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*Beyond Lip Service to Human Rights: The Imperative Is to act.*  
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# PUBLIC DIPLOMACY AND THE POLITICS OF SELF- REPRESENTATION: THE CASE OF HIZBOLLAH.ORG

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*A great effort has to be made to pierce the barriers that exist between one situation, the situation of the interpreter, and another, the situation that existed when and where the text was produced. It is precisely this conscious willed effort of overcoming distances and cultural barriers that makes knowledge of other societies and cultures possible- and at the same time limits that knowledge. At that moment, the interpreter understands himself or herself in his or her human situation and the text in relation to its situation, the human situation out of which it came. This can occur only as the result of self-awareness animating an awareness of what is distant and alien but human nonetheless.*

- Edward Said [1981] 1997, *Covering Islam*

## INTRODUCTION

Media have for decades been attributed with considerable significance in processes of cultural and political transformation. This paper is a preliminary empirical study of the use, or shaping, of what is daily heralded as a new media technology of enormous and increasing significance: the Internet. The Internet is the first many-to-many communication system and the instrument of a political power shift. The ability to communicate words, images, and sounds, which underlies the power to persuade, inform, witness,

debate, and discuss (not to mention the power to slander, propagandise, disseminate bad or misleading information, engage in misinformation and/or disinformation, etc.) is no longer the sole province of those who own or control printing presses, radio stations, or television networks. Every machine connected to the Internet, from expensive laptop computers to lowly mobile phones, is potentially a printing press, a broadcasting station, a place of assembly.<sup>1</sup>

This paper is not just about the Internet, however. In 1997 Manuel Castells wrote that

As institutions of state and organisations of civil society are based on culture, history, and geography, the sudden acceleration of the historical tempo, and the abstraction of power in a web of computers, are disintegrating existing mechanisms of social control and political representation...Thus, following an old law of social evolution, resistance confronts domination, empowerment reacts against powerlessness, and alternative projects challenge the logic embedded in the new global order, increasingly sensed as disorder by people around the planet. However, these reactions and mobilisations, as is often the case in history, come in unusual formats and proceed through unexpected ways.<sup>2</sup>

This paper deals with one such alternative project. It explores the use of the Internet by the Lebanese Shia group Hizbollah (the Party of God). In his introduction to the *Vintage* edition of *Covering Islam* (1997), Edward Said refers to the "information wars that have gone on since 1948 around the whole question of the Middle East."<sup>3</sup> He is particularly concerned with the way in which Hizbollah "who identify themselves and are perceived locally as resistance fighters" are "commonly referred to in the American media as terrorists."<sup>4</sup> The major focus of this paper therefore is the way in which Hizbollah have utilised the Internet "to produce and articulate a conscious and forceful self-image"<sup>5</sup> of themselves not as terrorists, but as resistance fighters and statesmen. The analysis will be restricted to the official English language Web site maintained by the group. As will be demonstrated, this site is targeted not at Lebanese or Palestinian audiences, but at Western publics. For this reason, the paper also represents a case study of the possibilities of this new technology for the conduct of what's being termed the New Public Diplomacy.

## THE NEW PUBLIC DIPLOMACY

Diplomacy has traditionally been thought of as the development and implementation of foreign policy by diplomats. However, states and their



representatives are no longer the only actors in diplomatic relations. There is an increasing emphasis on the role of non-state actors and publics in diplomacy, not only as recipients of diplomacy- the traditional understanding of 'public diplomacy' as a government's process of communicating with the public of another nation in order to influence its opinion- but also as diplomatic actors. Put simply, the public dimension of diplomacy has been increasing in importance. While there was a time when diplomats were the sole interlocutors between countries, now unmediated dialogue and information exchange between citizens from around the globe occurs 24 hours a day, seven days a week. The theory and conduct of diplomacy is undergoing a radical rethink as a result. There have been repeated calls for diplomacy to be 'reinvented' to take account of the Information Revolution and a welter of analyses published suggesting how this might be accomplished.<sup>6</sup> This paper is concerned with just such a reinvention, albeit a reinvention outside the purview of a majority of the research undertaken to date.

In the past, public diplomacy was often seen as irrelevant and unimportant. However, there is a growing movement to give public diplomacy a greater prominence in the conduct and study of international relations. This interest follows from an emergent view that the practice of world politics is changing; that things are being done in a new way, that new actors are important. Rather than a realist world of states this consensus points to a world in which international politics can be thought of in terms of an 'informational pluralism.' On the one hand this is a world with a variety of agents at work, but where the operation of this pluralism is shaped by the impact of the information or communications revolution. These processes can be summarised in the idea that we are seeing the development of a 'new public diplomacy.' This idea has a double meaning. Firstly, that we are seeing diplomacy- understood in the broad sense as the practice of international relations- taking place in public and the public being involved. Secondly, that the central instrument of this new diplomacy is actually public diplomacy- that is communication and communications technologies.<sup>7</sup>

"The new public diplomacy implies a change in the nature of power but it also helps us to understand how power is exercised in international politics."<sup>8</sup> The most widely discussed alternative conceptualisation is the idea of Soft Power developed by Joseph Nye. Nye first put forward his thesis in *Bound to Lead* (1990), but has returned to the idea on several occasions, most notably in two contributions to the journal *Foreign Affairs*. In 1996, in an article with William Owens, Nye defined Soft Power as "the ability to achieve desired outcomes in international affairs through attraction rather than coercion."<sup>9</sup> Nye returned to the subject in 1998, in an article jointly authored with Robert Keohane. In that paper Keohane and Nye draw a distinction between free information (i.e. scientific information, advertising,

political propaganda), commercial information (i.e. information that is sold), and strategic information (i.e. information that is useful because it is possessed by one actor, but not others). They argue that:

Politically...the most important shift has concerned free information. The ability to disseminate free information increases the potential for persuasion in world politics. NGOs and states can more readily influence the beliefs of people in other jurisdictions...Soft power and free information can, if sufficiently persuasive, change perceptions of self interest and thereby alter how hard power and strategic information are used.<sup>10</sup>

As Robin Brown has pointed out, one major consequence of this new environment is the importance of credibility as a source of power.<sup>11</sup>

Although there have been many guerrilla groups fighting as oppressed national minorities, only five groups have had the credibility that allowed them to become significant diplomatic actors in the last two decades. In the mid-1970s, the Palestinian Liberation Organisation (PLO) and South West African People's Organisation (SWAPO) achieved membership of the Non-Aligned Movement and the Group of 77, along with observer status in the UN General Assembly and at all UN conferences. Three other groups the ANC, the Pan-African Congress, and the Patriotic Front of Zimbabwe obtained the right to attend UN conferences.<sup>12</sup> However, world politics today transcends simple inter-national relations and inter-governmental organisation, and much of the change has taken place as a result of the spread of information infrastructures. Diplomacy is no longer the sole province of states and their representatives, instead the Internet offers the opportunity for non-state actors and marginalized groups to engage in what has been called 'virtual diplomacy'<sup>13</sup> or 'cyber-diplomacy',<sup>14</sup> essentially the practice of public diplomacy via the Internet.

## **TELLING AMERICA'S STORY**

The US government has maintained a list of Foreign Terrorist Organisations (FTOs) since October 1997 when former US Secretary of State Madeline Albright approved the designation of the first 30 groups pursuant to the Immigration and Nationality Act (as amended by the Antiterrorism and Effective Death Penalty Act 1996). Hizbollah appeared on the original list of FTOs and remains on the list to the present time. Those organisations designated as FTOs by the US Secretary of State, in consultation with the Attorney General and the Secretary of the Treasury, are subject to a number of legal restrictions. It is unlawful, for example, for a person in the United States or subject to the jurisdiction of the United States to provide any

kind of financial or material support to such organisations. Both representatives and members of these groups may be denied visas or excluded from the US. US financial institutions must block the funds of these groups and their agents and report the blockage to the Office of Foreign Assets Control of the US Department of the Treasury.

In the US State Department publication *Patterns of Global Terrorism 2001*, Hizballah is described as follows:

Formed in 1982 in response to the Israeli invasion of Lebanon, this Lebanon-based radical Shi'a group takes its ideological inspiration from the Iranian revolution and the teachings of the Ayatollah Khomeini. The Majlis al-Shura, or Consultative Council, is the group's highest governing body and is led by Secretary General Hassan Nasrallah. Hizballah formally advocates ultimate establishment of Islamic rule in Lebanon and liberating all occupied Arab lands, including Jerusalem. It has expressed as a goal the elimination of Israel. Has expressed its unwillingness to work within the confines of Lebanon's established political system; however, this stance changed with the party's decision in 1992 to participate in parliamentary elections. Although closely allied with and often directed by Iran, the group may have conducted operations that were not approved by Tehran. While Hizballah does not share the Syrian regime's secular orientation, the group has been a strong tactical ally in helping Syria advance its political objectives in the region.<sup>15</sup>

According to the US report the group has several thousand supporters and a few hundred terrorist operatives. These operate in the Bekaa Valley, the southern suburbs of Beirut, and southern Lebanon. According to US experts the group has also established cells in Europe, Africa, South America, North America, and Asia. The 2001 report goes on to say that, in addition to political, diplomatic and organisational aid, Hizballah receives substantial amounts of money, training, weapons, and explosives from Iran and Syria. In addition, Hizballah are described as

known or suspected to have been involved in numerous anti-US terrorist attacks, including the suicide truck bombings of the US Embassy in Beirut April 1983 and US Marine barracks in Beirut in October 1983 and the US Embassy annex in Beirut in September 1984. Three members of Hizballah, 'Imad Mughniyah, Hasan Izz-al-Din, and AH Atwa, are on the FBI's list of 22 Most Wanted Terrorists for the hijacking in 1985 of TWA Flight 847 during which a US Navy diver was murdered. Elements of the group were responsible for the kidnapping and detention of US and other Western

hostages in Lebanon. The group also attacked the Israeli Embassy in Argentina in 1992 and is a suspect in the 1994 bombing of the Israeli cultural center in Buenos Aires. In fall 2000, it captured three Israeli soldiers in the Shabaa Farms and kidnapped an Israeli noncombatant whom it may have lured to Lebanon under false pretenses.<sup>16</sup>

Hizbollah was among the few groups that President Bush mentioned by name in his January 2002 State of the Union address:

Our military has put the terror training camps of Afghanistan out of business, yet camps still exist in at least a dozen countries. A terrorist underworld — including groups like Hamas, Hezbollah, Islamic Jihad, Jaish-i-Mohammed — operates in remote jungles and deserts, and hides in the centers of large cities.<sup>17</sup>

Bush also condemned the group as terrorists in his June 2002 speech on the Middle East:

I've said in the past that nations are either with us or against us in the war on terror. To be counted on the side of peace, nations must act. Every leader actually committed to peace will end incitement to violence in official media and publicly denounce homicide bombings. Every nation actually committed to peace will stop the flow of money, equipment and recruits to terrorist groups seeking the destruction of Israel, including Hamas, Islamic Jihad and Hezbollah (Bush 2002b).<sup>18</sup>

### **According to C. Wright Mills,**

Every man talks about observations and interpretations to others: but the terms of his *reports* are much more likely than not the phrases and images of other people which he has taken over as his own. For most of what he calls solid fact, sound interpretation, suitable presentations, every man is increasingly dependent upon the observation posts, the interpretation centres, the presentation depots, which in contemporary society are established by means of what I am going to call the cultural apparatus.<sup>19</sup>

The branches of the 'cultural apparatus' that have been informing the American public on the subjects of Islam and terrorism- including radio and television, the daily newspapers and weekly news magazines- have been doing just that. Taking their cue from the US government, the majority of the American media have uncritically adopted the position handed down by the White House. With the advent of the Internet, however, global publics

are no longer reliant on the media conglomerates as our sole source of information. Where as in the past groups such as Hizbollah had to communicate through acts of violence and hope that those acts garnered sufficient attention to publicise their cause or explain their ideological justification, with the advent of the Internet the same groups can disseminate their information undiluted by the media and untouched by government sensors. And while this information is no more unbiased than that culled from mainstream Western sources- it also requires interpretation and the adoption of a critical attitude- it's a 'spin' that we've not generally been introduced to before. For this reason alone, it is worth visiting the 'presentation depot' that Hizbollah have established on the Internet.

## TELLING HIZBOLLAH'S STORY

Edward R. Murrow famously equated public diplomacy with "telling America's story."<sup>20</sup> This article is primarily concerned with 'telling Hizbollah's story;' before proceeding to do so however, some preliminary remarks concerning methodology are in order. First, this analysis is informed by the work of Manuel Castells who has written that

Social movements must be understood in their own terms: namely, *they are what they say they are*. Their practices (and foremost their discursive practices) are their self-definition. This approach takes us away from the hazardous task of interpreting the 'true' consciousness of movements, as if they could only exist by revealing the 'real' structural contradictions. As if, in order to come to life, they would necessarily have to bear these contradictions, as they bear their weapons and brandish their flags.<sup>21</sup>

Castells categorises social movements using Alain Touraine's classic typology that defines a social movement using three principles;

1. The movement's *identity* (i.e. *the* self-definition of the movement, on behalf of whom it speaks).
2. The movement's *adversary* (i.e. the group identified by the movement as their principal enemy).
3. The movement's vision or social model, which Castells labels *societal goat* (i.e. the movement's vision of the kind of society or social organisation it would wish to ultimately bring about).<sup>22</sup>

These categories are employed here to analyse the Hizbollah site.

As noted above, this analysis is restricted to the English language web site maintained by Hizbollah at <http://www.hizbollah.org>. This is the group's Central Press Office site and official homepage. The site is also mirrored in Arabic. Hizbollah maintains at least three other sites of an official character (all of which are available in both English and Arabic versions): <http://www.moqawama.org> known as the 'Islamic Resistance Support Association' and which describes the group's attacks on Israeli targets, <http://www.manarty.com> the news and information site that is essentially the homepage of Hizbollah's Al Manar Television, and <http://www.nasrollah.net> the official homepage of the group's leader Sayyed Hassan Nasrallah (and available in French). In what follows, however, I draw only upon the content of the Central Press Office (CPO) site, particularly the text entitled 'Introduction- Hezbollah: Identity and Goals,' and the sections entitled 'In the Press' and 'Political Declarations.'<sup>23</sup> Let me begin, therefore, with a brief description of the CPO site before analysing what the information contained therein tells us about Hizbollah- their origins and support base, their enemies and goals.

The Central Press Office site contains an introduction to the group, press cuttings and statements, political declarations, and speeches of the group's Secretary General, Nasrallah. One may also access a photo gallery, video and audio clips. The information contained in these pages is updated fairly regularly. There are, however, a number of sections that had no content at time of writing, these include sections entitled 'Hostages and Wounded,' 'Occupied Zone,' and 'Issues.' There is a links page containing links to the 'Office of Grand Spiritual Leader Ayatollah Khamenei,' 'Khiyam Detention Camp,' the 'Islamic Health Society,' 'Al-Nour Radio,' and 'Al-Ahed Magazine' among others. In the event that users want to get in touch with the group, contact information, in the form of an e-mail address, is provided. The site's major drawback is the lack of an extensive archive.

### *Who are Hizbollah?*

Hizbollah is a Lebanese resistance organisation and political party that maintains a continuing interest in the Israeli-Palestinian conflict. It emerged as a result of Israel's invasion of Lebanon in 1982 and subsequent occupation of south Lebanon. It refuses to recognise the legitimacy of Israel and refers to it as the 'Zionist entity' while often referring to itself as the Islamic Resistance.

Hezbollah went through various decisive moments in its history. With the most important moment being in 1982 the year of the Zionist invasion of Lebanon. This invasion led to the occupation of the capital Beirut making it the second Arab capital to be occupied

during the Arab-"Israeli" conflict, with Jerusalem being the first. This crossroad speeded up the presence of Hezbollah as a struggle movement that is totally affiliated in the long complicated and complex fight against the Zionist enemy. The starting point of that struggle being the Zionist occupation of Palestine, and then to many of the Arab lands in Egypt, Syria and Jordan leading up to Lebanon. All that led to the establishment of the identity of Hezbollah as a struggle movement against the Zionists. Add to that many social, economical, political and cultural ideals of the Shiaa in Lebanon. Another very important factor that developed Hezbollah was the establishment of the Islamic Revolution in Iran that was led by the late Imam Khomeini.

Hizbollah leaders have rejected all international resolutions that have required recognition of the state of Israel. These include the 1949 armistice between Lebanon and Israel, UN Resolutions 425 and 426, and the 1993 Oslo Accord. The group has also maintained its opposition to portions of the Ta'if Agreement, which terminated the Lebanese civil war. This has not, however, hindered the group from growing as a socio-religious movement nor taking its place in Lebanon's political institutions. The first Hizbollah representatives were elected to the Lebanese parliament in 1992. At the present time there are 8 Hizbollah deputies sitting in the parliament.

Israeli attacks on southern Lebanon that resulted in Hizbollah counterattacks on northern Israel are generally perceived to have brought about an end to popular Israeli support for the Israeli Defence Forces (IDFs) continued presence in Lebanon. The IDF withdrew from southern Lebanon on 25 May, 2000. Hizbollah "considered Israel's unconditional implementation of Resolution 425 outside of any auxiliary peace treaty or security arrangement a resounding success and realisation of its aims, and proof that it is a military and political force that can win."<sup>24</sup> The IDF withdrawal did not spell the end of Hizbollah's interactions with Israel, however. There is ongoing conflict over the continued Israeli occupation of the area known as Sheba'a Farms, the continued detention of Lebanese citizens in Israel and, more generally, the status of the Occupied Territories and the Palestinian people as a whole.

### *The Value Structure of Hizbollah: Identity, Adversaries, and Goals*

How do Hizbollah see themselves and how do they identify their enemy? According to a statement entitled 'Hezbollah: Identity and Goals' contained in the 'Introduction' of the Central Press Office site, "Hezbollah is an Islamic struggle movement. Its emergence is based on an ideological, social, political and economical mixture in a special Lebanese, Arab and Islamic context."

On the one hand, they place themselves in historical continuity with almost one hundred years of struggle against colonization and oppression by the Palestinian people. On the other hand, they are also actors on the domestic Lebanese political scene.

The Israeli-Palestinian conflict is a dominant element of the group's web site. Statements of solidarity with the Palestinian people are common. One such text, entitled 'A Hizbollah Statement on the Escalating Egressions [*sic*] Against the Palestinians,' reads as follows:

As the days passe" [*sic*], we witness mounting egressions [*sic*] on our Palestinian people, the Israeli army uses different methods to stop the Intifad [*sic*], which proves every day its readiness to continue the struggle till it achieves the full liberation of Palestine.

We highly appreciate and salute our people in Palestine for their steadfastness and strong will. We also hail the sacrifices of Palestinian factions and martyrdom operations, which became an effective weapon and capable of inflicting a huge loss among Israeli occupation forces.

We strongly warn of the suspected plots of the Israeli enemy and the American administration to stop the Intifada whenever the Palestinian resistance inflicts damage in the Israeli entity.

The continuation of the Intifada as well as the national unity of the Palestinian people is the base that should be relied on to confront the Israeli and US projects and plots.

Hizbollah are a legitimate political party with a wide base of support within Lebanon. The group are involved in a vast array of domestic social, cultural, and educational activities and initiatives. Evidence of these is available on the group's Web site. For example, a July 2001 article in the *Daily Star* newspaper details how some 25 Muslim couples "tied the knot" at a wedding party organized by Hizbollah in Baalbek: "As a band played Islamic songs at Sunday's ceremony, a Muslim clergyman handed the newlyweds copies of the Quran a gift from Hizbullah Secretary-General Sayyed Hassan Nasrallah." According to the report, which is available on the Hizbollah Web site, about 10,000 people, including Hizbullah MPs and clergymen, attended the ceremony. Other newspaper reports contained on the site detail Hizbollah's concern with the deleterious consequences of the Lebanese government's "arbitrary dismissal" of employees of Middle East Airlines and their concern that "financial cutbacks should not come at the worker's expense" (May 2001), and describe Hizbollah taking the lead in criticising a government increase in oil prices, which the organisation claimed would negatively affect the poor (September 2001).



What are Hizbollah's stated goals? These appear to be threefold: the liberation of Jerusalem and the Palestinian people; the complete withdrawal of Israeli forces from Lebanon, to include the area known as Sheba'a Farms; and the establishment of an Islamic state in Lebanon. Israel is clearly viewed as the enemy of Hizbollah and is not recognised by the latter. An article that appeared in the UK newspaper *The Guardian* in 2001<sup>25</sup> reported that Hizbollah would in fact "like it [Israel] to disappear off the map," but went on to observe that "while Hizbollah is convinced that Israel will eventually be defeated, it seems in no particular hurry."<sup>26</sup> The organisation's spokesperson, Hussein Naboulsi, is reported to have observed: "The Crusaders stayed in Palestine for 200 years and have gone. Israelis have only been in Palestine since 1948."<sup>27</sup> It appears to be the case, therefore, that while anti-Israeli rhetoric may be useful to mobilise the masses, Hizbollah's focus is increasingly within Lebanon.

The main aim of Hizbollah's 18-year struggle against the Israelis was to end the occupation of southern Lebanon, a goal that was finally achieved in May 2001. However, the organisation has an ongoing quarrel with the Israelis because their withdrawal did not include the tiny Sheba'a Farms area on the Lebanese-Syrian border, which the Israelis insist belongs to Syria. Both Syria and Lebanon say it is Lebanese. In the same *Guardian* article referred to above, which is reprinted on the Hizbollah Web site, Mr Naboulsi is described as "not exactly breathing fire over that issue": "Whenever we find a target in the Sheba'a Farms, we attack if it's easy to hit without any casualties. But it's very hard to launch an operation there."<sup>28</sup> As pointed out earlier, Hizbollah gained enormous prestige from forcing the IDF's withdrawal from southern Lebanon. This surge in support was not restricted to its core Shi'ite followers, but extended throughout Lebanese society, and is alluded to in the group's 'manifesto' 'Hezbollah: Identity and Goals': "The resistance also established an internal national axis in a way that was never witnessed in Lebanon before. This matter is of vital interest when we notice how Lebanon is divided into various religions, sects, ideologies, societies, cultures, etc." Since that time, Hizbollah have devoted strenuous efforts to capitalising on that goodwill and thus becoming a major force in Lebanese politics.

That brings us to Hizbollah's third stated goal: the establishment of an Islamic state in Lebanon. According to Amal Saad-Ghorayeb, the author of *Hizbu'llah: Politics and Religion* (2002), "the exemplary just state for Hizbollah is the Islamic republic."<sup>29</sup> However, the difficulties of establishing an Islamic republic within the borders of Lebanon are not foreign to Hizbollah. Saad-Ghorayeb points out that such an undertaking would not only be anathema to Lebanon's Christian, Sunni and Druze populations, but would even be rejected by a significant portion of Shi'ites. According to a 1992 study, only 13% of Lebanese Shi'ites would lend their support to the creation

of an Islamic republic in Lebanon.<sup>30</sup> So, while the ideal of an Islamic state in Lebanon remains a central tenet of Hizbollah's political theory and goals, it is not currently part of its concrete political programme. This is for two major reasons; first, the present Lebanese reality dictates that the establishment of an Islamic state within the borders of Lebanon only be brought about on the basis of the consent of the majority of Lebanon's citizens; and, second, a central tenet of the Islamic faith, which disallows the enforced adoption of Islam by those who adhere to other faiths. These and related issues are dealt with at some length in the group's online 'manifesto/ which is worth quoting from at length:

Hezbollah today also commands respect politically after it proved its strength with its presence by respecting the values of others in the field. Hezbollah also sees itself committed in introducing the true picture of Islam, the Islam that is logical. Committed to introduce the civilized Islam to humanity. Hezbollah also sees itself committed in introducing the Islam that is confident *[sic]* in achieving justice, as well as introducing the Islam that protects all human rights. Introducing the Islam that supports education, the Islam that offers medical support. Hezbollah also has its own cultural plan to attract and convince through civilized and humanitarian means as specified in the human rights laws, far from any use of violence or coercion. It should also be clear that the kind of Islam that Hezbollah seeks is a civilized one that refuses any kind of oppression, degradation, subjugation and colonization. Hezbollah also stretches its arm of friendship to all on the basis of mutual self-respect. The Islamic path that Hezbollah follows is one of a message that aims to establish peace and justice to all humanity whatever their race or religion. Hezbollah does not have a problem with anyone, but it feels responsible towards him or her to clarify the true Islam far away of *[sic]* any fanaticism. Hezbollah does not wish to implement Islam forcibly but in a peaceful and political manner, that gives the chance to the majority to either accept or refuse. If Islam becomes the choice of the majority only then will it be implemented. If not it will then continue to co-exist with others on the basis of mutual understanding using peaceful methods to reach peaceful solutions. And that is how the case should be to the non-Islamists as well.

Saad-Ghorayeb further underscores Hizbollah's commitment to those principles:

Hizbu'llah's reference to the Qur'anic injunction, 'Let there be no compulsion in religion\* (2:256), both in its Open Letter of 1985 and 14 years later as articulated by Shaykh Na'im Qasim, is indicative of the tenacity with which this conviction is held. Moreover, the

party's constant reassurance that it has no intention of forcibly 'imposing' an Islamic state on the Lebanese people, from as far back as 1985 to the present, is further testimony to this point.<sup>31</sup>

*The Communication Strategy of Hizbollah: The Internet (and the Media)*

Autonomous communication is a paramount objective for Hizbollah. They established their collection of web sites in early 1997. A study published in November 1997, almost a year later, found that the total number of Internet users in the Arab world, (excluding Israel) at that time (July 1997), was 215,500. Of a population of over 3.5 million people, there were just 35,520 Internet users in Lebanon.<sup>32</sup> Hizbollah maintained their sites in both Arabic and English from the outset. This despite the low number of Internet users in the whole of the Middle East and the fact that a 1998 study found that Arabic sites with Arabic text received many more visitors from within the Arab world than Arabic sites with English text.<sup>33</sup> In addition, Pippa Norris has shown that in societies where the online population is not large there is minimal incentive for groups to develop Web sites, and the (lack of ) infrastructure hinders their development.<sup>34</sup> This indicates that Hizbollah were interested in targeting Western audiences from the start.

In March 1997, an article in Beirut's *Al-Safir* newspaper drew attention to the "psychological warfare" being employed by Hizbollah. The article is devoted to describing Hizbollah's al-Manar television station's Web site, which is depicted as Hizbollah's corrective to the Israeli's mis-education of Western publics:

...psychological warfare can be used as a weapon of war to be added to the military materiel, not only to repulse the aggression, but also to confront the enemy's deceptive policy toward the world public. Although this war has many faces, it has one head only, namely the media. Hizbollah entered this field through a wide door via the international Internet network two months ago, and precisely via the al-Manar television station. Hizbollah's step is primarily aimed at refuting the fallacies Israel has been spreading abroad concerning the occupation of south Lebanon. According to a Hizbollah media source, one of the fruits of such Israeli fallacies is that a broad sector of the West believes that the 'security belt' falls within Israeli territory. Hence, the defence becomes an offensive by demonstrating the dimensions of the Israeli occupation and the legitimacy of resistance.<sup>35</sup>

The report goes on to say that the site managers regularly receive e-mail from Internet surfers "some of which salute the resistance and others request information on the Lebanese-Israeli conflict."<sup>36</sup> In addition, it is reported that some of the subscribers to the site's e-mail list- "who began to show

sympathy with the resistance when the Qana massacre occurred" <sup>37</sup> - transmit the information they receive across other networks and lists thus spreading these messages further than would otherwise be the case. Finally, the article also explains that the employees of al-Manar view Internet access as a useful tool because

of the studies on the Israeli Foreign Ministry and other agencies which show us how they promote the image of terrorists in order to carry out a counter campaign. It is also useful in terms of world political news because it carries international news agencies and research works conducted by international study centres in political, social, educational, and even technological spheres. This is done by some of the al-Manar station employees who are taking training courses via the Internet in cooperation with international companies in electronic and other fields, in addition to getting world weather and sports news, <sup>38</sup>

In a September 2001 interview, Hassan Ezzieddine, the head of Hizbollah's Department of Media Relations, confirmed:

We feel that the media can be effective in creating a special climate in public opinion on the main issues of interest...We are heading toward a new sensitive security situation (in the region) which means we need to follow events very closely so that we can informatively help shape international and Arab public opinion...We believe that the media has an important role in the conflict, as important as the military wing.

To underscore the importance of the media's role in the conflict, Hizbollah's leadership decided in 2001 to place al-Manar TV under the direct supervision of a committee composed of senior figures in the organisation and chaired by the group's secretary-general, Sayyed Hassan Nasrallah. The Central Information Office, the role of which was liaison with the press and which also had responsibility for the publication of Hizbollah's weekly newspaper *Al-Ahed*, was abolished and replaced by the new Department of Media Relations of which Mr. Ezzieddine, a member of Hizbollah's political council, was put in charge. Ezzieddine and his staff reportedly examine newspaper articles dealing with Hizbollah and follow television and radio broadcasts. The new department is also responsible for maintaining the group's official web sites, which are currently in the process of a major overhaul.

## **ELECTRONIC INTERFADA**

It's not all plain sailing for these 'netizens,' however. In Autumn 2000, political tensions in the Middle East spilled over onto the Internet, resulting in an increased level of hostile online activity that has continued sporadically

for the past two years.<sup>39</sup> The Mideast 'cyberwar' began in November 2000- about three weeks after Hizbollah seized three Israeli soldiers on patrol in the Sheba'a Farms area and held them for ransom- when pro-Israeli hackers created a website to host FloodNet attacks. Within days, Hizbollah's site was flooded by millions of 'pings'- the cyber-equivalent of knocks on the door- and crashed. Hizbollah then tried reviving the site under slightly different spellings, but they too came under sustained attack. In all, six different Hizbollah sites, the Hamas site, and other Palestinian informational sites were victims of the FloodNet device.<sup>40</sup> Hizbollah's Central Press Office site came under attack once again when the group posted video clips of Israeli ground attacks on Palestinians in Gaza. Hizbollah then increased their server capacity in order to ward off further attacks.<sup>41</sup> These efforts notwithstanding; pro-Israeli hackers successfully hacked into the Hizbollah site on December 26 2000. They posted pictures of the 3 Israeli soldiers who were abducted in early October and the slogan "Free Our Soldiers Now" on a screen full of blue and white Star of David flags.<sup>42</sup> In addition, a group called Hackers of Israel Unite allegedly crashed the Almanar TV site using one computer with a 56K modem, an ADSL line, and a popular tool called WinSmurf that enables one to conduct a mass ping.<sup>43</sup>

Also in October 2000, a number of media outlets in the US and Europe were contacted by a group claiming that hackers had defaced a Hizbollah site. When journalists accessed the site they were greeted by the Israeli flag, Hebrew text and a tinny piano recording of Hatikva, the Israeli national anthem. This prompted several news organisations to report that Hizbollah's Central Press Office site had been defaced by pro-Israeli hackers.<sup>44</sup> Only later did it become apparent that the site at hizbolla.org (which is no longer operational) was a fraud that had been established by an unidentified individual or group using an address in Lebanon.<sup>45</sup>

According to Hizbollah's then-Webmaster, AH Ayoub, "Our counterattack is just to remain on the Net."<sup>46</sup> The Palestinians and their supporters were not long in striking back, however. In a coordinated counterattack, the web sites of the Israeli army, Foreign Ministry, prime minister and parliament, among others were hit.<sup>47</sup> On a single day, December 29, 80 Israel-related sites were hacked and defaced by pro-Palestinian hackers. It is estimated that, in all, more than 246 Israeli-related sites were attacked between October 2000 and 1 January 2001 as compared with approximately 34 Palestinian-related sites that were hit in the same period (Hosein 2001).<sup>48</sup> The success of the Palestinian counterattack-variously dubbed the 'e-jihad,' 'cyber-jihad,' or 'inter-fada'- may be explained by the way in which the pro-Palestinian hackers systematically worked their way through sites with dot-il domain names. Palestinian-related sites are generally harder to find because, although in March 2000 dot-ps was delegated the country code Top Level Domain (ccTLD) for the Occupied Palestinian Territories, only one such domain is

currently operational (gov.ps),<sup>49</sup> and not many groups have such an easily identifiable URL as Hizbollah. In addition, there are approximately 2 million Internet hookups in Israel, which is considerably more than any other Middle Eastern country (see Table 1). The upshot of this is that the Israeli's have a far greater online presence than the Palestinians and their supporters in the Arab world and are therefore more easily targeted.

Table 1 Internet Users in the Middle East, 2001		
<i>Country</i>	<i>Number of Subscribers</i>	<i>% of Population</i>
Bahrain	140,200	21.36
Iran	420,000	0.63
Iraq	12,500	0.05
Israel	1,940,000	17.12
Jordan	212,000	3.99
Kuwait	200,000	9.47
Lebanon	300,000	8.38
Oman	120,000	4.42
Palestine	60,000	N/A
Qatar	75,000	9.75
Saudi Arabia	570,000	2.5
Syria	60,000	0.35
UAE	900,000	36.79
Yemen	17,000	0.09

Source: Nua Internet Surveys ([www.nua.ie](http://www.nua.ie))

## CONCLUSION

Two ideas motivate this article: first, the belief that a "verbal strategy"<sup>50</sup> is always preferable to a violence strategy; and, second, the belief that there are at least two sides to every story. The aim of this article has been to illuminate Hizbollah's 'side of the story' - given that the majority of us are

reasonably cognisant of the US version of events- via an analysis of the group's Web site, which analysis was situated within the framework of the New Public Diplomacy.'

The New Public Diplomacy emphasises the role of new information technologies and the engagement of non-state actors in the diplomatic process. To date, the majority of research and analysis in this area has focused upon the use of the new information technologies- particularly the Internet, but other technologies also- by states and Non-Governmental Organisations (NGOs), such as Amnesty International and Greenpeace, to 'sell' their position(s) to national and global publics. For example, by 2001 all Arab states had launched their own Web sites and many have several such sites. According to Marcus Franda, these sites are designed to get information about their countries out to the rest of the world, and to counter or balance information provided on the Web by Israel, Iran, and other states.<sup>151</sup> This exclusive focus on states and civil society actors is misguided, however.

Worldwide, recent years have seen more and more groups that are engaged in militancy and political violence- the representatives of 'uncivil society', if you like- establish a presence on the Internet. A comprehensive list of all such sites, both official and unofficial, is maintained by an individual in the United States and is available online.<sup>52</sup> By 2002, for example, 19 of the 34 organisations that appear on the US list of Designated Foreign Terrorist Organisations had established an online presence. These include, not only Hizbollah, but Aum Shinrikyo, the Tamil Tigers, Basque Fatherland and Liberty (ETA), Lashkar-e-Tayyiba, the Kurdistan Workers Party (PKK), and others. It is important to point out here that Article 19 of the Universal Declaration of Human Rights states that "everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers," which right must be presumed to extend even to those groups deemed terrorist by others. As has been pointed out, "if what matters is openness in the marketplace of ideas...then the Web delivers an equal opportunity soapbox." "

Hizbollah represent an interesting case. This is because, despite their appearance on the US list, Hizbollah is a legitimate political party with a wide base of support in Lebanon. Furthermore, on 2 May 2002, the European Council (i.e. the 15 EU governments) updated the list of terrorist organisations it drew up in December 2001 in the wake of the events of 9-11 and pursuant to UN Security Council Resolution 1373. The addition of 11 new groups brought the EU's list closer to that of the US State Department. However, Hizbollah appears on neither the original EU list nor the updated version. Is it therefore legitimate to analyse Hizbollah's Web presence as one would the site of any other political party? Pippa Norris has noted that "parties

publicise the information and images that they believe are most positive for serving their own interests, but this should not necessarily be dismissed as 'only propaganda.' Particularly as much of this information is often not readily available from other sources."<sup>54</sup> Certainly, any discussion of Hizbollah that takes place in the West is located within the discourse that surrounds militant groups more generally as evidenced by President Bush's pronouncements related earlier. There is little room for contextualisation, in other words. It is for these reasons, and Hizbollah's explicit targeting of Western audiences, that it appears valid to locate the group's Internet strategy within the framework of the New Public Diplomacy.

## NOTES

- <sup>1</sup> The 'correct' English spelling of the group's Arabic appendage is Hizb'Allah or Hixbu'llah, however it is more usually spelled 'Hizbollah,' 'Hizballah,'<sup>1</sup> or 'Hezbollah.' I have chosen 'Hizbollah' because that is the spelling employed in the URL designating the group's official homepage. However, where I have employed quotation I have retained the original spelling used by the author.
- <sup>2</sup> Manuel Castells, *The Power of Identity* (Oxford: Blackwell, 1997), 69.
- <sup>3</sup> Edward Said, *Covering Islam* (London: Vintage, [1981] 1997), xxi,
- <sup>4</sup> Said, xiii.
- <sup>5</sup> Said, 66.
- <sup>6</sup> Rhiannon Vickers, 'The New Public Diplomacy in Britain and Canada.' Paper presented at the British International Studies Association (BISA) Annual Conference, Edinburgh, UK, 2001.
- <sup>7</sup> Robin Brown, 'The New Public Diplomacy: Power in the Age of Mixed Media,' Paper presented at 4th Pan-European International Relations Conference, Canterbury, UK, 2001. Brian White, 'Diplomacy' in *The Globalisation of World Politics* (2nd ed.), eds. John Baylis and Steve Smith. (Oxford: Oxford University Press, 2001), 317-330.
- <sup>8</sup> Brown, *The New Public Diplomacy*.
- <sup>9</sup> Joseph S. Nye and William A. Owens, 'America's Information Edge.' *Foreign Affairs* Vol. 75, No. 2 (1996), 21 fn.1.
- <sup>10</sup> Robert O. Keohane and Joseph S. Nye, Jr., 'Power and Interdependence in the Information Age.' *Foreign Affairs* Vol. 77, No. 5 (September/October 1998), 89-92.
- <sup>11</sup> Robin Brown, 'Power and the New Public Diplomacy.'<sup>1</sup> Paper presented at the British International Studies Association (BISA) Annual Conference, University of Edinburgh, Scotland, 2001, 11.
- <sup>12</sup> Peter Willetts, 'Transnational Actors and International Organisations in Global Politics' in *The Globalisation of World Politics* (2nd ed.), eds. John Baylis and Steve Smith (Oxford: Oxford University Press, 2001), 368.
- <sup>13</sup> Gordon S. Smith, 'Reinventing Diplomacy: A Virtual Necessity.' *United States Institute of Peace: Virtual Diplomacy Report*, available online: <http://www.Msip.t>re/oc/vd/vdr/gsmithISA99.html>



- <sup>14</sup> Evan H. Potter, *Cyber-Diplomacy* (Canada: McGill-Queen's University Press, 2002).
- <sup>15</sup> United States Department of State, *Patterns of Global Terrorism 2001* (Washington DC: Department of State, 2002), available online: <http://www.state.gov/s/ct/rls/pgtrpt/2001/html/>.
- <sup>16</sup> United States Department of State, *Patterns of Global Terrorism 2001*.
- <sup>17</sup> George W. Bush, State of the Union Address (2002), available online: <http://www.law.ou.edu/hist/state2Q02.shtml>.
- <sup>18</sup> George W. Bush, 'Text of President Bush's Address on the Middle East.' *Washington Post* 25 June 2002: A12, available online <http://www.washingtonpost.com/wp-dyn/iirticles/A39207-2002Jun24.html>.
- <sup>19</sup> As quoted in Said, 47.
- <sup>20</sup> As quoted in Christopher Ross, 'Public Diplomacy Comes of Age,' *The Washington Quarterly* (Spring 2002), 76.
- <sup>21</sup> Manucl Castells, *The Power of Identity*, 69-70.
- <sup>22</sup> Ibid, 71.
- <sup>13</sup> All of the quotes below have been extracted from these sections of the site unless otherwise indicated.
- <sup>24</sup> Haytham Mouzahem, 'Hizb'Allah's Future in the Wake of the Events of September 11.' Paper presented at the British International Studies Association (BISA) Annual Conference, Edinburgh, UK, 2001.
- <sup>23</sup> Brian Whitaker, 'Hizbollah: Israel is an Illegitimate Entity.' *The Guardian* (UK), 12 March 2001,
- <sup>2\*</sup> Ibid.
- <sup>27</sup> Ibid.
- <sup>28</sup> Ibid.
- <sup>29</sup> Amal Saad-Ghorayeb, *Hizbu 'llah: Politics and Religion* (London: Pluto Press, 2002), 22.
- <sup>30</sup> Judith Harik, 'Between Islam and the System: Sources and Implications of Popular Support for Lebanon's Hizballah.' *Journal of Conflict Resolution* Vol. 40, No. 1 (1996), 56 & 61. See also Saad-Ghorayeb, 35.
- <sup>31</sup> Saad-Ghorayeb, 36.
- <sup>32</sup> Nua Internet Surveys. 'Middle East Internet Usage' (1997), available online: [http://www.nua.com/surveys/index.cgi?f=VS&art\\_id=8789Q6966&rcl=true](http://www.nua.com/surveys/index.cgi?f=VS&art_id=8789Q6966&rcl=true). The study's findings were based on actual subscription numbers to ISPs. It has since been shown that the average number of users per Internet account in most Arab counties is three, see Nua Internet Surveys, 'Arab Net Population Passes 3.5 Million' (2001). The latter is available online: <http://www.nua.com/surveys/index.cgi?f=VS&arLid=905356603&rel=true>.
- <sup>33</sup> Nua Internet Surveys, 'Internet Usage in the Arab World' (1998). Available online: [http://www.nua.com/surveys/index.cgi?f=VS&art\\_id=888945819&rcl=true](http://www.nua.com/surveys/index.cgi?f=VS&art_id=888945819&rcl=true).

- <sup>34</sup> Pippa Morris, *Digital Divide: Civic Engagement, Information Poverty, and the Internet Worldwide* (Cambridge: Cambridge University Press, 2001).
- <sup>35</sup> Foreign Broadcast Information Service (FBIS), 'Hizballah's al-Manar TV on Internet.' FBIS-NES-97-043, 3 March 1997.
- <sup>36</sup> *Ibid.*
- <sup>37</sup> *Ibid.*
- <sup>38</sup> *Ibid.*
- <sup>39</sup> Thus far, the Mideast 'cyberwar' is a mere nuisance in comparison with some of the targeted and sustained campaigns carried out against other sites perceived to be supporting terrorism. In 1997, for example, an e-mail bombing was conducted against the Institute for Global Communications (IGC), a San Francisco-based ISP, hosting the web pages of the Euskal Herria or Basque Country Journal, a publication edited by supporters of the Basque group Homeland and Liberty (ETA). The attacks against IGC commenced following the assassination by ETA of a popular town councillor in northern Spain. The protestors were seeking to have the site pulled from the Internet. To accomplish this they bombarded IGC with thousands of spurious e-mails routed through hundreds of different mail relays, spammed IGC staff and customer accounts, clogged their Web page with bogus credit card orders, and threatened to employ the same tactics against other organisations using IGC services. IGC pulled the Euskal Herria site on July 18, but not before archiving a copy of the site enabling others to put up mirrors. Shortly thereafter, mirror sites appeared on half a dozen servers on three continents. Despite this, the protestors e-mail action raised fears of a new era of censorship imposed by direct action from anonymous hacktivists. Furthermore, approximately one month after IGC pulled the controversial site off its servers, Scotland Yard's Anti-Terrorist Squad shut down Internet Freedom's UK Web site for hosting the journal. Scotland Yard claimed to be acting against terrorism, see Dorothy Denning, 'Activism, Hacktivism, and Cyberterrorism: The Internet as a Tool for Influencing Foreign Policy' (1999), 20-21, which is available on the Internet at [http://www.nautilus.org/infopolicy/workshoJpapers/denning\\_.html](http://www.nautilus.org/infopolicy/workshoJpapers/denning_.html).
- <sup>40</sup> Carmen J. Gentile, 'Hacker War Rages in Holy Land,' *Wired*, 8 November 2000, available online: <http://www.wired.com/news/politics/Q,1283.40030.00.html>; Carmen J. Gentile, 'Palestinian Crackers Share Bugs,' *Wired*, 2 December 2000, available online: <http://www.wired.com/news/politics/0%2C1283%2C4Q449%2COO.html>; Lee Hockstader, 'Pings and E-Arrows Fly in Mideast Cyber-War,' *Washington Post*, 27 October 2000, A 0.
- <sup>41</sup> Carmen J. Gentile, *Hacker War Rages*.
- <sup>42</sup> Hanson Hosein, 'Bytes Without the Blood in Mideast,' *MSNBC*, 4 January 2001.
- <sup>43</sup> Carmen J. Gentile, *Palestinian Crackers*.
- <sup>44</sup> Hockstader, *Pings and E-Arrows*; Charles Piller, 'Terrorists Taking Up Cyberspace,' *Los Angeles Times* 8 February 2001, available online <http://lisis.vipul.net/pipcrmail/cpunks-india/2001-January/OOP116.html>.
- <sup>45</sup> Linda Garrison & Martin Grand (eds), *National Infrastructure Protection Center: Highlights*, Issue 2-01 (2001), available online: <http://www.nipc.gov/publications/hitjhights/2001/highlight-01-02.htm>
- <sup>46</sup> Hosein, *Bytes Without the Blood*.
- <sup>47</sup> Hockstader, *Pings and E-Arrows*.

<sup>48</sup> Hosein, *Bytes Without the Blood*.

<sup>49</sup> See Oscar S. Cisneros, 'Dot-PS: Domain Without a Country,' *Wired*, 12 January 2001, available online: <http://www.wired.com/news/pQlitics/0.1283.41135.00.html>.

<sup>50</sup> Said, 175fn.5.

<sup>51</sup> Marcus Franda, *Launching into Cyberspace: Internet Development and Politics in Five World Regions* (Boulder & London: Lynne Rienner, 2002), 81.

<sup>52</sup> <http://www.cromwell-inti.com/security/netuscrs.html>.

<sup>53</sup> Norris, 172.

<sup>54</sup> Norris, 169.

# DAVID VS. GOLIATH: THE LEBANESE HEZBOLLAH AND WORLD AFFAIRS SINCE 9-11

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**T**he latest State of the Union Address of US President George W. Bush, relegating the Lebanese Hezbollah onto the US Government's list of terrorist organisations to eliminate, alongside the infamous al-Qa'ida, has brought the Party to the forefront of a growing debate surrounding US foreign policy in the Middle East region (Bush, 2002).<sup>2</sup> As observed in the assisted-growth of other US arch-enemies in the past, the latest Bush administration's diplomatic move has once again overlooked the unavoidable dialectics of agenda setting. While capitalising on a zero-sum conceptualisation of the Hezbollah as a ruthless terrorist organisation, set on destroying Western democratic ideals, the US Government has also given the Party a unique opportunity, that of conveying its *raison d'être* to the outside world. Thus, after the events of September 11<sup>th</sup>, and following its leadership's disapproval of the atrocities, the Party has been seeking to strengthen and gentrify its international image through the expansion of its television channel's programming. The broadcasting service of the Lebanese Hezbollah, al-Manar TV, currently qualifies itself as a 'Lebanese TV station that aims to (...) enhance the civilized role of the Arab and Islamic Community', and as the 'first Arab establishment to stage an effective psychological warfare against the Zionist enemy'.<sup>3</sup> Since the post 9-11 US diplomatic offensive against

the Hezbollah, the channel has re-defined itself as a twofold prism, channelling the concerns of the Arab world onto the West, and the Western coverage of the Arab world back to the Middle East, this in an effort to legitimize its role as a 'heavy-weight' political contender within the international arena. Central to this rejuvenating process has been a sustained coverage of the Second Intifada and of post 9-11 US foreign policy, broadcasted in Arabic, English and shortly Hebrew and French, thus conveying a concept that remains central the Party's plight, that of an increased transparency.

In the light of the current US foreign policy of contender elimination at all costs, the object of this paper is to analyse the Hezbollah's plight for survival through its broadcasting service's narrative towards the Western world, this regarding the Second Intifada, and in a context of institutionalisation of the Party, both as a potential pan-Arab interlocutor to outsiders and as unifying Lebanese political party. First, an analysis of the Party's evolution since its inception will question a commonly held Western conceptualisation of the party as an undemocratic monolith. This will be undertaken in order to assess the Party's potential role for fostering the establishment of positive peace in Lebanon and possibly the region when the time comes. Second, the role of Manar TV in the current Intifada will be analysed, this in correlation with the channel's coverage of US foreign policy mostly in relation to Israel. The role of Manar TV will come under scrutiny, as a means to assess the Party's relationship with the West, and its new-found role in the Arab world as an instigator for awareness. This part will question the possibility of ulterior motives, commonly attributed to the party.

### **Hezbollah's *raison d'être* and Lebanonization process**

A terrorist group set on destroying the United States of America, the world guardian of democratic values, champion of peace and upholder of 'the force', the Lebanese Hezbollah was conceived in June 1982 as a direct result of the Israeli invasion of Lebanon, a political campaign supported by the Reagan Administration, and that resulted in more than 20.000 deaths, including the Sabra and Shatila massacre (Tenet, 2002; el-Ezzi).<sup>4</sup> It was on this occasion, and during the annual Islamic Conference taking place in Tehran, that Sheikh Tufeili, later appointed as a the first Secretary General of the *Majlis al-Shoura*, and Sheikh Harb, assassinated by Israel two years later, were approached by the Iranian government to initiate a resistance movement (Jaber, 1997).<sup>5</sup> While the timing of the Israeli invasion was crucial to the inception of the Party, the perceived apathy and institutionalisation of the then exclusive Shi'a organisation Amal provided a strong base for support among the Shi'a population of Lebanon (Norton, 1998). Amal, was created at the eve of the 1975 civil war, as an offset of

the Movement of the Deprived, set up by charismatic leftist Iranian cleric Sayeed Musa al-Sadr. While Sayeed al-Sadr did not initially support the armed branch of his movement, his suspicious disappearance clearly helped Amal's military stance as well as the institutionalisation of Amal as a political movement.<sup>6</sup> Sayeed al-Sadr created the Movement of the Deprived in an effort to alleviating the endemic social deprivation and humiliation felt by the Shi'a population at the hands of the mainly Maronite and Sunnite confessional-financial bourgeoisie of Lebanon (Johnson, 1986). Over the years and through the institutionalisation of the movement into the Lebanese patronage system of *zuama*, the political vacuum left by the disillusioned Amal supporters benefited the creation of the Hezbollah (Norton, 1987).

After an initial period during which its allegedly affiliated branch Organisation for the Oppressed of the Earth carried out attacks in French army barracks and the US embassy in Beirut, among others, the Party made its intentions known in an Open Letter Addressed by the Hizb Allah to the Downtrodden in Lebanon and in the World, circulated in February 1985.<sup>7</sup> Its primary aim was twofold: first, to rid the Lebanese territory of foreign aggression, namely Israel, and US and France, and second, it had as its ultimate goal the creation of an Islamic Republic in Lebanon, thus negating the Lebanese confessional system (Norton, 1987). The latter aim has since been contested by members of the Party.<sup>8</sup> Moreover, despite ambiguously accepting responsibility for the attacks to foreign troops in Lebanon with the statement that "[o]ur people also escalated their popular and military Islamic resistance to the point where they forced the enemy to make its decision on phased withdrawal", itself a cardinal embodiment of the Hezbollah's Islamic Resistance objective, the Hezbollah has since categorically denied responsibility for the attacks (Norton, 1987, Appendix B, p. 172). In a recent interview with Qatar's al-Jazeera satellite channel, Secretary General Sayeed Hassan Nasrallah referred to the Islamic Jihad as part of a range of "small groups [that] did not belong to Hizbullah".<sup>9</sup> Such a statement bears grounds in a deeper analysis of the movement, never unified or structured as an organisation before the late 1980s, operating as an umbrella movement, whose subsections were not aware of each other. Indeed, a militant from the very beginning recounted the *ad hoc* nature of the first armed operations in his area, constituting only of a small team of ill-fed disenfranchised AMAL supporters in the occupied South of Lebanon, armed of a few grenades and Kalashnikovs and set on waging guerrilla warfare against the Israeli occupier when the occasion presented itself.<sup>10</sup> The aforementioned statement from Sayeed Nasrallah over the Party's responsibility in the attacks against foreign troops can be understood as a clear indicator of Hezbollah's change over the years, from an asserted Islamic resistance organisation to a moderate political entity, seeking to assert its

legitimacy through shaking off a radical image. As such, the Hezbollah is reckoning with an evolution of the priorities driving Lebanese society, namely a shift from internal strife to a movement for national consciousness, of inclusion rather than exclusion, and maybe hinting towards national reconciliation.

As stated in its 1985 Manifesto, the Hezbollah started as an anti Lebanese State organisation, disloyal to the French Mandate idea of *Grand Liban* and to a clientelist political system perceived as corrupt, weak and inefficient to the Shi'a cause, and embodied by the institutionalisation *cum* corruption of Amal." The end of the civil war in 1989 prompted the Party to revise its position towards Lebanon at the risk of becoming marginalized. It then underwent a major process of pragmatization, referred to by Warn (1999) as 'lebanonization'. It eventually accepted the Ta'if Agreement brokered by Syria and calling among other priorities for a return to the pre-war confessional system of government, provided that the ratio of Christian to Muslims in Parliament would shift from 6:5 to 6:6 (Johnson, 2001).<sup>12</sup> As a result, the Party participated in the 1992 elections, and won eight seats out of 27 reserved for Shi'as in a 128 seats Parliament. This acceptance of Lebanon as a legitimate inter-confessional entity would have been unthinkable in the 1980s, as Sheikh Tufeili's call for a burning of voting stations at the eve of the 1992 poll clearly demonstrates (Hamzeh, 1993). The succession of Islamist militant Sheikh Tufeili by liberal Sayeed Musawi in 1991 accompanied the Party into a second phase, marked by an institutionalisation within the Lebanese political system, and prompting a shift from pan-Islamism to pan-Arabism through the creation of Manar TV. Before analysing the creation of Manar TV, two questions need to be addressed. First, did the Party's rationalization prompt a loss of its core values, as indeed occurred in the institutionalisation of other Islamist parties such as the Refah in Turkey or the Islamic Action Front in Jordan? Moreover, will the Party's inclusion within a deeply corrupt clientelist system align it to Amal's fate?<sup>13</sup>

The answer to these questions lies in the initiatives for dialogue and transparency emanating from the Party's political and spiritual leadership. In 1995, Sayeed Fadlallah's wrote a letter to the Maronite Synode in which he called for a dialogue on the country's integrated future (Abillama, 2002).<sup>14</sup> In a similar vein, the Party has been engaged in the fostering of a national dialogue on a possible electoral reform. Although the Party agreed to become part of the Lebanese political system, it is still calling for a reform of the present electoral consociational system in favour of a proportional representation system, thus challenging the neo-feudal organisation of the Lebanese leadership.<sup>15</sup> In the present system, the Hezbollah can only aspire to gaining 27 seats in Parliament, and is unable to form political alliances

with political parties other than Amal. Although an Amal-Hezbollah partnership was agreed upon in South Lebanon during the last elections of 2000, such a system severely restricts Hezbollah's chances to dominate the political arena and capitalise on its liberation of South Lebanon. Moreover, the attribution of seats in Parliament still indirectly relies on the last census that was carried out in 1932, placing the Shi'a population as the third confessional minority in Lebanon, while a rough estimate in the late 90s placed them at around 40% of the population of Lebanon (Norton, 1998). It is undeniable that the aim for the proclamation of an Islamic Republic in Lebanon belongs to the past, and that the Party nowadays aims at promoting a regionally and ethnically integrated Lebanon. For this reason, the party has been increasingly appealing for a support across the sectarian divide. Critics believe that the Party's ultimate goal is to ascend democratically to power as a way to ultimately crush the Christian community. Two objections can be formulated to this type of view. First, should a confrontation have taken place within the Christian community, it would have done so after the Israeli withdrawal from South Lebanon in May 2000. Second, as Norton (1998) asserts, such a view underestimates the 'pragmatizing' effect of politics. Coalitions are regularly being formed between the Hezbollah and other parties at the Parliamentary level.<sup>16</sup> Third, the party is currently enjoying the luxury of being in the opposition, evolving as the champion of populist causes such as the conflict over the Ouzai bridge in southern Beirut, threatening the livelihood and homes of thousands of illegal occupiers of the Ouzai shanty-town (Abdul-Hussain, 2002). Such a drastic change within the Hezbollah since its inception demonstrates the potential for even further constructive change in the future. In a current context of reconciliation in Lebanon, the Hezbollah could play a major role as fostering agent for national consciousness, crucial for the development of positive peace a country, where only the Lebanese army considers itself as Lebanese.<sup>17</sup> Lebanese people either consider themselves as Phoenicians, Syria sympathiser, Iranian sympathisers, anti-Syrians, etc.<sup>18</sup> The only unifying trend for Lebanese people in today's context is their hatred for Israel. While such a negative crystallisation of national consciousness acts as an impediment for the generation of a culture of peace, the Hezbollah's track record in liberating South Lebanon from Israeli occupation clearly represents a basis on which positive peace could be achieved.

Time is ripe for the Hezbollah to capitalise on its alleged victory in South Lebanon, as well as the International Community's renewed interest in its activities. A debate surrounding US foreign policy in general, and in the Middle East in particular, has been initiated in the months following 9-11 (Da Silva, 2002; Bowman, 2001; Chomsky, 2001; Kiernan, 2001; Firmo-Fontan, 2002). The Party's use of Manar TV and other communication media as a platform for change and dialogue could channel the ongoing debate.



## Manar TV: vector for pan-Arab awareness or hate speech propagator?

### ManarTV's rationale

Manar TV was created on June 3rd 1991, in order for the Party to convey a message of

*'love and tolerance (...) of values, morals and goals (...) to live in peace, support the oppressed and defend [the Lebanese people \*s] rights'"<sup>9</sup>*

This message was aimed at reaching the Lebanese public and the Arab world, as a means to counter the "distorted" images of the Party disseminated within the Western and the Arab media as an intolerant and fundamentalist movement.<sup>20</sup> As developed later, the newly asserted image of the channel in a post 9-11 context has served the same public relations purpose. The creation of Manar TV became the embodiment of the process of Lebanonization of the Party. Through the use of a TV channel aimed at unifying the Lebanese people, Manar TV presented itself as a respected channel, safe to be watched by every member of the family unit, while relentlessly denouncing the Israeli occupation of South Lebanon (Abu-Fadil, 2000). A strong moral message was thus conveyed, a message aimed at eradicating 'instincts' provoked by a westernised television industry, whereby the woman would be used as a commodity. As a result for instance, female presenters wear the *hejab*, and no parts of the female body other than hands and face are found on any program.<sup>21</sup> As the first militant channel in Lebanon since the edition of a *Charter of Honour* by the Arab League in 1965, which came as a response to the vitriolic politicisation of the Lebanese media in the 1960s, it soon became the embodiment of the Islamic Resistance in South Lebanon (Saad-Ghorayeb, 2002). As Hezbollah's main goal was to end the Israeli occupation, Manar TV's role was to raise awareness among the Lebanese population of the possibility they had to resist the occupier. Referring to the inception of the channel, it states that:

*'while singers chant on numerous TV channels simultaneously [, t] here had to be a TV that committed itself to put in images the suffering of our people in the occupied territories [referring to South Lebanon], the victims of Israeli arrogance'.<sup>22</sup>*

An Islamic message was conveyed in daily programs, in order to convey and prompt support for the resistance, while also aimed at recruiting candidates for self-sacrificing operations (Jaber, 1997). The military operations of the Hezbollah were all recorded on tape, and then broadcasted to the public, as were also the pre-operations testament addresses given by self-sacrificing militants to their families.<sup>23</sup> In 1996, during the operation Grapes of Wrath,

a decision was taken to broadcast flashes in Hebrew, this as a way to increase the pressure applied to the 'Zionist enemy'.<sup>24</sup> This decision, exposed on Manar TV's website as a means to wage a psychological war onto the enemy, had as its result the sparking of a debate on the other side of the border. Flashes aimed at warning settlers and soldiers of retaliation were broadcasted. Indeed, the coverage of military operations in South Lebanon by Manar TV has been seen as an influence in the creation of the association Four Mothers Against War, a cross border movement founded to appeal to mothers concerned about sending their sons to the battlefield, and calling for the withdrawal of Israeli troops from South Lebanon.<sup>25</sup> Such a public relations exercise on the part of the Hezbollah, can be seen as a direct reason for the Israeli government to have pulled out of South Lebanon (Abu-Fadil, 2000). The so-called 'CNN-effect' of Manar TV, exposing the harsh realities of the occupation in Jebel Amil, outweighed the concern for border security, a reason invoked by the Israeli government for its ignoring of UN Resolution 425 for 22 years.<sup>26</sup> While leaving most of South Lebanon on May 23rd 2000, seven farms based in Shebaa, granted to Lebanon by Syria though not recognised by Israel as belonging to Lebanese territory, are still occupied.<sup>27</sup> Several times a year, Katyusha rockets are still being launched by the Hezbollah to the Israeli Compound on the other side of the mountain, and are of course broadcasted by Manar TV. This issue raises several questions as to the future of the Party since *Yawm el Tharir*.<sup>28</sup> Hezbollah's detractors argue that the Party has lost its *raison d'être*, that it will vanish into thin air, and that it uses the Shebaa farms as an excuse to remain active. Others dismiss it as 'Syria's rottweiler'; ready to attack whenever Syria does not want an open confrontation with Israel over the Golan Heights issue.<sup>29</sup> It is necessary to acknowledge that the Party's military faction has not been disbanded after the Ta'if Agreement, and that this could be interpreted as part of a Syrian initiative to use the Hezbollah as its *de facto* army. This idea is categorically denied by the Party, whose comments in Syria's presence in Lebanon relate to Syria's successful intervention in Lebanon, bringing peace to the country in 1991.<sup>30</sup> The lebanonization process that the Hezbollah has undergone since then has given it both legitimacy and political weight. While the Party remains loyal to Syria, an allegiance deplored by the Christians, any Syrian attempt to disband the Hezbollah would not succeed. Moreover, the Party's rationalisation process clearly demonstrates that it is both versatile and willing to adapt to changing circumstances. It runs a successful social program, aimed at addressing the Lebanese government's failure to provide for its citizens through an all too common crippling system of social clientelism.<sup>31</sup> Different programs administer schools; high-tech hospitals open to every member of the public, while admittedly providing cheaper treatment for members of the Martyrs association. The Party also runs agricultural centres that provide advice to farmers, all in an effort to foster equality in development between different regions, one of the factors that led to the war itself. As a result, the role of Manar TV is also to provide

a window for all the aspects of the Lebanese resistance, including aspects that are social, political and also military. The recent symbolic Katyusha strikes at Northern Israel were a strong indicator of the Party's dual stand as a Lebanese Islamic party, a party that attempts to balance its two roles as both a resistance entity and as an exclusively Lebanese domestic looking party, aware of the risks of jeopardising the country's security through its regional struggle. The fact that the Party chooses to conduct low key attacks while reinforcing its resistance stand through Manar TV indicates that the channel plays the role of a half-way house between these apparently irreconcilable trends.

As the Party still claims Lebanese legitimacy over the Shebaa farms, as well as being part of the struggle against the Zionist enemy's humiliation of the Palestinians, Manar TV has immediately reacted to the onset of the Intifada by increasing its airtime by 14 hours a day, thus totalising a 18 hours of airtime per day (Yehia, 2000). The Second Intifada has given the Party the opportunity to evolve as a direct concurrent to al-Jazeera on the issue. However, the lessons learned from the impact that the military campaign in South Lebanon has had on Israeli society, witnessing its soldiers returning home in body bags at an increasing rate, have given Manar TV's coverage of the Intifada an added dimension, that of champion of the liberation of Palestine. A significant part of Manar TV's air time is given to what is referred to as the Palestinian struggle, its message is seen by the Palestinians living in occupied territories as representing the true values of Islam, speaking frankly and away from any unnecessary radical rhetoric. Manar TV is also perceived by most Palestinians as the TV channel with the best information, regularly aware of Israeli operations before they even occur, and even used as a vector of information by Israeli TV channels.<sup>32</sup> Views differ as to why Manar TV enjoys such a privileged position. Manar TV relies on ground information given by Palestinians bearing witness to events, as well as on Palestinian reporters in Ramallah, Gaza and Jennin (Da Silva, 2002).<sup>33</sup> The message of Manar TV is unambiguous in its vow to assist in the liberation of Palestine, in the same manner that South Lebanon, or most of it, had been liberated in 2000. It remains undeniable that the onset of the Second Intifada represents a domino effect of the liberation of South Lebanon. Indeed, the relationship between the Party and Hamas is at its best. In a recent meeting with the president of Hamas' political office Khalid Mishaal and Sayeed Nasrallah it was re-iterated that:

*"The experience of resistance in Lebanon which expelled the occupation, and the experience of resistance in Palestine, both confirm that the equation cannot change. This is 'the enemy must leave or the resistance will continue' 16-5-2002"*<sup>34</sup>

Such collaboration is not a new dynamic, and can be traced back to the early 1990s. As a result of a series of spectacular attacks that killed 10 Israeli soldiers in December 1992, Prime Minister Yitzhak Rabin expelled 415 Islamic militants from the West Bank and Gaza to South Lebanon. Such a desperate move provided the expelled militants with a first hand experience at resisting an Israeli occupation (Bucaille, 1998). A few months later, the heads of the Shin Beth and of the Israeli special units, were assassinated, the former being the equivalent of MI5 and the latter deeply feared by the Palestinians for its infiltrating techniques, both harbouring a shocking human rights record (Usher, 1994).<sup>35</sup> Manar TV's coverage of the Intifada is deeply appreciated among the Arab world and among the Palestinian community in Lebanon. Both Ousama Hamdan and Mounir al-Makdah, respectively representing Hamas and Fatah in Lebanon claim to be kept aware of the developments in Palestine principally through Manar TV.<sup>36</sup> Callers from the entire Middle East praise Manar TV's coverage, seen by many as more sincerely embracing the Palestinian cause than al-Jazeera, whose release of a Bin Laden video during the recent Jennin events has tarnished its image among many viewers. While al-Jazeera continues to be copied within the Arab world, it has lost its support to Manar TV.

### ***Post 9-11 pragmatism***

In a post-September 11th context, Manar's narrative, coupled with Sayeed Nasrallah's statement that 'there are no civilians in Israel' in Jerusalem Day in December 2001, is of concern to many Lebanese, fearful of going through the same experience as [that of] the Afghans' (Nasser, 2001, p.1).<sup>37</sup> Again, this kind of comment bears a twofold argument. First, it demonstrates a clear understanding of US foreign policy in the Middle East, and especially in Lebanon, as an onset of *realpolitik*. The recent history of UN intervention in the Lebanese civil war leaves the Lebanese population in no doubt that the US will not spare any civilian lives if it decides to retaliate on the Hezbollah (Fisk, 1990). However, a recent US National Intelligence Council assessment of the possibilities to target the Hezbollah have shown that the US understands its position within Lebanese society and the Middle East region as a major political player, thus understanding the potential difficulties for a crack down on its institutions (Jabber, 2001). Among proposed retaliatory actions in the US have been strikes on Hezbollah training camps in Lebanon (Finley, 2002). Had the Hezbollah not have gained regional recognition, it is possible that it would already have been targeted. However, one should not dismiss the possibility of a personalised attack on some of its leaders. Sayeed Fadlallah was indeed the target of a CIA assassination attempt in 1985, an attack that killed more than 114 civilians in the process.<sup>38</sup> Indeed, the clear targeting of Elie Hobeika by Israel earlier this year clearly demonstrates the possibility of such a resort being employed (Fisk, 2002).

This consideration raises two questions: that of the Party's stand on the US as a whole, and that of the necessity for the Hezbollah to disseminate its views across the world, through the intermediary of Manar TV.

A common view expressed in the Western media, and supported by President Bush's latest State of the Union Address is that the Party views the US as a great Satan, calling for the eradication of its democratic values (Bush, 2002). Such a view has its origins in the 1980s rhetoric of Ayatollah Khomeini towards the US. Indeed, the late Ayatollah was the Wall al-Fakih or political leader of the Shi'a faith, whose fatwas had to be followed. However, such a supposition concerning the Hezbollah's stance on the US dismisses the pillar on which the Party is founded, i.e. Islamic Resistance. In a recent interview with al-Jazeera, Sheikh Nasrallah re-iterated this view, by stating that the Hezbollah was never going to deploy 'forces to go and fight the USA, neither on the oceans nor in the continents'.<sup>39</sup> Indeed the Hezbollah has no intention of attacking US interests, and although its stance on the 1980s bombings may appear as ambiguous, references to a 'clash of civilisations' between the US and the Hezbollah can be strongly challenged as an essentialist analysis. As Ghorayeb points out, should a clash exist, it could be represented as a clash of cultures, similar to the French-United States cultural rivalry.<sup>40</sup> Sheikh Nasrallah's disapproval of the 9-11 atrocities, leaves no doubt that the only great Satan present in Hezbollah's rhetoric is the State of Israel. As early as in July 1996, Hezbollah's spiritual leader Sheikh Fadlallah, himself the victim of a US assassination attempt, recognised the need for dialogue, or *hiwaar*, with the US (Norton, 1998). Indeed, a dialogue has been allegedly initiated between US and Party officials, before 9-11, and relating to the Palestinian issue. At the time, US officials attempted to rally Hezbollah's support with their policy in the region (Finley, 2002). This clearly illustrates that some US officials are also aware of a need for dialogue. On the social front, Hezbollah's NGO Jihad al-Binaa already enjoys good working relations with some of its USAID counterparts. Diplomatic efforts have been initiated after 9-11 on part of the US, with no success. This could be explained by Hezbollah's deep resentment of the US support for the State of Israel, a support denounced repeatedly since the beginning of the second Intifada and exacerbated by the Bush administration's numerous *faux pas* since then, such as referring to Ariel Sharon as a 'man of peace' in April 2002. The Party therefore does not advocate violence against US civilians or its government, but strongly resents its unilateral support of Israel, and vows to fight the US if it ever threatens Lebanon in any way. As for the allegations that the Party helped al-Qaeda fighters to flee Afghanistan, thus taking part in acts of terror against the US, the Party retorts that it never had any relations with al-Qaeda, for the reason that it does not undertake military activities outside its borders, thus keeping with its resistance motto. Another reason, disputed by the Party as it challenges its message of harmonious co-operation with other trends of Islam is that al-Qaeda, through

its infamous Saudi connection, is a Sunni Wahabi organisation, responsible alongside the Taliban regime for the targeting of the Shi'ite Azara minority in Afghanistan. Moreover, a view among Party members is that the Taliban regime was 'allowed' to exist for so long as a way to discredit Islam in the eyes of the western world, thus feeding into the 'clash of civilisations' argument. Since 9-11, and through an awareness within the Party of the need to counter the US propaganda machinery, Manar TV has relentlessly re-iterated a message of dissociation with al-Qaeda, this through a campaign of transparency, embodied by the expansion of its satellite foreign coverage (Abu-Fadil, 2001).

### *Information, a vector of Hezbollah's glasnost?*

Another consideration that the US-Hezbollah relations raise is that of the recent opening of Manar TV to the rest of the world, now broadcasting in English, and offering the possibility to watch its programs live on the internet. This recent *glasnost* demonstrates the Party's attempts to secure its position as the champion of the Palestinian cause, but also its pragmatism concerning its classification as a terrorist group. Indeed, this process of transparency accounts for the realisation that making one's position known reduces the risk for arbitrary attacks, and precipitates actors in a sphere of what Wolfsfeld (1991) refers to as a 'competitive symbiosis', whereby a dialectical relationship between actors and the news media transforms a unilateral dynamic of conflict into a bilateral exchange. In the case of the Hezbollah, its image as terrorist movement could be challenged if it were to reach a wider audience. This process of enlargement, initiated through broadcasting in English, could be furthered if the channel was to broaden its exclusivity to a non-Islamic public. However, its role as a pan-Arab vector of information has already initiated the process, propagating the idea that the Arab world needs to awaken to the reality of the Palestinian struggle, and make it their own. In that respect, Hussein Naboulsi (2002), Hezbollah's former press *attache*, now in charge of the Party's web department, writes:

*'[t]hough I don't relinquish the hope that Americans will one day unmask the deception that has trapped them, I would be pleased to see Arab nations adopt the methods practised by the US media (...) this task should be undertaken with one notable alteration with scrupulous honesty in order to provide the world with the facts.'*<sup>41</sup>

Such a position clearly demonstrates awareness within the Party for increased transparency as well as a newly asserted role in prompting an ownership of the struggle for the rest of the Arab world. In the same way that Manar TV enabled the Lebanese people to become assertive, it now

has undertaken the challenge to re-iterate its achievement on a bigger scale. As with the criticism of other Lebanese TV stations lobotomising people's minds rather than making them politically assertive, to be found in the opening statement of Manar TV in 1991, this call for awareness deplores the Arab world's lack of access to information, as well as other Arab government's suppression of information. Naboulsi then adds:

*I am not calling for the use of weapons to regain your rights, but I am calling on you to defend yourselves through the media and use technology and other modern means to explain your cause. I also call on you to let the boiling Arab street speak outfreely and to refrain from using strong-arm methods to suppress freedom-seeking voices.'* Emphasis added

This statement is crucial to understand the future of Manar TV, as a pan-Arab TV channel aiming at empowering the Arabs through peaceful means, for a pan-Arab pressure group on the Palestinian issue could have a strong impact on Arab governments, either at present silenced by US incentives for 'good' behaviour, i.e. Syria, Saudi Arabia, Jordan, or silencing the 'Arab street', i.e. Egypt.<sup>42</sup> The hate-speech argument, raised by Manar TV's most vociferous critics, clearly becomes void under the light of a call for peaceful means.

Wolfsfeld (1997) conceptualises the struggle over access to the news media by a challenging group, i.e. Manar TV vs. US media, as a bearing many dynamics. One refers to social status, a dynamic that will be granted to the Hezbollah and Manar TV once their voices are spread, the second to the control of the political arena, whose political control in the case of the Middle East would lie with the US and its Arab allies. The third refers to resources and organization, clearly managed by Manar TV so far, and the fourth to a dependence on the news media, remedied by the existence of Manar TV. The last, however, refers to exceptional behaviour, and the idea that 'deviant' behaviour might marginalize a cause, in the same way that a biased academic paper weakens its argument altogether. On this front, the Hezbollah and Manar TV need to soften their image, an initiative that could well be achieved without a shift of political discourse. This missing dynamic of access to the media at large has been accepted by Naboulsi who writes: 'Is it not time to appear on CNN and BBC to proclaim the truth?'. Through this statement, the existence of Manar TV represents one aspect of the Hezbollah's contention, the other aspect being an increased access to the foreign news-media, without being portrayed as a barbaric entity, as is often the case at present (Firmo-Fontan, 2002). The scheduled program 'Foreign Press' could be a step in the direction of enlargement of the message.

The programs broadcasted on Manar TV exemplify the dual identity fostering the Party's development, both as a Lebanonist and as a pan-Arab entity seeking respectability within the West. The current differentiation between these two trends can be traced to the language and the orientation of the programs. The programs in Arabic range from the unavoidable soap opera, set during the times of oppression of the French Mandate, to the political game show called 'The viewer is a witness', and aimed at denouncing the oppressive past and present politics of the United States and, unavoidably, the state of Israel. Such a game show is conducted through a parody of a Western show, during which the contestants, disguised in an American and an Israeli, have to answer embarrassing questions such as 'How many millions of native Americans did the US massacre during its colonization campaign in the 19th century?' or 'How many Palestinians were killed during the Sabra and Shatila massacres of 1982 in Beirut?'. Such an initiative is designed to comfort the Lebanese population into its support for the current Intifada, and could be deemed as propagating hate speech. While such a direct method of 'remembrance' remains unseen in the West, it is undeniable that the US coverage of Middle Eastern issues can reach alarming degrees of Islamophobia and biased-ness (Said: 1997). However, while the debate could be centred in a fruitless comparison of the defamatory language used by either parties, what remains at stake is the fact that Manar TV seeks to uphold the values of the Palestinian struggle through all possible means, while such a depiction of the US only targets its government's policies. Other programs cover women issues, sports and football, which unfortunately in Lebanon can also be politicised, and more importantly regular news bulletins. The vocabulary used in Arabic news bulletins vary from that used in the daily English news (broadcasted live from 14:30 to 15:00). For instance, when referring to the state of Israel, the Arabic bulletin uses the word 'Zionist entity', 'Zionist enemy', or 'usurper entity', 'raping Palestinian land', while its English language counterpart mildly refers to 'Israel' and the 'occupation of Palestine'. Such a stark difference demonstrates the fact that the Party is aware of its need to win hearts and minds in the West if it is to survive a possible US wrath. While the vocabulary used in the bulletins varies, their contents remain the same, scrupulously reporting events in their given context. The latest visit of Prime Minister Sharon to the US was for instance referred to as the sixth visit to Washington since both leaders took office earlier last year, while Chairman Arafat was never received by President Bush. The latest Israeli decision to increase its security budget was introduced as using EU funds originally allocated to the Palestinian Authority for reconstruction purposes, directly quoting Israeli officials. Indeed, the message given by Manar TV's news on the current Intifada remains the same, whether in English or Arabic, while using substantially different vocabulary. What is of importance is the continuously rigorous coverage of the conflict on an everyday basis, analysing and broadcasting every statement made by Israeli, US and EU officials on the issues. Concerning the war on terrorism,



the events in Afghanistan are referred to in both languages as part of the 'so-called war on terror', whose coverage remains empty of any direct anti US or anti-western rhetoric.

Two programs are symptomatic of Manar TV's role as a voice for the Hezbollah's emerging pan-Arab role. The program 'The conversion of image' directly translates the Israeli coverage of the Intifada and of Hezbollah activities. This initiative is the first of its kind in Lebanon, and has been received with enthusiasm Manar's viewers, eager to see how they, the Palestinians and the Arab world are being portrayed on the other side of the fence. This program is also aimed at

*'exposing the status and hidden facts of the Zionist military warfare on the enemy's troops and leaders. (...) [it converts] the image and [reflects] what the enemy tries to conceal regarding the repercussions of the successive defeats the Israelis are facing due to the Resistance's blows o the Intifada's confrontations'.<sup>43</sup>*

This program has for advantage to combine the daily reports on the Palestinian plight with a hate speech that does not stem from its own narrative. It utilises the 'enemy's rhetoric to channel its own discourse without taking a direct part in the debate. This program, combined with regular flashes in Hebrew has also for aim to reinforce its warning message to Israel: i.e. we are watching you. Palestinians in occupied territories welcome this program as a constant reminder of the enemy that they face, for Israeli hate speech towards them can only encourage extremism. Another program, called 'Foreign Press', has for prime function to review and compare news developed in foreign magazines such as: le Point, le Nouvel Observateur, le Monde or Newsweek. As with the daily English news bulletin, the program reviews the past week's main interests of the West, compares them with recent developments in the Middle East, and then offers an analysis of either conflicting or lacking news material. The recent scandal over the reallocation of EU funds to Israeli security would for instance be analysed in comparison with its absence in the Western news media. While such an initiative is interpreted as a way to understand how the West depicts the Middle East, it has for deeper function to promote an understanding of the Western perceived apathy towards the Palestinian conflict. Indeed, if viewers are made aware that issues are absent from the political agenda in the West, they might come to the conclusion that it is whoever sets the agenda in the Western news-media is eventually to blame for the biased-ness of the its public opinion. As a result, Manar TV cannot be seen as a vector of hate speech towards the West as such, as it clearly promotes the idea that governments and ruling elites do shape the news agenda.

## Conclusion

The evolution of the Hezbollah since 9-11 is clearly mirrored by the evolution of Manar TV as a pragmatized broadcasting service, for Manar TV's strict role is to disseminate the Party's leadership's communication strategy, acting as the 'middle man' between the public and the Party. However, as in every pragmatization process, Manar TV will not be able to sustain and further its position as a respected media interlocutor if the situation in the Middle East, especially Palestine and Iraq, deteriorates. Indeed, the semantic variations currently noticed in Manar TV's portrayal of Israel, are a clear indicator of the Party's current dilemma over its dual identity as a resistance *cum* progressive organisation, and a pan-Arab *though* Wester-oriented television channel, a dilemma that could pose problems in the fore-coming future between its 'old guard' and more liberal agents. While the current leadership attempts to expand its horizons, and Manar TV its audience, the real challenge will come when it is deemed to act on its promises concerning Palestine. Should another Jenin tragedy occur, the Party would have to match the pan-Arabic rhetoric of Sayeed Nasrallah and provide assistance to the Palestinians, in which case it would loose the support of part of the Lebanese people. Another recent development that reflects the concerns of Hezbollah is the addition of some Palestinian groups to the EU blacklist of terrorism. Clearly the choice not to add the Party on its list demonstrates a success in the communication policy of the Party and of Manar TV.

While not directly threatened by US foreign policy at present, the Hezbollah must intensify its transparency initiatives, as well as capitalise from its position as a relevant contender in the international media arena, this through the strengthening of its communication apparatuses, namely broadcasting and its internet services. A failure to do so might not threaten its immediate future as a political party in Lebanon, although it is a well known fact that Arab states rarely resist the temptation to muzzle their anti-American elements when 'required' to do so, while the Arab street easily relinquishes its democratic right if appropriately 'persuaded'. However, it may marginalise its image in the Western world, thus relegating it to the ranks of what Wolfsfeld (1997) refers to as the 'deviants'. Such a fate would not only disserve the Palestinian plight, it would also jeopardize the Party's stand on a long-term basis. It is undeniable that the victorious aura surrounding the Party is already beginning to wear off in Lebanon, among the Christian and Sunni populations in particular. A Western disinterest in the Party would most certainly increase its vulnerability to become a trump card for Syria in the event of a negotiation with Israel over the issue of the Golan Heights, for Hezbollah's nemesis might be even closer than its loathed neighbour.

At present, the unique way for the Party to secure its future is to reassert its international image as a transparent, liberal and social-oriented political party. The Bush administration gave it the opportunity to initiate such effort; time is pressing to seize it.

## NOTES

- <sup>1</sup> The author wishes to acknowledge the support of the Government of Ireland Scholarship and the Plassey Campus Centre Scholarship, whose support was instrumental to the field research surrounding this article. The feedback given by Amal Saad Ghorayeb, Hussein Naboulsi and Robert Fisk was also appreciated. The views expressed below are solely those of the author.
- <sup>2</sup> Hizb'Allah is the Arabic name for Party of God. The Hezbollah will therefore be referred to as the Party in some parts of this article.
- <sup>3</sup> See <http://www.manartv.com>
- \* For a vivid account of the Israeli invasion of Lebanon, and more precisely the Israeli siege of Beirut, see Said Makdissi, J. 1990. *Beirut Fragments: A war memoir*. New York: Persea Books (1999); or Yermiya, D. 1983. *My War Diary; Lebanon June 5-July & 1982*. Boston: South End Press (1984).
- <sup>5</sup> The *Majlis al-Shoura* or council is led by clerics, who are considered to have been vested with an authority to speak in the name of God, there are at present seven members in the *Shoura*. The present Secretary General is Sayyed Hassan Nasrallah. Besides emanating from democratic aspirations, of importance is the idea that the Secretary General is not allowed to take a decision alone, thus reducing the risk for a collapse of the organisation in the event that the leader should pass away or be assassinated, as was Skeikh Abbas Musawi in 1992, in an Israeli helicopter gunship attack.
- <sup>6</sup> Musa al-Sadr is supposed to have disappeared in Libya in 1978. For more details, consult Ajami, F. 1986. *The Vanished Imam: Musa al Sadr and the Shi'a of Lebanon*. London: I.B. Tauris.
- <sup>7</sup> Jaber, 1997, depicts the Organization of the Oppressed of the Earth as a 'phantom' organisation for the Hezbollah.
- <sup>8</sup> Recorded interview with Ibrahim Musawi, Hart Hryek, June 13th 2002.
- <sup>9</sup> A transcript of the interview can be found on Sayeed Hassan Nasrallah's official website: <http://www.nasrollah.org/english/hassan/khitabat/khitabat033.htm>
- <sup>10</sup> Unattributable interview, Beirut.
- <sup>11</sup> The French creation of the *Grand Liban* institutionalised the political supremacy of the Maronites. The Shi'a's perceived deprivation under the present political order can be understood under Galtung's concept of structural violence.
- <sup>12</sup> The agreement's official name is the Document of National Reconciliation.
- <sup>13</sup> On the issue of corruption in Lebanon, see Information International report "National Action for Fighting Corruption", commissioned by the UNDP and only partly released on January 22nd 2000. The partial release of the report was due to the severity of the findings, and the subsequent pressure from the UNDP not to release material that would embarrass both the Lebanese government and the United Nations. Interview with Jawad Adra, Managing Partner, July 2001.
- <sup>14</sup> Although not a party member, Sayeed Fadlallah was considered at the inception of the Party as its spiritual leader, in conjunction with late Hyatollah Khomeini. However, a dissention over the full authority of the Wali al-Fakih in Shi'a Islam, embodied by Marjas Imam Khomeini and Sayeed Khameini, and in direct challenge of the leadership of the Twelfth Imam has since cast a shadow over his following in Lebanon. He remains followed by the Shi'a communities of Saudi Arabia and Barhain, as well as by some members of the Party. While his present spiritual leadership is being contested among Hezbollah specialists, it seems undeniable that his legitimacy remains intact for many.

- <sup>15</sup> Recorded interview with Sheikh Hassan Ezzeddin, member of Hezbollah's Political Council, Hart Hryek, June 15th 2002.
- <sup>16</sup> Interview with Amal Saad-Gorayeb, Sadate, Beirut, June 14th 2002.
- <sup>17</sup> While negative peace signifies the absence of armed conflict, positive peace alludes to an integrated, tolerant society, within which everyone of its member lives in acceptance of one another.
- <sup>18</sup> Syria was 'granted' patronage over Lebanon by the US as a result of the support it gave the allied troops during the Gulf War (Jaber, 1997; Johnson, 2001). Although the Ta'if Agreement stipulates that Syria should have left Lebanon two years after its inception, around 5,000 Syrian troops are still present in Lebanon. A presence deeply resented by part of the population. A majority of this opposition belongs to Christian community, whose demonstrations are regularly crushed by both Lebanese and Syrian authorities.
- <sup>19</sup> Recorded interview with Ibrahim Musawi op.cit.
- <sup>20</sup> Op.cit
- <sup>21</sup> Op.cit.
- <sup>22</sup> <http://www.dm.net.lb/ammanar/about.htm>
- <sup>23</sup> 'Martyrdom operations' for the Palestinians, 'suicide operations' for the West, the term self-sacrificing operation was kindly suggested by student Paul Cochrane, and will subsequently be used by the author. The term martyr is utilised to qualify the casualties emanating from the occupation. It also refers to the Martyrdom of Hussein, son of Ali, himself cousin and son in law of the Prophet Muhammad, married to his daughter Fatima. Hussain and his companions were killed by the Sunni Caliph Yazid's forces at Kerbala, in Iraq, in 680 AD, in a battle that settled the political succession of the Prophet. Since then, Islam has been divided in two factions, the Sunni, and the Shi'a, the former seen as an usurper by the latter.
- <sup>24</sup> The Hezbollah sees Israel as a usurper, as an entity that stole land away from the Palestinians with the blessing of the US and its allies. It therefore does not recognise its legitimacy as a government. Although it declares its utter contempt for the state of Israel, the Party does not proclaim anti-Semite views as such.
- <sup>25</sup> Unattributable interview.
- <sup>26</sup> Resolution 425 was passed by the UN Security Council in 1978, calling for the withdrawal of Israel from South Lebanon.
- <sup>27</sup> The documents regarding the Lebanese ownership of the Shebaa farms have been provided to the UN by Syria and Lebanon.
- <sup>28</sup> Liberation day for the Lebanese.
- <sup>29</sup> Shebaa is part of the Golan Heights.
- <sup>30</sup> Interview with Hussein Naboulsi, Hezbollah press *attachE*, July 2001.
- <sup>31</sup> The Council of the South, the Government agency aimed at developing South Lebanon, is ran by Amal, and allegedly disseminates wealth only to its supporters. Interview with the *Mukhtar* of Barachiit, July 2001. A *Mukhtar* is the registrar of the village, a chief, as opposed to the Mayor who is elected.

- <sup>32</sup> Interview with Sami Abu Sultan, native of the Chati' Camp, Gaza, carried out in Stadtschlaining, Austria, May 14th, 2002.
- <sup>33</sup> Interview with Hussein Naboulsi, Hart Hryek, September 2002.
- <sup>34</sup> Can be found on <http://www.nasrollah.org/english/news/ncws.htm>
- <sup>35</sup> For an account of Shin Beth's human rights violations on an Israeli peace activist accused of subversion, refer to Thornhill, T. 1993. 'The interrogation of women' security' detainees by the Israeli General Security Service' in *Women in the Middle East: Perceptions, Realities and Struggles for Liberation*, London: MacMillan.
- <sup>36</sup> Separate recorded interviews with Ousama Hamdan, Hamas representative to Lebanon, June 14th 2002, Haret Hryek and Mounir aal-Makdah, Fatah commander, June 25th, Ain el-Helw Ecamp, Saida, Lebanon.
- <sup>37</sup> Article downloaded on [http://www.dailystar.com.lb/28\\_12\\_01/art5.htm](http://www.dailystar.com.lb/28_12_01/art5.htm)
- <sup>38</sup> Interview with Hassan Awala, member of Lebanese Red Cross/Crescent staff present at the scene after the explosion, June 19th 2002, Mreije, Lebanon,
- <sup>39</sup> Reference to be found in note n°8, p.3 of downloaded version.
- <sup>40</sup> Recorded interview with Amal Saad-Ghorayeb, June 14th 2002, Beirut.
- <sup>41</sup> Page one of downloaded article, to be found in the bibliography.
- <sup>42</sup> Unattributable interview, Drvar, Bosnia-Herzegovina, September 2001.
- <sup>43</sup> Refer to [http://www.manarlv.com/html/programs/aprograms\\_58.html](http://www.manarlv.com/html/programs/aprograms_58.html)

# IS THE ARAB STATE BROADCASTING IN CRISIS? AL-JAZEERA TV CHANNEL AND THE POWER OF FREE SPEECH

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## Introduction

Television broadcasting from and into the Arab world has changed dramatically since the proliferation of satellite transmitters. The 1990's are very much different from the 80s and the 70s. Strong players in the region lost their supremacy over Arab media, thus on having the same effect that Nationalist propaganda used to enjoy during the 60s and 70s. Egypt no longer has the most powerful transmitters in the Arab World<sup>1</sup>. Its radio broadcasting (Voice of the Arabs) that attracted millions in the region under former president Jamal Abdun-Naser lost its supremacy to regional broadcasting stations after his death and the crumbling of the Arab nationalist project led by Egypt and Syria. It is widely believed in the Arab world and beyond that private television satellite channels, headed by Al-Jazeera, have weakened Arab audiences' interest in radio listening as well as in Arab states' television broadcasts. Also, attraction to such Western services like Radio Monte Carlo, the BBC, and VOA, which used to satisfy some of the needs of a large Arab audiences in the Middle East and North Africa, have been replaced by Arab satellite TV channels (mainly private) broadcasting free on-air (to start with), and received by tens of millions in the Arab world and in Diaspora.

During the last four decades of its existence in the west, the Arab community relied heavily on Western broadcasting services as a source of news and current affairs as well as entertainment. However it has been argued that since the beginning of the 1990s, Arab audiences have changed their viewing habit with the gradual introduction of Arab satellite channels beaming from or into Europe. The emergence of MBC (Middle East Broadcasting Centre) in 1991 marked a turning point in the appearance of what could be called the Arab Diasporas media. MBC followed by ART (Arab Radio and Television) and others attracted millions of viewers in the Arab countries and in Diaspora. However the emergence of the satellite TV channel Al-Jazeera broadcasting from Qatar seems phenomenal. Its unprecedented independent editorial policy, variety of discussion programmes giving a platform to opposing opinions, its seemingly unequalled news coverage of world events from an 'Arab perspective' seems to have heated up competition among Arab broadcasters in order to secure their share of audience attention<sup>2</sup>. The success of Al-Jazeera was due to the good training of its journalists, generous financing, the use of up to date technology and the open editorial policy and unprecedented freedom of content on Arab television.

This paper looks into the crisis facing Arab state broadcasting and the reasons for the popularity of Al-Jazeera at the expense of private as well as state TV satellite channels. A case study about audience's reception of Arab satellite channels will be drawn up from a survey the author conducted during the summer of 2001 on the Arab community in Britain. Also, this paper will investigate the pressure that the free wheeling station (Al-Jazeera) faced since its inception in 1996.

## **Emergence of Arab TV Satellite Channels**

Before 1960 the Gulf countries (Qatar, Kuwait, Saudi Arabia, and the United Arab Emirates) were like the North African countries (Tunisia, Algeria, Morocco and Libya), initially slow in developing radio services, and were therefore vulnerable to radio propaganda from countries such as Syria, Iraq, and Egypt which had political interests in deposing the Gulf ruling families and spreading their hegemonies to the other parts of the Arab world. However the Gulf countries managed during the 1960s and 1970s to develop Radio Broadcasting services as they realised the potential of such a medium in preserving their thrones and maintaining the status quo. After the 1973 war and the dramatic increase in oil prices, the Arab oil producing countries found themselves in an even better position to get their message across through acquiring more equipment and expertise<sup>3</sup>. The Arab countries managed to launch the first Arab satellite system (ARABSAT) in 1985 after a meeting of the Arab Gulf ministers of information. The aim was to link

the electronic media in the Gulf States. Egypt was the first Arab country to have its own satellite system (NILESAT) in 1998, thus marking a new era in the Satellite communication in the region. During the 1960s, 1970s and early 1980s the Egyptian film industry was a major exporter to the Arab world. Until similar efforts from National TVs and film industries in various Arab countries started to produce for their local markets, Egyptian films overwhelmed Arab audiences with Egyptian culture<sup>4</sup>. No other accent is better understood in all Arab countries as that of Egypt. Even Egyptian slang and vocabulary crept into the spoken Arabic of the rest of the Arab world.

It was during the 1990s that all the Arab countries managed to launch their own state satellite channels. The main aims were 1) to enhance national prestige; 2) to promote national interests; 3) to attempt religious or political indoctrination, and 4) to foster cultural ties. The Arab TV satellite channels can be classified into two categories: state owned and privately owned. As for the state owned TV satellite channels; they primarily targeted citizens from their nation states living in the Diaspora. This included long-term immigrants as well as those who migrated for a short period of time in order to work or study abroad. The aim was to maintain a link between those immigrants and their countries of origin. Programmes like *'Hamzat Wasl'* (Linking Point) on the Tunisian satellite channel tended to serve as an arena for communication between immigrants and their local culture. However tight editorial control is placed on the content, guests, and angles from which programmes are handled. Also, these channels tend to serve as political propaganda promoting the ideologies of the ruling governments. Competition, therefore, has been fierce especially after the proliferation of private channels where the opposition parties, who are often denied the right to voice their views about the political order in their countries, resort to various other international media outlets.

The first Arab country that started satellite broadcasting was Egypt launching in 1990 the Egyptian Satellite Channel (ESC). Then throughout the 1990s all the other Arab countries managed to have their own state run TV satellite channels. These include Tunisia's Tunis-7, Libya's *Al-Jamahiria*, and the state owned channels of Algeria, Syria, Iraq, Oman, Sudan, Saudi Arabia, Dubai, and Qatar. All these channels, however, broadcast their programmes in Arabic only except Libya's *Al-Jamahiria*, which translates some of its main news programmes into French, and Nile TV International (established in 1994 and owned by the state of Egypt), which broadcasts both in French and in English. Complete editorial control is placed on these state channels by the Ministries of Information and Media, even sometimes by the Ministries of the Interior (Home Office). Recruitment of journalists, presenters and technicians is purely the business of the Ministry of Information, and managerial positions are the business of the president where only candidates from the ruling party can be admitted<sup>3</sup>.



As for the privately owned channels, they tend to target general Arabs diasporas in addition to Arab viewers in the Arab countries. The first among these is the Middle East Broadcasting Centre (MBC), the London-based Arab TV satellite channel, which started broadcasting in September 1991 and later moved to Dubai (in 2002) due to financial constraints. It is owned by Saudi businessmen and its programmes content vary from soaps, entertainments to documentaries and news and current affairs. Arab Radio and Television (ART) started broadcasting from Italy in October 1993 with one channel on Arabsat, and owned by Salih Kamil (a Saudi businessman). Orbit, owned by Al-Mawarid group from Saudi Arabia, started its pay-TV service in 1994. The Qatari royal family initially funded al-Jazeera, an atypical Arab TV satellite channel, broadcasting from Qatar in Arabic, yet it claims independence from the government. It started broadcasting from Doha in November 1996, and specialises in News programmes and current affairs. Because of its peculiarity, it has been argued that since then it has been attracting more and more audiences. Al-Jazeera emerged as a channel broadcasting 24 hours in classical Arabic, the language understood by everyone in the Arab countries, as well as Arabs diasporas, regardless of their religion, culture and way of thinking. Al-Jazeera came out after the collapse of the partnership between the BBC TV Arabic service, and the Saudi government. The conflicting approaches to content made this partnership short-lived. Sheikh Hamad bin Khalifa, by now (since 1996) Amir of Qatar, seized the opportunity to fill in a gap in the market by employing the technical infrastructure and the senior staff of the defunct service; he was able to establish a distinctive Arab satellite channel broadcasting from Qatar rather than London. An initial amount of \$150 million was provided as a five years loan from the Qatari ruling family to establish the new channel.

Attracted by competitive salaries, Arab journalists, editors, broadcasters, engineers, etc. were recruited from different Arab as well as western countries. About five hundred employees working in Al-Jazeera now come from diverse political and religious backgrounds. From the very religious to the extremely secular, Muslims as well as Christian employees work side by side in the various departments of the television station. The Audiovisual Media law passed by the Lebanese parliament in 1994 and put into effect in September 1996 broke the monopoly of the state on radio and television broadcasting in Lebanon. Therefore private channels broadcasting from Lebanon emerged for the first time from inside an Arab country. LBC (Lebanese Broadcasting Corporation), owned by Christian militia, Future TV, owned partly by the Lebanese Prime Minister, Rafiq al-Hariri, and al-Manar TV run by Hizbullah in Lebanon started broadcasting freely to the Lebanese audience in and outside Lebanon and attracting some of the Arab viewers in diaspora. The

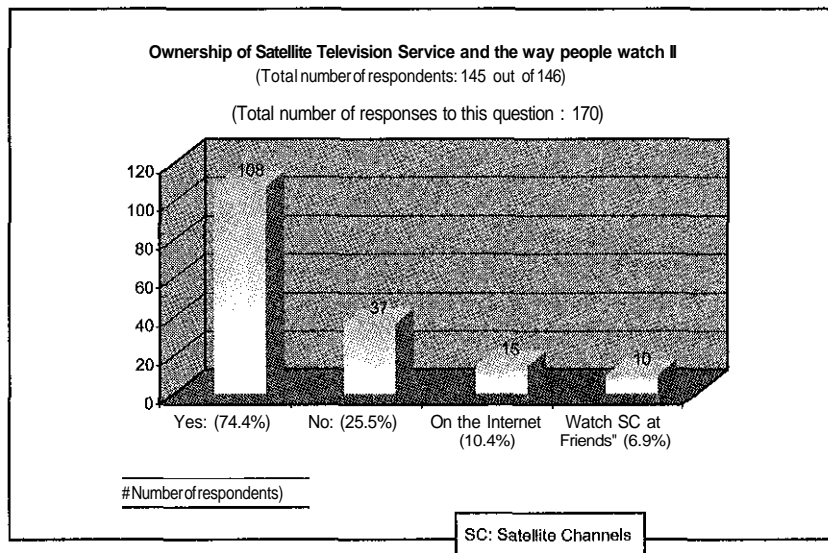
Arab News Network (ANN), owned by Rifat Al-Asad (brother of the former president of Syria), entered the market in May 1997. Like al-Jazeera, it specialises in news and current affairs programmes, and broadcasts from London through Eutelsat and Arabsat.

### **What the Arab Audiences are Watching? Case study: UK Arab Community.**

In a survey, the author conducted during the summer of 2001, on the Arab community in UK<sup>6</sup>, the following results portrayed a major supremacy of Al-Jazeera channel among Arab viewers as compared to both Arab state as well as private channels. The sample included 146 respondents (males and females from the age of 34 onward) and constructed from the various venues where an existence of the Arab community is mainly found: like Arab weekend schools, community centres, mosques, national clubs, student clubs and Arab shops and cafes in Edgware Road and Queensway areas in London. The Arab audiences preferences and interaction in relation to Arab television channels is summarised in the following survey results.

#### **(a) Ownership of Satellite Television Service and Respondents' Exposure to it.**

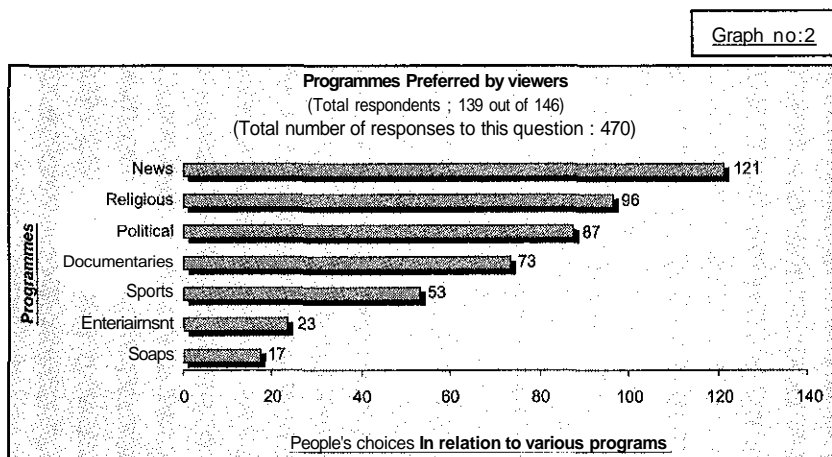
Graph no:1



To find out whether people have a satellite TV service in addition to their terrestrial service, they were asked the following questions: 'Do you have a satellite TV service?' and, 'If yes is it digital or analogue?' About

75% acknowledged that they have satellite TV service, most of whom said it was digital. However a substantial number of respondents (25.%) said they did not have a digital service. As these respondents continued to answer the survey questions, they were asked how they watched the satellite channels. A few (6.9%) said they watched them at their friends' places, and 10.4% said they watched them on the Internet. In order to find out which Arab TV channels respondents include in their service, the following question was put forward to them: 'Which satellite channels do you have in your service?'. They were presented with a choice of the 20 best-known satellite channels, and an option of 'other' was available for them to add more names if their bouquet extended beyond the ones mentioned. As indicated in table, more than 50% of the respondents have access to the Arab channels mentioned above. Almost 93% among them indicated that they receive Al-Jazeera as it was available on both analogue and digital services at the time when this survey was being conducted. Whereas the smallest proportion, 38% watch ART, as it is part of a bouquet through subscription, a high proportion of respondents, according to this table, entertain the privilege of having most of the Arab satellite channels. Therefore, it seems that the state as well as the private channels seem to be competing on equal terms to win the favour of the Arab audiences.

(b) Programme preferences by the Arab Community



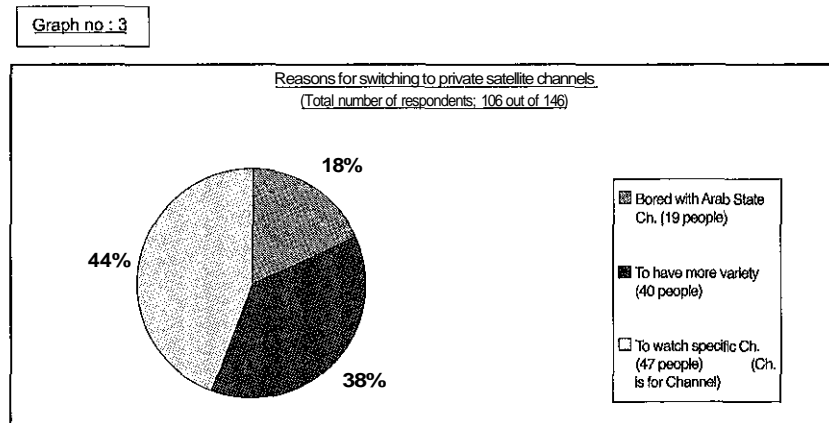
The numbers across each programme category (in the graph above) reflect the number of responses to each programme from among a total of 470 responses. The number of responses was generated from the total number of people, i.e. 139 (respondents who answered this particular question) in the survey. A fundamental characteristic of the Arab community in the United Kingdom is its support for the Palestinians' struggle for a free country and the right of return of the Palestinian refugees. Also, a common feature among

them is their criticism of the lack of freedom of expression in their countries of origin, censorship of the media and absence of real democracy in political life. A high percentage of them (about 55%) are refugees who came to this country in different waves of immigration. Issues of political and religious persecution reflect themselves in their everyday concerns, and therefore in their choice of television programmes. Therefore, Al-Jazeera has scooped Arab broadcasting (as it will be shown later from the survey results) because it covers the kind of topics that others do not. Its engages viewers in various hot and taboo issues in the Arab world: from human rights abuse, to debates about democracy, women's rights in Islam, to the Palestinian *intifada* (uprising). Operating as a kind of Arabic CNN with news bulletins on the hour, Al-Jazeera's strength lies in its wide coverage of uncensored news and current affairs from around the world, debate programmes, special documentaries, and one-on-one interviews with personalities with opposing views most of whom would not get a hearing on any other Arab station. Its programmes have appealed to a hunger among its Arab audiences for democracy and freedom of expression that has been suppressed by decades of state control over all media outlets in most of the Arab countries with a few exceptions such as Lebanon.

On programmes like 'The Opposite Direction' anchored by a Syrian Presenter, Faisal Al-Qasim, 'Without Limits' conducted by Ahmed Mansoor, and 'The Other Opinion' conducted by Sami Haddad, a Lebanese presenter with long experience in the BBC, Al-Jazeera opens the floor for free and often noisy debate on some of the most sensitive issues in Arab society. A particular stormy issue on 'The Opposite Direction', for example, was a debate in which Dr. Moncef Marzouqui (one of the opposition leaders in Tunisia, and the President of the National Council for Human Rights) criticised the 'absent role of the Arab parliaments'. He was placed in opposition to Nouredine Boushkoj (Secretary General of the Arab Parliaments) who defended the role of these bodies. Other Arab channels would not even consider screening such discussions, which result in floods of telephone calls and may even encourage protests in the streets and criticism in the press. In order to get its audiences back, and therefore attract advertisers, MBC (the Middle East Broadcasting Company) has, since last year, adopted the format of ITV's popular programme 'Who wants to be a Millionaire?' (originally owned by an American TV station). It also attempts to open up its airtime to more diverse views, yet it is still restrained by the editorial policies of the Saudi princes who fund it. It is clear from graph (2) that soaps and entertainment programmes are the least appealing to the Arab viewers covered in this sample, in comparison to News and Current Affairs programmes. Only 17 responses from among the respondents prefer soaps and 23 among them prefer entertainment programmes. News heads the list, as it attracts 121 of the viewer's responses, and religious programmes have a share of 96 from their responses, followed by 87 to the political programmes,

73 to documentaries. This data explains the swift popularity of Al-Jazeera soon after its launch in 1996. Other channels, broadcasting from outside the Arab countries, have not managed to attract such a wide viewing public, though in the case of MBC it started broadcasting long before Al-Jazeera. Furthermore, most private channels that are entertainment based do not have a discourse very much different from that of the Arab state channels.

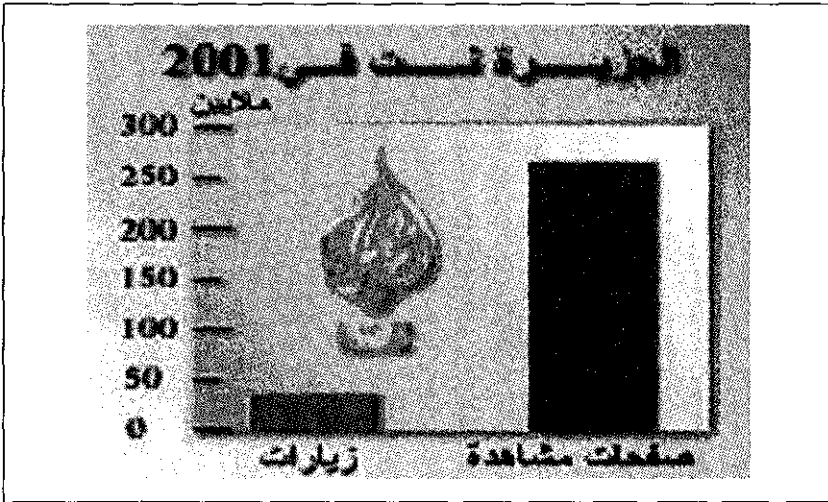
(c) Reasons for switching to private satellite channels:



133 (91.7% out of the total number of 145) respondents follow their favourite programmes on satellite channels in one way or the other. Graph (3) shows the reasons why Arab Viewers opt to switch to a satellite TV service. A proportion of 44% chose to have a satellite service in order to watch specific channels. In the UK, Arab satellite channels can be received on Hotbird and W2. Elsewhere channels can be received on Nilesat, Hotbird, and Eutelsat. State satellite channels are freely available on air, as are most of the independent channels, like Arab News Network (ANN), IQRA. Middle East Broadcasting Company (MBC), Arab Radio and Television (ART), and Al-Jazeera. However, some have introduced membership fees as they moved to W2 in the case of Al-Jazeera. Yet all these channels can be received through a digital service, which is not necessarily part of a bouquet (as in the case of ART). A percentage of 10.4% is a reasonably significant proportion representing those who frequently follow the satellite channels through the Internet. Most of them are among the elite: students, professionals, academics and researchers. However, their preferred channel is most probably Al-Jazeera as it was the only Arab channel that runs live broadcasting on its web page. It has been argued that [www.aljazeera.net](http://www.aljazeera.net) (the official website of Al-Jazeera satellite channel) has made considerable progress since its launch on the 1<sup>st</sup> of January 2001. During the year 2001, the activity of the site attracted 38 million hits, and more than 265 million pages viewed (Graph

no: 4). The site provides daily international news analysis, special documentaries, portrayal of Arab and foreign press, in addition to transcription of most of the discussion programmes, book reviews, and special reports. Membership of the site has reached 80 thousand, who normally have the right to live participation in TV programmes through the net, and they receive the daily newsletter through their e-mail service.

Graph no. 4



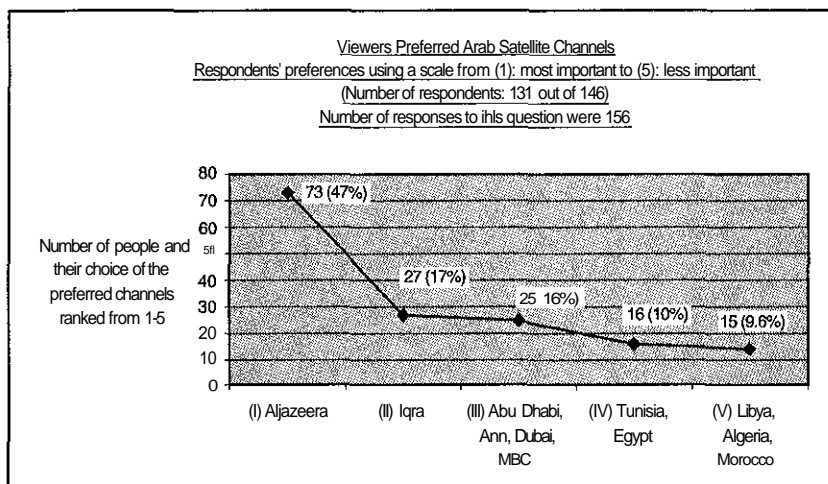
After the 11<sup>th</sup> of September 2001, Al-Jazeera net became even more popular and the number of visits to the site substantially increased. During the month of October, the pages viewed soared from 600, 000 per day before the 11<sup>th</sup> of September to more than one million pages per day. By the beginning of January 2002 Al-Jazeera prides itself on having 70 million page views per month. The Graph above figures for its web-page popularity during its first year (2001).

(d) Preferred Arab TV Channels:

In order to find out their most preferred channels, respondents were asked to "rank the following channels in order of importance to you. Number them from 1= most important, to 5= less important". The figures allocated for each channel in graph (5), signify the number of people out of 131 respondents who chose it as their most preferred channel. For example, 73 out of 131 preferred Al-Jazeera. The second in the list is IQRA channel which was chosen by a total of 27 people to be number 2. There are four channels in position 3: Abu Dhabi, ANN, Dubai, and MBC. As for the state channels they hold position 4 and 5 in viewers' interests. It has to be made clear here that results in this table convey the first five positions. As the

sample covered a variety of nationalities, many respondents placed their national state channels in the fourth or fifth position after placing their favourite ones in the first three positions (mainly the private channels).

Graph: 5



(The percentage in the Graph above shows the number of responses to each channels from among 131 respondents included in this survey; for instance 47% represents the number of responses among the respondents who chose Al-Jazeera as their most preferred channel)

The popularity of Al-Jazeera was apparent among the Arab Diaspora community in UK even before the 11<sup>th</sup> of September. A high percentage among them (48%) came to know about Al-Jazeera through the recommendation of a friend, and 38% said they knew about it through publicity (Graph no: 5).

From among the topics that these programmes covered and guests invited, during the last two years, are shown in the lists below. These programmes represent a sample randomly selected according to availability. But all of them illustrate the peculiarity of Al-Jazeera's programme content and the wide variety of its guest speakers.

**1- Programme: Al-Ittljah Al-Mua'kis (Opposite Direction), produced and presented by Dr. Faisal Al-Qasim (Syrian), had his PhD in political science from Hull University in UK.**

This talk show is one of the programmes, though controversial, helped earn Al-Jazeera popularity. It is similar to CNN 'Crossfire', as it often tackles

very hot issues in the Arab World and invites guests from opposite trends. The programme is broadcast three times a-week: Live on Tuesdays 6:35pm GMT, first repeat Wednesdays 11:35am GMT, second repeat Thursdays 11:35pm GMT.

<i>Programme Topic</i>	<i>Guest</i>	<i>Date</i>
The US's Undermining the World's Public	Kamal Abdul-Haq Tamimi: Muwafaq Harb	6 <sup>th</sup> July 2002
Is this Century American?	Kamal Shatiilah: Writer and Political Analyst. Ridha Hilal: Writer in American Affairs	2 March 2002
Arab Leaders and the 99.99% of people's vote,	Dr. Issam Nouredine: Lebanon University. Dr. Ahmed Al-Mannai: President of the International Institute of International Relations: Paris	11 <sup>th</sup> June 2002
Who Inherits the Arab Leaders?	Ghassan Attia: Former Adviser to the UN. Zuhair Dhiab: Syrian Writer and Political Analyst of the Congressional Party in Sudan	22 <sup>nd</sup> June 2002
The American Existence in The Gulf	Dr. Ali Al-Tarrah: Dean of the school of sociology, University of Kuwait. AbuI-Aziz Al-Khamis, Media expert Saudi Arabia	4 June 2002
Human Rights in the Arab World	Dr. Rifat Mustafa: Writer Ibrahim Issa, Writer	11 Dec. 2002
Legitimacy of Arab Regimes	Dr. Moncef Marzougi: President, Tunisian Council for Human Rights Amer Naffak, Lecturer, Fas University	9 April 2002
The West and the Islamic Movements?	Dr. Jamal Hishmat: MP in the Egyptian Parliament (Muslim Brotherhood) Sami Al-Nisf: Political Analyst: Kuwait	25 Sept. 2001
Normalisation with Israel?	Ali Irsan: Sec. Gen. Arab Writers Union Ali Salim: Writer	30 Nov. 2000
Arabs and the Palestinian Cause?	Dr. Ghassan Attia (Arab League) Ali Abu Hassan: Lecturer (Aleppo Uni., Syria)	17 April 2001
Arab Satellite Channels: A Necessity or Affluence?	Nabil Fayadh: Researcher in Theology, A. Abdurraheem: Azhar Uni. Egypt	



## 2- Programme: Al-Sharia' wal-Hayat (Religion and Life). Host: Maher Abdullah

The host invites notable Muslim scholars, namely Dr. Yussef Al-Qaradawi (originally from Egypt, and is the Mufti of Qatar) to discuss and analyse timely issue in the Muslim and Arab world through an Islamic perspective. The programme lasts for 75mn, and broadcast live at 6:30pm on Sundays, and repeated on Mondays and Tuesdays.

<i>Programme Topic</i>	<i>Guest</i>	<i>Date</i>
Muslims' Duties Towards Palestine and Al-Quds (Jerusalem)	Sheikh Yusuf Al-Qaradhawi (Mufti of Qatar).	22 May 2001
The Crisis of the Muslim <i>Ummah</i> and how to Overcome it?	Dr. Kamel Helbawi: Researcher in Strategic Thinking, UK.	9 Nov. 2002
The Way to the Revival of the Muslim Jarrar: Jordan University <i>Ummah</i> (Global Nation)	Dr. Mamoun	17 July 2002
The Western Image about Islam	Sheikh Yusuf Al-Qaradhawi	2 Oct. 2001
The Muslim's Values in the West	Sheikh Yusuf Al-Qaradhawi	6 Feb. 2001
The Future of Islam in Western Europe	Dr. Bahij Mullah Huwaish (Spain)	8 May 2001
Russia's War in Chechnia: War on Islam or Conflict of Interests	Badrudin Bino: Centre for Chechnian Stud.	7 Dec. 2000
Islam's View on Racism?	Sheikh Yusuf Al-Qaradhawi	12 Sept. 2001

## 3- Programme: For Women Only: Host: Muntaha Arumhi

A discussion programme geared primarily towards women, Programme invited academics, experts, and women activists from various venues. Because of wide scope of its topics, this programme attracts a large male audience, which is clear from the phone in live participation.

<i>Programme Topic</i>	<i>Guest</i>	<i>Date</i>
The Influence of Foreign Funding; On Women's Issues	Dr. Nadia Mustapha: Cairo University, Hayat Attia: Journalist from Jordan, Dr. Raoufa Hassan: University of Yeman.	29 June 2002
Women's Press	Ismat Musawi: Journalist, Iqbal Ahmad: Writer, Jordan, Aisha Sultan: Journalist	3 July 2002
Islamic Dress: A political Symbol Or a Fundamental Right	Dr. Aida Saifuddawla: Ain Shams University, Kahdija Mufid: Writer, MunjiaAbidi: London.	5 June 2002

<i>Programme Topic</i>	<i>Guest</i>	<i>Date</i>
Gulf Women and Political Participation	Dr. Abur-Razaq Shaiji; Kuwait Uni., Nurih Sadani; Kuwaiti writer, A. Ansari; Qatar Uni.	17 Dec. 2002
Women Businessmen and the Role Of Arab Women in Building the Economy	Laila Karami: Lebanese Businessmen Council, Rajiha Mahmoud: Arab Businessmen Council, Huda Yasa: Women Bus. Con. For Dev.	16 May 2002
The Situation of African Women	Fatima. T. Aji: Women's Voice Org. in Africa, Easter Maquin: Tanzania, Nimaat Hamad:	7 March 2002

## **The Price of Free speech**

### **1- How Al-Jazeera has been received in the Arab World?**

From the outset Al-Jazeera was perceived as a rival by Arab state channels as well as the private ones. It has set a standard for quality broadcasting that has become like a barometer by which Arab audiences can compare various channels. Viewers have suddenly become able to assess balanced from imbalanced television coverage through the ability to switch between tens of satellite Arab channels. Al-Jazeera has also pushed the other Arab channels, namely the private ones broadcasting from Europe, to improve their content and broadcast quality also open up the scope of their operation to oppositional views. Therefore, in order to attract their audiences back, channels like, MBC (the Middle East Broadcasting Company) improved the quality of its news and current affairs programmes, and introduced new entertainment programmes a copycat of ITV's programme 'Who wants to be a Millionaire?' It also attempts to open up its airtime to more diverse views, yet it is still restrained by the editorial policies of the Saudi princes who fund it. 'If we did not have Al-Jazeera, we would have invented its likeness'<sup>7</sup>. Al-Jazeera has opened a hole in the silent wall of Arab state controlled media. It appeared for the first time that this Arab wall needs free speech for it to start crumbling down. 'Al-Jazeera has thrown a big stone in this stagnant sea'<sup>8</sup>. Therefore, it has become impossible for this stagnant picture of Arab media to return to its original face.

However, its policy of portraying 'the opinion and its opposite' has earned it criticism and even wrath from across the Arab world. The attack on the channel started long before the events of the 11<sup>th</sup> of September. Kuwait's Information Minister flew to Doha to complain in person after a programme needed his government for its stand on Iraq. Algeria's regime reportedly shut off electricity in parts of the country rather than allow Algerian television

sets to pick up a debate on the country's bloody civil war. The Jordanian government closed down Al-Jazeera's news bureau in Amman after a talk show guest accused the late King Hussein of collaborating with Israel, Tunisia's president called the Emir of Qatar to stop broadcasting a live programme discussing human rights abuse in Tunisia. The Moroccan Prime Minister, Abdurrahman El-Yousufi, accused Al-Jazeera of leading a campaign against the monarchy. He referred to discussion programmes broadcast on the channel that he saw as hostile to the monarchy which were tackling political corruption and had interviews with an exiled former army officer and a 1971 coup plotter against the late King Hussain. Morocco recalled its Ambassador in protest, although the Qatari Foreign Affairs Minister explained that '...Qatari media is free and we have no control over it'. He further argued that 'international television stations, newspapers and magazines are covering the Arab world much more than what we write about ourselves. Why be embarrassed when an Arab television station tackles our concerns?'<sup>9</sup>.

Recently Bahrain's Information Minister banned Al-Jazeera from reporting on the local elections that took place on the 9<sup>th</sup> May 2002. The government had been angered by the Al-Jazeera's airing of footage of the anti-American protests which were triggered by Israeli massacres in Jenin and the West Bank. Al-Hamr (information minister) said that the station is biased towards Israel and against Bahrain. We will not deal with this channel (he added) because we object to its coverage of current affairs. It is a channel penetrated by Zionists<sup>10</sup>. Husni Mubarak of Egypt frequently attacked Al-Jazeera as it aired programmes criticising the Egyptian government and the conditions of human rights and democracy. Recently, President Mubarak and the Egyptian media have openly attacked Al-Jazeera as a channel spreading friction, enmity and instability in the Arab countries (*Al-Jazeera news*, 30<sup>th</sup> April 2002). Al-Jazeera is well known for conducting interviews with controversial figures that irk Arab governments. Earlier in October 2001 the Egyptian Information Minister again accused Al-Jazeera of hostility towards Egypt, and towards Arab unity. After visiting the station President Hosni Mubarak made the oft-quoted remark: "All this noise from this matchbox?" ". 'We have to know who is trying to break up the ranks..(remarked the Information Minister) I may... stop all dealings with the Al-Jazeera channel concerning studios... satellite feeds or correspondents'<sup>12</sup>. Nowadays, some of the pressures have gone, as Arab leaders have developed a love-hate relationship with the station. Some, such as President Salih of Yemen, readily denounce it but can't wait to appear on it. For Nadim Shehadi, of the Centre for Lebanese Studies in Oxford, the rise of Al-Jazeera is a lesson in the perils of censorship. "By trying to censor the BBC (Shehadi remarks), the Saudis created an opportunity for the creation of something that was much worse for them. If you try to censor, you don't know what is going to come out." <sup>n</sup>.

## 2- Response from Western Politicians.

Al-Jazeera came to the notice of Western politicians, journalists and academics when it broadcast in 1998 an interview with Bin Laden in which he called upon Muslims to target 'American interests', but especially after the 11<sup>th</sup> of September events, by continuously airing Bin Laden's version about the war in his speeches, it was praised by Arab as well as non-Arab observers as the first non-Western network to seriously challenge the Western monopoly on global news reporting, and therefore "to provide a much more inclusive perspective, which gives you everything you get on CNN plus everything you don't"<sup>14</sup>. The station's objectiveness while covering the war in Afghanistan provoked angry comments by top American diplomats who demanded that Al-Jazeera should "tone it down". American politicians and Journalists admitted that Al-Jazeera scooped the world and it became the primary source of news for Arab viewers. As Max Rodenbeck from the New York Times put it at the time; 'Gone is the time when Arabs had to turn for the truth to the BBC, as in the Six Day War of 1967,... Some, like Al-Jazeera, rival and sometimes surpass Western models for the quality and timeliness of their reporting'<sup>15</sup>.

Faced with "a battle for the mind" and the need to tell moderate Muslims that the U.S. isn't fighting Islam, The US even considered advertising on Al-Jazeera TV. Charlotte Beers, the State Department's chief of public diplomacy, said the State Department is investigating new ways to reach out. Among the possibilities: advertising on Qatar-based news channel Al-Jazeera<sup>16</sup>. Al-Jazeera's airing of Bin Laden's tapes and its coverage of the war in Afghanistan from a different perspective made it pay a high price when the US army seemed to have deliberately bombed its Kabul office. Ibrahim Hilal (editor) said 'it had given the location of its office in Kabul to the authorities in Washington, yet on Monday night, its office was destroyed by a bomb that almost wrecked the nearby BBC bureau'<sup>17</sup>. The Al-Jazeera correspondent in Washington, Mohammad al-Alam, was detained as he was on his way to cover the Russian-American summit in Texas. Police told him that the credit card of the Al-Jazeera office contained information connected with what was going on in Afghanistan (*BBC News*, 15<sup>th</sup> November 2001). The US government even planned to launch a TV station to rival Al-Jazeera. Initiative 911, put half a billion dollars into a channel that would compete in the region with Al-Jazeera, and that would be aimed specifically at younger Muslims who are seen as anti-American. Charlotte Beers, undersecretary of state for public diplomacy and public affairs said at the time: "If I have to buy time on Al-Jazeera, I would certainly consider it"<sup>18</sup>. Fierce competition to reach out for the Arab audiences, through the net, also led CNN to officially launch its Arabic website (CNNArabic.com)

in 19th January 2002, which has been operated from Dubai by Arab journalists from the region. The content of the site is complementary to CNN International. The Arabic service of 'Voice of America' (radio service) has also been suffering from a poor audience share in the Arab world. It has been estimated that only 1 % to 2% of Arabs listen to it after the 11<sup>th</sup> September events<sup>19</sup>. The American Congress, therefore, funded a renewed Radio Free Afghanistan. It had begun in the mid- 1980s, when Afghanistan was under Soviet domination, but when the Soviets withdrew, the USA (mistakenly) thought the service was no longer 'needed'. Furthermore, in order to seek further influence on American as well as world public opinion, the Pentagon took the initiative of launching the 'Office of Strategic Influence' (OSI) in November 2002. *The New York Times* reported that the supposed rationale underlying that office was to plant misinformation abroad. The *NBC News* also reported that the OSI 'had circulated proposals to disseminate explicitly false information in overseas news reports about US activities'. The report went on to observe, that 'the plan called for a campaign of lies, coercion and influence against clerics, schools, and news organisations'<sup>20</sup>. Under the storm of criticism that followed the report, Secretary of Defence, Donald Rumsfeld, decided to shut down the OSI.

Technological developments in the last five years have placed a huge pressure on Arab governments to change their communication and broadcasting policies. The proliferation of satellite broadcasting proved to be very instrumental in taking away audiences from the mainstream state broadcasters. Also, the events of 11<sup>th</sup> of September did not only change many things around us but also posed new challenges to the mainstream western media. Al-Jazeera's coverage of the war in Afghanistan and the recent Israeli-Palestinian conflict turned out to be more than the American government could bear without fighting back. The battle to win the Arab and Muslim public opinion led it to launch a new media strategy at any cost. The interesting question that remains to be answered is whether the world super-power will put up with a daring English-speaking television satellite channel with the likeness of Al-Jazeera freely accessing the Western public opinion?

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# THE WHOLE WORLD NEEDS THE WHOLE WORLD: A FRAMEWORK FOR MUSLIM- AMERICAN DIALOGUE

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## **Introduction: Unity, Diversity and Hope**

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We are living in a world where borders have collapsed, as has our traditional conceptions of space, time and distance. Cultures and communities are exposed to and interact with one another in unprecedented ways as a result of revolutions in information. We are discovering that our fates and futures increasingly depend on one another, making mutual understanding, respect and cooperation essential to realizing the positive aspects of our growing interdependency. Our greater capacity for learning and our broadening familiarity with the foreign culture represents a powerful growth in knowledge and marks a turning point in human civilization.

This revolution in information has set in motion two contradictory trends in the world: increasing localization, which leads to self-assurance and the strengthening of each culture's own traditions, and globalization, which spans the sheer diversity of the human expression. This context defines the nature of our contact in a broader sense: in this growing awareness of our diversity lies our unmistakable unity: our humanity and our common values and needs. It is up to us, at this crucial time in our shared history, to ask three vital questions: How will we know and relate with each other? How will we define and benefit from our relationship? How will we cope *together* with the teeming diversity of our global community? Dialogue,

as a new paradigm in global relations, is based on sharing knowledge to achieve new knowledge, to see each other with open and empathetic eyes under a different light, and to look together toward a shared future in a global community will make our world safe for diversity.

The old ways of thinking are losing ground. Activists, leaders, and scholars wonder what will divide us in the twenty-first century. We are told that we will be divided as believers: adherents uniting as a group, and then pitting themselves against those with presumably opposing beliefs. We are, to this view, hurtling inexorably down a religiously based clash of civilizations, where only the strongest, most prepared, will emerge victorious.

Yet this proposition is old thinking. It comes from a position of scarcity: there is not enough truth, greatness, beauty, nobility, creativity to go around for all of us to possess. Either I have it or you have it, but not both. Wedged into this thinking is the reified "us" and "them", as fundamentally different beings, with unequal essences, irreconcilable dreams and unshared needs. This way of thinking can only survive where difference is reinforced through isolation, even if these differences are invented or live only in the imagination of one or the other. In our twenty-first century, with the global information revolution, travel and level of cultural exchanges, these degrees of separation cannot sustain themselves. So what options do we have?

### **Why a Dialogue of Civilizations?**

The need for a dialogue among people is based on the recognition that our changing reality requires a new global ethic and a new perception of one another. Two of the world's most powerful civilizations have only known each other as deeply competitive rivals and adversaries reaching back through the historical memory and imagination of both.

If Islam has suffered estrangement, this condition is not the result of inattention. Historically, the second half of the twentieth century is remarkable for the slow and often painful reemergence of Islamic societies in the international system; this process has been accompanied by a great deal of story-telling, by Muslims and Westerners alike. The themes of these stories are familiar: some speak of political confrontation and inherent incompatibility between Islamic and Western civilizations, while others speak of common historical roots, cultural compatibility, and political accommodation. While much can be learned from listening to these two varieties of tales, we have reached a point where the old narratives no longer suffice, and we find ourselves in need of a third story. We are truly between stories — between the stories of the past, and the story, which we must now create together.



To this day, the presumption of incompatibility has provided the dominant motif for story-telling about Islam and Western Civilization. Both Western observers and Muslims paint with broad brush strokes when they engage in generalization about civilizational units of analysis, and they fail to account for the diverse strands of cultural legacies. As protagonists of the story of incompatibility, they often resort to a language of exclusivity, preoccupy themselves with defining boundaries, and retreat from intercultural experiences to psychological and cultural segregation. Implicitly or explicitly, the "other" is depicted as a threatening monolith. When American journalists write pieces on fanaticism and terrorism in the Islamic World, for example, they speak of Islam, terrorism, and militance in the same breath, without differentiating between *Islam* and *Muslims*. The religion of a perpetrator is thereby associated with acts of violence in ways, which are scrupulously avoided when Jews and Christians commit comparable offenses. We have come far enough to dispense with the clichés of confrontational discourse, which alleges an incompatibility of Islam and Western civilization while neglecting fundamental questions: Which Islam and which West? How are we representing the West (geographically as well as culturally and intellectually)? Who represents the "West"? Is the development of the West a finished project, or is the West still developing? Furthermore, what are we representing as Islam? Who represents "Islam"? Is Islam a static set of authoritative cultural norms, or is Islam a dynamic, spiritual response to life based on essential precepts?

The first story is, unfortunately, the most often repeated one. The story pertains to cultural incompatibilities, political confrontation, and protracted historical conflict, and we are all acquainted with at least one version of it. Since the Muslim version of the story is less familiar, we will accentuate those details of the script, which are important to this perspective.

Americans remember 1492 as the year Columbus, sailing under the Spanish flag, discovered America. Arabs and Muslims remember 1492 as the year of the fall of the kingdom of Grenada, the last Arab Islamic presence in the West. Islam receded to the East, to the periphery, to become a non-Western phenomenon. Beginning with the Treaty of Karlofca in 1699 and later the Treaty of Kuchuk Kaynarca in 1774, the Ottomans retreated from Europe and Muslims were reduced to passivity in world politics, leaving for Christianity the task of shaping the modern world. Since then, Islam has been seen as alien, and intrusive in a relationship of rivalry. More recently Western policy makers, influential pundits and scholars have advanced simplistic views that dominate the present debate on Islam and Islamic revival, also described as fundamentalism.

In effect, Muslims were excluded from history. Their destinies were determined by the West. The rules and practices of current international relations reflect nineteenth-century Western experience and interests. Thus,

the common bonding of the world today is a product of the conquest and acculturation of Islamic and other non-Western elites that occurred as the result of the West's political and economic expansion. The common language of the world has largely become Western in both form and content.

In contrast to the first story, which places emphasis on incompatibility, the second story accentuates compatibility, and posits coexistence as an alternative to confrontation. From this perspective, Islamic revival is not the enemy of the West. It is not really a religious movement, nor is it, as some fear, expansive and monolithic. Muslims seek to restore an old civilization, which has a genuine historical affinity with European civilization, not to create a new empire. Among the world's historical powers, only the Muslims, as a people, have not reversed the decline in their global status. The Japanese, the Chinese, and the Europeans have all regained their world influence; Muslims are likely to recover their dignity and stature if provided an opportunity to be modern within the framework of their own culture. The first story — the story of incompatibility — portrays dialogue between the West and Islam as an exercise in futility, and the second story — the story of compatibility — provides a hint of what might be gained by moving beyond facile, stereotypical language and judgments. The third story — a story of reconciliation, we hope — has yet to be written. Nonetheless, we would like to suggest a possible script for this new narrative.

The shared cultural roots joining Islam with the West are forgotten far too often. Although recently voiced (and frequently ill-conceived) opinions regarding a 'clash of civilizations' posit that Islam falls outside the Judeo-Christian and Hellenic cultural continuum, the reverse is in fact the case. Classical Islamic civilization was constructed out of Arab, Biblicist and Hellenic cultures, but cast a wider net by integrating Persian, Central Asia, as well as Indian components within its cultural synthesis. Historically, Islam is the true bridge between West and East.

Yet as each civilization pursued their own historical trajectories and encountered one another as rivals in competitive power politics, each retreated from the other to struggle with internal conflicts and questions, reducing the other to static images of threatening, unrelated, rival 'others'. Psychopathy operates at the level of symbols in order to generate a new system of meaning that is, ultimately, divorced from larger material or spiritual understandings, and feeds on the need to address despair through fear. These simplified, narrow images create relationships based on power and control.

Cultural contact between Islam and the West has been marred by historically unequal power relations, leaving the West arrogant and insensitive and the Muslim world defensive and insecure. The West and Islam are caught in a twin cycle of arrogance, which breeds contempt and fanaticism, with

no shortage of paranoia. Western cultural triumphalism is sustained through the use of mass media, educational systems, as well as the control over the symbols of legitimacy and status. The "with us or against us" simplification is yet the latest expression of Western cultural triumphalism, backed up on this occasion by overwhelming military force.

Today, such relationships and the images they were built upon are no longer sustainable. Instead, as each struggle to find their place and identity in a globalize world, we are discovering that each has held many of solutions to the questions the other has long been asking. Dialogue is key to surfacing these 'hidden treasures'; once we are able to unlock the secrets of effective communication and pierce through the walls of misperception and mistrust we can gather these valuable insights, lessons and opportunities that enrich us both.

### **Islam is Not the Enemy of the West**

Islam is not the enemy of the West. There is a lingering, pervasive belief in the West that Islamic values are inherently incompatible with Western ideals and goals. The West hears only the voices that are the loudest, and these tend to be the ones who reject and openly despise them. The West sees only the anger from the Muslim and Arab world, which causes them to retreat into defensiveness and ignore the reasons, which drive these passions. It becomes easier to assume that beliefs are irreconcilable and irrational, view reinforced by images of outrage that are propagated by a sensationalist media, which thrives on such imagery.

Islam is perhaps the most misunderstood religion today, both among non-Muslims and Muslims alike. The saying of the Prophet Muhammad appears to have been realized: "Islam began as a *v*Stranger (*gharib*, i.e. exiled and unrecognized), and it will revert again to the condition of being a stranger. Blessed are the strangers". The West views Islam as quintessentially foreign; Muslims feel estranged from its ideals.

Religion is not only a theological doctrine but has historical dynamics to be taken into account. This dynamic involves today's Muslims as well as abstracted Islam. We need to understand both Islam and Muslims. In all religions it is the tension between the real and the ideal, the expectations and the achievements, that gives us the most profound understanding of the essence. Because Islam has no church, every Muslim is individually responsible for searching for the Muslim ideal. It is this tension between the real and the ideal that is key in the life of Muslims.

We complicate our understanding of Islam when we concentrate on the ideal or the real, and ignore the struggles of Muslims to achieve them. The history of Islam is a history of tension between the ideals of the Qur'an and the ability of Muslims to realize them. Ideals of Islam are not static but emergent. Every historical period and cultural milieu has given a different synthesis of Islamic Command extending from rigid Wahhabism to the more flexible Sufism.

American media often tends to portray the Islamic world (and various groups within it) solely through the prism of extremism and terrorism - so often, indeed, that some of those who attempt to debunk the notion of an "Islamic threat" inadvertently perpetuate the simplistic "good (or secular, moderate, pro-Western) Muslim"/ "bad (or militant) Muslim" dichotomy. Instead of taking seriously the criticisms of Western attitudes toward the Middle East written by Arab and Muslim scholars, many Western writers have preferred to isolate threads of hatred, irrationality and fear articulated through religious discourse, reinforcing notions of otherness, inferiority, and the need for pre-emptive actions and aggressive control. Even the governments of many Muslim countries play into this dichotomy, particularly when soliciting economic or military support from the United States.

A 'clash of symbols' is being waged between Islam and the West. This is not a clash of civilizations. Westerners are finding headscarves, turbans and other symbols of Islamic cultural and religious expression repellent, as fundamentalist Muslims have seen in blue jeans and other such manifestations of Western culture explicit anti-Islamic statements. Belief systems are becoming simplified into images to be either rejected or absorbed in their entirety.

As a result, Muslim world is reduced to a form, a static image that appears to be in its essence antithetical to the West. From this sense of threat, the West recoils from 'all things Islamic', and feels compelled to project an image of invulnerability and superiority, conflating its material strength with moral authority. Genuine opportunities for dialogue are then lost. Dialogue instead becomes power politics by other means, as a campaign to quiet or mollify an aggravated 'other', to manage conflict rather than resolve it, turning dialogue into a platform to convince the 'other' of the Tightness of their existing positions. These, however, are subversive contests to delegitimize others, not dialogues aimed at mutual understanding, respect and new knowledge.

### **The West is Not the Enemy of Islam**

Nor is the West the enemy of Islam. While the West may suffer from a sense of cultural triumphalism at home and abroad, it is a civilization whose hard-won achievements are not only compatible with Muslim values but

which can broadly support and strengthen the Islamic community. The Western regard for individualism and political freedom, and its commitment to political accountability and democratic pluralism characterize some of the best of what the West offers the world. Muslims must not be so insecure as to believe that they can only reflect or reject the West, or that the accomplishments of one civilization serve only to underscore the failures of others. Genuine curiosity about the Western experience and serious reflection on the sources of Western strength may be necessary to move the Islamic community from its painful introspection and isolation into a new period of confident and inclusive building of a just and peaceful social order.

The experiences of religious wars and colonialism have engendered a profound distrust of Western motives and goals, while the images Muslims receive of the West, through television and movies, as well as from images depicting the deep suffering of Arabs and Muslims at the hands of non-Muslims, have generated a complex reaction of defensiveness and moral outrage. The inability to successfully challenge unjust policies and the fear that foreign values will induce Muslims to deviate from their faith have effectively closed off the ability to hear what the West may also be communicating.

### **What can we get from dialogue?**

Muslims and Westerners have much to gain from moving away from images, symbols and postures. Attachment and commitment to these forms undermine the purpose of dialogue, keeping us estranged and unknown to one another.

Developing a process of communication is key to transcending this deep subjectivity, one that involves active listening and a commitment to sustained dialogue, not rushing to achieve the immediate rewards of transformation or understanding, but rather learning to understand how each communicates their shared concerns. In this way we can discover, as well as create, shared meanings and find our common ground, while better understanding our values and ideals as we are challenged to share them in a new way.

Instead, a framework for a dynamic and mutually rewarding dialogue is one where we bring to the table the best that our human civilizations have to offer the world and how these contributions can help one another to achieve a greater flourishing of our respective communities, who look upon one another as moral equals and partners in creating a global community. It is then that we may compete with one another in good works, and in our service to humanity. It is here that we show our truth, our essence, our beauty and our greatness, and it is in so doing that we find our place in God's greater plan for humanity.

## **A Common Concept of Peace**

Moving beyond the first story of incompatibility towards a new narrative of shared understanding requires us to look more closely at the meanings underlying our concepts and symbols. Islamic traditions have conceptualized distinctive understandings of peace that can complement Western approaches. In Islam, peace is defined as 'presence of - presence of justice, well-being, and social integration and harmony, while the West has come to understand peace as 'absence of: the absence of gross violations of human rights, violence, or militancy. In understanding the meanings we attach to our values we can then broaden them to encompass our own wisdom in ways that add and develop the other in positive directions. We can then begin to understand together that peace cannot be separated from justice and a vibrant, healthy society.

Through sensitivity and trust in moral equality of the other, dialogue opens the way to transform our relationships and perception of one another, in a gradual and respectful manner, and in the process reestablish the linkage between our actions and our most cherished ideals. Defensiveness which insists that one is absolutely wrong and the other is absolutely right only entrenches our distance and difference. Rather we can begin to see that our values and ideals complement and enrich one another, and can move each of us forward and that our difficulties are opportunities for learning and improvement. This is why we have difference: so that we may know one another, and better ourselves in the process.

## **An Inclusive Concept of Democracy**

Dialogue involves shifting our assumptions that allows us to recognize that the achievements of one civilization does not imply or reflect that another is inferior, but rather that we are challenged to adapt these lessons to our own circumstances. In particular, the West offers much to the Islamic world in terms of institutionalizing democracy while Islam can offer the West its own considerable achievements and insights into community, spirituality, and diversity.

The West emerged after years of deep introspection, existential anxiety and conflict over its faith system with lessons and achievements in the realm of political coexistence. In closing our ears to this hard-won achievement we are losing an opportunity to meet one of modernity's greatest challenges on our own terms. Muslims are not required to reach the same conclusions that Christians adopted with regard to their faith, and do not need to in order to develop an authentically Islamic response to political empowerment. There is a great need in the Muslim and Arab world to

consciously and deliberately integrate the person, the citizen and the Muslim. This involves a search for truth within Islamic traditions and contexts that begins at the level of the individual. Christianity has emerged with a close linking of personal behavior with citizenship and social values, while Muslims today are on the threshold of discovering the obligations and meaning of Muslim citizenship.

Islam and democracy are not incompatible. Islamic social institutions are more dynamic and variegated than is widely recognized, and provide the basis for genuine participation at the social and political level. It is the Muslim community itself that must discover how this integration can apply to modern living, and in the process discover original ways of implementing Islamic precepts in changing social conditions. Muslims have the right to participate in the unfolding and direction of their community, while creating their own values and terms within the enduring context of Islam. Democracy is not built upon a particular variety of electoral institutions, but upon genuine participation. In this regard there are democratic precepts in Islam, as there are in other religions, to include both the preservation and development of the community, and social justice and consultative mechanisms. Democracy is not a Western product; it is rather a universal process of organizing political needs on an equal basis that must be deeply rooted in the dreams and hopes of the great majority of a nation.

Just as there has been and continues to be a stamp of Calvinism on American culture, so too there is a stamp of Islam on Islamic culture. Modernization theory and scholarship on democracy have been somewhat misleading in the projection of cultural change in the West. Religion has not been simply left behind or rendered obsolete by modernization even when religion has been rejected there has emerged new satisfiers - nationalism, free market economy and cultural triumphalism.

In addition to social functions, Islam serves a practical role in politics by offering recourse to a transcendental order to which rulers can be held accountable. The oppressed can defend their rights by appealing to religious standards. Islam offers a vocabulary of resistance to corruption and repression, and a vocabulary of hope for a cultural future. This Islamic vocabulary is the way that Muslims express their political identity. Hence, everybody links Islam to their political concern.

For example, Muslims can ask themselves, what kind of citizens can Islam create, animated by Islamic values and contexts. What kind of solutions can Islam bring to affect participatory decision-making in the absence of authoritative guidance in social matters? What Islamic values and social

mechanisms can be brought to bear for ameliorating the conditions of modern, urban living? The flowering of the individual as citizen within Islamic community can inspire new avenues of meaning and institutions that testify to - and fortify - what is enduring in Islam.

A dialogue can move us away from rigid adherence to form, to defensive posturing, and toward promoting an exchange of ideas on how to incorporate the lessons learned from one civilization appropriately to another. In so doing, improvements can be made where creativity is allowed to flourish in dynamic interaction. The West, meanwhile, has developed a greater thirst for spirituality and ultimate meaning and has turned to such Muslim and Arab humanists as Muhayaddin Ibn Arab! and Jalal al-din Rumi, who have become some of America's best-selling figures. As Americans in particular wrestle with cultural diversity, there are opportunities to learn from the life-affirming side of Islamic precepts and considerable experience with cultural coexistence. There is room to rediscover the extensive Islamic contributions to Western philosophy and science and the spiritual content and interconnectedness that has been consistently devalued in their quest for material progress.

There is here a real opportunity for leadership to emerge from dialogue. Today's challenge for the West is to live up to its liberal tradition, which requires continual openness to new revelations of truth. Today's challenge for Muslims lies in the expansion of the original ideas of Islam, and a willingness to demonstrate curiosity about historical experiences and achievements of the West. Where are the Muslim 'Lawrence of Arabians' who seek to discover and know the Western Christian worldview? Why has there been so little research among Muslim scholars on the Christian perspective of the Western experience, or the encyclicals of the Catholic Church, or the Christian struggle to find religious meaning in politics? Much may be gained in insight from the historical political trials of Christianity for Muslims at this time, as it emerged at a time of profound oppression, injustice and during occupation. How did this path cope with such circumstances, organize their community and move beyond them?

A retreat to a cultural ghetto by any group, be it Muslim, Jewish, Christian, Buddhist or Hindu, is not only a denial of the rich diversity of the modern cultural experience, but also a rejection of responsibility for future generations. Retreat is one of two faces of political fundamentalism, which could be defined as a pathology of culture that arises when a group takes a subset of the basic tenets of a tradition, and either under the pressure of insecurity (in the case of today's Muslims), or in the pursuit of hegemony or total security (in the case of the West), uses them either to seal off others, or to maintain dominance.



In all conflict situations, people under stress react by reducing their own beliefs to a small, workable subset in order to fight and protect themselves. Fundamentalism implies a closing off of the ability to hear and communicate. Yet a return to the larger frame of a culture and its humane values, always present if sought for, can open up the space for understanding, cooperation, or at the very least, mutual respect. The inexorable dynamics of modern history rule out pretensions by any one group or cultural tradition of establishing a world hegemony. We have moved from a humanity that experienced its collective life as fragments of the whole to a humanity experiencing itself as whole.

### **What can America do?**

The United States can best support development of the Islamic world by promoting political participation within structures appropriate to the needs and culture of the people, not by rigidly insisting on the transplantation of Western models or (in the absence of such models) supporting authoritarian regimes. The US and other industrialized nations could support Muslims to develop democratic forms that are appropriate to their needs, rediscover the life-affirming side of Islamic precepts, and develop structures that promise a cultural future for the people, not merely a technological future that negates their values.

Americans can influence the future of democracy in the Islamic world. This is not to say that the United States should substitute pro-democracy interventions for its traditional support of repressive regimes. While repressive regimes can be imposed by subversion, democracy cannot be successfully implanted from the outside, and certainly not by subversive means: it is an indigenous and delicate flower that only flourishes when deeply rooted in the dreams and hopes of the great majority of a nation.

America now has a chance to be part of a new process. The United States can offer the example of a new style of leadership and an ever-broadening concept of democracy that is continually renewed and deepened in American national life. The United States is open for all to see, with all its problems, virtues and strengths visible at will. Today Americans have a chance to be part of the struggle for democracy in the Islamic world. The most powerful weapon in American hands for the promotion and spread of democracy in the region is not subversion, or military aid, or even development aid or diplomacy. It depends on a strong American commitment to the ever-emerging transnational consciousness, one that trusts in the universal promise of democracy. The transnational consciousness is not molded by the media, nor created by elites and intellectuals. It is the cry for human dignity.

## **The Need for Active Engagement**

The West and the Islamic world are out of touch with each other: the West is uncertain that the Muslim world understands its message that it is not waging a holy war against Islam, while Muslims remain uncertain that the US is not embarking on a Crusade. This degree of separation also suggests the antidote: before the West can effectively convey its intentions, it has to understand what is going on in the Arab and Muslim world today. This involves active listening to the voices from the region and engaging with them in sustained dialogue.

Most important for both communities at this time is the need for active engagement. As cultural symbolism assumes greater significance within the Western-Islamic relationship, active engagement with one another, through sustained dialogue, permits each to understand the deeper meanings, associations, and implications of this emerging "clash of symbols." Active engagement permits us to understand and recognize the authentic expressions of human religiosity, and protects us from the politics of manipulated symbolism. It defuses the need to defend or testify to what are legitimate religious beliefs and institutions. Healthy expressions of religiosity express a mature understanding of a faith tradition and a desire for correspondence between symbolism and substance. This system of confrontation we observe today is divorced from larger understandings of material circumstances and spiritual intents, and feeds on the need to address despair through actions predicated upon - and intended to spread - fear. The understanding derived from active engagement would allow the West to avoid entrapment in the system of confrontation, moving beyond immediate negative reactions to Islam to discover human commonality and shared experiences and needs.

It should not be difficult for Western Christians to understand the danger of misappropriating religious symbols, for we need only look at the experience of the Crusades, in which mobilization for material and political goals was cloaked in the symbolism of religious devotion. Sustained dialogue and active engagement give us a fuller awareness of the material circumstances and diverse motivations that shape the use of religious symbolism in politics, enabling us to differentiate that which is mature and substantive from that which is reactive, superficial, and psychologically opportunistic. In this way, we connect genuine religious sources with the symbols that are evoked, and recognize circumstances in which material goals have misappropriated sacred symbolism. We acquire greater discernment, and avoid both prematurely narrowed policy options and clouded distinctions between those who are innocent and those who are guilty.

## **Conclusion: Toward Humanistic Cultural Pluralism**

Every community has experienced a flowering of its culture. There are many roads to humanistic cultural pluralism, many potential systems of communitarian, free, creative life, and many potential languages, arts, music, dramas, and literatures that are compatible with humanistic ethics. No doubt, every community needs some 'cultural revolution' to remove those things that dehumanize society or inhibit human development. But only as the primacy of the cultural community is made clear will creativity have a chance to replace conformity, with cooperation replacing competition.

As Muslims seek to harmonize the Islamic spirit of communalism with the changing conditions of their own societies, they have a new opportunity for conceptualizing the nature of Muslim citizenship and assuming a greater role in the shaping of their history. A retreat to a cultural ghetto by any group, be it Muslim, Jewish, Christian, Buddhist, or Hindu, is not only a denial of the rich diversity of the modern cultural experience, but also a rejection of responsibility for future generations.

Historically, both the West and Islam have relied too much on the self-evident testimonies of their beliefs and accomplishments, without sufficient recourse to genuine interpersonal or inter-civilizational dialogue and bridge building. A new and mutually rewarding relationship has the potential to emerge between Islam and the West, where accumulated wisdom and insights for necessary progress provide the basis of a valued coexistence. Such a relationship would be premised not on ideas of cultural superiority, but on mutual respect and openness to cultural eclecticism. Common ground can be made when there is a mutual exchange of each other's realities towards the individual and the community. Muslims and Westerners can learn from each other and cooperate in the pursuit of humane values. The West and Islam are not destined to meet as rivals; in knowing each other, the West can give Islam the best that it has in exchange for the best of Islam.

Popular slogans to the contrary, Islam and the West are not inherently incompatible. The first story — the dominant story in political and strategic analyses — informs us of tensions which do in fact exist, but it neglects the deep resonances between Islamic and Western civilizations which are cited by the reformers and specialists who narrate the second story. The third story exists only in the form of a working outline; we have attempted here to suggest the contents of future versions which draw lessons from the ongoing dialogue.

The third story points to the prospect of a cooperative, nonadversarial relationship between Islamic and Western civilizations. Such a relationship would be premised not on ideas of cultural superiority, but on mutual respect

and openness to cultural eclecticism. Muslims and Westerners can learn from each other and cooperate in the pursuit of humane values. Seeming contradictions will have to be dealt with on a higher plane. If Western individualism is to bring lasting happiness to the individual, a model of free community will have to be explored; if Muslim ideals of community are to reach their fulfillment, it will be necessary to revisit traditions, which underscore the dignity of the individual. Muslims can benefit from the Western experience with political pluralism, and Westerners can extract lessons from centuries of Islamic experimentation with cultural pluralism. In this way, we learn together that the whole world needs the whole world.

# BEYOND LIP SERVICE TO HUMAN RIGHTS:

## The Imperative is to act

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Muslim states and societies have to go beyond lip service to human rights. This has been an overdue imperative long before September 11, 2001. Tens of thousands have died in Lebanon, Rwanda and Indo-China without any wretched tombstones raised to their memory. However the spectacle of 9/11 has produced several unintended consequences: one of which was that many Muslims began to ask very critical and uncomfortable questions about the way they practice and perceive their religion, culture and history in a globalizing world.

Apart from the fact that the stand off between Muslim militant forces in different parts of the world in confrontation with United States shock troops will continue for some foreseeable time, the debate within Muslim communities on the question of human rights cannot be ignored. It is time for straight talk. Years of polite speech and criticism by innuendo have only aggravated the internal conditions in Muslim societies. Nay, the silence has often been a deferential or complicit silence. Let's face it: in the contemporary Muslim world we lack a culture of robust, open and critical reflection and debate on a trinity of three issues: politics, religion and sexuality.

Human rights, in whatever incarnation, be it secular or Islamic, ought to become the foundation of both domestic and foreign policies of Muslim societies. Failing to act on the imperative of human rights may result in many more countries facing the ghastly prospect of increased internal strife and being cast as marginalized global pariah nations. Liberal capitalism, even though it has to be challenged, is at the moment triumphant and will in all likelihood act in brutal ways towards those who threaten its interests.

Thus as a matter of self-interest and self-preservation, if there is any imperative for Muslim societies in the twenty first century then it is to make the application of the most progressive version of Islamic human rights their highest priority.

The best starting point for Muslim intelligentsia and political leadership would be to encounter history with brutal honesty and radical accountability. We may not like it, but the truth is of the matter is unavoidable: for the past two decades, Muslim countries have taken the lead as violators of human rights, even by Islamic standards, not that there is much difference in Islamic and secular standards. Mention a Muslim country and there would be few that would qualify as meeting the minimum standards of Muslim human rights in terms of accountable governance where the citizenry enjoy freedom, justice and prosperity. Realities sadly suggest facts to the contrary. In the past two decades Muslim governments and leaders have authorized some of the most shameful and ruthless butchery of their own citizens with unparalleled callousness.

On what ethical grounds can Muslim governments and citizenry remain silent about the flagrant violations of human rights in the Muslim world? Political dissidents and opponents of tyrannies and despotism face brutal torture, imprisonment and frequent extra-judicial and summary executions at the hands of fellow Muslims. Muslim countries are amongst the most notorious where political dissidents are lucky if they are tortured and imprisoned, where elections are rigged, religious and ethnic minorities are frequently mistreated and foreign workers are humiliated. And even this list regrettably does not exhaust the list of offences. Are there any justifications for us to continue to demonstrate sympathy and solidarity with such authoritarian Muslim governments, who in addition to perpetuating misrule also squander their nations resources in meaningless projects while millions of Muslims starve in most abject poverty?

While we have seen every dictatorial regime with ostensible "Islamic" credentials hasten to implement sharia in the form of corporal punishment against sexual offenders and petty thieves they ignore the fundamental principle that animates sharia governance: justice, equality and freedom. In terms of governance by sharia these standards are to be scrupulously observed. Ibn al-Qayyim al-Jawziyya (d. 1350), a leading Muslim jurist, long ago argued that the essence of sharia is justice. Ibn al-Qayyim urged Muslims to act on the imperatives of truth and justice in fulfillment of the sharia.

Even if one momentarily takes seriously the standard jeremiads that many Muslims individuals and governments make against Western nations and international institutions seriously on maintaining double standards in

enforcing human rights, that does not for a moment justify the continuous violation of human rights on the part of Muslim governments. In fact, the accusation and charge can be turned around. Muslim governments are equally guilty of double standards. For while they self-righteously proclaim to be standard bearers of 'true' and 'Islamic' versions of human rights, they willfully violate every Islamic value that is cherished in Muslim ethics. Surely, this is worse than the charge of Western double standards! To be fair, at least Western nations do not keep their own people in bondage as Muslim governments do. Neither do they run police states with a brutal repressive machinery to hold their unhappy subjects in check and then mockingly call such regimes governments! Sure Western governments advocate human rights at home and flout these same standards abroad. If only one Muslim country practiced human rights at home, it would be a valuable start. But even something as basic as the respect for the fundamental rights of citizens is hard to come by in the majority of Muslim countries. While many Muslim states are signatories of the Universal Declaration of Human Rights, but few take human rights seriously.

What prevails in Muslim countries is infinitely more noxious and morally decadent. In the moral idiom of the Qur'an this is called hypocrisy (*nifaq*), an offense more serious than unbelief itself<sup>1</sup>. There is a reason why Muslim ethics deems hypocrisy to be such a serious offense: for it perverts the moral order. Hypocrisy is a duplicitous posture of pretending to do good, whereas the actors never intend to do good in the first place. No society can flourish when its moral fiber is so deeply poisoned where political leadership is nothing but duplicity and fraud.

Every believing Muslim is obliged to act out of their religious conviction against the current state of affairs. It would be irresponsible for ordinary Muslims to become complicit in their own oppression by silence. Islamic ethics deems it a sin to keep silent about atrocities and flagrant violations of the rights of people. The Prophet Muhammad (P.B.U.H) in the seventh century said: "Whoever among you sees a wrong, they should try and change it with their hands. If you are unable to do that, then they should speak out against it; and if you cannot even do that then your conscience should deem it immoral, and the latter is the weakest form of faith." The moral doctrine of commanding the good and forbidding the wrong (*amr bi 'l-ma'rufwa 'l-nahy 'an al-munkar*) is central to Muslim ethics. Of course certain Muslim extremists have appropriated this doctrine in order to pursue their own ends of lawlessness and violate higher principles in Islam. But the abuse of this doctrine should not prevent its proper application. Some scholars debate whether the individual Muslim has the power to implement the moral law at an individual level. What is incontrovertible thoughts that the individual has the right to pass moral judgments on what is happening in society.

The English philosopher John Locke (1632-1704) did indeed explain that a citizen could approve and disapprove certain practices. He went so far as to say that the citizen could freely make a moral judgment as to what is a virtue and vice. In similar vein to arguments made by Muslim ethicists, Locke went further and argued that what the citizens view as vice and virtue, were not only private opinions, but that such moral judgments themselves had the character of laws. Now of course one constantly faces the specter of Muslim apologists who would seize on this comparison to argue that long before John Locke, the Prophet Muhammad had given instructions on how believers should impact the moral order and bring about a state of righteousness. While a tremendous amount of energy is spent on justifying Islamic positions academically, very little time is spent in applying the values preached by the Arabian Prophet. What value does such apologetics have, when Muslim countries are not only bereft of the teachings of the Prophet, but that they also disregard the wisdom of Locke. Only the successful application of the moral teachings of the Prophet can give Muslims reason to be proud about their religious and intellectual tradition.

Many Muslim governments have joined the United States in the campaign against terrorism since September 11, 2001. Sure enough terrorism is a serious breach of human rights and cannot be condoned. But one should bear in mind that from a sociological point of view, terrorism itself tells another story. One just cannot dismiss it as an individual or group pathology. That is too simplistic and prevents an understanding of the problem. There is no nation in the world that is in such a denial of examining the causes of terrorism as America, followed by several Muslim governments too.

Terrorism is the harvest of societies that are misgoverned. If anything, terrorism is a symptom of the poor health in which the societies that produced such individuals and groups find themselves. Often terrorism finds fertile breeding ground in repressive societies where public expression, political liberties and access to wealth are severely curtailed. Terrorism flourishes optimally under conditions of authoritarian rule and repressive governance. If terrorism is brutally repressed, it creates a cycle of its own revenge, especially when the root causes of terrorism are not ignored. In fact, Muslim history is replete with such violent social uprisings. Many such sectarian formations have over time been consecrated as theologies of dissent and serve as attractive as anti-state ideologies.

There is another reason why Muslim dictatorships continue to flourish; they serve the political and economic interests of Western capitals effectively. The latter point is the overwhelming motivation, irrespective if Western political scientists and pundits and fervently deny such motives. Perhaps they are less than frank with the truth. If this is not the case, then one is required to ask why the United States and its European allies is hand-in



glove with some of the most authoritarian regimes in the Muslim. Not lagging behind such political expediency was the former Soviet Union, whose policies are now being pursued by Russia.

Apart from American alliance with tyrannical regimes, failed domestic policies is the real cause why Muslim countries export terrorism to the West. Even the most prosperous of Muslim countries cannot keep their citizenry satisfied and happy. That Muslim governments would try to deny such charges is understandable. But why Western governments do not cut their links with Muslim dictatorships, especially when they are being made targets of terrorism, remains a mystery. We are forced to conclude that the inarticulate premise is that Western foreign policy is based on brute self-interest and political expediency and not on human rights. Therefore, partnership with Muslim governments who abjure human rights becomes a perfect fit and therefore should not be a surprise,

Today, the United States violently denies its role in fomenting terrorism by subverting the democratic struggles of Muslim peoples and supporting dictatorships to meet its personal ends. The United States does not want to be held accountable for anything it does in the international sphere. To the contrary, it struts as a colossus and self-righteously pontificates morality to the world. In fact, as many observers have noted, that the US through its recalcitrance to adhere to international law, poses the greatest threat to undermining the international human rights order. Currently the US is undermining a painstakingly built international consensus on the creation of an International Criminal Court of Justice. One wonders if the US government ever contemplates to bring to justice, those who committed heinous crimes against humanity like Saddam Hussain or whether seeking exemption from the reach of international signals its intention to violate human rights. It therefore is no surprise that the US enjoys no credibility as a global moral authority, least not in the Muslim world and is even being criticized by its European allies. More broadly speaking there is in fact a deep cynicism about the role of the US in international affairs.

If anything, then the aggressive US policies towards Muslim countries undermine and even further marginalizes progressive Muslim forces that favor the reconstruction of Muslim societies. But US aggression only feeds radical and unthinking versions of Muslim militancy, whose sole aim is to gratify anger with spectacular violence. So low is US credibility, that even Muslim middle classes silently show sympathy for radical groups like al-Qaeda when they attack US interests. Many are fully aware that one needs constructive solutions and that slogans and violence is not a solution in itself.

The colossal failure of the US to maintain human rights standards globally, does not give Muslim countries any reason to continue to ignore human rights. To the contrary it would be to the advantage of Muslim nations if they responded to the US by holding up human rights and democratic practices nationally and internationally as the standards in international conduct. We need to turn human rights into a weapon against US imperial projects and thereby use it as a legitimate means to embarrass and resist.

We also require more than a modicum of honesty and self-critique. There is no doubt that many parts of the Muslim world are in a serious state of economic, intellectual, political and cultural disrepair. Dehumanization is the order of the day. International news makes for depressing reading. Daily we hear of women being sentenced to death by stoning in Nigeria; the immunity of the world to the suffering of the Palestinians and the accompanying political violence; Muslim-Hindu clashes in Kashmir with frightening death tolls; bombing and assassination of foreigners as well as non-Muslim minorities being made target of death and discrimination have become a regular feature of our daily diet of information. Muslims perpetrate most of these actions. Are Muslims being dehumanized to such an extent that their moral compass has become subverted?

Ignorance about Muslim history is endemic to Muslim societies, leave alone knowledge of other cultures, religions and civilizations. For the past half a century or more this ignorance has been remedied by a very monochromatic understanding of Islam. The complex Muslim tradition that encompassed art, aesthetics, history, literature, knowledge of scripture, teachings of the Prophet, law, science and philosophy all once made up a complex web of tradition. Within the web of tradition, Muslim self-understanding and Muslim subjectivity was a complex and sophisticated one. This tradition was ruptured by the vicissitudes of history on Muslim societies and it appears that these wounds have not healed. But one cannot help thinking that many Muslims, leaders as well as governments use the agonies of the past as a cheap means to justify their mammoth failures.

In the twentieth century Muslims tried to adopt short cut and a historical methods to remedy their lag in knowledge, technology and self-understanding. What we have become experts at is to play the role of the victim without any accountability for our self-inflicted wrongs. Muslim revivalist movements in the last century trying to respond to the needs of the hour however reduced the solution to only knowledge of the holy book, the Qur'an, without offering the readers of the scripture the tools of how to understand the revelation. Revelation occurs within a historical context and there are ways in which it makes sense across time and space.

The result of revivalist efforts has been a crude, as well as emotional, response to Muslim failures dressed in the idiom of religion. It is not surprising to find intellectually ill-equipped people delivering heated sermons based on one verse of the Qur'an and offering simplistic solutions to the complex problems of humankind. While Muslims generally acknowledged the need to also master modern sciences, theologically and culturally the knowledge of modernity was never seen as legitimate. Despite more than a hundred years of effective modernization of the Muslim world, large numbers of Muslims are still not sure how to respond to modern knowledge with full integrity. The relationship between Muslims and modernity can at best be described as schizophrenic. Science and modern knowledge continues to be understood as something standing outside and in contrast to religious knowledge.

The bearers of religious knowledge in Islam, the 'ulama, are largely to blame for resisting engagement with new forms of knowledge. Not only do they resist new knowledge but they have also abandoned their great and complex tradition that once was the mainstay of Muslim civilization. If one looks at the archives and libraries of Islamic thought then it will become clear that the 'ulama were once heirs to a dizzying and sophisticated intellectual tradition. But today's 'ulama are no longer trained in this complex tradition. Even more tragically, they are strangers to these complex traditions. These days the 'ulama tradition constitutes a strip-down version of tradition consisting of law (*fiqh*), theology, Qur'an exegesis and studies of Prophetic reports. And these disciplines too are taught in an authoritarian manner in which the historical findings are accepted as unquestionable truth with the viability of this truth in modern society remaining unexamined. Gone are the days when 'ulama studied science, medicine, mathematics, philosophy as well as the religious sciences and could have a stake in their societies. Today's religious classes hardly have any stake in their societies. At best they can act as spoilers of vibrant progress and at worse they perpetuate authoritarian discourses.

Thus tradition, which was once vibrant and creative, is rendered to be stultified and truncated. Tradition then becomes coterminous with authoritarianism. And, in such conditions, tradition is mummified and is no longer a living entity. Under such conditions Muslims are unable to make sense between their historical legacy and the demands of modernity. Often Muslims have to live in two worlds in order to retain their sanity: live in the modern world existentially and in the bosom of authoritarian tradition morally. The two traditions, namely the modern tradition and historical tradition are seen as antithetical to each other, but they need not necessarily be pitched against each other. Only a revolution in educational philosophy can release Muslims from this catch-22 situation. It requires an enormous act of will and courage on the part of all sectors of leadership to even imagine a breakthrough in this front.

Bereft of a viable tradition, it is no wonder that Muslims see themselves as victims and are suspicious of all other intellectual and moral traditions. Many Muslims view with deep skepticism the modern tradition of human rights that has its origins in liberal philosophy, which inspired the Universal Declaration of Human Rights. Few people realize that the illustrious juristic tradition (*fiqh*) in which Muslim jurists excelled, had as one of its major concerns the preservation of the rights of legal subjects. In fact, the discourse *oifiqh* is a discourse about moral values and ethical rights broadly conceived. It is now wonder that today's Muslims have become strangers to their own legacy.

Any transformation of Muslim societies will have to begin from a platform of human rights. Any project of Islamic reform must of necessity adopt a progressive vision of a Muslim rights-discourse. That means that new readings of the tradition would have to replace previous ones. Beyond theorization, and more importantly, they would have to be applied to Muslim societies and strictly enforced. That means that the state should be the servant of its citizenry and governments and rulers should scrupulously adhere to the law based on human rights. A rights-based Muslim society fosters a robust civil society where people are free to criticize the rulers and hold them accountable without fear of being victimization.

If these rights are denied then the rulers should be held accountable for violating citizens' rights. Political leaders who violate the rights of others do not serve their citizenry and lose the right to be legitimate rulers. In Islam leaders are required to lead by personal example, neither by privilege nor by personal fiat, but are required to adhere to the rule of law. No one is above the law. How often are Muslims not embarrassed by the shameless vote rigging and corrupt political practices in many Muslim countries. One of the requirements that Islam demands of its followers is that they execute just government, a phenomenon hard to find in countries that identify with Islam culturally and religiously, leave alone states that designate themselves as Muslim. In their frustration today many Muslims look back nostalgically to the past to redeem their miserable present.

One feature of a just government is that its judicial system is independent and free from political interference. In fact, Muslims once prided themselves for offering true justice in their societies. Ironically, today Muslims openly acknowledge that they find greater Islamic justice in the non-Muslim countries of the west. One can recall with pride when the caliph Ali in the seventh century was summoned to a court for denying the rights of a Jew. Not only was the caliph of the day hauled before the judge Shurayh, but also the fearless justice-system resulted in the ruling going against the caliph, 'the prince of the believers' for a minor infraction of the rights of his non-Muslim subject.

Today Muslim apologists do not fail to argue the virtues of Islamic human rights and women's rights, arguing that the genesis of both go back to the time of the Prophet and the revelation of the Qur'an. Aside from the gross over-simplification and lack of historical accuracy, it still begs the question why these rights are so flagrantly absent in contemporary Muslim societies? If these rights were born within the bosom of the Islamic religion, then why have we alienated ourselves from our own kin? Obviously, the Muslim apologists confuse traditional forms of rights-based on reciprocal duties with the modern tradition of inalienable rights. But even the duty-based rights systems are absent in Muslim societies, for if they were applicable one would never have had to witness the excessive levels of human rights violations among Muslims.

What needs to be done, as a matter of urgency, is that individuals, institutions of Muslim civil society and governments must without fail make human rights an article of faith of Muslim societies. No practice should be allowed to fail the litmus test of human rights as conceived of in Muslim ethics. If one or two Muslim countries take this initiative seriously, this idea is bound to develop into a larger consensus once its dividends become evident. But it is imperative to make a start.

Furthermore, the establishment of credible Muslim regional and international human rights groups is long overdue. One of the first tasks of such groups is to engage in the relentless monitoring of state violence that prevails in the Muslim world. Individual Muslims, governments and institutions of a progressive Islamic bent should not hesitate to outdo each other in isolating oppressive Muslim governments and institutions. Muslims should show zero tolerance for human rights violations, irrespective of creed or colour. The Islamic injunction of commanding the good and forbidding the wrong, requires that Muslims compete with each other in the promotion of righteousness. Putting an end to tyranny, despotism and displaying outrage at the infractions of human rights should become part of the religious and civil duty of every Muslim.

If Muslims refuse to be the first among those who condemn human rights violations, then that displays a deeper malaise of moral perversion. For if Muslims - individuals, governments and institutions- remain silent then it unambiguously suggests that we condone such horrifying actions. It is difficult to explain to ordinary non-Muslims, and even to Muslims for that matter, why Christians get killed in revenge attacks in Indonesia, Nigeria and Lebanon or young Muslims find terrorism such an appealing career. Of course, each of these conflicts has deep roots and complex causes that render these brutal acts as part of a cycle of violence. But we dare not allow the iron cage of

history to chain us to social processes and render us as passive spectators while our agency and free will is held hostage to the temporality of the moment. We need to act now, not a moment later, otherwise I fear we are digging ourselves deeper into a moral wasteland.

## NOTES

<sup>1</sup> **The Qur'an** 4: 145 say that the hypocrites will be in the darkest pit of hell.

## Review Essay

# UNFETTERED GLOBALIZATION, IMPULSIVE FINANCIAL FLOWS, AND MEASURED REGIONALIZATION OF INTERNATIONAL TRADE

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*John J. Kirton and George M. Van Fursternberg, New Directions in Global Economic Governance: Managing Globalisation in the Twenty-First Century, Aldershot, England: Ashgate, 2001*

*Bart Kerremans and Bob Switsky, The Political Importance of Regional Trading Blocs, Aldershot, England: Ashgate, 2000*

### 1. Introduction

For the past three to four decades, the process of globalization has been depicted as ever closer linkages among nations and states guided by two distinct features: facile flows of variegated financial resources across borders and race among nations and states to expand international trade by forming free trade agreements, common external tariffs unions, and a host of regional trade associations with *open* or *closed* format. The consensus among students of globalization is that *global trade and finance* have integrated the world and contributed to its phenomenal growth.<sup>1</sup> The world economy (its GDPs) grew from US\$2,808 billion in 1970 to US\$23,061 billion in 1992 and US\$31,315 billion in 2000. Between 1970 and 2000, the world increased its output by more than 11 folds.<sup>2</sup> The world merchandise trade expanded from \$4.506 trillion in 1982 to \$6.949 trillion in 1990 and \$13.033 trillion in 2000. Between 1982 and 2000, the total volume of the world merchandise trade increased 289 percent, or nearly three times faster than the economy.<sup>3</sup> In this phenomenal expansion of the world economy, the pie was *not* equitably distributed. Some countries became rich, but many others did not.

Thirty or so member countries of the OECD (Organization of Economic Cooperation and Development), the world's "rich men's club," with 19% of the world's inhabitants, produced 78.3% (\$22,592 billion) of the world

output of \$28,835 billion in 1998.<sup>4</sup> They controlled 71 % of the global trade in goods and services, 58% of all foreign direct investment (FDI), and 91% of all global Internet access. The richest 20% of the world produced 86% of the world's combined domestic products (WGDPs); the poorest 20% produced only 1% of WGDPs. The rich 20% claimed 82% of the world exports, while the poorest 20% shared 1% of the world trade.<sup>5</sup>

In foreign direct investment (FDI), developed countries have garnered greater shares during the second half of the 20<sup>th</sup> century. The United States and the United Kingdom imported 65.4% of the world's total capital investment stock in 1960, but by 1980, the total slightly decreased to 58.6%. They grew because the world put money in these two Anglo-Saxon countries. By 1998, the amount leveled off at 36.2% of the total global foreign direct investment. By 2000, the world's total stock of FDI surpassed \$1.4 trillion, up from \$350 billion in 1996 and \$159 billion in 1991.<sup>6</sup>

**Table 1: World FDI by Country, 1960-1998**

|      | USA   | UK    | Japan | Germany | France | Unlaid | Switzer-<br>land | Italy | All<br>Developing<br>countries |
|------|-------|-------|-------|---------|--------|--------|------------------|-------|--------------------------------|
| 1960 | 49.2% | 16.2% | 0.7%  | 1.2%    | 6.1%   | 0      | 0                | 0     | 0                              |
| 1980 | 42.9% | 15.7% | 3.8%  | 8.4%    | 3.5%   | 8.2%   | 4.2%             | 1.4%  | 2.61%                          |
| 1990 | 25.4% | 13.6% | 11.6% | 8.8%    | 6.4%   | 6.4%   | 3.8%             | 3.3%  | 4.3%                           |
| 1998 | 24.1% | 12.1% | 7.2%  | 9.5%    | 5.9%   | 6.4%   | 4.3%             | 4.1%  | 9.5%                           |

Source: Joseph Quinlin, **Global Engagement** (Lincolnwood, III: Contemporary Books, 2001).

In addition to the flows of private capital across borders, the world has invented a host of creative financial instruments, through which world money flows. Top 20 commercial banks in the world control \$1 trillion in credit. The ten largest stock markets list \$15 trillion in equities daily. And in a single day, \$2 trillion are traded in foreign exchange markets around the globe. Before the black September of 2002, the worst month since the Great Depression in terms of the loss in the New York Stock Exchange in a single month, the world's mutual funds held the value of \$12 trillion. Before September 11, 2001 ("9/11"), the world wallowed in 5,500 hedge funds, valued at between \$300 billion and \$400 billion, not including pension funds and a thousand or more types of derivatives.<sup>7</sup> The Mexican *peso* meltdown in December 1994-January 1995 provoked bank runs in many Latin American countries and capital left for Asia. The linkage through contagion effects as well as alternate places to park money has become transborder and global. The Asian Financial Crisis of 1997-98 deflated the



Asian economy, except for China, India, and three Indochinese socialist closed economics, and quickly spread its global contagion as far north to Russia by August 1998 and as far south to Brazil by January 1999. Neither Russia nor Brazil have been major trading and financial partners to Southeast Asia, however.

The world is *more* connected by investors than by FDI recipients. Investment bankers in New York, London, Tokyo, Hong Kong, and Frankfurt daily make decisions on *where* to put money into and *when* pull it out on behalf of the millions of their clients. Policy makers in emerging market countries closely monitor as much the movements of investment bankers as those of central bankers. And investment bankers in New York and Hong Kong watch each other and often emulate the other. The world's major investment banks have branches or subsidiaries and "partners" in major investment hubs in Asia, Europe, Latin America, and North America. All one needs to do is to check the neon signs in the skylines at the night in Hong Kong, Mexico City, Sao Paulo, Singapore, Seoul, London, and New York. Through these overseas offices and partner houses, investors can buy stocks and bonds anywhere in the world *real time*, while sitting in their living room or office. For most of the time, the investor can choose where to invest by watching financial new services from his/her own computer. Many airports around the world and hotels and coffee shop (Starbucks, for one) in the United States offer wireless access to the internet and people trade their stocks on the road, over the snack, while vacationing, and even in the car on way to the work.

To serve the legendary 'electronic herd' whom Thomas Friedman in his seminal book **The Lexus and the Olive Tree** calls crossborder investors, bankers must appraise the geopolitical as well as socioeconomic risks of the world. Money moves to stable markets and runs away from the unstable. On a moment's notice, money managers shift the client's fund from one continent to another. The proverbial 25-year of Harvard MBA in New York decides to pull billions of dollars out of Korea and put them in Mexico. His or her counterparts and partners in London, Paris, Frankfurt, Milan, Hong Kong, and Singapore do the same. Like the Friedman's "electronic herd" of sheep, the bankers move in groups. This electronic pack of wolves follow the leader without checking where the scent of blood is emanating. Time is the enemy. Move quickly, or lose money. Better play safe than wait. The competitors, suspecting that the Harvard MBA might have better access or be privy to information and even be endowed with insight that they lack, will follow suit. Soon, you are witnessing a global stampede of money flows from Latin America to Asia in 1995 and 1996, set off by the Mexican meltdown in 1994-95. In 1998, 1999, and 2000, money left Asia for Latin America and elsewhere, triggered by the panic pullout throughout Asia after the collapse of the Thai baht in July 1997. In the process, countries

with sound macroeconomic fundamentals, prudent public sector management, and respectable growth rates have often become victims of this global exodus. Smaller economies and poorly managed countries are the first to fall victim to this sudden and violent global financial ebbs and flows. Their exchange rates become unstable; their sovereign rating goes down; and their stocks and bonds are cashed in for hard currency or traded below par in New York, London, Tokyo, Hong Kong, and Singapore. Other small bourse follow. Global recession sets in. The unfortunate is that a handful of investment bankers have and can set off financial crises of a global scale, whose preemptive and precipitous actions are often driven by the personal fear of loss of job (if his or her portfolio loses the value), not by the potential wrath of investors (who are sheep!) and insufficient appreciation of the history and economy of the countries and regions in which they have invested. Just listen to so-called global investment specialists on television! If a Latin American country's macroeconomic indicators suspiciously looked similar to those of Thailand in July 1997, Brazil must be the next Thailand. They sold and got out. Others followed. This pack instinct among managers of global money, stocks, and bonds has wreaked havoc and sowed the seeds of destruction throughout the developing and developed worlds alike. This *panic* selling has become part of today's globalized financial market behavior whether it is New York or Kuala Lumpur.

For the past four decades of globalization, countries have mobilized five different types of resources to economically expand: domestic savings, trade surplus, external borrowing, and foreign direct investment, and foreign portfolio investment (FPI). In general, Asian countries have had higher domestic savings than Latin American and African countries. Hence, the political economy model of development in Asia has been the neomercantilist system wherein private (domestic and foreign) ownership of assets was permitted and the market was allowed to perform within the perimeters that the state set. But it has been the state that has retained the dirigiste "commanding heights" by credit allocation, market reserves, well-timed foreign exchange manipulations, carefully chosen industrial policy, and strategically managed trade practices. In Latin America, until the early 1990s, the state remained the paramount economic actor; given the low domestic savings, the deployment of private resources for building new economic projects was not viable; instead, the state created the top-heavy inward-looking system of import-substituting industrialization. This led to little or no state push for exports (except Mexico and Brazil), a chronic shortage of foreign exchange, and a semi-socialist political economy of popular consumption. To finance this closed system, they borrowed externally (tapping "external savings" as Brazil's former Finance Minister Ant nio Delfim Netto was fond of saying), first from private banks and later from the World Bank (WE) and the International Monetary Fund (IMF). After the Third World debt crisis of the 1980s, no commercial banks would renegotiate or

lend without the imprimatur of the Washington-based multilateral financial institutions. This insular system of the Latin American economy ended and the new wave of neoliberal reforms replaced the old system, as the burden of its external debt was so excruciating that few countries could continue to borrow and service the mountain of debt. In 1982, Brazil with more than \$100 billion of unpayable debt was the continent's, if not the developing world's, most indebted country.<sup>8</sup>

Under intense pressure from outside, Latin America was forced to adopt a series of neoliberal reform and adjustment measures ("the Washington Consensus"), and by the early 1990s, many embraced neoliberalism. In the 1980s and early 1990s, the United Kingdom, the United States, and even France and Germany began to modify their economic models. It is safe to assume that under these circumstances, some countries grew faster than others, or some won and some lost, in these decades of global resurgence of liberalism and the "shrinking the state."<sup>9</sup> International political economists, political scientists, and others have succinctly argued that the proliferating trade and crossborder financial flows created unprecedented opportunities for the rich and the poor to grow *alike*. At the least, this has been the theory advocated by the proponents of growth by globalization.<sup>10</sup> But the reality is that not all countries have benefitted from globalization that has provoked the demise of Marxism-communism in the Soviet Union and in China as well as the closed inward-looking socialism and state capitalism in developing countries. The case of Korea, Ghana, and Malaysia is instructive.

## 2. Ghana, Malaysia and Korea in the Age of Globalization

In 1960, the three countries had the similar per capita income—"In 1960, the GDPs of Korea, Ghana, and Malaysia were, respectively, US\$3.8 billion, US\$1.2 billion, and \$2.3 billion. By 1992 and after three decades of intense globalization, the numbers changed dramatically. Korea's GDP came to \$297 billion and Malaysia's grew to \$58 billion, while Ghana's reached \$6.9 billion. Korea's economy expanded by 78 times, Ghana's by 5.8 times, and Malaysia's by more than 25 times."<sup>12</sup> Samuel P. Huntington argued that culture had something to do with the extraordinary growth, or the lack of it, in the three cases. In 2000, Korea's GDP reached \$457 billion; Ghana \$5.2 billion and Malaysia \$89 billion. Korea's per capita income (\$8,910) in 2000 was 26 times and Malaysia's (\$3,380) almost ten times larger than Ghana's (\$340).<sup>13</sup> One could go one step further: Korea and Malaysia are beneficiaries of globalization, while Ghana missed out the opportunities but was hardly a victim of globalization. Ill-managed economy, long-suffering democracy, repressive dictatorship (first socialist and then military), rampant corruption in government, and inability to devise attractive investment policy are to blame. One could argue that both Korea and Malaysia have had

authoritarian rule (the former by the military and the latter by the Malay-dominated political party) and could have had the similar effect as in Ghana. But, the virtue of the dictatorship notwithstanding, the strong governance, in particular, the synchronization of activities between the state and the market, in the Asian countries contributed to the rapid growth of economy but not a fuller development of democratic polity. Robert Barro at Harvard University has argued that the economy under authoritarian rule grows faster than that under open, liberal democracy, but once the economy is fully developed, democracy tends to spend more for social programs than invest in the economy, hence economic crises are inevitable.<sup>14</sup> The boom and bust cycle sets in. Thus another cycle of growth, contraction, and crisis follows. In the late 1980s, the Korean military returned to the barracks, as the economy was at its peak performance; Mohamad Mahathir chose to stand down, as Malaysia was recovering from the worst of the financial crisis in history. Ghana had no such luck.

In international trade, Ghana, Malaysia, and Korea have performed disparately. In 1980, the world's total merchandise trade was at \$4,031 billion-\$2,004 billion in exports and \$2,027 billion in imports. That year, Korea's trade reached \$39.8 billion, or about 1 percent of the world's total; Ghana's \$2.46 billion and Malaysia's \$23 billion. In 1999, the world's merchandise trade exceeded \$11 trillion (\$11,061 billion). Ghana bought and sold \$5.32 billion worth of merchandise, while Malaysia handled \$153 billion and Korea \$265 billion, 1.4 percent and 2.4 percent of the world's total, respectively. One could easily argue that the export-promoting industrialization in Korea and Malaysia have laid solid groundwork for international trade expansion. As globalization opened up more markets in the United States, Europe, Japan, and elsewhere, Malaysia and Korea have been able to take advantage of them, while Ghana less so. Between 1980 and 1999, the world trade expanded 274%; Korea's 666% and Malaysia's 665%.<sup>15</sup> The world's trade structure has graphically changed from raw materials to manufactures and service during the last thirty years. Ghana has not been able to keep up with the change, while Korea and Malaysia have emerged as world-class mercantilist middle powers. The World Bank reports that for 2000, the developing countries achieved 5% increase in their GDPs, 24% in exports and 21% in imports.<sup>16</sup> Free trade agreements and preferential trade agreements have helped the global trade expansion and increased the wealth of nations.

If we measure the inflows of foreign direct capital (FDI) and foreign portfolio investment (FPI) of the three countries, it is also clear that Korea and Malaysia, two of the most dynamic emerging markets by the early 1990s mastered how to take advantage of the opportunities offered by globalization, while Ghana did or could not. Between 1985 and 1990, the annual average of the world's crossborder long term investment (FDI) was

\$14] ,930 million. During that period, Korea attracted \$705 million per year; Ghana \$80 million and Malaysia a whopping \$ 1,054 million per year. In 1996, the world's total FDI was \$349,227 million. Korea grabbed \$2,308 million; Ghana \$255 million; and Malaysia \$5,300 million.<sup>17</sup>

The inflows of foreign direct investment into Korea and Malaysia were motivated by different factors in contrast to Ghana's. In proportion, Ghana's performance between 1985 and 1996 was comparable to Korea's; Ghana increased 319% and Korea 327%. Malaysia is the champion of the three: its FDI inflows increased by 503%. In the 1970s and 1980s, both Korea and Malaysia focused on intense industrialization to promote exports, or built an export-promoting industrialization model. Both countries have had high domestic savings. Korea built world-class steel, shipping, automotive, and electronic industries. Malaysia built highly competitive electronic industries, developed hydrocarbon industry, and prosperous oil palm sector. Korea used its own domestic savings to *import licensed* technology, built up its own industry and trained a highly competent technical labor force. The state chose a dozen or so *chaebol*, or business conglomerates, to carry out the state plans of national development. This *industrial policy* has been the principal foundation for Korea's success.

**Table 2: FDI: Korea, Ghana & Malaysia, 1985/90 vs. 1996**

|         | <i>Korea</i>    | <i>Ghana</i>  | <i>Malaysia</i>  |
|---------|-----------------|---------------|------------------|
| 1985-90 | \$705 million   | \$80 million  | \$1,054 million  |
| 1996    | \$2,308 million | \$255 million | \$5 ,300 million |

Source: World Bank, *World Development Indicators 2001*; and UNCTAD, *World Investment Report 1997*.

Malaysia pursued a different path. It encouraged U.S., Japanese, European, and Taiwanese multinationals to establish "turn key" production platforms in the country by importing foreign capital, technology, managerial talents to the country.<sup>18</sup> This has been the archetypical model that many Southeast Asian countries had adopted. The rapid expansion of Malaysia's export sector has been built on the multinationals' strategy of exporting their products to home countries, thus giving Malaysia a steady access to the already established overseas markets. Market development was not necessary. In addition, Malaysian parts and component makers were built and found their niche in overseas markets. Ghana did neither. Plantation (cocoa) and mining (gold) retained their "colonial" form by becoming the principal attraction for foreign capital. As a strong and at the time, appropriate expression, Ghana since its independence in 1957 has set the pace for the original African

socialism under Kwame Nkrumah and his Convention People's Party. In Ghana as in many countries in Africa, foreign investors were not welcomed. Anti-colonialism, self-sufficiency, and communal socialism became the bedrock for the African nation-building and state-formation strategy. For the next four decades, the African model turned away FDI, failed to expand its trade with outside world, and adopted inward-looking development policies without incipient industrialization but with highly distorted populist policies.<sup>19</sup>

### 3. The Making and Unmaking of Global Financial Markets

The world financial market is as old as the Iberian colonialism of the 16<sup>th</sup> century. The difference between the old global financial markets (Milan, Amsterdam, London, and Paris) and today's (New York, Tokyo, London, Hong Kong, Singapore) is the volume of the money traded and the manner in which such transactions are conducted. Manuel Castels tells us that today's globalization functions in *real time*, while the earlier ones (from the times of the Medicis to the Barings, the Rothschilds, the Mellons, and the Morgans) were based on sailing and steam ships and transoceanic telegraphs and telephones.<sup>20</sup> In a single day, the Internet and telephone modems handle US\$2 trillion in foreign exchange transactions (or US\$400 trillion a year), while the world's 5,500 or so hedge funds have the fluctuating value between US\$150 billion to \$400 billion. Niall Ferguson tells us that the global bond market for the fifteen years (1982-97) expanded at a dizzying pace of 600% to US\$25 trillion. In 1997, the total output of the world was slightly more than US\$30 trillion, according to the World Bank. That year, banks around the world had a total claim of US\$11 trillion and lent US\$1.2 trillion. For 1998, the world's derivative market was valued at US\$34 trillion. More than 90% of the world's commercial financial transactions are handled by 20 banks. All are banks from the world's richest and most developed OECD countries. 1997 was the "second financial crisis" of the 21<sup>st</sup> century, to paraphrase the IMF managing director, Michel Camdessus. The first crisis was the Mexican peso meltdown of 1994-95. As the world diligently crafted the global financial market that operates 24 hours a day, seven days a week, and 365 days a year, non-stop, it also has failed to introduce safety net for the vast financial resources that cross borders every hour and every day.

Of the 181 member countries of the International Monetary Fund, at least 133 experienced banking crisis between 1980 and 1995 (see below). In 1982, Latin America claimed the dubious championship of the developing world's largest debt. Brazil and Mexico each owed more than US\$100 billion to commercial banks, while Argentina, over US\$50 billion. The formal and informal debt moratoria in Latin America forced a decade of lost growth and development. This "lost decade" of the 1980s forced Latin America to

embark on structural reforms of its statist economics, almost always under the pressure from the United States Treasury, bank creditors from Europe, Japan, and the United States, and Washington-based multilateral financial institutions. The recipe that the Washington Consensus forced on Latin America first and then on to Africa and other debtors of developing countries was tripartite neoliberalism—privatization of state-owned enterprises, liberalization of international trade and finance, and deregulation of the domestic market. Chile, Mexico, and Argentina were at the forefront of structural reforms and adjustment, the poster children of the Washington Consensus. Other countries in the Western Hemisphere gradually embraced neoliberalism, including the United States under Ronald Reagan. For the next two decades, Latin America imported to a varying degree neoliberal tools to downsize the state, adopt free market system, attract foreign direct investment, and launch new development projects. The growth of neoliberalized Latin America was better than impressive.

The rapid growth also spawned corruption in high and low places. The coining of such expressions as "costo argentino" (Argentinian cost), "mordida" (literally, a bite, or a bribery in Mexico), "diez porciento" (ten percent in Venezuela), and "custo brasileiro" (Brazilian cost, normally ten to twenty percent commission charged on all government contracts by politicians) was reflective of the booming economies. Unlike Taiwan, Malaysia, and other Asian countries, no Latin American political parties in power directly or indirectly owned and managed companies. They live off government contracts and sustain pro-government political parties.<sup>21</sup> In Latin America, leading firms with good ties with the government were routinely granted lucrative contracts, often retained politicians' relatives on the payroll, and provided "second careers" to retired generals and admirals who brought in more than contracts, when every country in Latin America except Colombia and Venezuela was practically run by the military. State-owned enterprises and multinationals in some countries occupied much of the economic stage. But no Latin American country produced its Suharto; rather, the triple alliance of the armed forces, nationalistic techno-bureaucracy, and domestic and multinational corporations dominated the continent for three decades. This alliance shared the economic fruits of the rapidly growing, albeit inward-looking, economy. Many students of Latin America would agree that it was the excessive zeal of the planners of national development at all cost led to the gargantuan external debt by the 1980s and out-of-control corruption.

#### 4. Global Trade

The second leg of today's globalization is international trade. Jeffrey Sachs at Columbia University estimated that since the end of World War II the global trade was growing faster for every year than gross domestic

products of the world's 194 countries,<sup>22</sup> In 2000, such Asia's export champions as Malaysia, Hong Kong, and Singapore exported and imported 213%, 260%, and 300%, respectively, of their respective gross domestic product value. The world's top six traders, measured by the value of merchandise exports and imports, are the United States, Germany, Japan, United Kingdom, France, and Italy in that descending order. The World Trade Organization in 2000 reported that there were 180 free trade agreements, of which about 120 are still in effect. Half the world's free trade and regional trade agreements were signed by European countries.<sup>23</sup> In October 2002, the Irish voters endorsed the plan to induct ten Eastern European countries into the European Union by 2004 and the remaining two will join the group soon thereafter.<sup>24</sup> It is natural that the rich dominate the global trade and the poor would like to partake of it.

## 5. Multinational and Global Corporations

In 2000, the total value of the world trade in merchandise and service exceeded US\$12.6 trillion. Most of this trade was handled by corporations. The world's 500 largest corporations ("Fortune Global 500") generated combined sales of US\$14 trillion in 2001. It was US\$11.5 trillion in 1997. Over 40% of the U.S. imports came from the overseas affiliates of the American multinationals and the non-American multinationals resident in the U.S. market. In 1970, the world had 7,000 multinationals, 33,000 in 1990, and 63,000 in 2001. There are 690,000 affiliates of the 63,000 which operate in all four corners of the globe. The world's top 500 global companies own the assets worth US\$48 trillion, US\$14 trillion in sales, and US\$406 billion in profit. The 500 did this with 47.8 million employees scattered around the world.

Who owns these money machines of the global economy? According to the *Fortune*, an American business magazine which monitors and tallies the world's 500 largest companies, the European Union held 143 in 2001 (155 in 1995); Japan boasted 88 in the 2001 figure (149 in 1995); and the United States held the leadership: 197 in 2001 (151 in 1995). The combined total of the global companies by the three countries and region is 428, or 85.6% of the world's 500 richest and most productive firms. What are the international political economy ramifications of such a change in the global corporate revenues? The two books reviewed in this essay do not directly respond, but offer the glimpse of several clues to the cantankerous rivalry and looming conflict of national interests among G7/G8. Such a divide may weaken the group's leadership at the World Trade Organization in the current efforts of establishing an ever widening global trade network. Also, the group's disagreement has contributed to the absence of clearly discernible consensus on the financial liberalization, the governance on FDI and FPI,



and the shape and form of a universally acceptable safety net for developing and developed countries. Neoliberal US, UK and Canada are pitted against neomercantilist France, Germany, and Italy on the expansion of their multinational and global companies as the foot soldiers of garnering and defending their market shares across borders. And Japan will play its own card, distancing more from the United States, while cozying up to the European Union.

## 6. Flows of Foreign Direct Investment

Global and multinational corporations have been and will continue to be the major source of crossborder foreign direct investment. In 1997, the crossborder investment reached US\$850 billion and soared to US\$1.2 billion by 2000. The IMF reported in 2000 that among the *emerging market* countries, China garnered 33.2% of all FDI between 1970 and 2000. Next came Brazil, 10.8%; Mexico 9.9%; Argentina 6.2%; Singapore 6%; and Malaysia 4% of the world's total. The rest of the world of some 150 countries, Ghana included, shared 29.9% of the total FDI during these three decades. The world's largest user of FDI has been the United States. And it is very likely that China will surpass the United States in the near future, if the political risk continues to increase in Indonesia and in other Southeast Asian countries. Foreign investors will leave high risk countries and will head to China, Thailand, the Philippines, and Vietnam. One problem is that the current FDI distribution is driven by the political risk assessment of potential hosts. Another is China is hogging too much of the capital stock, while it gives much lip service to being the responsible leader of the world's poor.

It is the short-term, speculative money, known as foreign portfolio investment (FPI) which has become one of the sources that have created quick wealth and at the same time wreaked destruction for developing countries. As the leading countries in Latin America and East Asia boomed and they became the world's twin "miracle economies" American, European, Japanese speculative money began to pour into these two regions. Foreign speculators work with Asian and Latin American partners, although politicians in Asia have been quick to blame foreigners for all crises. Mahathir of Malaysia<sup>25</sup> is the champion of such a buck passing, while Lee Kuan Yew of Singapore has been less critical of foreign money men. Like Lee, Latins are more sanguine about blaming foreigners and balanced in their criticism. This is easily imagined, because the Asian speculators are often among major financial contributors to government parties and key officials. Hence, the beholden politicians are obliged to say both partisan and nationalistic utterances. In Indonesia, Chinese bankers were blamed more than their fair share of the country's economic ills. In Korea, the government chose the winners and losers in the banking system and often looked the other way

when the chosen ones engaged in money speculation. Chaebol's financial indiscretions were responsible for the crisis in 1998-99 and the government of Kim Dae Jung has been less than successful in overhauling the conglomerates. Even in Malaysia, speculating on foreign currency was condoned until the financial crisis of 1997-98, and its Central Bank was one of the major gamblers on the European and Japanese currencies against the dollar. At least, one president of the Bank Negara Malaysia lost his job, when the hedging went south, causing the loss of billions in one Deutsche mark bet.

The practice still continues, albeit the single currency of the euro made such a betting a bit simpler. In the summer of 2002, as the dollar slid against the yen. As the euro soared by closing in on one dollar mark, Malaysia actually benefitted from the weaker dollar by exporting more. The U.S. takes 20 percent of the entire Malaysian exports. If the value of currency can be manipulated by the inflows and exodus of FPI, this has not hurt countries in Southeast Asia and Korea. Exports to the yen and euro zones brought in more dollars to the coffers of Asian ncomercantilist countries. Singapore and Hong Kong, as developed economies driven by consumer spending suffered more than others in the region, however.

The IMF reported in 2001 that the world's biggest attractor of FPI is Brazil, which took 12.7% of the all portfolio money between 1970 and 2000. Mexico received 15.8% of the world's FPI; Argentina 13.8%; Korea 13.5%; South Africa 7.3%, China 4.9%, and the rest of the world shared 24.7%. Smaller countries like Malaysia and Thailand also attracted disproportionately more foreign capital than any other Latin American countries. Close to a quarter of every ringgit that Malaysia invested in the first half of the 1990s represented foreign money. But since 1997, this money dried up and for the 2003 budget, the government of Malaysia plans to infuse more money into the private sector so that the current recovery could continue.<sup>26</sup>

## **7. Now The Book on Global Economic Governance**

There are two books, which this essay will examine in the backdrop of the current global financial governance and trade patterns, especially the emergence of region-markets, or regional free trade agreements. Both books are anthologies, not single-authored monographs. Hence, they suffer from the lack of the thematic unison and cohesion, but offer a multiplicity of perspectives on the same topics. The first book is edited by John J. Kirton and George M. von Fursternberg, New **Directions in Global Economic Governance: Managing Globalisation in the Twenty-First Century** (Aldershot, England: Ashgate, 2001) is one of "The G8 and Global

Governance Series." The book identifies a host of problems of the global economic governance which included finance, trade, and monetary policy, especially the institutions which shape them.

The **New Direction of Global Economic Governance** has ten contributors—one diplomat, four political scientists, two international relations specialists, two economists, and one business administration professor. Of the ten, two are Americans, three British, four Canadians, and one Japanese, all coming from G7 countries. None of the contributors comes from the 8<sup>th</sup> member (Russia, which was anointed Number Eight at the Birmingham Summit of 1998, although its debut had been made in Denver the year before) and developing countries, whose political economy has been so easily impacted by G8 decisions. The overwhelming views in the book are Eurocentric, although six out of the ten are from North America. The Canadians take more anti-American perspectives, or, the United States has been isolating itself globally and did not know it.

The book identifies three globalization processes, through which a host of issues and the "*problematique*" are analyzed: (1) the role of information technology (IT); (2) the rise of single financial market; and (3) the formation of new global production platforms built on the "intensification" of trade, foreign direct investment, and since the mid-1990s transborder business mergers and acquisitions. One might dispute whether the three windows of globalization are sufficiently wide and unrestricted enough to explain the complex global economic governance issues, because when G7 was founded, the European members were separate countries with convergent foreign and defense policies, except France, and divergent domestic social and economic policy goals. The world was also divided into the two superpowers and their allies, with a huge bloc of Asian and African countries, whose political allegiance was neither with the United States, Europe nor Japan, but their political sympathy was decidedly with the Soviet Union and the People's Republic of China. Their trade and financial dependency was decisively with the former, or the West, however.

The book is long on the recent history of G7 and G8 meetings, but short on the prognosis of what is coming down the road, because of the deepening rift between the United States and Europe, with Japan dividing its support between the two blocs. What has contributed to this shifting foundation, we are told, for all past, present, and future G8 meetings is the "political immaturity" of the American leaders for the past twenty years and the assertive Europe after the end of the Cold War in the continent and hence the spreading sentiment that Europe needs less of the security umbrella of the United States and more of seeing the United States as its unyielding competitor in vital global financial, commercial, and monetary markets. The forging of the European Union—the single market, common external tariff union,

common agricultural policy, and a single currency-has reordered Europe's priorities in G7 and G8 meetings. Japan has redefined its access to G7 and G8 meetings to push its agenda, which it has found often difficult to do in the context of the bilateral U.S.-Japan (or is it Japan-U.S.?) relations. The first summit convoked by President Valéry Giscard d'Estaing of France in 1975 was to deal with the general economic ("monetary and financial") crisis, provoked by the 1973 OPEC price hike which sent the world reeling into a recession. It became the harbinger of the Third World debt crisis of the 1980s, and submerged Latin America and Africa in the "lost decade." G7 was a cozy club of the world's powerful nations with the common Cold War agenda guiding their domestic and inter-state policies. New summities are different animals. The book delves into this evolution skillfully.

The first section, entitled "New Challenges in Global 'New Economy' Governance" has four chapters. Nicholas Bayne ("Managing Globalisation and the New Economy: The Contribution of the G8 Summit"); Thomas C. Lawton ("The New Global Electronic Economy: Consensus, Confusion, Contradictions"); Michele Mastroeni ("Creating Rules for the Global Information Economy: the United States and G8 Leadership"); and George M. von Furstenberg ("Transparent End-Use Technology and the Changing Nature of Security Threats").

Bayne dissects the undercurrents of "anxiety" among G7 and G8 members and their proposals to address them: globalization has exposed the instability of international financial architecture, highlighted the world poverty issues of developing countries (the World Bank in 2000 reported that a full third of the world population lived under \$2 a day), which demanded debt relief for the poorest, called for increased free access to developed countries' pharmaceutical arsenal to contain the rapidly spreading AIDS epidemics, and required a new global platform to address the climate change, resulting in the Kyoto Protocol. Both summits at Birmingham (1998) and Cologne (1999) resolved to adopt reforms for the international financial institutions, but little action followed.

Lawton's piece examines the role of IT in new global economy, looking through the operations of Dell, CISCO, Toyota, and the Internet. Toyota manufactures a car at 50 percent less cost than U.S. manufacturers by IT-driven production system. Lawton points out that Dell's "virtual integration of value chain" allows custom-made laptops and computers to be made "just in time," as orders come in, making Dell avoid a massive inventory and raise its return on investment by 195 percent, compared to 10 to 20 percent for its competitors. CISCO'S "networked supply chain" which lumped together suppliers, distributors, retailers, and customers into a single "chain constituents" saved \$75 million per year. In 1998, the World Trade Organization imposed a "temporary" ban on taxes on e-commerce

transactions. The United States favored the indefinite moratorium on the taxes, while the European Union preferred government regulation. Lawton adeptly explains the US-EU culture divide on how to manage the Internet: the Americans have more confidence in the market than the state, while Europeans less confidence in the market. Self-regulation, "governance without government," and "interdependent networks of public and private actors" still remain unresolved issues. Japan straddles somewhere in between the U.S. and European positions: it favors global policy coordination (an euphemism for not being overrun by the U.S.-driven Internet policy), while supporting the U.S. stance of nondiscriminatory e-commerce promotion the world over.

Mastroeni argues that the government of the United States opposes new taxes for e-commerce, while OECD countries have worked on rules for IT trade and commerce. The Asian financial crisis is a convincing proof that future crises can be transmitted through IT networks. Mastroeni calls for the global cooperation on internet taxation and electronic commerce to grant "benefit for all states." The gulf between Europe and the United States, as Lawton pointed out, is too wide.

Von Furstenberg presents a fascinating perspective of the conflicting aspects of information transparency. The more information one has access to, the more empowered he/she becomes. Here Joseph Stiglitz would agree. In democracy, transparency is a necessity, but to ensure economic stability and prosperity, von Furstenberg points out that central banks, the International Monetary Fund, commercial banks, and other financial institutions must practice "selective transparency." History supports this view. Transparent (pre-announced) foreign exchange rate policy in Brazil in the 1980s did not work; but the selective transparency through bribery and corruption resulted in the massive accumulation of wealth to those who acquired inside information on mergers and acquisitions, as well as upcoming changes in exchange rates in currencies. The chapter also raised a fascinating possibility of how "cyber-terrorism" can destroy the world by comparing computer virus to sarin gas and the Oklahoma bombing. In May 2000, von Fursternberg points out, a not too well educated Filipino spread computer virus that caused the global business \$7 to \$10 billion in lost revenues. Some will argue that sarin gas and the Oklahoma bombing killed hundreds of people, and injured and crippled hundreds more. Computer virus killed no one. There is no doubt that IT revolution offers at once benefits and risks. In democracy, it remains a complex issue to determine how much transparency is good for the country (collective good) and for the individual (private or partisan gain). Perhaps, there is no set balance. More critically, who should determine this balance?

Part Two deals with "New Directions in Global Financial Governance." There are four chapters: Sebastien Dallaire ("Continuity and Change in the Global Monetary Order"); Saori N. Katada ("Japan's Approach to Shaping a New International Financial Architecture"); Kunihiro Ito ("Japan, the Asian Economy, the International Financial System, and G8: A Critical Perspective"); and John J. Kirton ("Guiding Global Economic Governance: the G20, the G7, and the International Monetary Fund at the Century's Dawn").

Dallaire is a committed *engage'* social scientist, whose views are firmly directed by ideology and grounded on his political conviction, what Brazilians call a "homem engajado." This is not surprising because the superb public educational system that France has to offer also turns out intellectuals of state-guided thinking. Public jobs and public careers are the stuff of middle class dream. Dallaire attributes the current ills of the South to the neoliberal proclivity of the International Monetary Fund (one may add under the shadow of Washington), which globalization has empowered to carve out a new role in the international financial architecture. No one can disagree with Dallaire that the IMF of today is not the institution that Bretton Woods created. And no one can dispute that today's global economy is not the same that Bretton Woods was confronted with, when the IMF was created. One notion, prevailing among the Americans of the liberal as well as conservative bend, is to abolish the institution and start all over. Others include the World Bank in this category of outdated Bretton Woods institutions that must go. There are many Latin Americans and Asians who see themselves as victims of misguided IMF policies.

It is odd that Dallaire does not criticize the two Frenchmen who ran the IMF in the 1980s and 1990s and who often clashed with less cultured "Americans" at the Treasury and the White House. His solution to the world problem is "one vote, one nation," and I might add, it is a quintessential American liberal notion on which U.S. civil rights beliefs are built. Dallaire praises the role played by the United Nations Conference on Trade and Development (UNCTAD) which has monitored the world's transnational corporations and even proposed a code of conduct (much of which were written by Indo-Pakistani and Third World economists whose countries have produced socialism, not global corporations) and New International Economic Order (NIEO of the 1970s) which sought to emulate OPEC in other commodity-producing countries and failed miserably, one might add. Cartels of agricultural commodities do still exist, but they have not been effective as their creators hoped for.<sup>27</sup> The "discourse" on development in the 1950s and 1960s, of which NIEO was one such tradition, focused on the inclusion or incorporation, to use the favored expression of the French *engage'*, of the poor in development. Giving a say to the poor in global developmental process is a good idea, but G7/G8 has not come up with a viable approach.<sup>28</sup>

The direction of the discourse shifted by the 1980s and 1990s. Much of the fault for the lack of development lies *within* the borders of nation-states, meaning the country's fault, not someone else's. Reagan and Thatcher scuttled any meaningful dialogue between the South and the North. Their neoliberalism would not allow it. The cases of Korea, Ghana, and Malaysia should be taken seriously. The lack of development in Ghana was not Malaysia's fault; and neither is it Korea's. Conversely, the development of Korea was not aided by Ghana's failure to divert investment funds, technology, formation of human capital, and building sound infrastructure. In the same vein, Dallaire would have attributed the collapse of neoliberal Argentina in December 2001 and January 2002 to the successors of Reagan and Thatcher, and the coming collapse of Brazil in 2003—most likely in form of defaulting on its external and internal debts—can be explained away by the lack of a NIEO—due to low sugar and coffee prices. Cool heads do no such thing.<sup>29</sup> Even Lula would not buy that one. The World Bank in the first three decades did more than the then highly *stats-centric* United States and socialist Britain to build up state capitalism around the world by investing in those sectors where individual state could not and would not.

The IMF bailed out countless countries whose fiscal prudence and macroeconomic fundamentals were never on their mind, only because they were members. The question of moral hazard has to be addressed but never has, even during the Asian financial crisis. Dallaire praises the Lyon Summit of 1996 which produced the "New Partnership for Development," but deplores that there has been no follow-up action. He also deplores that G7 still dwells on "the goodness of economic liberalism" and "benefits of globalization." By the late 1990s, the IMF, like the World Bank earlier, went into the poverty reduction business, a new self-imposed role that the original Bretton Woods founders neglected to endow. It is an interesting political lesson to read this chapter.

Katada's thesis is simple and elegant. As the second largest economy in the world, Japan must be given a greater role in the world, including the international economy. Japan's politicians have increasingly used G7 and G8 fora to push for their agenda and seeking European support for them against the unrepentant U.S. The problem they see in the international financial architecture is "highly leveraged institutions" which peddle obscenely profitable but unstable hedge funds, derivatives, and other financial instruments. Katada conveniently failed to mention that Japanese and European banks are active in the global financial market. American banks are not lone wolves. Europeans support Japanese on this question, while U.S. presidents do not agree. The Asian financial crisis of 1997-98 was a crucial turning point. Asians (including Japanese) and Americans agree to an extent that the crisis was provoked by the overvalued Asian currencies, many of which were quasi-fixed to the dollar and uncontrollable financial speculation.

In 1995, the yen was appreciated to the level of 80 to a dollar. Southeast Asians, whose financial and trade ties with Japan were growing since the Plaza Accord, borrowed in cheap dollars. Japan's yen was forced to appreciate as much as a third in the Plaza Accord, and with cheap dollars, Japan invested in Southeast Asia, Latin America, the United States, and Europe. The expensive yen financed the massive expansion in Southeast Asia, where Japanese firms used cheap dollars to invest. More dollars flowed into the region. In 1995, five of the world's ten largest companies measured by sales were Japanese. In 1995, Asian companies used the yen to buy cheap dollars, emulating the "developmental" Japan. Then all hell broke loose. In 1997, when a dollar was traded at 120 yen, only one of the world's top ten corporations was Japanese. Koreans, Taiwanese, Malaysians, Thais, Indonesians, Filipinos, and Singaporeans who had borrowed in cheap dollars and hoped the exchange rate would hold and remain almost fixed were faced with bigger yen payments for the dollar loans. In 1997, to pay for a dollar, Asians needed to use 120 yen, not 80 yen. When the foreign reserves ran low by a combination of speculation and overburdened debt payment, Thailand, Indonesia, and Korea became the prime victims of their own success. In this drama, Japanese banks were most exposed to the crisis; then came the banks from Europe, and the least affected were U.S. banks.

**Table 3: Loan Exposures to Asia from European, Japanese & American Banks, January 1997**

|       | China    | Malaysia | Philippi | S. Korea | Taiwan   | Thailand | Indonesia | Total     |
|-------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| USA   | \$2.7bn  | \$2.3bn  | \$3.9bn  | \$9.4bn  | \$3.2bn  | \$5bn    | \$5.3bn   | \$31.8bn  |
| Japan | \$17.8bn | \$8.2bn  | \$1.6bn  | \$24.3bn | \$2.7bn  | \$2.7bn  | \$22bn    | \$118.1bn |
| EU    | \$26bn   | \$9.2bn  | \$6.3bn  | \$33.8bn | \$12.7bn | \$19.2bn | \$21bn    | \$128.2bn |

*Source:* The Far Eastern Economic Review (15 January 1998).

It should be noted that both European and Japanese banks lent in dollars as well as in their own national currencies. Perhaps, the Vietnam syndrome of burned finger persuaded American investors to be less bullish in Southeast Asia than Asia Co-prosperity minded Japanese and former colonial bankers and investors from Europe, who were delighted to see the absence of American competitors for a while.

Katada argues that Japan proposed the creation of an Asian Monetary Fund (AMF) to take care of the Asian countries in crisis, in the process to protect Japanese interests in the region. The United States commandeered the IMF and other institutions to set up a rescue package of more than \$54 billion for Mexico in 1995, when the Mexico's peso meltdown threatened



the NAFTA in its first year. Japan wanted to be a United States in Asia. China opposed, presumably because it had not been consulted and will oppose any and all moves that will bolster Japan's international relation position in Asia. That will be the hegemony that Japan does not deserve. A Chinese economist well connected with the government argued that Japan never consulted China about the proposed AMF and furthermore pointed out that Japan wanted a fund of \$100 billion, divided equally between Japan and China, including Hong Kong and Taiwan.<sup>30</sup> Katada correctly concludes that Washington (including the IMF) opposed the plan, because the rival AMF would deflate the role of the IMF and the United States. But she forgot to tell the other side of the story: that the AMF, had it been created, would have expanded Japan's role in Asia, weakened the influence and even power of China and the United States in the region. To Americans, the opposition to Japan's plan may be patriotic; to Japanese, it was an irresponsible act to hurt Asia more and keep Southeast Asia down. Mahathir would agree with this view. To nationalists and realists in international relations, looking after one's own economic interests across borders is no sin. Keeping one's competitors at bay is no vice.

Ito argues that the IMF is not equipped to effectively maintain surveillance on the international financial architecture. Even George Soros would agree with that. Ito articulately points to the limits of the IMF as the global financial constable on patrol. He must be seeing in the AMF a hospitable venue where pan-Asian financial and economic interests converge and where Japan does not have to buckle under Washington pressure. G7 complains, excluding Japan, I assume, that their money is used "to shore up the mismanaged economic policies of other countries."

Why should democratic Korea support the AMF which might shore up Indonesia's Suharto? Because Korea's *chaebol*, Kuomintang-owned corporations, and several of Japan's *keiretsu* would see such use of the public money a prudent national industrial policy. The longer Suharto remained in power, the more profits Japan, Taiwan, and Korea's companies could have extracted from the archipelagic republic, where 57 percent of its 220 million folks live under two dollars a day. Whose interest is the AMF serving? The lenders'? The borrowers'? Certainly not both. Ito counted 133 of the 181 IMF members which have had banking crises between 1985 and 1995. The AMF is not only needed to relieve the overburdened IMF, but also to address Japan's lack of voting power in Washington's 18<sup>th</sup> and H Street institutions. Ito concludes that Asians are doing it by themselves: the ASEAN plus Three resolved in Manila (1999) and again in Chang Mai (2000) to coordinate the financial policies of the region and cooperate in time of crisis. And he assures the reader that now China is supporting the AMF.

Right or wrongly, Japan sees itself as the voice of Asia, while Chinese, Koreans, Filipinos, and some but not all Malaysians and Singaporeans dread the Asian Co-prosperity sphere dominated by the Rising Sun. There is no doubt that as the Asian financial crisis gave Japan a new battle flag to carry against the United States openly and China unseen. The post-9/11 Asia is a different place, however. That dampens Japan's aspirations. For the time being, security takes the front seat. And everyone knows that Japan is a military pigmy. China is not. In the post-9/11 world, China needs to be more anti-Islamic at home for the political reasons of keeping the separatist Muslim inhabitants in the West from becoming independent, while it seeks to retain the friendly ties with Arab Muslim countries overseas. Southeast may need external military power to contain its own Islamic insurgents. The United States is already there. Will China extend its sphere of influence in time?

Kirton chooses the words carefully in describing the role of the G7 countries in international financial reform: the deadlock has been due to the "passivity" of the United States, the "assertiveness" of Japan, the "effective leadership" of Britain and Canada, and the "resistance to major changes" of continental members of Europe. G7 created G20 (under the Canadian leadership), the International Monetary and Financial Committee (IMFC), and the Financial Stability Forum to deal with the failures of the existing international financial system. Interestingly, Kirton divides the G7 into two camps: Anglos (the United States, the United Kingdom, and Canada) do not agree with Europeans (French, Germans, Italians, in the alphabetically order, not in order of the economic power), while Japan typically splits its support between the two camps but tends to side with the Anglos on most issues. On the issue of the reform of the international financial architecture, including the debt relief on highly indebted poor countries, Kirton notes that the Anglos prefer a case by case solution on granting debt relief, while the Europeans push for firm, fixed approaches, the culture divide again.

The divergence of the United States from Europe goes beyond the issue of the reform. In 2000, when the Euro was losing its value against the dollar and the yen, the Europeans called for state intervention in the foreign exchange market, typically a neomercantilist and dirigiste response. The Clintonites were aghast, unsure of the impact of such a policy on the presidential election that year (2000). Japan has its own beef: in the IMF, it has slightly more voting power than Germany and has pushed for the redistribution of the power. Europeans and Americans have the common opposition to this issue: any gain by Japan would be taken out of Europe's current voting power, not from that of the U.S. Americans had something else to fret about: the absolute nonaction from Congress, when asked to increase the U.S. contribution to the IMF from the current 17 to 23 percent. There are other issues that divide G7.

Part Three, entitled "New Directions in Global Trade Governance," has three chapters: Nicholas Bayne ("The G7 and Multilateral Trade Liberalism: Past Performance, Future Challenges"); Theodore H. Conn ("Securing Trade Liberalisation: International Institutions in Conflict and Convergence"); and Heidi K. Ullrich ("Stimulating Trade Liberalisation after Seattle: *Gil 8* Leadership in Global Governance").

Bayne forthrightly states that the summits have been poor fora where trade issues were dealt with and even worse resolved. He details the operations of the series of "round" and shows that Japan tends to support Europe on trade issues (a club of neomercantilists, I presume) and Canada and the United States stand together on the issues of agricultural subsidies, the injection of labor and environmental safety measures into trade negotiations, and the question of a limited agenda as opposed to a "single undertaking" to deal with trade- and nontrade-related issues. Finally, Bayne suggests a 7-point recommendation for future Summit meetings to consider: show leadership; actively use the Quad for short, or the Quadrilateral of Trade Ministers from the U.S., Japan, Canada, and the EU; make all commitments effective; initiate new rounds of WTO meetings; make decisions more acceptable to all by addressing the concerns of non-G7 members; produce results for the commitments made earlier for poor countries; and implement policies at home and abroad consistent with trade liberalization. All recommendations seem sound. But will national interests get in the way? And the U.S.-Europe divide? Probably. Agricultural issues alone pit France against the rest of the world, not to mention Poland, an upcoming EU member.

Conn's chapter is a good institutional analysis of those entities which play a critical role in global trade. He observes that the 23 countries which signed up in 1947 for the first GATT meeting to voluntarily lower tariffs thought that it was a temporary agreement. It has become a permanent on-going but time-consuming process. By 1995, the world created the World Trade Organization, which has become a "keystone international economic institution" along with the World Bank and the International Monetary Fund. Conn argues that developed country-dominated G7, the Quad, OECD, and other organizations have played an innovative role in promoting trade liberalization, but G77, UNCTAD, and other entities dominated by developing countries have played a lesser role in the liberalization of global trade.

One flaw in the WTO is that it has not granted much voice to small trading countries. Unlike the WB and the IMF, where the size of economy and capital contribution determine voting power, the WTO is one vote for one nation entity. Malaysia and the United States have one vote each. It does not have an equivalent of the UN Security Council and also lacks

"smaller executive boards" where the U.S., Japan, Germany, France and Britain dominate and set policy directions. The global trade issues have been ironed out first by those big traders-the United States, Germany, Japan, France, the United Kingdom, Italy and China-and then accepted by smaller countries. But it is not clear if the WTO will adhere to this practice.

Ullrich considers the role of G8 in the trade liberalization since the Seattle debacle. The logical leadership for furthering the current trade liberalization falls on G8. This is curious because the members of the Group of 8 represent at least four different political economies, each of which considers trade in a different light, ranging from the unabashed neoliberal free traders (the United States and the United Kingdom) to an equally unalloyed industrial policy and managed trade practitioner (Japan), *slulc-centric* Russia (still in transition from socialist-communist political economy) and enthusiastic blenders of neoliberalism and neomercantilism in trade and finance (Canada, France, Germany and Italy).

Ullrich argues that in spite of such divergence, G8 must promote trade liberalization on behalf of the world and must "take the political risk of speaking with a strong and unified voice." In the Ottawa meeting of 1981, G7 created the Quad to specifically deal with trade issues. The organism has evolved as the official representative for the four major trading leaders, acting in consortium within the WTO and has often set agenda for G7 and G8 summits, such as launching Millennium Round to include issues going beyond narrowly defined trade issues. The Quad was responsible for encouraging the WTO to incorporate sustainable development in its agenda and widely consult civil society in all decision making. But as the Seattle fiasco demonstrated, the Quad was never endowed with clearly defined powers by the member states, and when the meeting was held, there was no consensus as to what the next step would be, let alone what needed to be done at the WTO ministerial meeting in Seattle. Ullrich is too optimistic: that the leaders of G8 not only need political courage to convince their citizens of the potential benefits of free and fair trade, but at the same time, globalization can benefit all participants. This is certainly a tall order for the divergent members of G8 to fill, not to speak of the rest of the world.

The book as a whole is bent toward multilateralism in managing the global financial and trade governance. What has been missing is a realistic assessment how G7 and G8 actions or the lack of actions have affected the global trade and finance as a whole. It is hard to believe that India, Brazil, and China, the trio of emerging market leaders would accept decisions of G8 without looking like wimps, not to speak of such middle powers as Malaysia, Singapore, Mexico and Korea. The battle for peaceful, free and fair trade rules is far from over. In fact, they are not in sight.

## 8. The Book on Global Trading Blocs?

The second book is edited by Bart Kerremans and Bob Switsky, **The Political Importance of Regional Trading Blocs** (Aldershot, England: Ashgate, 2000). Unlike the first book reviewed, this one is written by academics in U.S. universities, except one of the volume editors, Bari Kerremans who teaches at the Catholic University at Leuven. Six of the eight contributors are assistant professors, and hence, many of the book's chapters read like freshly minted doctoral dissertations, full of theories, jargons, and even incomprehensible charts at a quick glance. But the book does a superb job of summarizing the current state of research on regional trading agreements (RTAs), how they compete with multilateral movements for a single global market, favored by the European Union and the United States. The contributors wield an impressive array of data and analyses on the EU and the North American Free Trade Agreement (NAFTA), but are less than skilled and even on thin empirical and analytical grounds when they stray into the Common Market of the South (MERCOSUR in Spanish and MERCOSUL in Portuguese), the Association of Southeast Asian Nations (ASEAN), and ASEAN Free Trade Agreement (AFTA), and even display shocking ignorance about the inter-American politics on the Free Trade Area for the Americas (FTAA), and more surprisingly, the Asia Pacific Economic Cooperation (APEC). All eight are political scientists or specialists on international relations, and many claim to be international political economists.

Economists at the Institute for International Economics at Washington have argued that when the world is completely in a free trade mode, developing countries can increase their GDP as much as an additional 2 percent per annum, while fully developed countries 0.5 percent.<sup>111</sup> Of the 134 members of the World Trade Organization as of 1997, only three countries did not have links to regional trade agreements (RTAs). Fred Bergsten sees in the RTAs a harbinger to a worldwide multilateral free trade arrangement<sup>32</sup>, while Jagdish Bhagwati is convinced that if the world is linked by a series of RTAs, multilateralism would be "less necessary." And elsewhere Bhagwati also argued that RTAs are harmful over time.<sup>31</sup> In October 2002, the Irish voters cleared the road block for ten new eastern and central European countries to ascend to the EU by 2004. And the remaining two (Romania and Bulgaria) will be allowed into the union by 2007. RTAs are seen by both developed and developing political economies as the necessary step to partake of the benefits from free and enlarged trade. But in the case of the Eastern European countries, it also brings a measure of political insurance against a future Russian move to drag them into the Bear den again.

There are eight contributors to the volume. Chapter 1: "Introduction" written by two volume editors, Bart Kerremans and Bob Switky lay out two propositions: that globalization has led to the regionalization of world trade and that plausible theories of RTAs are hard to come by. Like other anthologies of this genre, not all contributors pick up the introductory themes in their chapters. Bob Switky's Chapter 2: "The Importance of Trading Blocs: Theoretical Foundations," argues that all RTAs except the EU are "tenuous enterprises" and that "the topic of regional trade blocs is an intellectual fad that will disappear in five or ten years." Switky presents several salient points about why countries join RTAs: to obtain a voice in multilateral arena and "enhance foreign policy objectives." Malaysia and Portugal fit this bill. ASEAN has offered Malaysia a forum to ventilate its external trade demands, while Portugal in the EU has gained more power in international arena than ever before. Portugal failed to defend East Timor when the Indonesian armed forces invaded the island in 1976. In 1998 and 1999, little Portugal was successful in mobilizing the power of the EU to force the country with 220 million people to consent to a popular referendum for East Timor, which overwhelmingly voted for separation from Indonesia and opted for independence. None of the ASEAN states came to oppose the referendum. The weight of the ASEAN-EU trade (\$99 billion in 2001)<sup>34</sup> did more to convince ASEAN not to rally for Indonesia. The EU and ASEAN agreed to form a free trade arrangement between the two regions (ASEM) and the Europeans were willing to suspend the negotiations on behalf of Portugal's "Johnny-come-lately" penance for Timor's plight.

Chapter 3: "Trade, Regionalization and Tariffs: The Correlates of Openness in the American Long Run" by Rafael Reuveny and William R. Thompson combines a theoretical framework and the case study of NAFTA. Reuveny and Thompson argue that the regional trade blocs tend to stir up fear of protectionism among non-members, because of the similarity to the colonial trading monopolies of the bygone days. Countries have used regionalization as a substitute for the absence of multilateral trading mechanism. As will be shown, this was the case for the formation of NAFTA and APEC, as Washington frustrated at the Uruguay Round by Europe's refusal to launch "multilateral trade negotiations" sought to go alone. The realization that the U.S. would embrace regionalism seriously and Congress was stewing to erect protectionism probably prodded Europe and Japan to act more positively in the Round. At G7 meetings, the *de facto* alliance between Europe and Japan has forced U.S. political leaders into taking "aggressive unilateralism" in a host of trade disputes.<sup>35</sup> The chapter does a superb job in defining more commonly used trade terms, such as trade creation, trade diversion, and the benefits accruing to small states when joining RTAs.

Chapter 4: "Institutional Rules of Regional Trade Blocs and Their Impacts on Trade" is a highly technical paper written by Li Quan that seeks to "measure

institutional variations between blocs," full of theoretical assumptions and offers little to help understand the complexity of RTAs. Those relishing in theoretical "dummies" and models should tackle the chapter.

Chapter 5: "The Links between Domestic Political Forces, Intra-Bloc Dynamics and the Multilateral Trading System" by Kerremans is a solid historical piece of how the EU has honed its skills in using regionalism for its own benefits, while the United States recently discovered in RTAs a useful external trade policy tool. In order to politically incorporate Eastern and Central Europe, the European Union introduced an RTA mechanism called Europe Agreements. These mechanisms gave the eastern and central neighbors preferential access to the EU market, while granting the EU a "pro-active" advocacy in GATT/WTO conclaves. Germany was the continent's largest investor in East and Central Europe, well before the fall of communism, but has been able to accelerate its economic penetration since the Europe Agreement. The rest of the EU has followed Germany to access their eastern neighbors by granting them preferential treatment on steel, textile, coal, but not on agriculture (France opposed it), even before they become formal members of the Union.

The EU feared trade diversion in the NAFTA and approached Mexico to thwart the strict rules of origin. The Canada-United States Free Trade Agreement (CUSTA) was hotly pursued by Canada for political reasons (Brian Mulroney was against free trade with the United States before he became prime minister, but after he was elected the head of government, he changed his mind—see Chapter 7), as Carlos Salinas de Gortari of Mexico pushed for a NAFTA, also for political reasons. President George H. W. Bush ("the 41<sup>st</sup>") supported the NAFTA, for he sought to "freeze" [lock in] Mexico's trade liberalization policy that would in turn speed up the political opening. Salinas abandoned the import-substitution policies of the old PRI (the ruling Revolutionary Institution Party, in Spanish), embraced trade liberalism, and sought to cement greater access to the U.S. market. Mexico became part of GATT and the Organization of Economic Cooperation and Development. The *maquiladoras* (border region's assembly factories) were attracting foreign direct investment to the border states for economic development.

Kerremans could have added more exciting aspects of Salinas's *realpolitik* motivation: to tackle and weaken the resistance of the *dinosauros* (dinosaurs or the entrenched elites of the PRI) to the long overdue reforms. And when he went to Europe to get FDI and trade concessions before 1992, he was practically told to "get lost." Eastern and Central Europe was where the action was as far as Western Europe was concerned. The end of the Cold War could also liberate Europe from the American grip. Mexico, to French and their allies, was too close to the United States and could be a Trojan

horse. The NAFTA became the only option for Salinas, as his presidential term was to expire soon. And it should be remembered that the EU came back to woo Mexico, *only after* the birth of the NAFTA.

Chapter 6: "Competition and Cooperation between Blocs: The Case of North America and Europe" is also written by Kerremans, who contributed two chapters, in addition to co-authoring Introduction to the volume. He pointed out that the EU-USA trade amounted to \$300 billion, or 20 percent of the world trade, of which agriculture represented only \$15 billion. That is like the golden share in a state-owned enterprise, wherein the state owns a minority holding but can exercise a veto power. Agricultural disputes have divided the U.S. and Europe too often. He forgot to mention that Europeans (read French) have been more of obstacle to this segment trade than Americans. In the same vein, Kerremans makes it clear that the EU and the United States are also strong investors in each other's region: 59 percent of FDI in the United States came from Europe-which he could have pointed out that Britain and the Netherlands are the major investors, not Germany and France, the linchpin of the Union)-, while 51 percent of all FDI in Europe came from the United States, one country.

**Table 4: European FDI in the USA, 2001**

| UK       | Japan  | Netherlands | Germany  | France   | Switzerland | Canada  | Luxembourg | Others |
|----------|--------|-------------|----------|----------|-------------|---------|------------|--------|
| \$16.5bn | \$12bn | \$12bn      | \$11.6bn | \$11.1bn | \$7.5bn     | \$8.2bn | \$3bn      | \$16bn |

Source: USDOC, Survey of Current Business (2002)

In spite of this close union of trade and investment, there is no formal trade and finance system to guard, foster, and benefit from. This gigantic global system in the Atlantic world functions without formal agreement and framework. But Kerremans forgot to mention that since 1980, the bilateral trade between five Asian countries (Japan, Korea, Taiwan, Hong Kong, and Singapore) and the United States has been greater than that with Europe. And in fact, Canada and Mexico are the two top traders with the United States, greater than any one from the EU. What does this new reality say?

In 1995, according to Kerremans, the United States and the EU wrote a New Transatlantic Agenda (NTA) "to create new political momentum in favor of deeper trade, security, and political relations, and to provide the start of a new process in which new framework for these relationship would be looked for and created." He goes in depth how such an agenda encountered strong winds of opposition from both sides of the Atlantic. Leon Brittan on the EU side and the late Ron Brown on the American side pushed for the participation of business leaders along with civil society in shaping a Transatlantic Free Trade Agreement (TAFTA). Both sides had strong



opposition at each home turf. The EU had French obstructionism, while the United States a protectionist Congress. Any deal forged by the Anglo-American duo also became a suspect to the France led by a cadre of anti-American elites. It got nowhere. Many agreed that any tariff reduction should take place *inside* the WTO, not from EU-US bilateral negotiations. It is not totally clear, given the neoliberal proclivity of the wide open U.S. market, why the EU needs a TAFTA to do business in North America. And the U.S. economic interests in Europe since 1945 and the halcyon days of the Cold War had been firmly embedded and do not need special opening for U.S. multinationals to expand their operations in the EU. What is at stake for the EU and the US is how to grab bigger chunks of the market in the rest of the world. In this sense, the two are friendly rivals in the "Cold Peace."<sup>36</sup>

Chapter 7: "The Politics of Domestic Ratification Across Democratic Institutions" written by Sherry L. Bennet and Erick Duchesne deals with the politics of CUSFTA by examining the Canadian and American political dynamics. Against the anti-FTA instinct of Mulroney, his Progressive Conservative Party chose to support the CUSFTA, as the "electoral calculus" of forging Quebec and Western provinces (all favoring trade liberalization) and the support of Canada's big business changed Mulroney's position. The Liberals advocated a "third option" meaning a reduction of trade dependence on the U.S. and finding alternatives, perhaps joining the European region-market. A segment of Canada remains resentful of its wealthier neighbor and displays a deep-rooted opposition to the United States, while the majority of Americans are ignorant about Canada, and many could not care less, although the U.S. economic well being depends on Canada. The U.S. agriculture in the mid-West cannot function without Canadian natural gas; and in due time, the United States needs to import water from its northern neighbor. In popular polls, many Canadians are against sharing water and other natural resources with the United States. A Malaysia-Singapore drama is unfolding, I might add, on a global scale.

Also, strong partisan disciplines among members of the Canadian parliament helped when it came to voting for the creation of the CUSFTA, compared to the more individualistic Congress of the United States, where the president does not always have his sway. As early as in 1934, the politically minded Congress passed the hot potato of free trade issues to the president in form of the power to negotiate (later in 1974 it became "fast track" trade negotiation authorization). In 1985, the popular president (Reagan) sold the CUSFTA to a recalcitrant Congress. The rest is history.

Although it is a well conceived and well written chapter, what is missing is an in-depth analysis of the personal relationship between the two "Irish men" in Canada and the United States. Mulroney and Reagan shared similar

world views, in spite of the age differences, and both favored a closer relationship between the two countries. It is clear that both men had a political transformation in their careers. Reagan was a Roosevelt Democrat until the 1950s, as Mulroney a nationalist in politics and a realist in international relations. It was globalization that drove the two men to seize new emerging opportunities- It was under the presidency of "the 41st" that the CUSFTA (1989) and under Bill Clinton the NAFTA (1994) began to function, but the neoliberalism of Reagan, Salinas, and Mulroney provided the momentum for the market integration in North America.

Chapter 8: "Negotiating with Goliath: Cross-national and Cross-level Interactions in NAFTA's Auto and Textile Sectors" is a detailed account of the politics of civil society in the making of the region-market. David A. Lynch points out that in spite of the "asymmetry of power" between the United States and the other two lesser neighbors, Washington (the Goliath) did not "steamroll" over Canada and Mexico (two Davids). In fact, Lynch shows that much of the lobbying for the NAFTA was done by American multinationals, while organized labor and environmentalist groups were against it. GM, Ford, Du Pont, and other business giants operating in all three countries played a vital role in herding congressmen and senators in Washington to ratify the agreement. One could have added to Lynch's "two-level game approach" the role that European, Asian, and Latin American corporations and governments played in shaping the NAFTA. They feared the closing of North America, although the nature of "open regionalism" will not lead to such consequences. Within the NAFTA, all three members are competing each other by juggling their external tariff rates, while the "closed regionalism" like the EU offers a common external tariff wall, requiring all members to charge the same rates, hence, internal competition of trade creation and trade diversion is discouraged.

## **9. Is Globalization Neoliberal and Neomercantifist, All for One or One for All?**

The two books rise to the challenge of today's confusing universe of the world's economics and finance by providing an opportunity to review the historical evolution of globalization. Between the sixteenth and nineteenth centuries, global trade and finance were monopolized by Europe's great *maritime* colonial powers: Spain, Portugal, Britain, Holland, and France. Since the days of the Treaty of Tordesillas (1494), when Pope Alexander VI (former confessor of Isabel of Castile) divided the world into two parts and gave one to each of the two Iberian Catholic monarchs, the nature of the Iberian mercantilism changed.<sup>37</sup> The state and the church alliance was forged on the one level and on the other the mercantile interests and those of the state merged. Wealth creation led to the rise of great military powers,

which in turn overextended themselves, and the military expense and commitment in the Counter-Reformation throughout Western Europe finally brought down the Hapsburgs of Spain.<sup>38</sup> Spain became the first bankrupt empire in the modern history. The Portuguese demise became a reality by the onset of the 18th century, when the Methuen Treaty with Britain practically turned the smaller of the Iberian kingdoms into the English protectorate. British access to the Asia and America that Portugal had inherited from Tordesillas became unhindered and complete by the time the Indian subcontinent was subjugated to the status of raw cotton producer to the English textile manufacturing cities.<sup>38</sup> In fact, the cotton import from India into England between 1790 and 1820 expanded so dramatically that such a trend effectively ended the then world's largest textile economy, India.

Asia was "divvied up" among Britain, Holland, and France to extract and develop raw materials for their industries, while Britain suborned the colonial elites of Latin America to declare independence of Spain and Portugal by 1825. For the next century and half, Latin America became surrogate colonies (neocolonialism is too strong a word) for the British economy. By the 1870s, the United States, freshly emerging from the Civil War and regrouping itself as a mercantilist trader, began to whittle away at the Pax Britannica in the Atlantic and later after the Spanish-American War, challenged Europe's hegemony in the Pacific by seizing the Philippines as a forward stepping stone for America's commercial interests. The first globalization, roughly 1870-1920, introduced gold standards for nations, states, and nation-states in the Atlantic world to develop common trade and finance. The cozy club of European colonialists and an upstart Yankee traders ruled the global economy. The end of the First World War turned the clock back to the isolationism in the United States, the resurgent protectionism in Europe, and the rising imperialism of Japan in Asia. The Second World War was an inevitable consequence of the clash between the liberal members of Europe and neomercantilist but fascist Germany, Italy, and Japan. The two groups vied to dominate the world economy, not to export their value-added products, but access to vital natural resources that the latter trio sorely lacked. The world's hub of natural resources coincided with the colonial domination of the old great powers, unwilling to cede a place for the nascent fascist trio.

The refusal to sell or grant access to raw materials in Asia and the Americas provoked Japan to declare war against Europe and the United States. Germany, long suffering from the constraints (and humiliation) imposed at Versailles, did not ask for a new place. It took it. Italy followed Germany, going south to Africa, and Japan relished in the thought of Germany and Italy's tying down the European colonial powers in the old continent, forcing them to leave Asia for Japan to monopolize its riches in the name of liberating Asia from the European colonial yoke. Many in Asia still believe in the good intentions of Imperial Japan.

The second globalization, say since 1970, provides a different context for interpreting the world economic history, within which the two books must be read and appreciated. Jeffrey Sachs, the late Susan Strange, and Kenichi Ohmae, to cite the best known "hyper-globalizers" argue that it was crossborder trade and finance that contribute to the expansion of the world economy, and in the process, participants in globalization can gain. In short, all countries are beneficiaries of globalization. Those in the opposite camps, or skeptics ("sceptics")<sup>39</sup> have presented equally persuasive arguments that globalization is harmful to small and powerless countries, as well as small and poor peoples of the world, while its neoliberal tendencies have fattened the handful of countries—say, for the sake of argument, those 30 or so OECD countries, plus another twenty or so, emerging market countries. The comparison of Korea, Ghana, and Malaysia in the earlier part of this essay is apt: the first and the last have learned to take full advantage of what globalization has to offer to grow phenomenally, while the middle one failed to compete, or chose not to. One does not need to rehearse the outcome of such policies.

Kirton, von Furstenberg and their associates tend to argue that the world will be a better place if G7/G8 is more open to the participation of countries from the South, instead of setting global policy for others to follow and obey. This argument has merit; to avoid the quickening pace of global financial and economic crises in the 1990s, a form of global coordination is a must. The managed financial reforms, tightly supervised by the IMF and its mandarins, have not always worked, as they were supposed to. Between 1980 and 2000, Argentina received thirty (30) structural adjustment loans from the IMF, more than one a year. Either IMF officials were blind to the corruption of Argentina for these decades, dreaming an impossible dream, or the Argentines are clever enough to "milk the IMF" for its purposes-do nothing and get as much money as it can. Later Korea sought to follow the similar path.<sup>40</sup> When the economy under the watch of Fernando de la Rúa caved in, everyone blamed the IMF, from the discredited Domingo Cavallo to the media. To rub salt in the wound, Argentina declared a moratorium on its World Bank loans in mid-November 2002.<sup>41</sup> It is not the participation of Argentina in the global financial decision-making that will improve the stability of the world and Argentina's finances; what is at stake is that Argentina must find a new bold visionary leader who can discard its old corrupt habits and embark on new management of the country. But that is easy to be said than done.

Unfettered flows of foreign portfolio investment, in particular, crowded into Mexico, Argentina, Korea, Malaysia, Thailand, and Indonesia. These countries failed to impose prudent capital controls in the late 1980s and early 1990s to attract foreign money at any cost. All of them had the ratio of FPI exceeding FDI. In Korea's case, the "hot money" (FPI) was ten

times greater than the long-term investment fund (FDI). The Asian financial crisis of 1997-98, among other things, was caused by the Asian states' inability or unwillingness to regulate the inflows of FPI. The most recent victim of such ungoverned borrowing was Argentina. Brazil will be next. And the next round of financial crisis in Asia will be more severe and few will be prepared to deal with it. Banks in Asia have high ratios of nonperforming loans. Korea, Malaysia, and Thailand are still vulnerable. Indonesia and the Philippines will have little to save from the next round of crisis.

**Table 5: Nonperforming Bank Loans in Asia as % of GDP, 2002**

| Malaysia | China | Thailand | Taiwan | Japan | Indonesia | Korea | Philippines | India |
|----------|-------|----------|--------|-------|-----------|-------|-------------|-------|
| 60%      | 50%   | 47%      | 38%    | 38%   | 27%       | 27%   | 25%         | 10%   |

Source: The Asian **Wall Street Journal** (9 July 2002).

The Kerremans and Switky volume in general supports FTAs in both multilateralist and regionalist forms. What has not been highlighted in the book is the disturbing trend of the making of exclusive clubs of neomercantilist countries (the EU, AFTA/ASEAN, MERCOSUR, most notably) and a club of neoliberal political economies (NAFTA), their potential competition or even clash. Jeanne Kirkpatrick once commented, democracies don't fight. Let's hope she is right.

Between the two international political economy systems, the world is divided, competed for, conquered, and managed. This new refeudalization of the global economy and marketplaces can revert the world back to a dark age, the era of chauvinistic nationalism, exaggerated inflammatory ethnocentrism, and even aggressive militarization. Between 1995 and 2001, the share of neomercantilist Japan and Europe's global 500 corporations declined, while neoliberal America's share went up. Since as much as 80 percent of the world's FDI is made by multinational and global corporations, the future battle of the two competing IPE systems will take in form of trade (neomercantilism will continue to win) and finance (neoliberalism will have an upper hand). But cultural clashes, civilizational confrontations, and inter-ethnic conflicts will not abate and will continue to deter further consolidation of cross-cultural and cross-civilization trade linkages.

In November, 2002, Vale"ry Giscard d'Estang, the current chairman of the EU Constitution drafting committee, expressed the prevailing view in France and other parts of Europe that Turkey should not become a member of the EU, because it is a Muslim country and Europe is Christian, hence unleashing clashes and incompatibility abound. The merit of his remark notwithstanding, the former French president represents the undercurrent

of the club of neomercantilist political economies who see the validity in that the culture matters, the consolidation of peoples of Christianity (antt-semitism runs deep in Europe's historical vein, while America is accused of being pro-Israel and anti-Arab) must be preserved, and today's globalization has put the very survival of the European civilization to test. Turkey, the long, venerable NATO ally at the eastern flank and the most secular of the Muslim states, now that the Cold War is over in Europe, can be dispensed with.<sup>42</sup> This is a dangerous, even ludicrous thinking that all sane Europeans and all men must reject out of hand. Also, to Giscard and anti-American Gaullist followers, Turkey's crime is that it is an unflinching ally of the United States. In early December 2002, the new Turkish cabinet announced that its territory is open for the United States and its allies to stage military operations against Iraq, if the U.N. Security authorizes such an action.<sup>43</sup> Trade alliances and preferences should not follow civilizational divides; rather they must be used to remove the barriers and prejudices among cultures, civilizations, and societies to expand the economic well being of nations, states, region-markets, and the entire world. The two books, in spite of the limitations, offer food for thought.

The two books ascertain one undisputable fact: whatever prism-whether it be finance, FDI, FPI, trade, region-market, G7/G8, or heavily indebted poor countries-is used to dissect globalization and its accompanying phenomena, there is no final word. In fact, the two books add fuel to the current debate-globalization is still unfolding, creates strange bedfellows. Eric Jones has pointed out that much of anti-globalization movements have been financed by well-meaning global corporations such as Unilever's subsidiary, Ben & Jerry's donating millions of dollars to anti-globalization environmental groups/<sup>4</sup>

The post-9/11 world has yet to invent new rules for nation-states's behavior and it is not clear if globalism for trade and finance has triumphed, when men like George Soros and Mahathir agree on regulating the unbridled global financial market. Regionalism does not appear to be "tenuous." Rather, it may last longer than many anticipated. The changing dynamics of the global campaign against terrorism have deeply lacerated Muslim Asia from Pakistan in the west to Mindanao in the east. Southeast Asia is already tittering. The split in the region over the question of a single Islamic state (*Darulah Islamiyah*) for Indonesia, Malaysia, Singapore, and parts of Thailand and the Philippines will certainly redefine the future of ASEAN, rewrite the interstate relations of the grouping, and can weaken Mahathir's favorite project, ASEAN plus Three. Southeast Asia is tittering. This split will have a dire impact on the global trade and investment for years to come, if not for decades.

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BOOK  
**REVIEW**

## **US ENGAGEMENT IN THE ASIA PACIFIC: TO ENGAGE OR NOT TO ENGAGE**

*Dr. Wahabuddin Ra'ees*

**James C. Hsiung** (ed.), *Asia Pacific in the New World Politics*, (U.S.A.: Lynne Rienner Publishers, 1993), pp. 274 (ISBN: 1-55587-355-3).

The hallmark of the post-Cold War international order is the history of economic blocs. Academics argue (1) the Pacific Rim, (2) Europe, and (3) the Americas are the constituent elements of the emerging global order. Given the fact that geoeconomics replaced geopolitics as the yardstick of taxonomy of nations into global, regional, and small or national powers in post-Cold War international order, the Asia-Pacific region has become as important to the American global status and interests as Europe or the Americas. James C. Hsiung argues that the post-Cold War Asia-Pacific region will be unstable. Though evidences show the contrary, scholarly works in *Asia Pacific in the New World Politics* edited by James promote one major theme: the United States must remain engaged in the Pacific affairs in order to maintain balance-of-power and protect its interests in the region. All the twelve articles in addition to an introduction and a conclusion could be categorized into three broad levels of analysis.

First, in examining power shift in Asia Pacific, the studies predict the US and Russia are no longer world-class powers in the region. This hypothesis however is baseless with regard to the US global status. US may have difficulties to convince nations in the region, as new centers of powers that could say "No" to the American initiatives have emerged in the post-Cold War Asia-Pacific region. Yet, it would still be the dominant power that can punish detractors. The studies call in support of their argument the view that if Russia no longer poses threat US hegemony in the post-Cold War era, emerging powers of China and Japan would assume the role a regional-balancer. Moreover, Cold War clients and neutral states also do

not see US as a decisive power in the region. Therefore Tokyo and Beijing and not Washington would constitute the centers of economic gravity. This notwithstanding, Bernard K. Gordon's articles and James C. Hsiung's contribution are excellent surveys of the sentiments of the policy-makers in Beijing, Tokyo, and some of the nations of the Pacific Rim vis-a-vis the United States. James and Gordon conclude that the major and small powers in the region hold that the United States is a hegemon no longer needed to police the region. However James soon contradicts himself when he suggested the region could be heading toward security dilemma and will be unstable during the post-Cold War, if the US ought to disengage itself from the Asia-Pacific region. A face saving argument suggested by these studies would be that, though the hegemonic influence of the United States is eroding, it is still "Structural Power" in the region. The United States could be placed at the apex of hierarchy of power in the region, as it still has the ability to exercise more influence than other powers. Moreover, the security stakes of the United States in the post-Cold War Asia-Pacific region have increased. The region, in addition to its strategic significance, has also become economically important to the American global interests. The studies discussed in this work also argue that in the post-Cold War era, two factors have affected systemic stability in the Asia-Pacific region: First, the region has become center of economic gravity. Second, a new configuration of power is taking shape in the region. Both factors could adversely affect and challenge US traditional hegemony in the region. However, despite the rise of China and Japan as regional actors and the decline of American hegemony in the Pacific affairs in the post-Cold War era, the United States is still a "Structural Power" in the region, as it still possesses considerable influence and "ability to manipulate the choices, capabilities, alliance opportunities, and pay offs that actors may utilize" in the international affairs of Asia Pacific. Therefore, the United States must remain engaged in the Pacific affairs more as a benign regional balancer as it will also help protect its interests in the region.

The analysis therefore lacks critical evaluation of Chinese and Japanese perceptions towards one another. It fails to observe that policy-makers both in Beijing and Tokyo believe that the US strategic presence is essential to prevent the other's strategic rise and influence. In fact, they hold that the US disengagement from the region would lead to systemic instability in the Asia-Pacific region. It is also noteworthy to mention that even though the interests of major powers in the region are conflicting, Cold War-like international order may not emerge in the region in the post-Cold War era for two reasons: (1) the capabilities of the major powers in the region are relative and contrasting, and (2) economic benefits would overshadow geostrategic considerations in foreign policy formulation towards the region. And the powers with vested interests in the region have become economically interdependent. While the US will be a preponderant power in the next two decades, all major powers, including the US would adapt accommodative

foreign policy options towards the region, therefore, minimi/ing the possibility of conflict in the Asia-Pacific region. However, sporadic tensions or war of words among the major powers would continue to exist but may not jeopardize regional stability.

However, the studies predict that Russia and Japan or the former and China will provide counter-balance to the American capabilities in the region. Moreover, if Sino-Russian anti-American alliance also could not be formed due to some reasons then Japan and China will consider becoming regional balancer on their own rights. However, the evidences show that the prospect of Russo-Japanese cooperation due to historical reasons seems remote. But, Yeltsin-Jiang December 1999 informal summit in Beijing viewed in terms of a leap forward in Sino-Russian strategic alliance implies that the studies are based on a profound research and reliable facts. Russia's then President Boris Yeltsin and China's State President Jiang Zemin in a joint statement, what some analysts called a reaction to the American increasing power in Europe and Asia, on K)<sup>n1</sup> December 1999, reaffirmed strategic partnership between Russia and China in the twenty first century.

However, it is interesting to note that the works presented do not view Russia as a decisive power for sometime in the future and alone may not pose threat to the American interests. Ironically, the studies also do not view Russia as a Pacific power despite its strategic presence in the region, which is viewed with greets apprehension by political elites in Tokyo. In addition, there also exist silent agreement among the powers with vested interests in the region that Russia should be part of every single economic or security regimes that are being shaped in the region. Thus, the studies tend to overlook Russia's relevance to the post-Cold War Asia-Pacific region.

Second, the works presented in this book discuss the strategies and options of the American engagement in the region. Numerous options that could assist the United States to remain engaged politically, economically, militarily, or culturally in the Pacific affairs arc discussed. However, disagreement exists about Washington's future role in the region. While some writers subscribe to the notion of the US total disengagement from the region, Steve Chan and David Denoon correctly argue that the US declining influence does not indicate that Washington should withdraw from the Pacific affairs altogether. The US total disengagement could create a power vacuum and result in security dilemma in the region. Hence, the American presence is essential to protect regional security and its economic interests as the nations of the world are being organized in a very complex interdependent structure. Therefore, the best option to policy-makers in Washington is to abandon "Kindleberger's hegemonic theory" and adapt the doctrine of "Partisan Mutual Adjustment" as the underlying principle of the American foreign policy in the region. Alternatively called "bigcmomy" or "shared hegemony", the

principle of "Partisan Mutual Adjustment" subsumes that the United States and Japan should share responsibility. However, the United States and Japan may only be able to share responsibility in the realm of geopolitics or military affairs. Economically, the two nations are rivals. Hence, the success of the policy of "Partisan Mutual Adjustment" would depend on the normalization of US-Japan economic relations.

Thirdly, the last three articles in this work focus on the nature of economic integration and security trends in Asia Pacific as the region gazes into the twenty first century. Peter C. Y. Chew believes that the integration of the economies of the region will precede the integration of the whole region with the Western economies. However, the process of integration will take time, as the integration will be gradual. Consequently, the economies of Asia Pacific and those of the organization of North American Free Trade Agreement (NAFTA) will form an economic bloc vis-a-vis the European Union. For reasons such as this, James C. Hsiung says, the Asia-Pacific region constitute the core of the American foreign policy agenda and the United States would ensure as it did during the Cold War era to assume leadership in the regional affairs. However, James poses a challenge to the intellectual community and reminds the scholarship in the field of international relations of the theoretical "cavity" or "emptiness" brought about by the end of the Cold War. He urges the scholars to engage in researches, so that they could provide policy recommendations about how the Asia Pacific would look like in the near future. He merely poses the challenge to the intellectual community and by no means attempts to construct a premise for theory building. Therefore, he correctly urges the scholars to provide solutions and policy recommendation to the policy-makers if we are to bring the region out of the security dilemma that it faces.

James work is a welcome contribution to the field of international relations. In addition to painstaking arrangement of works of distinguished scholars, his personal contribution is more than others. However, it is interesting to note that the works presented in this volume are neither attempt to fill the theoretical vacuum in the discipline of international relations created by the end of the Cold War nor are endeavors to describe a specific situation. They provide postulates for the possible scenarios and define foreign policy directions of the major powers in the Asia Pacific region. The studies discuss a new distribution of power ratio in the region. They conclude that new commitments and reactions are expected from powers, big or small, in the region. However, the postulates as such developed are empirical and based on the factual analysis of patterns of behaviors and foreign policy trends of the major nations as well as the small powers in the region. However, the prognostications about possible scenarios in the region are intellectual speculations based on the existing patterns of behaviors. Therefore, they may not represent the official position of any nation discussed. In addition,

James work is original and impressive. It discusses issues that have no historical precedence. The works in this volume tried to discuss almost every major issue that effects the inter-states relations in the Asia Pacific in limited number of pages. Consequently, the analysis is shallow. At time proper statistics could not be provided to support the conclusions drawn.

Finally, the studies correctly maintain that Asia Pacific is a political concept and not geographical entity. Non-Asian nations with potential interests in the region could be considered as part of the Asian Pacific. By defining Asia Pacific as a political entity, the writers in this volume try to court the idea that the United States, though geographically non-Asian state, is politically an Asian power. The powers in the region, small or big, must not underestimate the American engagement and leadership in the region. This also explains the reasons why all studies collectively examine the foreign policy directions of all nations in the region vis-5-vis the American interests and foreign policy options. However, while examining the foreign policies of other nations in relations to the US interests, the studies fail to take into consideration the sensitivities of other major powers in the region, particularly China and Japan, as the American leadership may not be a welcome idea in Beijing or Tokyo. Despite its shortcomings, this work is an excellent edition of works that provide raw materials to theory building in the realm of international relations and foreign policy and, therefore, is strongly recommended for reading.

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# FROM SUSPICION TO TRUST: REPHRASING CONTEMPORARY GREEK FOREIGN POLICY

*M. Ismail Marcinkowski*

*Mitsos, Achilleas, and Mossiatos, Elias (eds.). Contemporary Greece and Europe (Aldershot and Burlington: Ashgate Publishing Ltd., 2000), 482 pp., ISBN 1-84014-728-8.*

*Contemporary Greece and Europe*, a volume containing contributions to a conference which had been organized by the editors back in 1998, deals with a wide spectrum of issues pertaining to Greece's membership in the European Union (EU). It is interesting to note that apparently all authors are Greeks themselves, either by citizenship or ethnic background. Among them are members of the Greek Parliament (from various political parties), cabinet ministers, and established scholars (the last mentioned either based in Greece, the United Kingdom or the United States, respectively).

The volume contains twenty-three papers, is structured into five 'parts', and includes brief information on the contributors. Unfortunately, an index is missing (apparently a general characteristic of the publisher). The papers contained in 'Part I' (papers 1-4) present rather general features pertaining to Greece's membership in the EU, whereas 'Part II' (papers 5-8) focusses on Greece's stand vis-a vis the European Monetary Union (EMU) and the country's economic policy. 'Part III' (papers 9-14) deals with structural changes pertaining to the Greek state and policies of adjustment and integration into the EU. 'Part IV' (papers 15-16) considers social issues and welfare policy. With only two papers, it is the smallest section of the book. Finally, 'Part V' (papers 17-23) deals with Greece's foreign policy, including the issue of the uneasy Greek-Turkish relationship. Besides constituting the largest section of the book, this part is also the most relevant in the context of the present journal. The following remarks shall therefore focus on this fifth part and one article from the third. Moreover, this



concentration by the present writer on Greek foreign policy is not only relative to the scope of this journal, but also by the fact that he has recently also reviewed a volume on contemporary Turkish foreign policy.\*

Yannis Kranidiotis, Greece's late Alternate Foreign Minister and Minister for European Affairs, who lost his life in a tragic airplane accident in 1999, saw the contemporary foreign policy of his country based on three major premises: (1) the 'inner circle', i.e. Greece and the EU, (2) the 'regional sub-system' of Southeast Europe, i.e. Greece and the Balkans, and (3) the 'international system', such as Greece's membership in the United Nations (significantly omitting his country's NATO-membership). Kranidiotis, whose brief introductory essay in *Contemporary Greece and Europe* has been left fragmentary, due to his death, derived therefrom two main objectives for Greek foreign policy: (1) safeguarding her interests in the EU, and (2) the promotion of a climate of 'peace and stability' in the Balkans and 'in the wider area of the eastern Mediterranean'.

To the mind of the present writer, the latter is apparently referring to Greece's relations with Ankara and the therewith connected Cyprus-issue. Further challenges constitute her relations with break-away republics of Yugoslavia (in particular the issue of the 'Former Yugoslav Republic of Macedonia', 'FYROM') and with Albania and Bulgaria. It is very surprising that the fifth part, covering Greece's foreign policy, has not much to offer of her relations with the last mentioned two countries. In particular the role of Bulgaria, which held during the 20th century (not to speak about previous periods) significant territories in what is now 'FYROM' and Greece, and in the now Greek parts of Thrace as well, has not been addressed at all.

*Contemporary Greece and Europe* addresses the often strained Turkish-Greek relationship merely under the question of Turkey's 'suitability' as a EU-memberstate and her attitude towards the Cyprus-issue. The question of a considerable ethnic Turkish minority in northern Greece (Thrace and Greek-Macedonia), which amounts in some areas up to 50% of the local population, as well as their marginalization within Greek society, has not been addressed sufficiently. Moreover, the Turkish-Greek rivalry in contemporary Balkan politics, exemplified in what amounted to Turkish 'guarantees' for Albania's territorial integrity, has not been addressed. The 'question' of 'FYROM', however, is discussed from a purely Greek

\* M. Ismail Marcinkowski, "Leaving the Gazi's Path: Turkey's Evaporating Eastern Dreams" [review of Idris Bal, *Turkey's Relations with the West and the Turkic Republics: The Rise and Fall of the Turkish Model* (Mdershot and Burlington: Ashgate Publishing Ltd., 2000)], in: *Journal of Diplomacy and Foreign Relations*, vol. 3, no. 1 (Sep. 2001), pp. 104-107.

perspective, although with a conciliatory note (with the exception of the rather polemical article by Thanos Veremis (Part V, "Kosovo: A Greek Appraisal"))).

Turkey's strategic significance, in particular within the framework of NATO, has been described as 'declining' by most of the relevant contributors, as one of the major results of the dissolution of the Warsaw Pact. To the mind of the present writer, however, Ankara's 'constructive' role during the recent Afghanistan war, which toppled the Taleban regime (and prior to that during the Kuwait crisis of 1990/91) should lead careful observers to rather different conclusions.

In the view of the present writer, Turkey's future membership in the EU is not so much hampered by her poor human rights record, her history of *coup d'États* (what about Greece herself in this regard?), her attitude in the Cyprus-question, or by the fact that she is a part of a 'different civilization', i.e. the Muslim world. It is rather the (from the EU's perspective) 'unsolved Kurdish question' and its unpredictable import on Turkey's relations with Iraq, Iran and Syria which worries European politicians. In this regard, it is rather surprising that none of the contributors has referred to Greece's role and activities during Turkey's struggle with the Kurdish separatists.

In conclusion, however, *Contemporary Greece and Europe* can be considered a major step forward towards 'understanding the Greek perspective' and is to be highly recommended as a valuable source for policy-makers. This is mainly due to its broad and encompassing range of addressed topics, among them foreign relations, economics, religion and social welfare. Also laudable is the conciliatory and rather issue-oriented approach towards Greece's future relations with Turkey by most of the relevant contributors. In this regard, Eferpe Fokas excellent article (Part III), which examines critically the role played by certain sectors of the Greek Orthodox Church in influencing Greece's contemporary foreign policy, deserves particular praise. Advocating a more rational (secularist) approach, he sees national and religious populism endangering Greece's further integration in the EU. Fokas has shown that the supposed 'religious antagonism' between Turkey (a declared secular state) and her application for membership in the EU should not be an issue at all, since his article demonstrates that misconceptions have existed in the past (and to a certain extent still exist) also between Greek Orthodox and 'Western' Christianity. Thus, it can only be hoped that responsible politicians, rather than populists, in Athens (and Ankara, for that matter) will be able to enter into a policy of rapprochement, which will eventually lead to a full membership of Turkey (and Cyprus) in the EU. The *Aussöhnungspolitik* 'policy of reconciliation' pursued by France and the Federal Republic of Germany in the aftermath of the Second World War could serve as an example to be followed closely by Greece and Turkey.

In the light of previous efforts earlier in the 20th century by Ataturk, the founder of modern Turkey, and Greece's Venizelos, the two countries would not have to start from zero.

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