

January 31, 2004

## On the Dark Side of Democracy

By EMILY EAKIN

**N**EW HAVEN — To most Americans, the notion that free markets and democracy are essential to curing the world's ills is an article of faith. If only Iraq and Afghanistan, Cuba and North Korea, Syria and Rwanda would adopt both, their people, not to mention the world, would be safer and richer.

Yet to Amy Chua, a professor at Yale Law School, such accepted wisdom is mostly evidence of a persistent and disturbing national naïveté. All too often, she says, bringing free markets and elections to developing nations leads not to stability or prosperity but to hate-mongering, discrimination and even genocidal violence.

The idea that political and economic liberty could trigger such atrocities is heretical to many Western liberals. That, Ms. Chua says, is because people here are blind to ethnicity.

"I think it's kind of a taboo topic in the West," said Ms. Chua, 41, during an interview at her office on the Yale campus. America, she said, doesn't like to talk about ethnic conflict: despite a long history of racial problems, assimilation is part of the national creed. But in much of the developing world, she argues, nations are starkly divided along ethnic lines. Disproportionately wealthy ethnic minorities — Ms. Chua calls them market-dominant minorities — exist alongside poor and resentful majorities. And in such cases, she insists, adding democracy and free markets can be disastrous.

As she states the case in her recent book, "World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability" (Doubleday, 2003): "Markets concentrate wealth, often spectacular wealth, in the hands of the market-dominant minority, while democracy increases the political power of the impoverished majority. In these circumstances the pursuit of free market democracy becomes an engine of potentially catastrophic ethnonationalism." And this, she adds, is precisely what is happening today in Indonesia, Sierra Leone, Zimbabwe, Venezuela, Russia and the Middle East."

With its volatile mix of Sunnis (the elite Muslim minority favored by Saddam Hussein), Shiites (the generally poorer Muslim majority) and Kurds, Iraq could soon join the list, Ms. Chua said. "It's a big mess," she said. "You have a 60 percent Shiite majority that has long been oppressed and has just every reason to take back the country and re-establish its identity."

A Chinese-American whose family is from the Philippines, Ms. Chua says she has seen firsthand the destructive effects of free markets and democracy. Both arrived in the Philippines after its independence from the United States in 1946, benefiting the tiny, entrepreneurial Chinese community at the expense of the Filipino majority. Though they make up barely 1 percent of the population, she writes, "Chinese Filipinos control as much as 60 percent of the private economy, including the country's four major airlines and almost all of the country's banks, hotels, shopping malls and major conglomerates."

Today ethnic tensions on the island are high. In November 2003, The New York Times reported that there had been 156 kidnappings so far that year — apparently a 10-year high. Most of the victims, some of whom were eventually murdered, were ethnic Chinese. In 1994, Ms. Chua's aunt was stabbed to death in her home by her Filipino chauffeur. He was never arrested. And though he stole money and jewelry from his employer, Ms. Chua writes, the motive listed in the police record was not robbery but "revenge."

Longtime critics of America's markets-and-elections approach to the developing world are finding lately that the chorus of dissenting voices joining them has swelled. The optimism many analysts felt after the fall of the Berlin Wall has waned, dissipated by more than a decade of bloodshed and strife in Somalia, Rwanda, the Balkans and the Persian Gulf. And the theoretical model that experts relied on to predict orderly transitions from dictatorship to democracy is in shambles.

That may be one reason Ms. Chua's book, which was published a year ago and released in paperback earlier this month, has received respectful reviews from magazines on both sides of the political spectrum, including The Nation, Mother Jones, The Weekly Standard and Business Week. Some analysts dispute her thesis, saying she exaggerates the prevalence of ethnic conflict, making, for example, too much of the fact that many of Russia's wealthiest moguls are Jewish. Still, her book has appeared briefly on The New York Times best-seller list and even garnered Ms. Chua an invitation to address a group at the Central Intelligence Agency.

Today skeptics of America's democratization policies include scholars and commentators, liberals and conservatives, even if few of them agree with one another. Among the most influential are the Harvard political scientist Samuel Huntington, one of the first to question the wisdom of rapid democratization; the Nobel Prize-winning economist Joseph E. Stiglitz; the journalist Robert D. Kaplan; and, most recently, Fareed Zakaria, the editor of Newsweek International whose latest book, "The Future of Freedom" (Norton, 2003), argues that one way to curb the negative effects of too much democracy too fast is to allow countries to first pass through a period of gradually liberalizing autocracy.

In a much-discussed article published in the *Journal of Democracy* in 2002, Thomas Carothers, a democracy specialist at the Carnegie Endowment for International Peace in Washington, declared that the "transition paradigm" favored by pro-democracy advocates for the last 20 years had outlived its usefulness.

"Of the nearly 100 countries considered as 'transitional' in recent years, only a relatively small number — probably fewer than 20" have made some democratic progress, Mr. Carothers wrote. He listed some of the creative terms that analysts have invented to describe countries in what he called the gray zone: "semi-democracy, formal democracy, electoral democracy, facade democracy, pseudo-democracy, weak democracy, partial democracy, illiberal democracy and virtual democracy." By using such labels, he wrote, "analysts are in effect trying to apply the transition paradigm to the very countries whose evolution is calling that paradigm into question."

In a telephone interview, Mr. Carothers acknowledged that the field of democracy studies was in flux. "We are coming to the end of one way of thinking about democratization," he said. "The questions that people are really agonizing about are: in countries where market reforms are not functioning very well, what's the solution to this? Was our market message wrong? Or was it just implemented wrong? It's still a matter of debate how much inequality has been produced."

Even so, he added, many of the problems that foreign nations face are the legacy of European colonialism, not United States policy. "It's not true that ethnic conflict was created by the wave of democratization," he said. "Why should democracy get the blame for failed empire?"

In his view, Ms. Chua's book "is based on a straw man of U.S. policy, which says that America is constantly trying to force democracy down the throats of other countries." In truth, he said: "Many of the countries want to try democracy. We're rarely in the driver's seat."

Nevertheless, critics complain, America's approach is both precipitous and simplistic, encouraging political liberalization in nations that may not have the social and economic conditions necessary to sustain it. "We're not prepared to understand, assess and respond to the complexities of other societies," said the economist Jeffrey D. Sachs, who has served as an adviser to governments in Russia, Poland and Bolivia.

Mr. Stiglitz agreed, saying that democracy experts tend to ignore social variables like ethnicity and gender. In Malaysia, for example, he said, the local government created a successful affirmative action program to benefit the indigenous Malay majority — and ward off ethnic conflict with the prosperous Chinese minority — over the objections of Western advisers. And in Rwanda, he said, the transition from customary to formal law put land formerly controlled by women under male ownership, an outcome Western experts failed to anticipate.

Most critics are quick to stress that they are not against democracy, free markets or globalization per se; they merely object to the way these ideals have typically been pursued. "I'm an optimist," Ms. Chua said, summing up her position. "In the last 20 years, we have done things in many ways so badly, so foolishly, often with the best of intentions — like dropping a stock exchange in Mozambique or xeroxing copies of the U.S. Constitution. I think we can do better."

In her book, she argues that one way to reduce inequality and ethnic tension in democratizing nations is for market-dominant minorities to share some of their wealth by making "significant, visible contributions to the local economies in which they are thriving," by which she means building universities, hospitals or recreational facilities, supporting local schools and employing members of the indigenous majority in their companies.

It is an idea, Ms. Chua admits, that her wealthy relatives in the Philippines may not find appealing. But then, she says, she decided not to send them her book. "I do not know what my extended family thinks," she said. "And I'm terrified to find out."