

## BoOkreView

# Amy Chua's World on Fire

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## Reflections on Market Dominant Ethnic Minorities

The book "World on Fire," by Yale Law Professor, Amy Chua is about a "pervasive but rarely acknowledged phenomenon that turns free market democracy into an engine of ethnic conflagration." She terms this phenomenon "market dominant ethnic minorities," or groups such as the Chinese in Southeast Asia; the whites in South Africa and Latin America; the Lebanese in West Africa; the Croats in the former Yugoslavia and the Jews in Post-Communist Russia. Market dominant ethnic minorities control a disproportionate percentage of their country's resources and tend to dominate the indigenous majorities around them.

In the book, Chua explains how group hatred and ethnic violence throughout the non-western world is caused and aggravated by the exporting of free market democracy. She argues that in "the numerous countries around the world that have pervasive poverty and a market-dominant minority, democracy and markets—at least in the form in which they are currently being promoted—can proceed only in deep tension with each other. In such conditions, the combined pursuit of free markets and democratization has repeatedly catalyzed ethnic conflict in highly predictable ways." Chua argues that the



Author Amy Chua

economic liberalization and democratization process imposed on countries with market dominant minorities results in "unstable and highly combustible conditions". As markets concentrate enormous wealth into the hands of ethnic minorities, democracy fosters the emergence of "demagogues who scapegoat the resented minority and foment active ethnonationalist movements demanding that the country's wealth and identity be reclaimed by the 'true owners of the nation.'"

Chua explains that unfettered globalization has consistently intensified the extraordinary market dominance of certain outsider minorities, fueling ethnic envy and hatred among the impoverished majorities. The author argues that this often results in a backlash and that this



backlash typically takes one of three forms—a backlash against markets, targeting the market dominant minority's wealth, a backlash against democracy by forces favorable to the market dominant minority, or violence, sometimes genocidal, directed against the market dominant minority itself.

To illustrate her point, Chua provides her readers with concrete cases. In Indonesia, for instance, the Chinese made up only three percent of the entire population yet controlled seventy percent of the Indonesia's private economy. The free market policies adopted by General Suharto in the 1990's have worked greatly to the advantage of this Chinese minority, who in turn supported the dictator. The democracy protests and riots that resulted forced Suharto to resign. His fall was accompanied by anti-Chinese violence, as Indonesians looted and attacked the Chinese minority. The same dynamics are said to have fueled the already volatile relationship between the Hutus and Tutsis in Rwanda, the violence in Bosnia and the rampant killings and kidnappings of the Chinese in the Philippines. (Gosh, ang regime ni Suharto is far from democratic even of the narrow free market democracy type. How could Chua use this example? I don't think she is saying that. )

### **America as the global market dominant minority**

At the global level, the American-led spread of markets and its brand of free-market democracy, aided by the World Bank, the International Monetary Fund, and the World Trade Organization has

been seen as reinforcing American wealth and dominance. According to Chua, America today has become the world's market dominant minority. While Americans make up only 4 percent of the world's population, it is the largest and most technically powerful country making it the leading industrial power yielding an annual GDP of \$ 9 Trillion. This superiority is seen in the emergence of "glocal" brands (e.g Nike, Gap, Coca-Cola, Starbucks and McDonald's) supported by the dominance of American mass media and manifested in the strength of the US dollar. Moreover, as the US dominates, drives, perpetuates and disproportionately prospers from the spread of globalization, US control over the global economy often results in a global backlash or Anti-American sentiments spawned by different sectors or groups.

Chua further explains that reactions to American political, economic and cultural dominance are varied. In Europe for example, such sentiments have not necessarily resulted in concrete anti-American policies. Europeans have responded by beefing up policies towards a more united Europe, often directed to "offset America's global power," rather than reflecting "totalizing mass hatred confiscatory backlashes."

On the other hand, in the developing world, resentment towards US dominance is stronger and much more intense. Chua quotes London's Financial Times in arguing that Anti-Americanism today is a response to America's dominance and power. "In the eyes of the vast majority of the developing world, America is the antithesis of what they are...rich, healthy, confident...almighty, able to control the

*world...They, on the other hand, are hungry, poor, exploited and powerless, often even over the destiny of their own families."* Chua believes that much like the existence of market-dominant ethnic minorities in Asia, Latin America, Africa and Europe, such conditions make America "*an obvious scapegoat practically calling out to be hated.*" This results in global backlashes such as confiscation or expropriation of American assets in the name of the rightful owners of the nation or worse, ethnic violence, in "*revenge on the part of the desperate and humiliated people*" such as the "terror" attacks in New York and Washington on September 11, 2001.

However, notwithstanding the complexity and gravity of the issues that Chua presented in the book, she offers a tiny measure of hope. The author believes that the answer ultimately lies in the market dominant minority themselves. She argues for the possibility and the importance of leveling the playing field between the market dominant minorities and the indigenous majority by presenting ways of giving the poor majorities a greater stake in the global markets. She also gives recommendations on how to promote liberal democracies as well as approaches that the dominant minorities themselves might take to forestall majority based ethno-nationalist backlashes.

### **Concluding Thoughts**

Chua is convincing in her arguments. Her assessment of how Western imposed economic liberalization and free market democratization process presents a careful examination of globalization's consequences. She also makes it clear

that markets and democracy per se are not the problem but the speed at which they are being implemented. Rushing both processes, the way it is currently being prescribed, especially without the necessary precautions and safety nets, can be dangerous. We see today how rapid reforms toward free market democratization and trade liberalization has, for the most part worsened conditions in developing countries. Economic disparities between the rich and poor, or as Chua posited, between market dominant ethnic minorities and indigenous but politically-dominant majorities, have resulted in even more glaring inequalities.

However, while the author is clear about her main arguments, she vaguely attempts to explain how and why ethnic minorities have come to be, as her main thesis takes off from the assumption that market dominant minorities already exist. Although she explains that this phenomenon is inextricably linked with colonialism, it is clear from her arguments that the author is less interested in how minority groups come to dominate than what happens when they do. Obviously, she does not interrogate how and why America has reached its status as a global market dominant minority. In doing so, the author ends up providing an uncritical perspective and falls squarely into the dominant managerialist and technocratic fix mode in addressing globalization's myriad problems and tensions.

Moreover, as the author stresses the disastrous effects of a combined pursuit of free markets and democratization, I feel that some of her assumptions are

overreaching. For instance, while it is true that the Chinese in the Philippines comprise only a fraction of the population yet control a majority of the country's economy, there is not enough proof or sound basis (not even Chua's account of the brutal murder of her Chinese-Filipino aunt) to support that there exists a generalized strong or intense hatred towards the Chinese minority. The killings and kidnappings targeted towards Chinese-Filipinos are not so much a result of ethnic hatred as much as the socio-economic conditions in the country. Economic difficulties experienced by many Filipinos often become motive for them to commit such acts, usually but not always against the Chinese minority.

The same is true at the global level. The rapid opening of markets has done wonders for some, yet for the most part has resulted in discontents as the benefits of globalization have been disproportional, unequally distributed, increasing the gap between the developed and underdeveloped countries, as well as peoples. America's continued governance over the global economy as well as its aggressive politics and cultural dominance is an attack against the identity and security of the majority of the world's population who have remained poor if not become poorer, after following what was supposedly the universal prescription to combat poverty and underdevelopment. The danger not only becomes evident in the rising poverty rates in developing

countries but also in the intense resentment of America's global dominance which, according to the author, is an explanation to the increasing incidence of violence in the world today.

Arguably, "World on Fire" is valuable for the new perspective it offers on the seemingly incomprehensible violence shaking the world. It is a recommended read as it provides a fresh approach in addressing the pervasive violence the world has witnessed (or is yet to witness) in the recent years since wealth and poverty are often viewed in terms of class conflict and are rarely acknowledged as factors from which intense ethnic hatred might stem. What makes the book even more appealing is how Chua draws her arguments from her own family's experience as a market dominant minority in the Philippines, as well as in the US as she carefully makes an assessment of the impact of the rapid globaliization processes in the developing world. Chua is neither anti globalization nor a proponent of the one-size-fits-all solution to poverty currently being prescribed for developing countries but she is quite optimistic that globalization can be reshaped. Hers is a moving plea for a new a new global economy in which all people have a voice in policies affecting their lives, in growth that is shared equitably, and in wealth creation that does not exacerbate the political violence that has plagued us in the recent past. ■