

# Book review: "world on fire: how exporting free market democracy breeds ethnic ha...

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In her book *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*, Amu Chua comes up with somewhat controversial thesis as to the fact that, contrary to what is being commonly assumed, the process of Globalization, associated with the lowering of trade tariffs and with the enforcement of Western democratic values in the countries of Third and Second World, results in these countries' citizens adopting a strongly negative attitude towards the very ideals of democracy, which in its turn, often manifests itself in escalation of ethnic tensions within the affected societies:

“ The combined pursuit of free markets and democratization has repeatedly catalyzed ethnic conflict in highly predictable ways, with catastrophic consequences, including genocidal violence and the subversion of markets and democracy themselves” (16).

According to the author, actual effects of introduction of democracy to these countries, followed by institutionalization of free-market economic policies, can only be discussed within the context of how they benefit the representatives of what she defines as ' market-dominant' minorities, such as Chinese in Southeast Asia, the descendants of Spanish aristocrats in Latin America, Whites and generally ' lighter-skinned' people in Africa, and Jews in Russia.

The reason for this is simple – given the fact that the economic standing of representatives of market-dominant minorities has traditionally been much stronger, as compared to that of natives, the process of Globalization has

provided them with yet additional advantage, while indulging in commercial activities.

Unlike what it is being the case with most natives, these people's possession of considerable financial assets allows them to take an immediate advantage of economic liberalization, as the process associated with dramatically increased profitability of financial investments.

For example, while discussing the subtleties of Chinese entrepreneurs' economic power in Southeast Asia, Chua states: " They [Chinese] have a worldwide head start advantage of roughly \$2 trillion in assets, not to mention their famous ' social networks' of business connections, which are not merely intra-ethnic but include Western and Japanese foreign investors as well" (320).

What it means is that there are objective preconditions for only the representatives of market-dominant minorities, in the countries of Third and Second World, to benefit from trade liberalization, which usually comes hand in hand with the process of political democratization.

However, for the rest of citizens, there is nothing to gain from Globalization and democratization – just as it used to be the case with their ancestors, most of these people never cease suffering from poverty.

In its turn, this results in inducing societal backlashes against democracy, against trade liberalization and against those who appear to benefit from

such liberalization the most – the representatives of market-dominant minorities themselves:

“ In the numerous countries around the world with a market-dominant minority, the simultaneous pursuit of free markets and democracy has led not to widespread peace and prosperity, but to confiscation, autocracy, and mass slaughter” (125).

Therefore, Chua concludes that it is conceptually fallacious to think of introduction of democracy to developing countries and of expansion of international markets as necessarily positive aspects of today's living because it is namely these processes that fuel ethnic violence in societies, marked by the presence of market-dominant minorities.

Structurally, Chua's book consists of three parts. In Part one; the author discusses the economic impacts of Globalization in developing countries. The first idea, behind Chua's line of argumentation in this part, is that in the countries of Second and Third world, the process of Globalization results in continuous widening of the gap between rich and poor.

Moreover, it also results in native populations beginning to think of those who happened to belong to market-dominant minority, and who appear to be the only beneficiaries of the process, as the ' root of all evils'.

It is needless to mention, of course, that this naturally leads to the escalation of social tensions between the representatives of wealthy minorities and impoverished majorities, with these tensions gradually assuming clearly

defined ethnic overtones, especially if ethnocultural affiliation, on the part of representatives of market-dominant minorities, happened to be visually identifiable.

According to the author, there is also a historical aspect to this problem – namely the fact that, as practice indicates, native populations often associate the presence of market-dominant minorities with their countries' colonial legacy:

“ Today, moreover, most starkly in southern Africa but also in Latin America and elsewhere, many market-dominant minorities are the descendants of former colonizers” (121). It goes without saying, of course, that this escalates the severity of Globalization-induced racial tensions in these countries even further.

In part Two, Chua discusses the political implications of Globalization in developing countries. According to the author, contrary to what is being expected by many Western political scientists, after having adopted democracy as metaphysical matrix, upon which the functioning of socio-political institutions are supposed to be based, developing societies did not become democratic per se.

The reason for this is obvious – given the fact that in Third and Second World countries, the representatives of market-dominant minorities control the bulk of a national economic wealth, they realize themselves being in position to invest in transforming the democracy into oligarchy.

In its turn, this creates a situation that, even though many countries with the presence of market-dominant minorities can be formally referred to as democracies, it would make so much more sense to refer to them as nothing short of oligarchic despoties.

What also adds to the problem is the fact that in these countries, the low rate of native populations' educational attainment and the lessened extent of their economic power, prevents them from being able to utilize the existence of democratic institutions, as the instruments of ensuring their own socio-political and financial well-being.

In order to support the validity of such her suggestion, in Part two Chua comes up with the numerous examples of how liberally minded politicians, in the countries of concern, work on behalf of 'rich and powerful', which usually consist of representatives of market-dominant minorities, instead of working on behalf of majority of impoverished citizens.

In Part three, Chua elaborates on how the promotion of Western democratic values in the developing countries results in intensification of ethnic hatred towards market-dominant minorities, which are being perceived by native populations as essentially the enforcers of inequality.

She also goes a great length while exposing how this process is being reflected by the growing the popularity of local populist politicians, who utilize public's negative sentiment, in regards to ethnically visible 'rich and powerful', as the tool for pushing their personal agenda:

“ Wherever democracy and capitalism are joined together, mass political movements directed against the rich become a possibility, fueled by resentments and demagogic manipulation similar to (but usually less murderous than) that which arises in the presence of market-dominant minorities” (191).

Chua’s line of argumentation, in this respect, had prompted her to conclude that, while exporting politically and economically defined liberal values to the countries of Third and Second world. Western politicians should never cease being observant of what constitutes the specifics of socio-political and demographic situation in these countries.

The main implication of such author’s conclusion is quite clear – unlike what it is being commonly assumed in the West, there are no good reasons to believe that the citizens in developing countries will automatically be able to benefit from being exposed to traditional values of specifically Western living.

Even though, while constructing her argument, Chua had made a point in supporting her discursive insights with the references to statistical data, the bulk of book’s supporting evidence is best described as qualitative.

What is means that, unlike the proponents of a didactic research-method, commonly utilized in quantitative studies, author did not aim at gaining the better understanding of a researched subject matter by the mean of analyzing the significance of an obtained empirical data.

Instead, after having formulated the initial thesis, she went about finding evidence, as to legitimacy of this thesis, in essentially discriminatory manner, while striving to present readers with only hand-picked supporting proofs.

The validity of such our suggestion can also be explored in regards to the fact that the reading of *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*, leaves very little doubt as to book's ideologically engaged sounding. After all, throughout book's entirety, Chua never ceases to position herself as an ardent critic of Globalization, which in her eyes, is the main cause of 'global poverty'.

Nevertheless, author must be given a credit for presenting the supporting evidence in clear, comprehensive and consistent manner.

For example, while exposing the essence of native people's widespread resentment of representatives of market-dominant Chinese ethnic minority in Southeast Asia, Chua does not only expounds on this fact, as such has not been solely predetermined by the realities of Globalization but as something that can be well discussed within the historical context.

Moreover, in her book, Chua had proven herself intellectually honest enough to admit that her line of argumentation cannot be thought of as being thoroughly substantiated – after all, there is a number of formerly Third World countries in Asia, which were able to benefit from Globalization rather immensely, such as Taiwan and South Korea.



Author explains this by the fact that, in earlier mentioned countries, there is a virtual absence of market-dominant minorities: “ It is striking to note that none of the Asian Tigers has ever had a market-dominant minority” (178). However, by doing it, Chua unintentionally undermines the soundness of book’s overall thesis that the effects of Globalization in non-Western countries should be referred to as essentially negative.

The selection of cases, which Chua believes support the legitimacy of book’s main premise, can be best referred to as perfectly illustrative, although not entirely objective. Basically, author exemplifies book’s foremost idea in regards to how the representatives of market-dominant minorities were able to induce hatred towards themselves in countries of Southeast Asia, Latin America, Africa and also in Russia.

At it appears from reading the book, ever since early phases of 20th century, Chinese merchants have firmly established their dominance over the economies of such region’s countries as Vietnam, Laos, Thailand and Philippines.

It turns, this explains why even today, Chinese are often being referred to as the ‘ Jews of Asia’ and why recent decades are being associated with the outbreaks of ethnic violence against citizens of Chinese descent in the region.

According to the author, much of political instability in Latin American countries can also be attributed to the fact that, even today, the racially

identifiable (due to the lighter color of their skin) descendants of Spanish colonizers control much of region's economy.

In its turn, this explains the fact that in this part of the world, socialist-minded populist politicians, such as Fidel Castro and Hugo Chaves, have traditionally enjoyed strong popularity with the impoverished voting masses.

After this, Chua goes about exploring the soundness of her thesis in regards to how the process of Globalization had fueled native people's hatred towards Jews in Russia and towards the descendants of White colonizers in Africa.

According to the author, just as it is being the case in countries of Southeast Asia and Latin America, during the course of recent years, the representatives of these both regions' market-dominant minorities (Jews and Whites, respectively), having been dealing with ever-increased negative sentiment, on the part of Russians proper and native-born Blacks.

Nevertheless, even though that such Chua's case selection does seem to confirm the legitimacy of book's first idea, it cannot be regarded as fully representative.

After all, just as it is being the case in Russia, ever since the fall of an Iron Curtain, many Jewish entrepreneurs in Eastern European countries were able to enrich themselves rather immensely, and yet, this did not result in the majority of native citizens starting to refer to them as ' blood-sucking parasites', as it is often being the case with Russia. 1

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Also, it is quite impossible to agree with Chua when she implies that the hatred of Whites, on the part of Blacks in Africa, has been catalyzed by solely economic factors.

After all, it is namely due to the fact that, up until recently, White people used to be in control of many of African countries' economies, which created objective preconditions for the locals to enjoy more or less tolerable standards of living; whereas, after having liberated themselves of ' White oppression', most region's ' developing' countries started to rapidly descent back into primeval savagery. 2

Apparently, there is more to Globalization-induced hatred of representatives of market-dominant minorities than trade liberalization and democratization alone.

In formal sense of this word, the evidence presented by Chua, supports book's main premise perfectly well. After all, author was able to show that the representatives of market-dominant minorities indeed exercise a strong influence over the economies of world's many countries.

Nevertheless, the main problem with this evidence is the fact that its actual significance can be interpreted in a variety of different ways, which in its turn, undermines the plausibility of author's line of argumentation.

For example, Chua appears to believe that the evidence, presented in support of book's main premise, implies that while being of essentially

exploitative nature, market-dominant minorities' financial wealth is largely incidental.

According to the author, this is exactly the reason why native populations' resentment of representatives of these minorities is morally justifiable: " The global spread of free-market democracy... have magnified the often astounding wealth and economic prominence of an ' outsider' minority, generating great reservoirs of ethnic envy and resentment among the impoverished ' indigenous' majority" (187).

Nevertheless, there is also much evidence that points out to something entirely opposite - namely the fact that there is nothing odd with the economic dominance of certain ethnic minorities. We will refer to this evidence in the last part of this paper.

The clarity and comprehensiveness in how Chua went about substantiating book's conceptual idea. This sets this particular book aside from other ideologically engaged books, whose authors tackle the effects of Globalization in the Third World from moralistic points of view, while utilizing sophisticatedly sounding but utterly meaningless phraseology.

The innovative essence of book's main argument. Until the publishing of Chua's book, the effects of trade liberalization and democratization in developing countries have never been discussed within the context of how they contribute to the well-being of representatives of market-dominant ethnic minorities.

Discursive universality. In her book, Chua goes about legitimizing its argumentative insights from a variety of different economic, historical, political and social perspectives, which helps readers to get an excellent clue as to the essence of book's discursive content.

The lack of argumentative objectivity. As we had mentioned earlier, in her book, Chua positions herself as not only anti-Globalist and cultural relativist, but as someone who tends to think of Western way of life as inheritably 'evil'. Therefore, under no circumstances, may author's arguments be considered representing an objective truth-value.

Argumentative narrowness. In her book, Chua refers to the disproportional amount of economic power, in the hands of representatives of market-dominant minorities, as being predetermined by solely environmental factors. And yet, as we will show later, there are other factors at play.

The abundance of emotionally-charged arguments. While striving to substantiate the validity of her point of view, in regards to the discussed subject matter, Chua often resorts to utilization of clearly moralistic arguments. We believe that this undermines book's discursive value, simply because methodological framework of economics, geopolitics and history is being 'unethical', by definition.

There can be little doubt that the arguments, put forward in Chua's book, do relate to the larger debate as to what should be considered Globalization's actual significance. In its turn, this debate derives out of the fact that

political scientists often tend to discuss the issue of Globalization from diametrically opposite perspectives.

For example, whereas Stiglitz (2002) points out to Globalization as such that increase the extent of global poverty: “ The result of the neoliberal policies encouraged by the U. S. government, the IMF, and the World Bank has all too often been to benefit the few at the expense of the many, the well-off at the expense of the poor” (20), Ohmae (1990) discusses the effects of Globalization in essentially positive light:

“ Globalization allows individuals access to the best and cheapest goods and services from anywhere in the world; help corporations provide stable and rewarding jobs anywhere in the world regardless of the corporation’s national identity” (217).

And, given the fact that in her book, Chua had adopted a strongly defined anti-Globalist stance, it comes as not a particular surprise that, within the context of an earlier mentioned ongoing debate, her arguments are going to be resorted to by those, who just like Chua, think that the functioning of free-market economy should be somehow observant of a number of vaguely defined ethical considerations.

Thus, the main contribution of Chua’s book to Globalism-related debate is that it provides the critics of a ‘ brave borderless world’ with an additional set of arguments that can be deployed within the context of these people indulging in the debate.

After all, Chua's rather unconventional views on the actual effects of trade liberalization in the countries of Second and Third world, do endorse the opinions of those who believe that the process of economic Globalization undermines the integrity of socio-political dynamics in these countries.

Therefore, it is absolutely appropriate to draw parallels between the essence of Chua book's discursive sounding and, for example, the discursive sounding of anti-Globalist argumentation, concerned with exploring the financial implications of trade liberalization and political liberalization, as applied to the realities of post-industrial living:

" IMF issues pieces of paper telling each country how much gold they now own underneath the IMF building on 19th Street. Paper gold, we could call this" (Stiglitz 2009, 54). Just as it being the case with the argumentation of those anti-Globalists, who tackle the issue from purely economic perspective, Chua's ideas promote the outlook onto Globalization as something ' morally wicked'.

Partially, this explains her book's popularity – apparently, Chua's insights correspond to the essence of people's subconscious anxieties to consider themselves great experts on morality.

It goes without saying, of course, that the validity of Chua's line of argumentation, in regards to the effects of Globalization in developing countries, can be challenged in a variety of different ways.

For example, there is an alternative explanation as to why in the countries of Southeast Asia, Chinese have been traditionally considered a market-dominant minority – the much higher rate of these people's average Intellectual Quotidian (IQ), as compared to the average rate of IQ among Vietnamese, Thai, Malaysians and Filipinos.

For example, as it appears from Lynn and Vanhanen's (2002) book; whereas, in China, citizens' average rate of IQ equals 100, in Thailand, such rate is being estimated to account for 91, and in Philippines people's average rate of IQ appears to be as low as 85. 3

Therefore, it comes as not a surprise that, after having moved to these countries, it takes Chinese nationals very little time to realize themselves in advantageous position, in relation to the native populations.

The same can be said about Whites in Africa – after all, according to the same book, citizens' average rate of IQ in such African countries as Equatorial Guinea and Central African Republic is being estimated to account for low as 50; whereas Whites, who score lower than 70, while being IQ-tested, get to be automatically declared mentally deficient.

Therefore, the existence of market-dominant minorities is best discussed as such that has been induced by the objective laws of evolution, rather than by trade liberalization.

My personal view on the debate is best expressed in the following manner: given the fact that the laws of historical dialectics have predetermined the

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process of Globalization, it makes very little sense to discuss this process's moral implications and to imply that this process should be reversed, to say the least.

Nowadays, it became very fashionable among Western 'progressive' intellectuals, such as Chua, to complain about the fact that Globalization facilitates the drainage of natural resources out of Third World countries, which in its turn, unable natives to break out of the vicious circle of poverty.

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Such suggestion, however, could not be further from the truth. The reason why people in Third World countries remain poor, despite sitting on large deposits of natural resources, is that, as time goes on, the commercial value of these resources decreases in exponential progression to continuously increasing value of human resources.

And, the value of human resources, correlates with the extent of people's intellectual advancement, because in the post-industrial world, intellect replaces natural resources, in literal sense of this word.

For example; whereas, after the end of WW2, copper accounted for 90% of Atlantic telephone cable's self-cost, as of nineties, the material self-cost of a new fiber-optical Atlantic cable accounted for only 10%. And yet; whereas the old copper cable could only sustain 138 parallel phone calls, the fiber-optical one sustains 750. 000 trans-Atlantic parallel phone calls. 5

Therefore, Globalization cannot possibly be referred to as the cause of Third World countries' poverty or as something that alone contributes to the escalation of ethnic violence in these countries, but namely the fact that, on the linear scale of our specie's biological evolution, highly ' spiritual' but intellectually deficient representatives of indigenous populations are being placed at the very bottom – pure and simple.

After all, just as it being the case today, even before the initial phases of 20th century's Globalization, in Africa it used to be considered perfectly normal to settle arguments with machetes.

Nevertheless, it would be wrong to dismiss the line of Chua's argumentation in its entirety. Even though book's overall thesis can be best referred to as conceptually fallacious, there can be little doubt that World on Fire:

How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability indeed contains a number of perfectly valid insights as to what contributes to the incitement of ethnic violence in Second and Third World countries.

Therefore, regardless of what potential readers' own views on the discussed subject matter might be, they would still be able to benefit intellectually from being exposed to how Chua proceeds with substantiating the soundness of her point of view, in this respect.

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1 Mark Blacksell & Karl Born “ Private Property Restitution: The Geographical Consequences of Official Government Policies in Central and Eastern Europe.” The Geographical Journal 168. 2 (2002), 183.

2 Lindenbaum, Shirley “ Thinking about Cannibalism.” Annual Review of Anthropology 33 (2004), 490.

3 Richard Lynn & Tatu Vanhanen. IQ and the Wealth of Nations. (Westport, Conn: Greenwood Publishing Group, 2002), 95.

4 Paul Collier. The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It. (Oxford: Oxford University Press, 2007), 32.

5 Christopher Hoag, “ The Atlantic Telegraph Cable and Capital Market Information Flows.” The Journal of Economic History 66. 2 (2006), 352.