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Sixth Annual Grotius Lecture: World on Fire

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THE SIXTH ANNUAL GROTIUS LECTURE:^{*}

WORLD ON FIRE

AMY CHUA^{**}

Many thanks to all of you for coming this evening. It's a great pleasure and honor for me to be giving the Grotius Lecture this year. I'm very grateful to Hannah Buxbaum, Charlotte Ku, and Anne-Marie Slaughter for inviting me. Many thanks also to Danny Bradlow and to the American University, Washington College of Law for co-sponsoring this event and to Upendra Baxi for commenting. My plan is to speak for about thirty minutes. I'll start by presenting the main thesis of my book, *World on Fire*,¹ and I'll try to illustrate that thesis with examples from specific countries, from Indonesia to Bolivia to Russia to Sierra Leone. I'll then shift my focus to the United States and how it fits into the picture. I'll conclude with some

^{*} *Editor's Note:* the following is a revised version of the Grotius Lecture presented at the American Society of International Law's ("ASIL") 98th Annual Meeting, which was held March 31-April 3, 2004. The Grotius Lecture Series is co-sponsored by the American University Washington College of Law, ASIL, and the International Legal Studies Program. The purpose of the Grotius Lecture Series is to open the ASIL forum to distinguished scholars for the purpose of discussing new and important topics in international law that might not otherwise be heard. It also provides a forum for participants to create an expanded space, giving them opportunities to explore the intellectual underpinnings of timely issues of international law.

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1. AMY CHUA, *WORLD ON FIRE: HOW EXPORTING FREE MARKET DEMOCRACY BREEDS ETHNIC HATRED AND GLOBAL INSTABILITY* (2003) [hereinafter *WORLD ON FIRE*].

thoughts about policy implications for international institutions and international lawyers.

Let me begin, then, by taking you back to 1989—the fall of the Berlin Wall, the death of communism. As I'm sure many of you remember, a kind of consensus—a triumphal consensus—emerged at that time, not only in the United States, but to a considerable extent around the world. And that consensus was that markets and democracy, working hand-in-hand, would transform the world into a community of modernized, productive, peace-loving nations.² In the process, ethnic hatred, religious zealotry, and other “backward” aspects of underdevelopment would be swept away.³

Unfortunately, if you look at the last fifteen years, something very different has happened. Since 1989, we have seen the proliferation of ethnic conflict, intensifying nationalism, fundamentalism, anti-Americanism, confiscations, expulsions, calls for re-nationalization, and two genocides of a magnitude unprecedented since the Nazi Holocaust. Why? What happened?

Part of the answer lies in the relationship—and, increasingly, the explosive collision—among the three most powerful forces operating in the world today: markets, democracy, and ethnic hatred.⁴

The central thesis of my book is that, contrary to conventional wisdom, markets and democracy—at least in the form in which they're currently being promoted—may not be mutually-reinforcing in the developing world. On the contrary, in many non-Western countries, markets and democracy may be on a collision course.

And the reason for this has to do with a phenomenon that is pervasive outside the West, yet almost never acknowledged, indeed often viewed as taboo. This is the phenomenon of what I call market-

2. See *id.* at 20 (explaining the development of global organizations like the International Monetary Fund and the Organization for Economic Cooperation and Development for the purpose of “modernizing” and privatizing developing countries).

3. But see *id.* at 21 (stating that global markets have generally accentuated the dominance of “outsider” minorities, and have fueled ethnic envy and hatred within impoverished majorities).

4. See *id.* at 16 (noting that the sobering lesson of globalization is that the combination of free markets and democracy has consistently acted as a catalyst for ethnic conflict).

dominant minorities (“MDMs”): ethnic minorities who, along with foreign investors, can be expected under market conditions to economically dominate the “indigenous” majorities around them, at least in the near to midterm future.⁵

Examples of MDMs include the Chinese throughout Southeast Asia⁶ (most recently, unknown to most Americans, ethnic Chinese have literally taken over the economies of Rangoon and Mandalay in Burma); Indians throughout East Africa and parts of the Caribbean; the Lebanese in West Africa and parts of the Caribbean; the Ibo in Nigeria; the Bamileke in Cameroon; Tutsi in Rwanda; Kikuyu in Kenya; whites in South Africa; whites in Zimbabwe; Croatians in the former Yugoslavia; Jews in post-Communist Russia; Tamils in Sri Lanka; and Bengalis in Assam—the list goes on, quite strikingly, as I try to document in my book. Before I go on, let me flag something that I hope is obvious to all of you from this list: groups can be market-dominant for very different reasons, ranging from “entrepreneurialism” and social networks to a history of apartheid or colonial oppression. For example, if, as with whites in South Africa, a small minority uses force to relegate the majority to inferior education and inhumane conditions for over a century—that minority is likely to be a MDM.⁷ And this has nothing necessarily to do with “culture.”

On the other hand, to be clear, by market dominance, I’m not just talking about vague ethnic stereotypes, but rather about *starkly-disproportionate control of major sectors of the economy*. So, in the Philippines, where my own family is from, the Chinese make up only one percent of the population, but control as much as sixty percent of the private economy, including all the major airlines and virtually all the major banks and businesses.⁸ Similarly, whites in South Africa currently make up roughly fourteen percent of the population, but

5. See *id.* at 6 (labeling market-dominant minorities “the Achilles’ heel of free market democracy”).

6. See *WORLD ON FIRE*, *supra* note 1, at 23-34 (documenting how, unknown to most Americans, ethnic Chinese have taken over the economies of Rangoon and Mandalay in Burma).

7. See *id.* at 97-100 (contrasting the disproportionate amount of wealth controlled by South African whites, which is attributable to the “head start” given by the whites’ forbearers, who destroyed blacks’ human capital).

8. See *id.* at 36-37 (describing the obvious presence of the Chinese in the Philippine economy, such as in the Chinese-controlled Manila Stock Exchange).

still own more than eighty-five percent of the arable land and, at least until very recently, owned all of South Africa's largest conglomerates.⁹ Less well-known, but very typical of many Latin American countries, in Guatemala, a tiny minority of light-skinned elites control almost all of the nation's wealth, while the Mayan Indians, nearly seventy percent of the population, live in abject and often illiterate poverty.¹⁰

Similarly, I recently spent some time in Bolivia. At one point, I was having dinner with a wealthy businessman who was actually the brother of the president of the country at the time. He said to me (and I quote): "[t]his is a country where three percent of us run everything—politics, culture, the economy—and sixty-five percent of the population have no future."¹¹ That was just a few years ago, and I'll say more in a second about what has happened in Bolivia since. But it's very striking, although a majority or near-majority of the population in Bolivia are Amerindian (principally Aymara and Quechua Indians), that the president was white, spent much of his life in Connecticut, was educated at the University of Chicago, and speaks Spanish with an English accent!

The phenomenon of MDMs has a number of sobering implications for international policy and international lawyers. Most crucially, *in developing countries with a MDM, markets and democracy will tend to favor not only just different people, or differing classes, but different ethnic groups*. Markets magnify the often astounding wealth of the market-dominant minority while democracy increases the political power of the impoverished indigenous majority. In such circumstances, where the rich aren't just rich, but also belong to a resented "outsider" ethnic group, the pursuit of free market democracy often

9. See Amy L. Chua, "Markets, Democracy, and Ethnicity: Toward a New Paradigm for Law and Development," 108 YALE L. J. 1, 65 (1998) (noting that whites in South Africa are likely to sustain their market dominance under free market conditions in the near to midterm future).

10. See Michael Holley, "Recognizing the Rights of Indigenous Peoples to Their Traditional Lands: A Case-study of an Internally-displaced Community in Guatemala," 15 BERKELEY J. INT'L L. 119, 128-29 (1997) (summarizing the poverty faced by the Mayans in Guatemala, and noting that an elite comprising two percent of the population controls seventy-two percent of all tillable lands).

11. See WORLD ON FIRE, *supra* note 1, at 76 (quoting a Bolivian tycoon's predictions for his country).

becomes an engine of catastrophic ethnonationalism,¹² pitting a poor “indigenous” majority, easily manipulated and aroused by opportunistic vote-seeking politicians, against wealthy outsiders, including both foreign investors and these “foreigners within.”

Let me illustrate with Indonesia. Free market policies in the 1980s and 1990s led to a situation in which the country’s tiny three percent ethnic Chinese minority controlled an astounding seventy percent of the private economy,¹³ understandably creating tremendous hostility and envy among the indigenous majority.¹⁴ The introduction of democracy in 1998—hailed with euphoria in the United States—unfortunately produced a violent backlash against both the Chinese and markets. Five thousand shops and homes of ethnic Chinese were burned and looted, 2,000 people died, and 150 ethnic Chinese women were gang-raped.¹⁵ Free and fair elections in the midst of all this naturally gave rise to ethnic scapegoating by demagogic politicians, along with calls for confiscation of Chinese assets and the establishment of a “People’s Economy” that would finally return Indonesia’s wealth to the *pribumi* majority, the country’s “true owners.”¹⁶ Because of the violence and calls for confiscation, many Sino-Indonesians (including most of wealthiest) left the country, along with massive amounts of Chinese-controlled capital, estimated at \$40 to \$100 billion, plunging Indonesia into an economic crisis from which it has still not recovered.¹⁷

12. See *supra* text accompanying notes 3-4 (attributing the increase in ethnic violence to globalization, at least in part).

13. See *WORLD ON FIRE*, *supra* note 1, at 43 (noting that all of Indonesia’s billionaires are Chinese and that Sino-Indonesians own all of the major conglomerates, with the exception of those owned by Suharto’s family).

14. See *id.* at 136 (referring to Indonesia’s wealthy Chinese minority as “greedy Chinese locusts”).

15. See Gregg Jones, *Fear Overwhelming Indonesia’s Chinese*, *DALLAS MORNING NEWS*, Oct. 4, 1998, at A1 (quoting indigenous Indonesians who connect the attacks on the Chinese to their link with Suharto, and threatening future punishment because the Chinese have “too many privileges”).

16. See *WORLD ON FIRE*, *supra* note 1, at 136-37 (describing the “New Deal” envisioned by Indonesian politicians, which included breaking up Chinese conglomerates and redistributing the pieces to the masses by way of indigenous cooperatives).

17. See Jones, *supra* note 15, at A1 (addressing the hesitation of many Chinese to return to Indonesia despite financial connections and longtime family ties to the

What I argue in my book is that whenever free market democracy is pursued in the presence of a MDM, the almost invariable result is backlash. This backlash, moreover, typically takes one of three highly-determinate, predictable forms. The first is a backlash against markets, targeting the MDMs' wealth (for example, through confiscation or nationalization of their assets). The second is a backlash against democracy by forces favorable to the MDM. The third and most vicious form of backlash is majority-supported violence aimed at killing off the MDM itself. These three kinds of backlashes have been playing out all over the non-Western world. Let me give you some examples.

The first kind of backlash I mentioned is an ethnically-targeted anti-market backlash. Again, unknown to most Americans, the Indonesian government is currently sitting on about \$58 billion worth of nationalized industrial assets, almost all formerly owned by Chinese tycoons (Suharto's cronies).¹⁸ Many of these state takeovers may have been justified initially, but the problem is that, for the last five years, these assets, once highly-productive,¹⁹ have just been stagnating, while unemployment and poverty in Indonesia deepen. But the government has been afraid to re-privatize those assets, precisely because there is so much hostility among the indigenous majority against Chinese or U.S. "vultures" swooping back in to control the Indonesian economy.²⁰ As a result, a frightening forty million Indonesians are underemployed or unemployed—making Indonesia a breeding ground for extremist, fundamentalist, and terrorist organizations.²¹

country).

18. See George J. Aditjondro, *Suharto & Sons (And Daughters, In-Laws & Cronies)*, WASH. POST, Jan. 25, 1998, at C1 (explaining that many of these Chinese tycoons were considered Suharto's cronies and funneled money not just to Indonesia, but also to the Suharto family).

19. See WORLD ON FIRE, *supra* note 1, at 137 (quoting one government official who described the former Chinese companies, which range from automobile production companies to cement companies, as "money making machines").

20. See *id.* at 138 (noting that the "vultures" include an ethnic Chinese sect known as the Salim Group, which purportedly is attempting to take back its former companies from Singapore).

21. See *id.* at 225 (comparing elements contributing to the violence and conflict in the Middle East to ethnic hatred, poverty and a sense of inferiority present in many developing countries).

Indonesia is just one example of a much broader global pattern. Robert Mugabe's recent confiscations in Zimbabwe are another example of an ethnically-targeted anti-market backlash. With much of Zimbabwe now starving, the international community continues to call eloquently for "free and fair elections" and "rule of law."²² Sadly, these "buzzwords" avoid the really hard problem: namely, that Zimbabwe came to independence and democracy in the face of a one percent former colonizer MDM that for generations controlled seventy percent of the country's best land and virtually its entire advanced commercial sector.²³ Mugabe's latest confiscations are not just directed at whites, but also at black opponents of Mugabe; moreover, the confiscations have proven so economically disastrous that they may not be majority-supported at this point.²⁴ But it is crucial to remember that Robert Mugabe *himself* is a product of democracy.²⁵ He swept to power in the closely-monitored elections of 1980, promising to take back the "stolen land" from the whites.²⁶ But in part because of pressure from foreign investors, including the International Monetary Fund and the governments of the United States and the United Kingdom, almost no significant land redistribution took place between 1980 and 2000.²⁷ Not surprisingly, every time elections

22. See Dumisani Muleya, *AAGM: AU Steps Up Pressure on Zimbabwe*, ZIMB. INDEP., July 7, 2004 (reporting on a speech by United Nations Secretary-General Kofi Annan in which the Secretary-General calls on Mugabe and other African leaders to stop resistance to democracy and embrace free and fair elections and the rule of law), available at 2004 WL 70335762; see also WORLD ON FIRE, *supra* note 1, at 11 (discussing the naiveté of the calls by Western nations and human rights groups for democracy and "free and fair elections").

23. See WORLD ON FIRE, *supra* note 1, at 128 (labeling the state-sanctioned violence against white landowners and their black farmhands in Zimbabwe as "anarchy born of democracy" because it was, in fact, a democratic election that brought Mugabe to power).

24. See *id.* at 129 (citing the Western media's conclusion that Mugabe would have lost the 2002 election had the election been "free and fair," but recognizing African governments' praise for the 2002 election, which was, in fact, no more irregular than other elections in Africa that the West had deemed "free and fair").

25. See *id.* at 11 (recalling that Mugabe himself is a product of democracy).

26. See *id.* at 127 (describing Mugabe's rise to power as fueled by rhetoric such as "[w]e cannot expect to buy back our land that was never bought from us," and "[o]ur party must continue to strike fear in the heart of the white man—our real enemy").

27. See *id.* at 130 (noting Zimbabwe's dilemma: that foreign investors and

came around, Mugabe played the race card—as he did in anticipation of the 2000 and 2002 elections.²⁸

I would also say that the recent targeting of the three Jewish billionaires in Russia is another variation on the same phenomenon. In the last few years, President Putin has attempted to arrest and confiscate the holdings of Boris Berezovsky, Vladimir Gusinsky, and most recently, Mikhail Khodorkofsky. I do not believe that Putin himself is motivated by anti-Semitism. But all three of the targeted “oligarchs” are well-known in Russia to be Jewish, and Putin’s arrests have been facilitated by pervasive anti-Semitic resentment among the Russian majority.²⁹ Perhaps more surprisingly, we’re also seeing a growing number of popular, ethnically-tinged, anti-market movements in parts of Latin America. Latin America is a developing region that, at least for the last half century, has seen much less distinctively *ethnic* (as opposed to class) strife, largely because of the “mestization”³⁰ of the region and the much more muted ethnic lines.

But this may be changing with globalization. Particularly in countries like Peru, Bolivia, and Ecuador, where indigenous American Indians still represent an impoverished, long-oppressed majority or near-majority of the population, we are seeing democracy now fueling ethnically-tinged, anti-market movements. The rhetoric from indigenous politicians in these countries sounds a lot like Robert Mugabe’s in Zimbabwe: “Bolivia’s land belongs to the Aymara and

global capital flee whenever the country attempts to upset property rights of white land owners).

28. See *WORLD ON FIRE*, *supra* note 1, at 129 (explaining that Mugabe began seizures of commercial farms owned by the “sons of Britain,” causing the country’s stock to fall, resulting in the loss of millions of dollars of export earnings, and creating a situation in which half a million people starved).

29. See *id.* at 138-42 (asserting that the combined forces of “marketization and democratization” have produced “galvanized anti-Semitism” in Russia). The democratic rights of free speech and freedom of association have given way to the formation of eighty different Russian political parties, including three that incorporate neo-Nazi ideals. *Id.* In addition, Russian politicians and elected officials openly espouse anti-Semitism. *Id.*

30. See *id.* at 57 (defining Latin American society as characterized by a social spectrum, one end of which is occupied by the lighter-skinned, while the other end is comprised of the darker, indigenous “masses”). The countries of Latin America tend to be characterized by what sociologists have termed a “pigmentocracy.” *Id.*

Quechua Indians and not the whites;”³¹ “[w]e indigenous peoples are like foreigners in our own ancestral lands;”³² and “[t]he whites should leave the country.”³³

As you may have read in the papers, Bolivia exploded last Fall—sadly, along exactly the lines I predicted in my book. President Gonzalo Sanchez de Lozada, who as I mentioned is white and generally a pro-United States, pro-free trade, and pro-foreign investment leader, ultimately fled for his life after weeks of apparently majority-supported, Amerindian-led protests and escalating violence that left over sixty people dead.³⁴

But there’s a second kind of possible backlash. In the contest between an economically powerful ethnic minority and a numerically powerful poor majority, the poor majority doesn’t always win. Often, the money wins. Instead of a backlash against the market, another likely outcome is a backlash against democracy, favoring the MDM at the expense of majority will. Examples of this are extremely common. In fact, if each of you try to think of the world’s most notorious cases of crony capitalism, I think you will be struck to find that they all involved a MDM. For example, take General Suharto in Indonesia. Americans prefer to forget this, but Suharto was a U.S. darling for years because he pursued aggressive economic liberalization and pro-foreign investment policies. To that end, Suharto had no choice but to reach out to his country’s entrepreneurial Chinese minority, who were the only ones with the business skills he needed. Throughout his rule, Suharto not only protected the Chinese politically, but affirmatively directed lucrative business opportunities to a select few of them.³⁵ And the Chinese returned these favors both by

31. *Id.* at 50.

32. *Id.* at 162.

33. WORLD ON FIRE, *supra* note 1.

34. See generally Jimmy Langman, *A President Gets the Boot*, NEWSWEEK INT’L, Oct. 27, 2003, at 37 (attributing the fatalities to the government’s inappropriate response to anti-pipeline protests by Bolivians who viewed the president’s actions as putting foreign investors’ interests before Bolivians’).

35. See WORLD ON FIRE, *supra* note 1, at 152 (describing Suharto’s relationship with two powerful Chinese Indonesians and the joint ventures into which they entered).

generating enormous economic growth for the country, and by adding enormously to the personal wealth of the Suharto family.³⁶

Other examples of egregious crony capitalism: Marcos' Chinese-friendly dictatorship in the Philippines;³⁷ President Daniel arap Moi's corrupt regime in Kenya,³⁸ which was closely bound up with a handful of South Asian tycoons; and Sierra Leone.³⁹ As to the latter, what did Sierra Leone look like before the limb-chopping rebels took over? The answer reflects a pattern typical of the West African region: President Siaka Stevens, an indigenous African president, acted in symbiotic corrupt alliance with a tiny cohort of enormously rich Lebanese businessmen who controlled the diamond industry.⁴⁰

Finally, I argue that both the Rwandan and Yugoslavian genocides are *in part* manifestations of the third kind of backlash—i.e. ethnic cleansing targeting a starkly-disproportionately wealthy MDM (here, I really want to stress the words “in part” because there were so many complex dynamics in both those cases, and I am only offering a small piece of the picture; and I'm certainly not suggesting that those genocides were principally economically-driven, which would be absurd).

Now, what does all this have to do with the United States? How do we fit into this picture? I have two answers, both sobering. First, we are—and have been—the principal exporter of markets and democracy, sometimes with the best of intentions. I'll have more to say

36. *See id.* (estimating Suharto's wealth at \$16 billion, but noting that Central Intelligence Agency information indicates that it is closer to \$32 billion).

37. *See id.* at 153-57 (discussing how President Marcos courted the Filipino Chinese and even offered them Philippine citizenship in exchange for large and consistent payments).

38. *See id.* at 157 (explaining that President Moi, in need of capital, aligned with Indian businessmen who offered him financial compensation in exchange for political protection). President Moi's regime was closely-tied to a handful of South Asian tycoons. *Id.*

39. *See id.* at 148 (recounting how President Stevens declared a state of emergency in Sierra Leone in order to form a shadow alliance with five powerful Lebanese diamond dealers and cash in on the country's diamond resources).

40. *See* WORLD ON FIRE, *supra* note 1, at 148 (detailing the arrangement between the Lebanese and Siaka, which included Siaka giving the most lucrative government contract to the Lebanese in exchange for large profits paid back to the president).

about this—and what we should do going forward—in a moment.

But there's a second point about the role of the United States. Here let me shift gears a little bit. So far in my comments today, I've focused on dynamics within individual nations. In the final part of my book, however, I suggest by analogy that at the *world* level, the United States itself has come to be perceived as a kind of global MDM, wielding wildly-disproportionate economic power relative to our size and numbers.⁴¹ Just four percent of the world's population, we are seen everywhere (not incorrectly) as the principal engine and the principle beneficiary of global capitalism.⁴² In part as a result, the United States has become the object of mass popular, often demagogue-fueled resentment and hatred of the same kind that is directed at so many other MDMs around the world. Obviously, the analogy is not perfect: Americans are not an ethnic minority, but instead a national origin minority, a close cousin. Moreover, there is no democracy at the global level. And there are many other factors in play—our cultural dominance, our foreign policy, etc. Nevertheless, I think you'll see many of the same backlashes I've just described also operating today at the world level, only now directed against the United States, whether in the form of resolutions passed in the United Nations General Assembly or the September 11 terrorist attacks.

One of the reasons I like this analogy to the global level is that it highlights a deep inconsistency in U.S. policy, an inconsistency that the rest of the world is acutely aware of: when the United States calls for world democratization, what we envision is a world filled with democratic countries—with ourselves at the helm leading all those countries! The last thing most Americans want is a true world democracy, in which our economic and political fate is determined by a majority of the world's countries or citizens (the idea of the United Nations General Assembly controlling U.S. foreign investments, for example, would not be appealing to most Americans). Like other

41. *See id.* at 230 (comparing America's disproportionate economic wealth and power to that of the Chinese in the Philippines or the Lebanese in West Africa).

42. *See id.* (remarking that although the United States constitutes only a small percentage of the world's population, the United States "dominates every aspect . . . of the global free markets").

MDMs, we don't trust the relatively poor, frustrated, resentful majorities surrounding us necessarily to act in our best interests.

Let me say here, as an aside, that I've spoken on this topic to many different groups, including internationally. What I've found is that everyone seems to agree that the United States is the world's MDM. But there is huge, bitter disagreement over *why* we are a MDM and over what *kind* of MDM we are. According to many groups I've spoken to in the United States, the United States is a market-dominant country because Americans work really hard, because our system offers the most opportunities, which attracts the best and the brightest, because we have the best economic and political institutions, and everyone is envious. By contrast, when I talk to people from Europe or from developing countries, I find that they see the United States as the world's ultimate crony capitalist: a tiny, greedy, hypocritical minority using its tremendous economic power to control the politics, economies, resources, and destinies of other nations. I actually think that both extreme accounts contain more than a grain of truth.

What should we do about all of this? Should the United States stop trying to promote markets and democracy in the non-Western world? And perhaps surprisingly, my answer is that I don't think we should stop trying. I think it's clear that some form of market-generated growth offers the best hope for developing countries. And I'm also not in the "markets first, democracy later, or maybe never" camp. In other words, despite the subtitle of my book (which wasn't my idea!), I'm very much in favor of promoting both markets and democracy globally, as a long-term ideal.

But there are *many different versions* of free market democracy, and I do think we've been exporting the wrong version—a caricature. There is no Western nation today with anything close to a *laissez-faire* system. We have progressive taxation, social security, anti-trust laws, securities laws, anti-fraud laws, etc. Yet for the last twenty years, we've been urging poor countries around the world to adopt a bare-knuckled brand of capitalism that the United States and Europe abandoned long ago,⁴³ basically raw capitalism with no

43. See *id.* at 194-95 (explaining how Western democracies offer relief for the poor, while the form of democracy the United States promotes abroad lacks such redistributive mechanisms).

safety nets or mechanisms for redistribution. It's the same with democracy. Since 1989, the U.S. government has been pressing developing countries around the world (with the glaring exception of the Middle East) to implement immediate elections with universal suffrage.⁴⁴ Now, to be honest, this is not the path to democratization that any of the Western nations pursued: we disenfranchised our poor for generations, including through explicit property qualifications.⁴⁵ But it's crucial to remember that democracy in the West today consists of much more than just unrestrained majority rule—it's also about minority protections, property protections, constitutionalism, and human rights. A lot more is needed than just shipping out ballot boxes for elections, which of course brought people like Slobodan Milosevic to power.

So that's one of the main policy thrusts of my book. I think the international law community needs to rethink the kinds of market and democratic processes that we should be promoting. We need to find ways to give the poor majorities of the world a stake—psychological and actual—in a market economy, particularly in the corporate sector. Otherwise, it is perfectly rational for them to vote for anti-market leaders. More generally, we need to acknowledge when there are tensions in our policy proposals; sadly, not all good things go together in a simplistic way. I often hear lawyers with the best of intentions calling for “free markets, free and fair elections, civil society, rule of law, and human rights,” as if these things always work in the same direction.⁴⁶ But that's just not the case, at least not in the short run. Sometimes there are difficult choices that have to be made; what if free and fair elections produce a regime that opposes women's rights? What if free markets don't engender democracy, but rather, crony capitalism? Is the “rule of law” always liberal? International

44. See *id.* at 275 (contrasting the United States and Europe's gradual extension of suffrage with newly-democratic non-Western countries, many of which have extended suffrage on a large scale in a relatively short period of time).

45. See *WORLD ON FIRE*, *supra* note 1, at 199-200 (drawing attention to the Jim Crow laws instituted in the American South in order to prevent blacks from voting, and noting that such laws were often enforced with violence).

46. See *id.* at 274 (arguing that although constitutional safeguards and human rights are necessary in developing countries, they are not the answer to the MDM problem, and are often discredited by the ethnonationalist risings that they were intended to forestall).

lawyers need to lead the way in being frank about possible tensions across values and norms; they need to be able to articulate the grounds for their choices.

I also make a very different policy suggestion in the book. I call on MDMs themselves to step up and take a role. Without necessarily blaming MDMs, I try to make the case that it may be in the MDMs' best interests to avoid objectionable practices and to make voluntary and visible contributions to the economies in which they are so visibly thriving and dominating. It's not so much for the redistributive potential—we should not trivialize the depth and pervasiveness of poverty in the developing world. But in my view, the *symbolic* importance of such gestures of generosity, humility, and cooperation should not be underestimated.

I would like to make three caveats or clarifications before I stop. My thesis is frequently misunderstood, so I thought I'd try to dispel some of those misunderstandings before I take questions. First, I am not proposing a universal theory. There are certainly developing countries without MDMs, in which none of the dynamics I describe occur—China and Argentina are two major examples.⁴⁷ Also it's striking to note that none of the "East Asian Tigers" had a MDM. For me, these countries—Japan, South Korea, Singapore, Hong Kong, Taiwan—are the exceptions that prove the rule. Second, I am not offering a theory of *why* ethnic conflict occurs; I'm not arguing, for example, that ethnic violence arises only when there's a MDM, or when countries democratize. That would be ridiculous; there are countless examples of violence against economically-oppressed minorities and ethnic violence perpetrated by vicious dictators. Thirdly, and finally, I am emphatically not trying to blame ethnic conflict on globalization, on markets, or on democracy; I am certainly not suggesting, for example, that democracy is more likely to produce ethnic conflict than authoritarianism! My thesis is not about blame, but rather about unintended consequences. Thus, my own view is that the results of democratization in Indonesia have been disastrous. But if forced to place blame somewhere, I would point the finger at thirty years of plundering autocracy and crony capitalism by Suharto, which sowed the seeds.

47. See *id.* at 178 (noting that in all of the "Asian Tigers," the ethnic majority is both economically and politically dominant).

Similarly, in Iraq, overnight national elections might well bring results that many of us would find undesirable. Like the former Yugoslavia, Iraq's ethnic dynamics are extremely complicated—including cross-cutting conflicts among Kurds, Shi'ites, and Sunnis, many horrendous massacres, and deep feelings of hatred and a need for revenge.⁴⁸ In particular, Shi'ites represent a roughly sixty percent, long-oppressed majority in Iraq.⁴⁹ It is impossible to predict, but there are many indications that free and fair national elections and majority rule in the near future could well bring to power an Islamist, anti-secular, anti-women's rights, and possibly even anti-market regime.⁵⁰ But again, that wouldn't be *democracy's* fault. On the contrary, if anything, the blame rests in large part with colonial divide-and-conquer policies and the cruelly repressive regime of Saddam Hussein. Unfortunately, this fact takes nothing away from the reality that, given the conditions that actually exist now in many post-colonial countries—conditions created by history, colonialism, corruption, cronyism, and autocracy—the combination of laissez-faire capitalism and unrestrained majority rule may well have catastrophic consequences.

48. See generally Brian Bennett et. al., *Will Iraq Start To Unravel?; Kurdish Calls for Autonomy are Generating Fears of Ethnic Conflict that Could Complicate U.S. Exit Plans*, TIME, Feb. 16, 2004 (stating that “[e]thnic grudges die hard in Iraq,” and that long-standing tensions between Kurds, Shi'ites, and Sunnis might complicate U.S. plans for Iraq, perhaps resulting in civil war).

49. See Press Release, Voice of America, *Iraqi Shi'ite Clerics Wield Growing Political Clout* (Dec. 8, 2003) (labeling Saddam Hussein “the last in a long line of Sunni Muslim leaders” that repressed the Sunni majority, which makes up sixty percent of Iraq's twenty-four million people).

50. But see David L. Phillips, *Elections in Iraq: A New Hope for Democracy*, WASH. TIMES, Dec. 23, 2003, at A21 (commenting that U.S. fears of a fundamentalist government emerging in Iraq are “over blown” because, in a national survey, only twelve percent of the population of Iraq supports a government of predominantly religious leaders, and only one percent support an Islamic government).