 30 years of autocratic rule were rife with ethnic scape-goating by indigenous politicians and calls for the confiscation of Chinese wealth.”

“In May 1998, Indonesian mobs swarmed through the streets of Jakarta, looting and torching more than 5,000

ethnic Chinese shops and homes. A hundred and fifty Chinese women were gang-raped and more than 2,000 people died. In the months that followed, anti-Chinese hate-mongering and violence spread throughout Indonesia’s cities. The explosion of rage can be traced to an unlikely source: the unrestrained combination of democracy and free markets.”

In the developing world, writes Professor Chua, there are larger masses of poor than in the West. In these countries there are often found “market-dominant minorities,” i.e., small racial, ethnic, or religious groups whose economic success makes them objects of a seething envy.

A sudden introduction of democracy will invite demagogues seeking power to appeal to the resentment and hatred of the tiny ethnic group by promising to confiscate its goods and property.

This has happened to the “overseas Chinese” in Indonesia and the Philippines and to the Indians of East Africa. The Hutu massacres of the Tutsis are traceable to the economic success of the latter under colonialism and the sudden introduction of popular-populist rule in the 1990s.

In Zimbabwe, “Comrade Bob” Mugabe maintains his hold on power with his anti-white demagoguery and seizures of the land of white farmers, a tiny minority that produces most of the nation’s cash crops for export.

The same has begun to happen in South Africa. In Bolivia and Ecuador, populists have taken power by pandering to the Amerindian resentment of “pro-gringo” and pro-market leaders.

Chua believes that one reason

Russia’s President Putin has attacked and dispossessed the oligarchs Boris Berezovsky, Vladimir Gusinsky, and Mikhail Khodorkovsky is that they are Jewish, and there is a well of anti-Semitism among Russia’s newly destitute. The more one reflects on Chua’s examples, the more her point seems obvious.

In our own urban riots in the 1960s, small shopkeepers put up “black-owned” signs in their windows to prevent arson and looting. In the Los Angeles riots of 1992, Hispanic illegals joined attacks on Koreans. In “Do the Right Thing” by Spike Lee, there are scenes of unemployed black men grumbling contempt at the Korean grocer.

Professor Chua believes an analogous dynamic is playing out in the world. Many people of color now see whites as an exploitative “market-dominant minority,” one-sixth of the world’s population possessing two-thirds of its wealth. Thus the rage and resentment directed at America at that UN conference on racism in South Africa in 2001.

Today, Chua warns about a too rapid introduction of one-person, one-vote democracy and free markets in Iraq. There the Shi’ites, 60 percent of the population, see themselves as not only having been persecuted for their faith but also denied their fair share of Iraq’s wealth.

Given political power, Professor Chua suggests, they may demand a massive redistribution of that wealth. And if they have taken power democratically, who and what will deny them? Already, the Kurds are claiming Kirkuk and its oil wealth as theirs by right.

As for the world at large, if Chua is right, those who are advancing the cause of a world government of one-nation, one vote, or one-person, one vote, are advancing the Suicide of the West. ■

The Next Emperor

Kerry sketches an imperial foreign policy scarcely different from Bush's.

By Christopher Layne

AS THE YEAR BEGAN, the *Economist* editorialized that the 2004 presidential campaign would provoke a wide-ranging debate not only about the direction of American foreign policy, but also about the fundamental assumptions upon which that policy is based. The Democrats disagree with the Bush administration on foreign-policy specifics, and in an election year they will play up these differences in order to distinguish their product from the administration's. But at the end of the day, there is not going to be any re-examination of basic foreign-policy predicates during this campaign because Democrats and Republicans share a common vision of America's world role.

This is not to say that there will not be fireworks. After all, when it comes to the Bush administration's foreign policy there certainly is much to criticize—especially with respect to Iraq. We now know—and should have known a year ago—that Iraq did not have weapons of mass destruction and posed neither an imminent nor a “grave and gathering” threat to the United States. We now know—contrary to repeated intimations by senior administration officials, including President

Bush and Vice President Cheney—that there was no alliance between al-Qaeda and Saddam Hussein and that Baghdad had nothing to do with the 9/11 attacks. We now know that, at the least, there was a colossal failure by the U.S. intelligence community during the run-up to the Iraq War. And we now have reason to believe that the administration deliberately misled the American public about the nature of the Iraqi threat to provide a pretext for a policy decision—bringing about a regime change in Baghdad—that was made well before 9/11. We now know that the administration plunged into war without giving any real consideration to how it would win the peace in a postwar Iraq. And we now know that the administration's sledgehammer diplomacy opened a serious rift in U.S. relations with key allies, especially in Europe.

What we do not yet know is whether the administration will succeed in its goal of democratizing Iraq and the Middle East. But we do know that the odds don't look good—certainly not in Iraq, which is supposed to be the catalyst for a region-wide “democratic transformation.” Armed resistance to the U.S.

occupation continues. Sectarian and ethnic strife boils. Each passing day brings news of more obstacles frustrating Washington's attempts to hand over power to a “sovereign” Iraqi government. A fragmented Iraq, wracked by civil war, is still a lot more likely than a democratic Iraq.

It seems, therefore, that there is ample ammunition for the Democrats to challenge Bush's foreign-policy stewardship. But questions immediately arise: What is the basis of Democratic critiques of the administration's foreign policy? How valid are they? And if Bush is defeated in November, how much would a Democratic administration's foreign policy differ from the current administration's, and in what ways?

Of the serious Democratic contenders, only John Kerry made foreign policy a major focus his campaign. But his critique of the Bush administration's Iraq policy is distinctly cautious. Kerry's beef is not with the administration's decision to go to war, per se, but rather with its conduct in the run-up to the war and with the postwar occupation. In a word, the Democratic critique is “multilateralism.” That is, by plunging into