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'World on Fire': Does globalization inflame ethnic hatred?

Robert Wyrod, Contributor, Jakarta

Five years have passed since waves of anti-Chinese riots swept through Jakarta, and Indonesia is still grappling with the meaning of these events.

Were the riots a momentary orgy of violence in an emerging power vacuum, or were they symptomatic of much deeper tensions that continue to fester within Indonesian society?

In *World on Fire*, Amy Chua claims to have the answers to these questions. She examines how economic and political change created a particularly volatile situation in Indonesia, one that has not diminished significantly in the last five years.

But for Chua, the dynamics animating the riots of 1998 are hardly unique to Indonesia. They are tied up with globalization and are at the root of many other recent ethnic conflicts, from anti-Semitism in Russia, to the war in the former Yugoslavia, to one of the 20th century's great horrors, the Rwandan genocide.

Chua argues that globalization is at the heart of these contemporary ethnic conflicts. She claims that the simultaneous implementation of free market economic policies and mass democratic elections in the developing world has produced an explosive situation where class differences and ethnic conflict converge.

The crux of the issue is how globalization affects economically successful ethnic groups in developing countries. Like many others before her, Chua notes that many developing countries have minority ethnic groups that control large parts of national economies. Her examples include the Chinese in Southeast Asia, Jews in Russia, Lebanese in West Africa, South Asians in East

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Africa and whites throughout Latin America.

Chua observes that "market dominant minorities" have their economic power greatly increased by neo-liberal economic policies. However, these same economic policies often produce severe economic hardship for the majority of people. The result is greater resentment of these economically empowered groups, and heightened ethnic tensions.

What makes *World on Fire* unique, however, is that Chua examines more than just the financial fallout of free market policies. For Chua, the economic impact of globalization is so troubling in these countries because it often comes bundled with expanded democracy. Free and fair mass elections are as much a part of current Western development dogma as neo-liberal economic policies.

The result is greater political empowerment for the masses, and the emergence of politicians who aim to capitalize on these newly enfranchised voters.

Rallying the masses in these situations often involves demonizing the economic elite, and when the economic elite include minority groups, political campaigning can easily become race baiting.

Chua's argument is a powerful and provocative one that challenges the rosy optimism voiced by proponents of neo-liberal globalization. It is a welcome rebuke to Thomas Friedman and his ilk, who champion free market economics with a preacher's fanaticism.

Indonesia figures prominently in *World on Fire* and for good reason, because it is one of the best examples of Chua's theory at work. With over 1,200 people dead and nearly 100 women reportedly raped in two days, the riots in Jakarta in 1998 were a horrific example of ethnic violence. Chua argues that the depth of the anti-Chinese sentiment is related to the rising prosperity of this market dominant minority.

As the Indonesian economy flourished during the early 1990s, driven in part by globalization, some Indonesians of Chinese decent prospered greatly. For a few, like Mohamad "Bob" Hasan and Sudono Salim, this was due to their long-standing, cozy relationship with Soeharto. The majority, however, were simply riding a wave of economic growth in Southeast Asia.

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But while the economic aspects of globalization were working in the favor of this market dominant minority, other factors were working against them. Growing dissatisfaction with the Soeharto dictatorship, and international pressure to expand democracy in the country, fueled mass resentment. Price hikes and subsidy cuts mandated by the International Monetary Fund (IMF) were a final blow, leading to the demonstrations that forced Soeharto's resignation.

However, it was not only Soeharto who was the focus of popular ire. Indonesians of Chinese descent were also seen by some as beneficiaries of a corrupt and unfair system. The result: Chinese-Indonesians became the scapegoats for the country's economic corruption, and blood flowed in the street of Jakarta for days.

What is new in *World on Fire* is an understanding of how neo-liberal, free market ideology and democracy can work together in disastrous ways. But a central problem with Chua's analysis is that she glosses over thorny questions of ethnicity.

While Chua states Chinese-Indonesians represent only 3 percent of the population, and rarely marry outside of their own ethnic group, the sources she cites to back up such claims are limited and unconvincing.

For Chua, it is convenient to treat Chinese-Indonesians as a distinct and separate ethnic group, even if she cannot marshal the evidence to prove it.

She fails to acknowledge ways in which ethnic Chinese were forced to assimilate into Indonesian society, having to take non-Chinese names, stop using Chinese languages and curtail Chinese cultural practices. Also, she does not address the issue of successive Chinese migrations over a period of centuries from several different regions of China.

All this begs the question of what exactly does it mean to be ethnic Chinese in Indonesia today, a question which Chua assiduously avoids.

Chua would brush aside such criticism, saying what matters is that there is a perception that Indonesians of Chinese descent are an insular, disproportionately wealthy group, and that in certain circumstances these perceptions lead to violence.

Yet if "Chinese-Indonesian" is understood as a rather nebulous category, there certainly must be much more than simple economics behind anti-Chinese sentiment. Indonesian history is filled with examples of how the ethnic Chinese have been manipulated by those in power to provide a buffer between the elite and the masses, whether it was the Dutch colonial elite, Japanese colonialists or the Soeharto dictatorship.

The recent report on the May riots from the National Commission on Human Rights is another case in point. The report states that provocateurs helped instigate the riots while the police and military conveniently looked the other way. Such reports have led many to conclude that pro-Soeharto forces were stirring up anti-Chinese sentiment in order to derail the movement to overthrow the dictator.

Clearly, politics are as much a part of the story of the May riots as economics, making the question of ethnic identity more complex than Chua would care to admit.

While the Indonesian case itself is complicated, Indonesia is just one of many examples Chua presents to buttress her argument. Jumping from Southeast Asia, to Latin America, to Russia and Africa, Chua argues that market dominant minorities are the key to understanding conflicts in over a dozen countries. At first such comparisons are intriguing, but the superficiality of her analysis starts to make such globe-trotting tiresome.

There is also very little firsthand research, or reporting, in any section, which makes Chua's authoritative tone tedious. And in each of these cases, the same troublesome questions about ethnicity recur.

By stretching her argument, Chua diminishes what is a very persuasive and important examination of how globalization can be tied to ethnic conflict. The book might have been stronger, and her analysis deeper, if she would have stayed focused on countries where her case is most convincing.

These are countries, like Indonesia, where an ethnic minority has increasing economic power, but little formal political power, and democracy in the form of mass elections is on the rise. Her chapter on Russia, for example, reveals intriguing, but unfortunately unexplored,

similarities between the position of Jews in that country to the ethnic Chinese in Indonesia.

World on Fire closes with Chua's suggestions for dealing with the problems wrought by globalization. She is rightfully suspicious of proposals that would prioritize free markets over democratization. Instead she sees the need for proactive government policies that could ameliorate glaring economic inequalities.

On a more symbolic level, she also thinks market-dominant minorities themselves need to be proactive in contributing to the local economy through philanthropic activities. Yet the extent of the anti-Chinese violence of 1998, and the current lack of political will to bring any perpetrators to justice, make such suggestions seem naive at best.

World on Fire has much to say about the current state of affairs in Indonesia, and gives one much to think about as Indonesia heads into what will be a decisive year in the country's history.

While Indonesia has decided to move away from the IMF's tutelage, its macroeconomic decisions will still be greatly influenced by free market policies. This while it will be holding its first direct presidential elections. While ethnicity could easily become a political issue, one hopes Indonesians have learned enough from 1998 to reject such political demagoguery and manipulation.

World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability; By Amy Chua, 2003, Doubleday; 340 pp

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